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POLITICAL SCIENCE

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy
UNIT-I : PRINCIPLES, OBJECTIVES, DETERMINANTS AND AGENCIES

1.1 GENESIS AND FOUNDATIONS OF INDIA'S FOREIGN POLICY : IDEOLOGY, PRINCIPLES, GOALS AND OBJECTIVES

– V Nagendra Rao

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1.1.0 OBJECTIVES

This introductory lesson provides basic understanding about evolution of India's foreign policy in the post-independence period. After going through this topic, you should be able to:

- know the ideological influences of nationalist movement on foreign policy of India;
- understand the goals and objectives of the India's foreign policy;

- comprehend the principles on which India's foreign policy is based upon, during Cold War and post-Cold War period.

1.1.1 INTRODUCTION

A country's foreign policy consists of self-interest strategies chosen by the state to safeguard its national interests and to achieve goals within its international relations milieu. The approaches are strategically employed to interact with other countries. The study of such strategies is called foreign policy analysis. In recent times, due to the deepening level of globalization and transnational activities, the states will also have to interact with non-state actors. The aforementioned interaction is evaluated and monitored in attempts to maximize benefits of multilateral international cooperation. Since the national interests are paramount, foreign policies are designed by the government through high-level decision making processes. National interests' accomplishment can occur as a result of peaceful cooperation with other nations, or through exploitation.

Usually, formulation of the foreign policy is the job of the head of government and the foreign minister or equivalent. In some countries the legislature also has considerable effects. Foreign policies of countries have varying rates of change and scopes of intent, which can be affected by factors that change the perceived national interests or even affect the stability of the country itself. The foreign policy of one country can have a profound and lasting impact on many other countries and on the course of international relations as a whole.

India's foreign policy has been subject to various pulls and pushes since its inception. In this chapter, we will study the orientation of India's foreign policy, which was a product of the long drawn freedom struggle and Indian leadership's interaction with the outside world during that period. This chapter analyses the goals of the foreign policy and principles adopted to achieve those goals.

1.1.2 GENESIS OF INDIA'S FOREIGN POLICY

Indian leadership formulated certain basic principles on which the framework of India's foreign policy was constructed. These could be termed as means of India's

foreign policy to achieve the ends. India's first Prime Minister, Jawaharlal Nehru, was the chief architect of this framework, which was an aggregation of India's principles and concrete realities in international arena.

In real terms, Indian foreign policy came into being with the advent of independence in 1947. Until then the nation, as a satellite of the British Empire, had no diplomatic identity and eschewed the postulates of foreign policy dictated by the erstwhile rulers. India's role in the First World War and the subsequent course of its rudimentary diplomatic overtures were constrained by prevailing British influences. The preponderance of political leaders and philosophers such as Mahatma Gandhi, Nehru and Sarvapalli Radhakrishnan in the ruling elite of India in the immediate post-independence era brought an element of altruism and idealism into its polity. The early years of freedom were the formative period for all policies on international understanding and diplomacy. Nehru himself taken responsibility as a foreign minister and throughout his life remained the chief architect of India's foreign policy. He tried to identify the country's foreign policy with anti-colonialism and anti-racism. He also promoted India's role as a peacemaker, which was an extension of Gandhian policies and deeply rooted in the indigenous religious traditions of Buddhism, Hinduism and Jainism. Like foreign policies of other countries, India's was based first on its government's perceptions of national interests and security considerations. India's foreign policy defined by Nehru as non-aligned was based on the Five Principles of Panch-Sheel— mutual respect for other nations' territorial integrity and sovereignty, non aggression, non-interference in internal affairs, equality and mutual benefit and peaceful coexistence.

In the 1950s, India attempted to play an important role in international politics even though it did not possess all the necessary attributes. It endeavoured to overcome its power weaknesses by politically mobilising African and Asian nations and by assuming for a time, the leadership of non-aligned nations. Washington considered this policy not only an obstacle in the way of its containment of the Soviet Union but also an attempt to create an additional global force. It thus launched a policy of military containment and neutralisation of India through the

military build-up of Pakistan in 1954. These years of diplomatic vacillations and ambiguity were characterised by a general unwillingness in India to address foreign policy issues in perspective and with pragmatic foresight.

The next decade began as the era of Panch-Sheel and non-alignment and India hoped that the border issues over the validity of the McMahon line, incursions into Aksai Chin and military action in Tibet by the Chinese would be resolved by discussions, as it did not have the appropriate military preparedness to counter China's coercive diplomacy. The 1962 military defeat revealed that the country's role pretensions were inconsistent with its capabilities, which resulted in somewhat undermining India's global influence. Nehru's attempts to play a global leadership role failed, because of the widespread recognition after 1962 that India was not master in its own house. Indian diplomacy and statesmanship could not prevent a war with China, nor could its ill-equipped and ill-prepared military machine sustain it. The Chinese invasion humiliated India, shook its position in the international sphere and gave it its first object lesson that utopian foreign policies are often ignored in the face of pragmatic geopolitical compulsions so that a military backup to diplomacy is a pre-requisite.

With the Cold War at its peak, India was pushed on to the centre stage of action in the early 1970s. In this period, the country gave concrete proof of its capability to become a regional superpower in the twenty-first century. During the East Pakistan (now Bangladesh) Crisis, India was staggered by the American warning that it should expect no assistance in the event of Chinese intervention. To counter the US–China alliance against India, in a masterly balance of power move, Indira Gandhi entered into a Treaty of Friendship with the USSR. When war erupted and with the US and China diplomatically and militarily neutralised by the USSR, India was able to inflict a severe military defeat on America's proxy — Pakistan in 1971. Thus, India created a new strategic environment and emerged as the preeminent power in South Asia. Its nuclear test in 1974 was an indicator that it would endeavour to maintain its pre-eminence in the subcontinent as well as its independent status.

During the 1980s, India came into its own in terms of foreign policy. The success of the 1971 War, a stronger military and a more mature nation were part of the reason. In addition, increasing domestic troubles led to the need for greater engagement with the world, as the emergence of the media increased “international pressure”. The country began to play a greater role in Asian fora, engaged several countries bilaterally and increased its UN peacekeeping engagements. However, internal troubles and political turmoil stopped it from achieving a truly global status in economic terms. Furthermore, the decade started on an ominous note for India’s strategic concerns.

However, the post-Cold War context completely changed the international dynamics and India needs to reorient its foreign policy as per the changed context. And it did it very well. The political and diplomatic class moved quite well to stabilize India’s foreign policy in the changed context. The changes were so extreme that Israel, the country whose recognition India opposed, emerged as one of the leading exporter of India’s defence equipment. The responses at economic, political and strategic levels have enabled India to emerge as a potential great power though it still faces enormous developmental challenges.

1.1.3 IDEOLOGY OF INDIA’S FOREIGN POLICY

The ideology and political traditions of a country influences its foreign policy substantially. More so for a country like India whose political traditions evolved during the nationalist movement against British colonialism. Apart from anti-imperialist orientation, which is a natural outcome of anti-colonial struggle, the Gandhian values of non-violence and peace, Nehruvian values of dignity and respect in international relations provided strong foundations for guiding India’s foreign policy. The following section will discuss some of the issues related to ideological foundations of India’s foreign policy.

1.1.3.1 IDEALIST VIEW OF POLITICS AND POWER

The ancient Indian tradition of nonviolence in general, and the Asokan tradition in particular, found its manifestation in an idealist approach to politics, both

national and international, in the mainstream of Indian nationalist movement led by Gandhi. Politics Gandhi defined not in its usual sense of the art of capturing and managing governmental power, but as the “transformation of social relationships” in terms of certain ultimate values. He was severely critical of power politics and advised his followers to stay away from “power politics and its contagion”. The only desirable and enduring form of power, according to him, was the power of nonviolence, which would involve love and respect for the adversary, and which he believed to be much greater than that of the atom bomb. Jawaharlal Nehru and other policy-makers of the post-independent India were profoundly influenced by the nonviolent national movement led by Gandhi, as well as by the modern Indian tradition of idealist political thinking in general. Although, Nehru, as prime minister, could not afford to be a pure idealist, and often referred to the real factors in India’s national interest as important determinant of his foreign policy, he also strongly criticized the purely realist view of international relations based on military and economic power, and repeatedly emphasized the idealist political tradition of modern India in general and the Gandhian insistence on nonviolent and right means in particular, as an important element of Indian foreign policy.

1.1.3.2 IDEALIST APPROACH TO INTERNATIONALISM

Idealist approach to internationalism is one of the important ideological instruments that influenced the India’s foreign policy during the early post-independence period. Gandhi pleaded for the “voluntary interdependence of nations” of nations as against their “isolated independence”. Jawaharlal Nehru did not come entirely under the spell of this romanticized idealism, and certainly introduced a political element and a large measure of objectivity. But neither he nor the Indian National Congress came close to what in contemporary jargon would be called “political realism”. In 1942, the All India Congress Committee passed a resolution in which it observed that “the future peace, security and ordered progress of the world demand a World Federation of free nations, and on no other basis can the problems of the modern world be solved”. Such a federation, the resolution said, would ensure the freedom of the member-nations, prevent aggression and

exploitation by one nation of another, protect national minorities, lead to the advancement of all backward areas and peoples, and the utilization of the world resources for the common benefit of all nations. Before Independence, Nehru persistently stressed this world-view of the Indian National Congress. In January 1947 he told the Constituent Assembly: “The only possible real objective that we, in common with other nations, can have is the objective of cooperating in building up some kind of world structure, call it One World, call it what you may.” IN his various foreign policy pronouncements Nehru stated categorically that the ideal of One World constituted one of the important bases of Indian foreign policy in general and of India’s policy towards the United Nations in particular.

1.1.3.3 ANTI-IMPERIALISM AND ANTI-RACIALISM

Anti-imperialism as an aspect of Indian foreign policy developed out of India’s own experience of British imperialism. At the initial states, however, India’s anti-imperialism was primarily a protest against British rule in India, rather than an international ideal. However, since First World War Congress started protesting against all forms of imperialism. In 1928 the Congress observed that “the struggle of the Indian people for freedom is a part of the general world struggle against imperialism and its manifestation”.

On account of the British racialist policy in India, which “permeated all the services and constituted the distinguishing characteristic of British rule in the East in the 19th century”, imperialism and racialism became identified in India’s historical experience. One of the aspects of Soviet life which made a deep impressions on Nehru’s mind during his visit to Moscow at the end of 1927 was what he considered to be the complete absence of the racial prejudice in Soviet society. By 1947 anti-imperialism and anti-racialism had become categorical imperatives of the Indian national mind, and Nehru only expressed a deep Indian sentiment when he declared in 1946, as the Prime Minister of the Interim Government of India, that anti-imperialism and anti-racialism were the “kernel of our foreign policy”.

1.1.3.4 ASIANISM

India's Asianism was a corollary to anti-imperialism and anti-racialism. The growth of the nationalist spirit in India was associated with the realization that practically the whole of Asia was suffering from imperialistic oppression and racial discrimination in one form or another, and that the historical experience and the destiny of Asian countries were linked together. The national movements in different Asian countries, particularly the political consolidation and industrial development of Japan, resulting in her victory over Russia in 1905, and the Chinese revolution of 1911 further inspired the leaders of Indian freedom movement and strengthened their sense of a common Asian destiny. From the end of the First World War the Indian National Congress talked of the need for an "Asiatic Federation". In 1928 the Congress resolved that "India should develop contacts with other countries and peoples who also suffer under imperialism and desire to combat it" and directed its Working Committee to convene "the first session of a Pan-Asiatic Federation in 1930 in India". In 1942 the Congress resolved that "the freedom of India must be a symbol of and prelude to the freedom of all other Asiatic nations under foreign domination". Thus when Nehru convened the first Asian Relations Conference in New Delhi in March 1947 and observed in his inaugural address that "in order to have one world, we must also, in Asia, think of the countries of Asia cooperating together for that larger ideal".

1.1.3.5 REJECTION OF WESTERN DEMOCRACY AND COMMUNISM

The ideals of nonviolence, democracy, anti-imperialism, anti-racialism, Pan-Asianism, cooperative internationalism, etc. gave the Indian people a certain autonomy in political thinking and a world outlook which fitted neither with that of the Western countries nor with that of the Communist bloc. The anti-Western democratic feelings were the result of the perception that this system was responsible for the cruel imperialism in Asia and Africa. There was also the feeling that the capitalist economic system which was associated with this type of democracy was based on the exploitation of the common people at home and the people in the colonies.

Similarly, there is realization in the Indian nationalist leadership that the Russian Revolution and the state system which had come into existence as a result of it were utterly repugnant to the basic ideals of the Indian nationalist movement, especially against those of nonviolence, democracy, and cooperative internationalism. Hence, the leadership strived to establish a new set of political and economic institutions which would steer clear of the evils of both the systems and break new ideological ground for the future course of human progress. The resolutions of the Indian National Congress since the early thirties reflected this ideological autonomy of Indian nationalism. The Karachi Resolution of 1931 laid the foundation of both political democracy and state initiative, control and planning for rapid economic development with equality and justice.

This middle ground of ideological stance later on led to India championing the non-alignment movement with likeminded countries. Non-alignment is basically aimed at keeping equidistance from western bloc led by America and Socialist bloc led by Soviet Union. It always voices of the newly independent countries, which later on popularly called as Third World countries. India is in the forefront of this Third World movement for a long time.

1.1.3.6 CHANGING CONTEXT : IDEOLOGY TO PRAGMATISM

It must be kept in the mind that the above mentioned ideologies and political traditions had grown up with the Indian freedom movement and the Indian National Congress in a colonial context. It is natural that any change in this context, both domestic and international, also changes the ideological perceptions. Hence, though Nehru represents the nationalist traditions, however, his foreign policy reflected a mixture of idealism and realism, and a constant effort to synthesize the two. Similarly, the next Prime Minister, Lal Bahadur Shastri displayed realism in both war and peace during his brief tenure. Under Indira Gandhi, there was a perceptible decline of idealism in both domestic and foreign policy, although the idealistic rhetoric was sometimes used as an ideological camouflage. But there was a strong emphasis on the anti-imperialist and anti-racialist aspects of foreign policy. The Janata Party, which came to power in 1977, pledged allegiance to Gandhian principles in both domestic and foreign policy.

However, there were important developments in 1960s that affected India's foreign policy substantially and led to the relative decline of Asianism. The idea of Asian solidarity had developed within the mainstream of the Indian national movement at a time when the partition of the subcontinent or the triumph of the Communism in China was not anticipated. Nehru always regarded friendship between India and China as the only possible foundation of a movement for Asian unity. But the growing antagonism between India and China from 1959 onwards, culminating in the border war of 1962, undermined the foundations of Asianism as an element of India's foreign policy. The many wars that India fought with Pakistan further complicated the situation.

1.1.3.7 IDEOLOGY IN POST-COLD WAR PERIOD

India's foreign policy throughout the Cold War period, i.e. its attainment of independence in 1947 to demise of the Soviet Union in 1991, guided by the ideological neutrality between East and West and not aligning with any one group on political or strategic matters. On a world-wide scale, this policy is well known as "active neutrality." It arises in part from the great need for peace in order to concentrate upon internal problems, and in part from a deep sense of security which characterized Indian thinking on world affairs until recently and which obviated the need to take sides. It has incidental advantages as well. India, unattached to any group, retains greater freedom of action to play its leadership role in Asia; also, the government can avoid antagonizing any one faction too much a vital consideration at a time when strong opposition is arising inside and outside of the Congress.

However, the collapse of the Socialist bloc of Soviet Union and Eastern Europe forced many countries alter trajectories of their foreign policies. The demise of the Soviet Union deprived India of the support of a veto-wielding power in the U.N. Security Council, ended a highly favourable arms-transfer relationship that had enabled New Delhi to maintain a modern military, and removed a virtual guarantee against Chinese nuclear blackmail.

The Soviet collapse also undermined India's autarkic approach to economic development, which, in turn, had serious consequences with respect to its foreign

policy options. Not only was the Soviet model of long-range planning, and massive state regulation of industry discredited, but almost simultaneously, in 1991, India faced an unprecedented financial crisis. The high cost of purchasing oil on the global spot market, the expenses incurred in repatriating thousands of workers from the Persian Gulf states before the onset of the first Gulf War, the loss of their remittances, and loan payments to multilateral banks drained India's exchequer.

Hence, the end of Cold War and demise of Soviet Union not only altered the foreign policy course but also led to the changes to domestic ideological positions and normative order. The economic reforms that were introduced in India, have significantly altered core national values, traditions, norms and ideological grounds on which social, political and economic systems were founded in the early years of independence.

Adjusting to the unipolar realities of early 1990s, India's leaders also began to dispense with their anti-American ranting on matters ranging from global disarmament to climate change to international trade negotiations, and New Delhi started to play a more constructive role in such global multilateral institutions as the World Trade Organization.

They also dropped their rhetoric on behalf of the Third World at the United Nations and in other multilateral fora. And in another dramatic shift, India, acting on a desire to ingratiate itself with Israel and the United States, played a constructive role in overturning the obnoxious U.N. resolution that equated Zionism with racism.

Other important policy changes followed. Throughout the Cold War, in an attempt to court Arab public opinion and fearful of a domestic public backlash from its substantial Muslim minority, India had refused to maintain full diplomatic relations with Israel. Prime Minister Rao reversed this decades-old policy in a single stroke and with only mild domestic opposition. By so doing, he hoped to gain an invaluable ally in the Middle East, to acquire high-tech weaponry. New Delhi also made a concerted effort to improve relations with China, with which it had fought a disastrous border war in 1962, by expanding cultural exchanges,

trade, and foreign investment, and through a series of confidence-building measures along the disputed border.

However, the new pragmatism that began to inform Indian foreign policy calculations with the Soviet collapse has not led to an uncritical acceptance of American global dominance. The issues of contention between the US and India changed, but not completely disappeared. In most critical multilateral forums of 21st century, the WTO and Rounds on Climate Change, India and the US were always on other side of the table, differing with each other's position. These and other issues of such nature will be discussed later on, in other lessons.

1.1.4 GOALS OF INDIA'S FOREIGN POLICY

The making of foreign policy is essentially an exercise in the choice of ends and means on the part of a nation-state in an international setting. It is necessary, first of all, to formulate a broad end or goal which will give a sense of purpose and direction to foreign policy. This goal need not, and in fact should not, be static in content; it must be a conceptually long-term goal to which immediate objectives, and the short-term policies pertaining to them, can be related. In the event of possible conflict between different short-term goals, the broad and long-term goal will indicate the direction of choice. Though broad, this goal should not be a vague one; it should be clearly definable and divisible into some concrete and specific components, since otherwise it will not be possible to formulate any goal-oriented clear policies (short-term or long-term) and foreign policy may degenerate into a futile exercise, loose talk, and aimless shift of one thing to another. Though sometimes the policy makers may not always be able to relate their short-term policies to long-term goal, due to various factors and contingencies, but this relationship is the essence of rationality in the making of foreign policy.

In this broader perspective, India's foreign policy strived to attain some basic goals to secure territorial, political and human security of the country. Since foreign policy is always instrumental in uplifting the economic wellbeing of the people, naturally India's foreign policy always oriented to achieve economic

development of the country in the post-independence period. The following section would highlight some of those goals which India considered vital to its national interest.

1.1.4.1 SECURITY

Securing the borders and lives of the people is the most important responsibility of any nation-state. Hence, security becomes the most primary goals of foreign policy of any country; so is India's. However, security should not be interpreted in narrow sense. The military preparedness of security cannot guarantee long-term security. Long-term and durable security always results from economic development and state-building. Similarly, militarily aggressive postures (hegemony) cannot be equated with the security. That is the reason there is no general agreement among scholars what constitutes security. A countries effort to attain security might become insecurity to others. Hence, while defining security one has to undertake a balanced viewpoint.

From international relations perspective, security implies external threat to territorial integrity; on this count India has bitter experiences as it fought many bitter wars with Pakistan, and one major war with China. The tension with Pakistan has not ended, the easing of tensions with China was of a recent date. However, India managed to achieve a measure of tranquillity on its northern borders and India and China were engaged in building confidence and understanding each other. This in now way implied any real dilution of China's relationship with Pakistan, but the logic of normalization of relations with India determined that China pursue its commitments to Pakistan less obtrusively, more subtly and with greater sophistication. The various Confidence Building Measures taken by India and China at the northern borders allowed greater flexibility to India's external policies.

Similarly, India also overcame its insecurities vis-a-vis sea based threats by building one of the professional navies in the world. These and other dimensions of security will be analysed in the next lessons.

1.1.4.2 ECONOMIC DEVELOPMENT

Ever since India became independent, the political leadership always focused on economic development of the country. The Nehru's focus on heavy industries, the five year plans, emphasis on higher education and research, the big dams, etc. are intended to modernize the country and attain a respectable status in the international fora. And one of the important dimensions of the non-alignment was also to secure assistance from both West and Socialist bloc economic assistance to achieve development.

There is broad consensus at present in India that the country's single most important goal is to become the world's third largest economy by 2025 and, concurrently, also emerge as one of the key global political and security actors in the evolving multipolar world. Reflecting on it, recently India's Foreign Minister Sushma Swaraj while addressing at Growth Net Conference stated that "We have stepped up commercial divisions in our missions around the globe. The vision of the government is to empower people and bring about economic development. The foreign policy priorities are aimed at creating the right external environment for the same".

1.1.4.3 SEARCHING FOR IDENTITY

Apart from those above mentioned goals which are vital for any country's national interest, India also always striving to attain its own identity, rather than swayed by one or the other kind of influences. The non-alignment policy of India is an example for quest for own identity. India never became member of any security pacts, never became part of military alliances and never associated blindly with one superpower during Cold War period. Though many criticised India's tilt towards Soviet Union, it is largely in a particular context and to protect national interest when its security was threatened. And contemporary foreign policy is also pursuing the same goal of protecting its own unique identity, with clarity on international issues. For a country, which wants to attain economic prosperity must maintain its own positions on various issues rather than swayed by influences of other countries.

1.1.4.4 RESPECTFUL POSITION AMONG COMMUNITY OF NATIONS

A country like India, which is known for its civilisational history, rich traditions and political values, is always respected in international forums. In fact, India commanded much higher respected comparison to its power attributes. When India emerged as an independent country in 1947 it was a very weak economic player and much weaker military power. But still, it was respected by many countries and statesmen, for various reasons, most importantly the enlightened national leadership and the values professed during independence struggle. This can be seen when India was chosen as country for arbitrary in the Korean War which brought Cold War to the world.

In the contemporary period, India wants to keep that rich historical tradition by actively participating in various international forums. It was an important nation that significantly contributed to peacekeeping efforts of United Nations. Similarly it is playing very critical role in World Trade negotiations as well as negotiations on Climate Change. In fact, the situation has come to such an extent that now without India's consent it is very difficult to achieve any progress in these negotiations. In short, India has moved from a stage of "Rule-Follower" to "Rule-Maker". Hence, it is not unreasonable if India makes claims for permanent seat on United Nations Security Council. It's just a matter of time to finally attain this goal.

1.1.4.5 SECURING FRIENDLY NEIGHBOURHOOD

Another important goal of India's foreign policy from the beginning was having friendly relations with all the neighbouring countries. As stated earlier, Nehru organised Asian Relations Conference much before India attained independence. However, the partition, Wars with Pakistan and China, a brief tension with Sri Lanka somewhat undermined this goal of securing friendly relations with all the neighbouring countries. However, recently India achieved considerable success in maintain cordial and friendly relations with all the neighbours. Though the tensions with neighbours were at its peak during Indira Gandhi's tenure, however, during the Janata Government India has achieved considerable progress in this direction.

However, the Gujral Doctrine is considered to have made a substantial change in the manner in which India's bilateral relations were conducted with its immediate neighbours, especially the smaller ones. The Gujral Doctrine is a set of five principles to guide the conduct of foreign relations with India's immediate neighbours as spelt out by I.K. Gujral, first as India's foreign minister and later as the prime minister. Among other factors, these five principles arise from the belief that India's stature and strength cannot be divorced from the quality of its relations with its neighbours. It, thus, recognises the supreme importance of friendly, cordial relations with neighbours. These principles are: first, with neighbours like Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka, India does not ask for reciprocity, but gives and accommodates what it can in good faith and trust; second, no South Asian country should allow its territory to be used against the interest of another country of the region; third, no country should interfere in the internal affairs of another; fourth, all South Asian countries must respect each other's territorial integrity and sovereignty; and, finally, they should settle all their disputes through peaceful bilateral negotiations.

1.1.5 OBJECTIVES OF INDIA'S FOREIGN POLICY

Objectives are off-shoots of larger goals a country sets for itself. Once the broad and long-term goal has been decided upon, it is the task of makers of foreign policy to test the rationality of every short-term objective in the light of this goal. Hence, the long term goal can only be the cumulative result of a series of short-term objectives; unless the latter are consistent with the long-term goal, and the means for their efficient realization and rationality chosen, the actual long-term results of foreign policy will diverge from the set of goal. The means selected for the achievement of the various specific objectives need not and should not be a single unique means or a static one; different alternative means may be chosen. But there must be the highest logical probability of their efficiency in achieving the given objective.

The dominating ideology of India's freedom struggle undoubtedly got reflected in its post-independence foreign policy. While formulating India's foreign

policy, the policy makers put the national interest at the core of it, along with the strategy to carve out an independent role for it in world politics. Accordingly, following objectives attained most important positions in India's foreign policy.

1.1.5.1 PROTECTING INDIAN CITIZENS

Protecting the interests of its citizens is one of the primary objectives of India's foreign policy. For example, successive Indian governments keep in mind interests of farmers while negotiating bi-lateral and multi-lateral trade agreements. A primary interest of any country is in self-preservation and well-being of its citizens. In international arena, interests of various countries often clash with each other and the states have to protect their own interests vehemently. In modern times, economic development is one of the key factors in determining state's international status. Thus, the treaties and agreements concluded with other states are drafted in a way to protect and promote economic interests of its own.

A foreign policy also protects interests of its citizens beyond the borders. For example, the External Affairs Ministry takes up issue of racial discrimination and harassment of Indian students in Australia with the Australian government in order to protect its citizens in that country. The Indian government also bring back those Indians who are working in other countries that are engulfed in War, Civil War or other disturbances.

A foreign policy also protects dignity and sentiments of the people of Indian origin throughout the world. For example, Indian government had asked its French counterpart to reconsider ban on Sikh's turbans in that country even though the Sikhs there may not be Indian citizens anymore and had accepted French citizenship.

1.1.5.2 SETTLE AND SECURE INTERNATIONAL BORDERS

Cross-border trade and broader bilateral intercourse can only be achieved when geographic boundaries are beyond doubt. India has achieved considerable success in securing its borders compare to the initial days of independence. The increased professionalism among the security forces and technological progress substantially

contributed to this. Similarly, Indian Navy has emerged off late as one of the strong navies in the world. Due to the efforts of the Navy's Coast Guard, India could curtail some of the sea-based threats to its security. However, due to situation arising from Pakistan, still India is facing cross-border incursions. Reflecting these threats, Indian President in January 2015 expressed serious concern over repeated ceasefire violations on Line of Control (LoC) and recent incursions off the coastal line. He stated that “While India is committed to peace and non-violence, we cannot afford the luxury of being complacent on our borders. Repeated violations of the ceasefire on the LoC and recent incidents of incursions off our coastal line are a matter of serious concern. We should be ready to take all steps necessary to ensure both internal and external security, and protect territorial integrity of our nation”.

1.1.5.3 COMBATING NUCLEAR THREATS

Ever since China exploded nuclear bomb, India is experiencing a sort of nuclear insecurity. Though it has overcome by Pokhran nuclear explosions, however, the Pakistan's nuclear capability added additional dimension to its security. Recently, there were alleged reports that claiming links of Abdul Qadeer Khan, the father of Pakistan's nuclear bomb, to the terrorist organisations. This has led to considerable tension in the international community. Preventing the nuclear technology and weapons not falling into the wrong side has become an important dimension of nuclear security. Similarly, the recent nuclear efforts by Iran also created considerable turmoil in the international relations. Indian, being neighbourhood country, which maintains cordial relations with Iran, it has to factor all the dimensions related to nuclear threats emanating from the surroundings.

1.1.5.4 SECURING SEA LANES

India is making significant efforts to improve its naval capabilities to help safeguard vital sea lanes. For instance, India is cooperating with naval forces of other countries including that of the US, in the Gulf of Aden and off the coast of Somalia, to counter piracy and ensure safety and security of commercial shipping.

1.1.5.5 COMBATING GLOBAL THREATS THROUGH COMBINED ACTIONS

India is undertaking appropriate domestic measures to strengthen security, but the global nature of the threat requires global efforts. Issues such as terrorism, prevention and response to natural disasters, piracy, protecting sea lanes of communication and drug trafficking are the challenges that cut across national boundaries and require cooperative responses.

Terrorism continues to pose a threat to international peace and stability. India having been a victim of terrorism for many decades, has worked with the international community to strengthen the international framework to deal with this threat. In the UN for instance India has taken the initiative to pilot the Comprehensive Convention on International Terrorism or the CCIT, with the objective of providing a comprehensive legal framework to combat terrorism. Given the global nature of the threat India is working with our international partners including the US to tackle the problem.

1.1.5.6 MAINTAINING CORDIAL RELATIONS WITH MAJOR POWERS

Unlike the Cold War period, India's foreign policy nowadays is much more calibrated and attained sophistication to keep controversial issues under carpet and maintain very friendly and cordial relations with all the superpowers. Especially the turnaround India achieved in its relations with the United States is very worth noting. India's relationship with the United States is in fact built on shared values and converging interests. Both countries set up a comprehensive architecture of engagement based on broad political support in each of our countries, strong people to people linkages, and growing habits of cooperation. On the other hand, China emerged as a key priority of India's foreign policy. It has emerged as the largest trading partner of India, and India's engagement with China has become multi-faceted. Similarly, India also intensified its relations with European Union countries and South-East Asian countries. Though somewhat lost the earlier rigour, India and Russia are still cooperating with each other in bilateral and multilateral relations.

1.1.5.7 SECURING FAVOURABLE CONDITIONS IN MULTILATERAL FORUMS

India is playing significant contribution to the international relations by actively participating in multilateral forums. One of the key factor in this participation is to secure the countries national interests. Even though it was actively looking for the establishment of rule-based world trade system, however, India has seen as a hindrance for the progress of trade negotiations since it has taken a strong position against the proposals came from the Developed Western countries. India vehemently opposed some of the clauses as they are going to undermine India's social and economic interests. Similarly, India has also taken a substantial position in the negotiations of Climate Change which also attracted considerable criticism from the western countries.

However, India has achieved considerable success on the nuclear front, as it has been completed all the requirements for membership to the Nuclear Suppliers Group (NSG) and Missile Technology Control Regime (MTCR). It is going to become one of the members of these critical organisations very soon. However, it is not that successful in becoming permanent member of the Security Council of United Nations though there is general consensus in its favours. The demands originating from other countries for the same is prolonging the matter.

1.1.5.8 ENERGY SECURITY

To attain the broader goal of development is not possible without meeting the energy security required for it. India is on the cusp of emerging as a fairly developed nation within the next decade and a half, and this means that the energy requirement for an energy starved nation is going to jump significantly. For India to ensure that it has a suitable mix of energy sources to meet the expected demand, the government has to initiate long-term strategic planning and investment, in consultation and co-ordination with the private sector. Hence, India is strengthening the activities of ONGC's overseas organisation to secure energy security while maintain cordial relations with all the oil exporting countries.

1.1.5.9 DEEPENING RELATIONS WITH COUNTRIES THAT SUPPLY MILITARY HARDWARE

As an emerging power, India has to strengthen its military power that includes sophisticated weapon systems, communication systems and surveillance systems. Considering this vital requirement, India not only established diplomatic relations with Israel but also concluded agreements for supply of military equipment. India, also concluded similar agreements with the US, Britain, France, Russia and other European countries.

1.1.5.10 STRENGTHENING SAARC

Since establishing friendly relations with neighbouring countries is one of the goals of India's foreign policy, India is trying to institutionalise good neighbourly relations through a regional organisation, South Asian Association for Regional Cooperation (SAARC). Under the umbrella of this organisation, India is trying to improve military, political and economic relations among the countries of South Asia.

1.1.5.11 PLAYING A CRITICAL ROLE IN INDIA'S EXTENDED NEIGHBOURHOOD

Looking beyond South Asian neighbourhood, India is also attempting to expand circles of engagement, starting with South-east Asia, the Indian Ocean region, West Asia, Central Asia, Africa, and the world's major powers.

1.1.6 PRINCIPLES OF FOREIGN POLICY

Principles of the foreign policy are the guidelines to the policy makers through which India carries out its foreign relations. In essence, these are the means through which national interest is sought to be protected and promoted. However, the principles on which foreign policy operationalised is always context specific. As context changes, the principles also change. The principles on which foreign policy conducted during the early years of independence were somewhat altered in the post-reform period.

1.1.6.1 PRINCIPLES IN EARLY PERIOD OF INDEPENDENCE

The nationalist movement and the values of the nationalist leaders have given

strong normative order to the principles of India's foreign policy in the early period of independence. Some of these were explained below.

1.1.6.2 PROMOTION OF INTERNATIONAL UNDERSTANDING AND WORLD PEACE

India consistently emphasized on settlement of international disputes through dialogue and negotiations. India also laid great emphasize on purity of means. It had maintained that the means for the attainment of national interest must be pious. In order to promote international understanding and peace, Nehru had repeatedly spoke about futility of war and warned of ultimate disasters if Third World War would broke out. Even though such emphasize did not always result in success, it had certainly helped in reducing international tensions. Nehru realized that arms race, including deployment of nuclear weapons, would result in increased suspicions and mistrust among the nations. Also, the expenditure on arms would make the governments deprived of sufficient money required for upliftment of people from poverty. Therefore, India campaigned for disarmament in general and de-nuclearization in particular. At the same time, India maintained that onus of de-nuclearization rested on the shoulders of big powers, who must sacrifice their nuclear weapons for the sake of world peace and future of human race. On this ground, India refused to sign the Non-Proliferation Treaty (NPT), terming it as exclusionary and discriminatory.

1.1.6.3 NON-ALIGNMENT

Non-alignment has been the central pillar of India's foreign policy, which served its objectives and goals in international arena. Nehru's understanding was that India and other poor countries of Asia and Africa would not gain anything but lose out miserably by joining either of the military blocks of that time. According to him, instead of focusing on fight against poverty, illiteracy and diseases, they would end up being used as pawns in the war of no relevance to them. India's interests was in expanding 'area of peace' and not of war or conflicts. Therefore, India neither joined any of the military pacts of capitalist countries, such as SEATO, CENTO, Baghdad Pact or Manila Treaty; nor the Warsaw Pact of the socialist block. Thus, non-alignment was not a policy of isolation or inaction. In

fact, it was a positive policy designed to promote national sovereignty and international peace. The grand success of India's non-alignment could be measured from the fact that majority of the poor and developing countries from all parts of the world adopted the similar policy and all of them joined hands to constitute the Non-Aligned Movement against the hegemony of both the ideological blocks during the Cold War period.

1.1.6.4 PANCH-SHEEL

Jawaharlal Nehru recognized that sovereignty of nation-state is supreme in international arena and peace and conflict revolved around it. In order to protect the sovereignty of each nation, all the nations need to acknowledge and respect each other's sovereign rights. India emphasized that sovereignty can't differ from nation to nation and every state in the world enjoys equal amount of sovereign rights with regard to its people, territory, institutions and decision-making processes. This could be observed by all the nations by following Five Principles of Peaceful Co-existence, which were enthusiastically upheld and promoted by Nehru as Panch-Sheel. In Nehru's words, "I imagine that if these principles were adopted in the relation of various countries with each other, a great deal of the trouble of the present day world would probably disappear." In 1954, these principles were enunciated in bilateral agreement between India and People's Republic of China. They are:

- Mutual respect for each-other's territorial integrity and sovereignty;
- Mutual non-aggression;
- Mutual non-interference in each-other's internal affairs;
- Equality and mutual benefit; and
- Peaceful co-existence.

The fifth principle in it, i.e. the Peaceful Co-existence was drafted keeping in view the then existing world situation, wherein the opposite camps of socialism and capitalism vowed to finish off each-other. Nehru propagated that nations based on different ideologies could co-exist and prosper if they follow the first four principles of Panch-Sheel and believed in the fifth one.

1.1.6.4 PROMOTION OF REGIONAL COOPERATION

India seeks friendly ties with all its neighbours and co-operations among all the countries in South Asia. Therefore, SAARC receives big support from Indian establishment, which sees as a tool to promote regional trade, business and people to people exchanges. Since South Asia, which is nothing but an Indian subcontinent in geographical term, faces more or less similar problems in all of its countries; such as poverty, illiteracy, malnutrition, ill-health and gender disparity etc., India advocates joint efforts to get rid of these problems.

However, the reforms introduced to Indian economy in the early 1990s added new priorities to the foreign policy.

1.1.6.5 PRINCIPLES IN THE POST-REFORM PERIOD

Underlining India's development-centric foreign policy, Prime Minister Manmohan Singh has enunciated the five core principles that animate the country's engagement with an increasingly globalised world, which include prioritising the economic aspirations of the over 1.2 billion Indians. India's prime minister has unveiled a pragmatic vision of the country's foreign policy that seeks to blend the economic imperative of unleashing prosperity without compromising on core values of democracy, pluralism and secularism. Manmohan Singh enumerated these principles while speaking to over 120 heads of Indian missions who have gathered in the Indian capital for a four-day conclave in November 2013.

Manmohan Singh outlined what he called the five principles that define India's foreign policy and exhorted the Indian envoys to ensure that they are guided by these principles in discharging their diplomatic duty.

- First, recognition that India's relations with the world – both major powers and Asian neighbours – are increasingly shaped by India's developmental priorities. The single most important objective of Indian foreign policy has to be to create a global environment conducive to the well-being of a great country.

- Second, that greater integration with the world economy will benefit India and enable people to realize their creative potential.
- Third, India seeks stable, long term and mutually beneficial relations with all major powers. India are prepared to work with the international community to create a global economic and security environment beneficial to all nations.
- Fourth, India recognizes that the Indian sub-continent's shared destiny requires greater regional cooperation and connectivity. Towards this end, India focuses on strengthening regional institutional capability and capacity and invests in connectivity.
- Fifth, India's foreign policy is not defined merely by its interests, but also by the values which are very dear to Indian people.

While outlining these five principles, Manmohan Singh also emphasised some of the core principles on which Indian foreign policy was conducted ever since it achieved independence. He lauded the Indian model of foreign policy, which is underpinned by strategic autonomy, non-alignment and the resolution of issues through diplomacy, for pursuing economic liberation of the country within the framework of time-tested principles of liberalism and democracy.

1.1.7 LET US SUM UP

The broader direction to the India's foreign policy evolved much before India achieved its independence, during the period of anti-colonial nationalist movement. The ideology, goals, objectives and principles of India's foreign policy strongly reflect the core values that emerged as guiding principles for the development of modern India. Hence, anti-imperialism anti-racialism, strong solidarity between Afro-Asian countries, non-alignment, peaceful coexistence, peaceful resolutions of international problems, strong adherence to United Nations Charter, friendly neighbourhood relations, etc. are part of these core values. However, since foreign policy of any country strongly determined by its national interest, throughout the post-independence period, the political leadership of India always tried balance

these core values with the pragmatic interests. Hence, Indian foreign policy strongly guided both idealistic and realistic assumptions. However, the end of Cold War and the realities of post-Cold War world drastically altered the foreign policy course of the India. The economic reforms introduced in early 1990s shifted the focus of foreign policy in favour of economic considerations somewhat underplaying the political and normative values.

1.1.8 EXERCISES

1. The ideology, norms and core values of nationalist movement have a strong influence on India's foreign policy. Elaborate.
2. What are the core goals and objectives of India's foreign policy?
3. Briefly state the principles of India's foreign policy during and after the Cold War.

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy

UNIT – I : PRINCIPLES, OBJECTIVES, DETERMINANTS AND AGENCIES

1.2 DETERMINANTS OF INDIA'S FOREIGN POLICY : INTERNAL AND EXTERNAL

– V Nagendra Rao

*External affairs will follow internal affairs. Indeed, there is no basis for
external affairs if internal affairs go wrong.*

–Jawaharlal Nehru

STRUCTURE

1.2.0 Objectives

1.2.1 Introduction

1.2.2 Determinants of India's Foreign policy

1.2.3 Determinants of India's Foreign policy : Internal Factors

1.2.3.1 Geopolitical Identity

1.2.3.2 Economic Development

1.2.3.3 Political Structure

1.2.3.4 Institutions and Interest Groups

1.2.3.5 Ethnic Factors

1.2.3.6 Religious Identity

1.2.4 Determinants of India's Foreign policy : External Factors

1.2.4.1 Big Power Politics

1.2.4.2 Developments in Neighbourhood

1.2.4.3 Nuclear Weapons

1.2.4.4 Multilateral Forums and Negotiations

1.2.4.5 Regional Organisations

1.2.4.6 Military Strength

1.2.5 Let us Sum Up

1.2.6 Sources & Suggested Readings

1.2.7 Exercises

1.2.0 OBJECTIVES

This lesson provides basic understanding about the determinants of India's foreign policy, both internal as well as external. After going through this topic, you should be able to:

- know the national and international structures and context in influencing India's foreign policy;
- understand the domestic factors that are determining India's foreign policy;
- comprehend the role of external environment in influencing India's foreign policy.

1.2.1 INTRODUCTION

The linkage between domestic and international determinants of foreign policy has long been a widely debated topic in the field of international relations, and foreign policy analysis in particular. Some scholars argue that domestic politics and foreign policy are two independent arenas of issues. Others believe that the two respective issues cannot be separated from one another. Foreign policy and domestic politics are interdependent and could spill over into each other. While both schools of scholars make some convincing arguments about their respective

cases, it's probably reasonable to expect that the degree of influence between domestic and international determinants of foreign policy is contingent on different foreign policy contexts. In some cases, international factors play a more important role, whereas in other cases, domestic reasons are more important.

1.2.2 DETERMINANTS OF INDIA'S FOREIGN POLICY

Foreign Policy is never determined by any one factor but is the result of the interplay of a large number of factors that affect the formulation of policy in different ways in different circumstances. Some of these factors are relatively stable and have to be taken as given by the makers of foreign policy, and can, therefore, be regarded as more basic or unchangeable determinants of policy than others. But the more variable institutional factors, and even the personal role of the decision-makers, are no less important in the process of decision-making than the basic determinants.

Even the basic determinants of foreign policy, however, vary in importance according to circumstances, and it is impossible to lay down any general rule regarding the relative importance of each of these factors, or a scale of priorities which the decision makers must permanently adhere to in making their policy decisions.

The basic factors that shapes or conditions India's foreign policy can be classified into two factors namely internal and external. The internal factors, which are the basic of all, are the domestic politics, geography, economic system, culture, military strength and national character. According to J. Bandopadhaya, the role of political institutions – public opinion, party system, lobbyists, ministry of external affairs, diplomacy, and persona are the other factors that influence in the making of India's foreign policy.

1.2.3 DETERMINANTS OF INDIA'S FOREIGN POLICY: INTERNAL FACTORS

The socio-economic, political structures and other internal dimensions a country strongly influence the foreign policy. Internal factors includes geopolitical identity

(location, size, natural resources, neighbours), economic development (growth level, development of resources, per capita income levels, class structure, technological development, etc.), the political structure (nature of political system, character of ruling elite, party politics, activities of interest groups) – the factors that are playing active role in influencing the policies, both domestic as well as foreign policy.

1.2.3.1 GEOGRAPHICAL IDENTITY

Geopolitical identity of a country is shaped by geographical location and size of the country. The geographical positioning influences power relationships in international politics. It basically reveals the inter-relationship of politics, geography and demography.

There are two main reasons why geography should be regarded as an important determinant of India's foreign policy. In the first place, there are various aspects of geography which tend to influence foreign policy irrespective of the degree of industrialization and the level technology. Secondly, India and most of the neighbouring countries will take some time to attain the technological level of the leading industrial and military states. Hence, it will not be possible for India in the foreseeable future to ignore the Himalayas and the Indian Ocean, from the viewpoint of either trade and transportation or defence.

It is therefore obvious that geography is the foremost determinant of Indian foreign policy. The prediction that Lord Curzon made in 1903 has proved to be true. He observed that the geographical position of India would more and more push it into the forefront of International affairs. Jawaharlal Nehru too was fully conscious of the geographical importance of India. On 17th March 1950, in a speech in the Indian Parliament, he observed, "We are in a strategic part of Asia, set in the centre of Indian Ocean, with intimate past and present connection with West Asia, South-East Asia and Far Eastern Asia. Even if we could we would not want to ignore this fact." Himalayas and the Indian Ocean are determining factors of India's security. To begin with, the Himalayas were considered to be natural security guard for India. However, in the fifties and sixties it led to a new

security orientation in Indian foreign policy. To defend Himalayas came to determine India's security and defence needs and consequently her relations with other nations.

Geography includes location, size, topography, state boundaries, population, climate, hydrography, soil, etc., and all of these elements are important in varying degrees for India's national politics and foreign relations. Some of these aspects will be discussed below.

Location

The history of international relations shows that location has always been an important determinant of foreign policy of a state. The strategic location of Britain helped her historically to rule over the seas in terms of both trade and naval power.

The highest mountain range of the world in the north and one of the three major oceans of the world in the south have given the Indian subcontinent a certain geographical insularity. The Himalayas cut off India from her northern neighbours militarily, politically, and commercially, although in the modern period this mountain range is no longer as impenetrable as it once used to be. The Indian Ocean similarly offers India a certain insularity in purely geographical terms.

But the strategic location of India at the centre of the great Asian arc stretching from Aden to Tokyo has made it inevitable from ancient times that she should play a vital role in the history of Asia and the world in spite of her relative geographical insularity. India's strategic location at the centre of the Asian arc and on the Indian Ocean logically made India the bastion of the British empire in the East. The manpower, wealth and strategic advantage of India were used by Britain to establish and maintain her politico-military dominance over the rest of Asia and Africa.

The same strategic location gives India a central position in Asian and world politics. All the major air and sea routes of the world pass through India.

India and Indian Ocean are an indispensable link in world trade and commerce. India is a major connecting link among the geographical areas called West Asia, East Asia or the Far East. From the geographical point of view, as Nehru often used to say, India is a kind of bridge between the East and the West, and inevitably involved in major global issues. India's location on the Indian Ocean has also made her defence and foreign trade heavily dependent on control over this Ocean and its sea-lanes. India's strategic location has placed it within easy reach of many sensitive areas including China, South-East Asia, West and East Africa. Hence, it is no surprise that Indian Navy emerged as one of the most powerful navies in the world.

Size

The fact that independent India emerged as seventh largest state in the world is not without considerable geopolitical significance. A large territory generally means a relatively large stock of natural resources. On the other hand, the vastness of India's territory has an important bearing on her external security. Unless there is a great difference in military power, it would not be easy for any other state to occupy the whole country.

The bigness of territory make India an important and independent factor in international relations in her own right. It would not be rational for India to behave in international relations like a small state with a small territory, population, and resource base. This is the reason for Nehru to state that: "I can understand some of the smaller countries of Europe or some of the smaller countries of Asia being forced by circumstance to bow down before some of the greater powers, because they cannot help it.... India is too big a country herself to be bound down to any country, however big it may be. India is going to be and is bound to be a big country that counts in the world affairs".

1.2.3.2 ECONOMIC DEVELOPMENT

Economic development plays important role in shaping the foreign policy discourse of any state. Successful empires were built on the edifice of strong economy. Even Kautalya in his famous treatise called *Arthashastra* emphasises strong

economy as a prerequisite to achieve foreign policy goals. Historically, it is proved that the economically powerful country is the one that established its hegemony, authority and control over rest of the world, be it Great Britain till 19th century and the United States in the 20th century.

The relatively backward state of the Indian economy, due to colonial exploitation, acted as a serious constraint of Indian foreign policy during the early years of independence. Even depending on other countries, particularly the big powers, for a mandatorily required food grains made India vulnerable for external influences. An economically weak country cannot build modern military power to thwart the external military threats. This is the reason why India has to face a defeat in its war with China.

However, India has achieved a significant turnaround in terms of economic development in recent period. The high economic growth of India placed it as 7th biggest economy in the world and in terms of PPP (purchasing power parity) it is already third biggest in the world. As the data released by Ministry of Finance, Government of India in July 2015, India's GDP crossed US dollar two trillion. This is a significant achievement if we consider the fact that it took almost 60 years (after independence) to cross one trillion, and it took just seven years to touch one trillion to two trillion. For all the predictions, by 2030

India is going to emerge as a third biggest economy in the world.

This economic development of India has enhanced its standing among the community of nations. It has moved from rule-follower to rule-maker in most of the multilateral negotiations. This is also the reason for India to overcome the nuclear apartheid practiced by the status quo powers and even concluded successful nuclear agreements with many countries, including United States. Many countries are already concluded strategic partnership agreements with India.

India's technological development, especially in information technology, has given further edge to India's foreign policy as many Indians are working in foreign countries are helping India to attain soft power in the conduct of its international relations. As a result, India's Overseas activities have gained

momentum due to fillip the Indian Diaspora has given to its foreign policy. It is no surprise that in recent foreign visits of Prime Minister Narendra Modi, special efforts were made to mobilise overseas Indians, and the Prime Minister addressed in these meetings. Many Indian origin people also gained important responsibilities in the governments of other countries, particularly in the United States. And there are many Indians who are heading the leading multinational companies, including the Microsoft. All these have significantly contributed to enhance India's stature in international relations and provided leverage in conducting foreign policy.

Hence, it is not surprising when the then Finance Minister Chidambaram stated it is the economic growth that has enhanced India's standing in the international community. He said that: "India is respected not because it has acquired the capacity to launch rockets or satellites, or because of the size of its population, or because of its dominant presence in Asia. The world respects India because of its capacity to emerge as an economic powerhouse".

1.2.3.3 POLITICAL STRUCTURE

Foreign policy is not immune from the impact of values, ideas, initiatives and upheavals internally a country experiences. As we have studied in the previous lesson, the ideology and core values of the nationalist movement substantially influenced foreign policy of India in the early days of independence. The principles that guided India's foreign policy such as anti-imperialism, anti-racialism, Afro-Asian solidarity, non-alignment, peaceful resolution of international disputes, etc. largely reflect the political influences on India's foreign policy.

The political structure of state substantially influences its foreign policy. The nature of political system (democracy, authoritarianism, etc.), the character of ruling elite, the party politics, the activities of interest groups (religious, economic, political, etc.) considerably determine the foreign policy.

Ruling Elite

There is a public perception that foreign policy is elitist, which stems from the belief that issues pertaining to foreign powers are too remote to matter in the day-

to-day lives of ordinary people. For much of India's history, that may well have been the case. The policies of Jawaharlal Nehru, India's first prime minister and one of the main proponents of the principle of non-alignment – a doctrine that defined Indian foreign policy during much of the Cold War – went unquestioned for decades.

India emerged as an independent nation with a broadly three-tiered ruling elite: the political class, the bureaucracy and the armed forces. Of these three, only political class has strong Indian outlook, since the remaining two were largely composed by British-trained officers. However, the situation has changed as time passed. The new generation of the officers are trained in Indian ethos and are as committed to advancing the national interest of India as India's political class.

However, one problem associated with foreign policy is the excessive dominance of the ruling elite in policy making. Since foreign policy making demands some sort of expertise as it has to deal with technical matters, the small minority of technocrats are determining the foreign policy matters. Hence the material interests and individual biases of the small class is distorting the policy-making and sometimes most of the issues have been decided on a very narrow prism.

Democracy

Democracy has been a major structural characteristic of the Indian political system, and is therefore a major source of strength for India's foreign policy. India can and should adopt a positive and proactive policy for the promotion of global democracy, including the democratization of UN system. India is the largest democracy in the world. Contrary to the Western predictions that India will collapse due to internal crisis and conflicts and it move towards a sort of authoritarianism, it has emerged as a successful democracy, not only in the Third World countries but globally. Comparing to its neighbourhood countries, India's democratic success was phenomenal. It is the political class, the legislative and executive part of the government, that ultimately determine the country's foreign policy.

However, the democratic nature of the country also sometimes creates some hurdles to rational decisions on the foreign policy matters. The contestation between various political parties to determine the policy matters often leads to either stalemate or irrational decision. The populism and vote bank politics often leads to political mobilization of people on matters related to foreign policy. For instance, many times the political parties in Tamil Nadu are influencing the foreign policy decisions on Sri Lanka, and there are many occasions the Government of India succumbed to the pressure of these parties. Similarly, the Trinamul Congress in Bengal stalled the conclusion of agreements with Bangladesh on matters related to boundary and waters sharing. After a great persuasion with the West Bengal government, the Government of India successfully concluded an agreement in the early months of 2015.

1.2.3.4 INSTITUTIONS AND INTEREST GROUPS

The Indian official institutions of foreign policymaking broadly encompass the Cabinet, the Prime Minister's Office (PMO), the Ministry of External Affairs (MEA), the Indian Foreign Service (IFS), the Ministry of Defence (MoD), the Indian Parliament, and various manifestations of the defence and intelligence establishment (the armed forces, the Defence Research and Development Organization, the nuclear establishment, the Research and Analysis Wing, the Intelligence Bureau etc.).

While the defence of India's territorial sovereignty is viewed as paramount by virtually all of these, the defence establishment has historically played a selective role in wider foreign policymaking (except at times of military crisis), instead understandably choosing to focus on immediate threats from within India's neighbourhood. The broader conduct of diplomacy that spans the gamut of inter-state relations (and more recently, a range of instruments underpinning India's "soft" power) has traditionally been the domain of the PMO, MEA, and IFS who are accountable to Parliament through various channels.

Apart from the Government institutions many non-government organisations and groups also significantly influence India's foreign policy. For

instance, the NGOs acted proactively in guiding India's policy in the negotiations of World Trade Organisations as well as on climate change. Similarly, the trade and business organisations like Chambers of Commerce and FICCI also contribute significantly to the India's policy making, particularly on matters related to economic interests of India. Likewise, the many human rights organisations and their active role in organising people influences the decision making process in foreign policy.

1.2.3.5 ETHNIC FACTORS

Three kinds of domestic factors relevant to ethnic identity influence India's policies towards certain countries.

Transnational Ethnic Groups

Indian populations in border regions tend to share a common ethnic and sometimes religious bond with populations in adjacent countries. This is true of Tamils and Sri Lanka, Indian Punjabis and Pakistani Punjabis, Indian Kashmiris and Pakistani Kashmiris, Indian populations bordering the Tarai region of Nepal, and even Malayalis (the people of Kerala) and the Gulf countries. By corollary, and extending the concept to religion, it is also true of the Hindu minorities in Bangladesh and Pakistan, and Muslims in India with respect to some neighbouring countries and communities.

The broad territorial division of ethnic groups within India and the strength of regional ethnic identities ensure that Indian policy towards the countries in question is always attentive to the preferences of domestic actors in these regions. This has been evinced by the sustained and vociferous support of the Tamil people and the Tamil Nadu government to the separatist movement of Tamils in Sri Lanka till the early 1990s, Similarly, there is "widespread sympathy" in Indian border regions and "most politicians and bureaucrats do not hesitate to express moral support" for the Madhesi movement for autonomy in the Tarai region of Nepal.

Secessionist Movements and Insurgencies

Due to its vast size and heterogeneous society and polity, India has been the subject of various conflicts between sub-national regions and the central government. Scholars particularly attribute this to the failure of the Indian state to ensure “substantive democracy and equitable development” for large swathes of society. This, they argue, has resulted in the discrediting of state-sponsored nationalism and, inter alia, the rise movements aimed at establishing separate sovereign status from the Union. The history of modern India is replete with such movements, many of which are still in progress.

Movements in border areas are particularly problematic because they become flashpoints with neighbouring countries, mainly due to three reasons. First, secessionist movements, especially armed movements, are likely to use the territories of adjacent countries to stage their attacks on the Indian state. This has negative consequences for the security of India’s neighbours, and makes India diplomatically vulnerable to allegations of not doing enough to prevent its domestic conflicts from destabilizing the border regions of neighbouring countries. Second, and more importantly, the cross-border activities of secessionists create obstacles to neutralising these movements. Third, secessionist movements allow neighbouring countries with an interest in destabilising India to interfere in its internal affairs in an adverse manner. These number among the considerations that have influenced India’s policy towards Pakistan in the case of the Khalistan movement, towards Myanmar, Bhutan, China and Bangladesh in the case of multiple secessionist movements in the Northeast, and towards Nepal in the case of the Naxalite (Maoist) movement. The existence of domestic groups of insurgents and separatists therefore significantly complicates India’s security environment in South Asia.

Migration : New Ethnic Groups

The cross-border movement of large populations, although a version of the transnational ethnic group conundrum, presents a conceptually distinct challenge because it involves the large-scale migration of individuals into Indian territory,

transforming an international affair into one with significant domestic ramifications. The mass migration of such populations either at one time or over time results in the creation of new ethnic groups in the border (and other) regions of India, with the potential of creating security problems, particularly in relations with respective originating countries. Two examples stand out in this regard – the limited migration of Buddhist Tibetans escaping Chinese persecution, and the much larger and steady inflow of Muslim immigrants (legal and illegal) from Bangladesh into West Bengal and the North-eastern region of India. The creation and expansion of two new ethnic groups (Tibetan Buddhists and Bengali Muslims) to which post-independence Indian society was not accustomed has impacted the domestic reaction to these migrations, not least given suspicions attaching to the purported connections between some recent terrorist attacks in India and Bangladeshi elements, and consequently impinged on India's relations with China and Bangladesh respectively.

In the case of China, India has walked a tightrope between official recognition of Tibet as an integral part of China and granting asylum to the Dalai Lama and his followers in Indian territory. This is largely because Tibetan migrants are relatively small in number and representatives of a globally recognized struggle (yet one that the Indian government cannot officially endorse). Also, Buddhism is accepted as a native faith in India, albeit nowadays a very minor one numerically. By contrast, the domestic socio-political response to Bangladeshi Muslim immigrants has been much less forgiving, partly due to their faith and partly the purely economic motive driving the migrants onto Indian soil. The reaction has been particularly violent in Assam, where riots against migrant Bengalis date back to the 1960s and 1970s. Despite some progress towards normalisation of bilateral relations with Bangladesh, complicated by a host of other issues, the migration question remains a thorn in the Indian side. A manifestation of the domestic impulse was the Indian decision to construct a 4000km concrete fence along the Indo-Bangladesh border in 1984, a project that carries on till today and has created controversy between the two countries.

1.2.3.6 RELIGIOUS IDENTITY

The importance of religion as an integral component of the Indian worldview cannot be understated. Various commentators have highlighted the weight that Indian foreign policymakers attach to the religious opinions and sentiments of India's sizeable Muslim population, which by many accounts is the second largest in the world. C. Raja Mohan describes India as an "Islamic nation" with a national culture deeply influenced by Islam. Other members of the Indian intelligentsia have highlighted West Asia as a priority area for India not just for strategic reasons but also due to the spiritual and religious needs of India's Muslim population. Indeed the fear of alienating this population is cited as a major reason for the lack of a noticeable Indo-Israeli relationship until the 1980s. India also has the second largest Shia Muslim population in the world, which makes its ties with Iran, a Shia state, particularly relevant and sensitive. The fate of Indian Muslims is keenly followed by Iran and plays an important part in cementing a long-term relationship between the two countries.

The impulse to accommodate the sensitivities of India's Muslim community on at least some foreign policy issues derives more recently in part from a growing recognition that not all terrorism involving Muslims in India is likely any more to be directed from Pakistan or Bangladesh. The actual and potential interplay between some Indian Muslims and radical Muslim forces outside India has worried many in the security establishment for some time, but no consistent policy in this regard has arisen under any recent Union government.

No other country has figured more prominently in the interplay of religion and India's security than Pakistan. (In this regard, religion is more fundamental to the political identity of India than some observers recognize). India's secular polity was forged as a conscious refutation of the idea that religion should be the basis of nationality, an idea more commonly referred to as the "two-nation theory." While the progenitors of Pakistan considered partition to be primarily a religious phenomenon, India's leaders viewed it as an instance of territorial self-determination. This basic divergence lies at the root of India's policy towards

Pakistan and India's position on the Kashmir issue. While Pakistan views the status of Indian-controlled Kashmir as abhorrent to the idea of Muslim nationhood (i.e. a Muslim-majority state in a Hindu-majority nation), India views the Kashmir valley and surrounding territory as an integral part of its territorial identity. Moreover, Kashmir stands as a crucial test of India's secular character – a move towards independence for Kashmir or, worse still, its accession to Pakistan would undermine India's religious plurality while adding credibility to the two-nation theory. This could have “far-reaching, reactionary and undemocratic effects” in India.

1.2.4 DETERMINANTS OF FOREIGN POLICY: EXTERNAL FACTORS

A dominant international political discourse plays decisive role in deciding the foreign policy of a country. The structure of global power relations and the developments in immediate neighbourhood significantly influence foreign policy decisions.

1.2.4.1 BIG POWER POLITICS

India's external environment at the time of her independence was characterised by bipolarity and the Cold War. The main task of the Indian diplomacy was to safeguard the country's newly one sovereignty and independence in the context of the military alliances and counter alliances of the big powers and their global strategic manoeuvres. The policy of non-alignment was the only rational option for India's foreign policy in this bipolar context of international relations.

The Sino-Soviet conflict diluted the bipolarity of international relations to a certain extent. However, the development of a US-China-Pakistan axis in the context of Sino-Soviet conflict posed a major threat to India's national interest. The prolonged Soviet presence in Afghanistan from 1979 onwards further strengthened this three-power axis and impelled India to move closer to the Soviet Union, particularly with regard to the security dimension of her foreign policy. The Cold War thus continued to be the most important international determinant of India's foreign policy till the beginning of 1990s.

The disintegration of the Soviet Union and the end of the Cold War has brought about a radical transformation in the structure of international relations. The USA has emerged not only as the only superpower of the world, but also as the unchallenged hegemon of the international system, both inside the UN and outside. Naturally, therefore Indian foreign policy has to adjust itself to his new reality of the international environment. The new direction and shape of Indian foreign policy must be such as to ensure that there is no total opposition or direct confrontation with the US. At the same time it is necessary to formulate a strategy of counter-hegemonic resistance against possible neo-imperialistic encroachment upon India's sovereignty in the economic or political interests of the US and its allies. Hence, the structural transformation of India's international environment necessarily involved radical change in the shape and direction of Indian foreign policy.

1.2.4.2 DEVELOPMENTS IN NEIGHBOURHOOD

India is also located in a volatile neighbourhood, with ongoing wars, insurgencies and unrest taking place in Sri Lanka, Nepal, Pakistan, and Afghanistan, and a coup in Bangladesh. Any developments in the neighbouring countries would have a cascading effect on India's national interest. The external factors play at two levels: regional and international. The immediate impact would be from regional level where major changes in politics, security or economy of India's neighbouring states would make significant imprint in India's foreign policy making. For instance, China's growing footprint in South Asian countries in the name development altered India's neighbourhood policy to revive its traditional approach of reactive polity to proactive one.

1.2.4.3 NUCLEAR WEAPONS

In spite of the end of the Cold War, the nuclear stockpiles of the US and Russia have remained almost as large as ever. India's immediate neighbour, China, has also developed considerable nuclear-weapon capabilities, including Inter Continental Ballistic Missiles (ICBMs) capability. In these conditions India has no option other than violating the international nuclear regime created by the US

dominated west. India not only refused to sign the Non-Proliferation Treaty (NPT) but also exploded its own nuclear bomb. Now in changed international environment, India is successful to get a sort of acceptability for its nuclear status. It was also successful in terms of concluding agreements with many countries for cooperation in nuclear technology. It is also about to get a seat in international nuclear regime established by big powers.

1.2.4.4 MULTILATERAL FORUMS AND NEGOTIATIONS

Ever since the end of the Cold War, the dominant powers in the international relations are attempting to create a regulatory framework to create a normative order among the countries.

Mostly, these multilateral forums are aimed to promote the interests of the big powers and international finance and multinational corporations. For example, the World Trade Organisation has emerged as a regulatory body to order the trade relations among the countries. There are many similar forums to regulate various that are utmost concerned to international community, including Climate Change. All these organisations are influencing the foreign policies of all the countries. While adjusting to these international regimes, India is actively contributing to the outcomes voicing the interests of the developing countries.

1.2.4.5 REGIONAL ORGANISATIONS

The proliferations of regional organisations, as a offshoot of globalisation process also significantly influencing India's foreign policy. Traditionally India was associated with Non- aligned movement and organs established by the United Nations for trade and other development. However, the success of India in attaining some sort of economic development led it to become member of various regional and international organisations. For instance, India is actively involved with the ASEAN an organisation established for increasing cooperation between South-East Asian countries. Similarly, India is also founding member of the many other forums such as BRICS (Brazil, Russia, Indian, China and South Africa) and IBSA (India, Brazil and South Africa). The membership in these organisations has brought a new dynamism to India's foreign policy.

1.2.4.6 MILITARY STRENGTH

Indian foreign policy under Nehru was based more on diplomacy than on military power. But the border war with China in 1962, and four war with Pakistan have compelled India to augment her defence capability, although the imperatives of economic development are still as great as ever. In particular, the relentlessly hostile relations with Pakistan, and the continuously uneasy somewhat strained relations with China have impelled India to invest a larger portion of her resources in defence than would otherwise have been necessary. China's relatively large nuclear-weapon capability, Pakistan's nuclear programme, and the apparently active and continuous Chinese aid to Pakistan in the field of nuclear weapons have impelled India to adopt a strategy of developing a minimum credible nuclear deterrence.

On the whole, India's fairly large military capability makes her a major military power in Asia, and this enables her to play a significant role in both intra-Asian and international relations.

1.2.5 LET US SUM UP

The realm of the foreign is an ideological concept, a product of international dynamics and domestic attributes. There is no denying that international socialization has re-shaped foreign relations, and similarly, the permeation of national politics on the international stage cannot be discredited. Since both factors play a pivotal role in external policy formulation, the domestic and the foreign are easily distinguishable conceptions. Whilst the two environments may be different, the relationship between foreign and domestic policy is thus determined on a common level of populism, with the decisions of state leaders reflecting notions of common consensus and agreement. Moreover, the relationship between domestic and foreign is also commonly linked by the influence of domestic culture, with heavy emphasis on social groups and social attitudes within states.

1.2.6 SOURCES & SUGGESTED READINGS

J. Bandyopadhyaya, *The Making of India's Foreign Policy*, Third Edition, Allied Publishers, New Delhi, 2003.

1.2.7 EXERCISES

1. What are the main elements of internal determinants of India's foreign policy?
2. How the geo-political identity of the state influences its foreign policy?
3. To what extent India's economic development and growth shaped the course of India's foreign policy?
4. Write a brief note on the relationship between political structure and foreign policy.
5. How international environment determine India's foreign policy?

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy
UNIT – I : PRINCIPLES, OBJECTIVES, DETERMINANTS AND AGENCIES

**1.3 INDIA'S FOREIGN POLICY MAKING:
STRUCTURES AND PROCESS (PARLIAMENT, PMO,
MEA, POLITICAL PARTIES, MEDIA)**

– V Nagendra Rao

STRUCTURE

1.3.0 Objectives

1.3.1 Introduction

1.3.2 Foreign Policy Making: Structures and Processes

1.3.3 Foreign Policy Making: The Parliament

1.3.3.1 Consultative Committee of Parliament on External Affairs

1.3.3.2 Standing Committee of Parliament for External Affairs

1.3.3.3 Parliament Influence on Foreign Policy

1.3.4 The Prime Minister's Office (PMO)

1.3.5 The Ministry of External Affairs

1.3.5.1 Structure and Organisation

1.3.5.2 The MEA : Critical Appraisal

1.3.6 Political Parties

1.3.6.1 The Congress

1.3.6.2 The BJP

1.3.6.3 The Left Parties

1.3.6.4 Regional Parties

1.3.7 Media and Foreign policy

1.3.7.1 Media Role: A Critical Appraisal

1.3.8 Sources & Suggested Readings

1.3.9 Exercises

1.3.0 OBJECTIVES

This lesson provides basic understanding about the major structures and processes involved in the making of India's foreign policy. After going through this topic, you should be able to:

- know the role of Parliament, the Prime Minister's Office and Ministry of External Affairs in the overseeing India's foreign policy;
- understand the influence of political parties in shaping India's foreign policy;
- comprehend the role of media in influencing India's foreign policy.

1.3.1 INTRODUCTION

There is a specific area that emerged in the academic field of international relations and is the "Foreign Policy Analysis" (FPA). Foreign policy analysis involves the study of how a state makes foreign policy. As it analyzes the decision making process, FPA involves the study of both international and domestic politics. FPA also draws upon the study of diplomacy, war, intergovernmental organisations, and economic sanctions, each of which are means by which a state may implement foreign policy. As a field of study, foreign policy analysis is characterized by its actor-specific focus. In the simplest terms, it is the study of the process, effects, causes, or outputs of foreign policy decision-making in either a comparative or case-specific manner. The underlying and often implicit argument theorizes that

human beings, acting as a group or within a group, compose and cause change in international politics.

Foreign policy politics is the process by which the choices of foreign policy strategy are made. It is much more complex than the conventional wisdom depicts. The basic patterns are of both consensus and conflict, with positive and negative variations of each in terms of their effects on policy.

The “actors” in India’s foreign policy making are many: the Parliamentarians, the Prime Minister’s Office (PMO), the Ministry of External Affairs (MEA), etc. Apart from these official organisations, many other political and social institutions also influence foreign policy, viz. political parties, media, interest groups, etc. The following sections in this lesson explain the structures and processes involved in the making of India’s foreign policy.

1.3.2 FOREIGN POLICY MAKING: STRUCTURES AND PROCESSES

The rationality of foreign policy depends largely on the process of decision making at various levels: on the nature and extent articulate public opinion on foreign policy and the manner of its expression, the institutions of political parties concerned with foreign policy, pressure groups, parliament, the inter-ministerial institutions concerned with national security and foreign policy, the Foreign Office, the Foreign Minister, and finally, the Cabinet and Prime

Minister’s Office (PMO). At every step the given boundary conditions must be properly studied and assessed, the practicability and probable consequences of alternative policies examined, foreign policy coordinated with defence, economic, trade and other allied policies, short-term and long-term aspects of policy synthesized, and various cost-gain calculations made, before rational decisions on foreign policy can be made. A multi-staged, institutionalized and articulate decision making process, in which there is a high incidence of knowledgeable, competence and objectivity, leads to the formulation of effective policy that maximizes the advantages. On the other hand, personal or centralized decision

making, and the prevalence of ignorance, incompetence, or passion in the decision making process would lead to irrationality and leads to negative consequences.

In a cabinet form of government like that of India, the Foreign Minister occupies the pivotal position in the entire process of policy making. She is informed and advised from below by the Foreign Office, and influenced and controlled from above by public opinion, political parties, pressure groups, parliament, the Cabinet, and the Prime Minister. She is an important member of Cabinet, of parliament, and of the ruling political party. But her ties with the lower region occupied by the bureaucracy are also quite strong. It is the Foreign Service that studies the conditions in the foreign countries from day to day, and reports to the Ministry of External Affairs. At the South Block it is the Foreign Service which again compiles, and assimilates the reported data and puts up their substance to the Foreign Minister with suitable recommendations from time to time. The Foreign Service also observes and reports on the reactions evoked by Indian policies in the foreign countries concerned, as well as the problems and difficulties of implementing Indian foreign policy abroad. The Foreign Service, therefore, possesses, or is at any rate expected to possess, more detailed knowledge of the field conditions abroad than the Foreign Minister. While a Foreign Minister may not always accept the recommendations, if any, which come up to him from the South Block, he cannot afford to ignore the mass of factual data put up to him by the Foreign Service for his information and assessment.

1.3.3 FOREIGN POLICY MAKING: THE PARLIAMENT

Theoretically, parliament in a democratic state is expected to influence the formulation of foreign policy in a variety of ways. Its resolutions, either supporting or opposing policies proposed by the government, or by suggesting or forcing upon government new policies, whether of a broad or a specific nature are expected to influence the broad orientation, detailed formulation, and implementation of foreign policy. It can also influence specific aspects of foreign policy through its power to sanction appropriations, by cutting down or increasing the budgets of the Ministries of External Affairs, Defence and other allied ministries. Moreover,

Parliament has the power to set up by legislation new machinery and governmental institutions for the making of foreign policy. Members of parliament participating in international delegations, including those sent to the United Nations, can share the responsibility for detailed policy making, though perhaps only marginally. Individual members of parliament specializing in foreign affairs, whether belonging to ruling party or the opposition, can influence the making of foreign policy by drawing attention to defects or inadequacies in the policies pursued by the government, even when no formal resolution is passed one way or the other.

Article 246 of the Indian Constitution empowers parliament to legislate on all aspects of foreign affairs which are defined as “all matters which bring the Union and the relation with any foreign country”. The Union list includes among the subjects over which parliament has legislative powers treaties, diplomatic, consular and trade representation, the UNO and international conferences, international agreements and conventions, war and peace, foreign jurisdiction, emigration, citizenship, passports, visas, etc. Under Articles 253 parliament also has the exclusive authority to legislate for implementation of international treaties, agreements and conventions, and decisions arrived at in international conferences. Such parliamentary institutions as the Public Accounts Committee and the Estimates Committee are in a position to influence foreign policy marginally, through financial control over the External Affairs and other related ministries.

1.3.3.1 CONSULTATIVE COMMITTEE OF PARLIAMENT ON EXTERNAL AFFAIRS

An important institutional link between parliament and foreign policy is the Consultative Committee of Parliament on External Affairs. Informal Consultative Committees were first time created in 1954 for the various ministries/departments of the Government of India. These meetings were would be attended by the Senior Officers of the Ministries who would assist the Minister in regard to information on specific items on the agenda and provide the Minister with facts and figures. But in reality, the Committee was a mere transmission belt between the Foreign Minister and parliament for the conveyance of the official foreign policy. Generally speaking, its members were merely given a detailed explanation

of the government's foreign policy with a view to facilitating the acceptance of this policy by parliament.

The role of the Consultative Committee of Parliament on External Affairs in the making of foreign policy appears to have declined over the years. The process started during the time of Indira Gandhi and continuing till now.

1.3.3.2 STANDING COMMITTEE OF PARLIAMENT FOR EXTERNAL AFFAIRS MINISTRY

The institution of Standing Committee of Parliament for each Ministry was created in 1991. In addition to the Consultative Committee of Parliament for External Affairs, there came into existence a Standing Committee of Parliament on External Affairs, with somewhat different functions, which are as follows:

1. To scrutinize the demand for grants of the Ministry of External Affairs and report to the Speaker of the Lok Sabha and the Chairman of the Rajya Sabha.
2. To examine and report on proposed legislation, related to the Ministry of External Affairs, if the proposed legislation concerned is referred to the Standing Committee by the Speaker or the Chairman.
3. To review the Annual Report of the Ministry of External Affairs.
4. To review the policy statement read by the Minister for External Affairs on the floor of the Lok Sabha and Rajya Sabha, if it is referred to the Standing Committee by the speaker or the Chairman respectively.

The Standing Committee meetings are attended by bureaucrats not the Foreign Minister. Members of the Standing Committee do not have any opportunity to interact with the Foreign Minister. But the Committee can summon officers of the Government of India, including the Foreign Secretary, as witnesses. Moreover, at the time of scrutinizing the demand for grants of the MEA, the Standing Committee discusses the overall foreign policy and offers its suggestion to the MEA, which are sometimes used by the latter in due course. For instance, the

Standing Committee of Parliament on External Affairs observed in a report in 1998 that adequate attention had not been paid to overseas Indians a major element of India's foreign policy. It recommended that a new Division should be created in the Ministry of External Affairs exclusively for the Overseas Indians. This recommendation was accepted by Ministry in 1999. In 1999 the Committee pointed out that inadequate attention had been paid to research in the Policy Planning Division of the Ministry of External Affairs, and recommended the revival of the old research cadre. This recommendation was also accepted by the Ministry.

According to J. N. Dixit, who functioned as a National Security Adviser, the Standing Committee of Parliament on External Affairs has been more effective, since its inception, than the Consultative Committee in influencing the making of foreign policy. Another senior retired diplomat, Ambassador K.S. Rana, has, however, pointed out certain weaknesses in the functioning of the Standing Committee, on the basis of his own experiences of attending its meetings. After observing that the Standing Committee ensures transparency and accountability in the functioning of the MEA, Rana says: "But the Committee seems to lack expertise to pursue issues in depth. There are instances of assurances given to the Committee that have subsequently been forgotten. In the MEA, since Missions are often the places where action is to be taken on the recommendations of the Committee, no one seems to have asked if these Missions are actually instructed to produce the follow up. The Committee seems to have its own hobby-horses that figure in its reports, and could benefit from a wider focus on its examinations".

1.3.3.3 PARLIAMENT INFLUENCE ON FOREIGN POLICY

With regard to the influence of parliament on foreign policy, it would appear that the Government generally tended to ignore parliament before making major foreign policy decisions during the Nehru era as well as the immediate post-Nehru period. In certain cases, however, parliamentary criticism and adverse public opinion compelled it, during this period, to modify policies adopted by it towards major international developments or crisis situations affecting our national interest or

the fundamental principles of our foreign policy. In other words, while generally being unable to influence foreign policy decisions in advance, parliament sometimes acted as a check on foreign policy excesses.

Parliament was sometimes deliberately and wilfully ignored by the Government in the Nehru era. For instance, the Chinese encroachments on what India claimed to be her own territory started shortly after the 1954 agreement, but for five years, up to 1959, parliament was not informed of these encroachments by the government.

A major example of the wilful neglect of the parliament by the Government during the first Indira Gandhi era is provided by the deliberate bypassing of the parliament with regard to the Simla Agreement of 1972 with Pakistan. An understanding regarding the agreement was reached at a summit meeting between India and Pakistan on 2 July 1972, and its provisions were immediately made public. According to the understanding, the Agreement was to be ratified by the governments of the both countries.

The same trend of neglecting the parliament in decision making with regard to foreign policy is still continuing. There are many examples for this. For instance, during Rajiv Gandhi tenure, when the Rajiv-Jayawardene Agreement of 1987 was signed, neither the terms of the agreement nor the despatch of the IPKF to Sri Lanka had the approval of the Parliament. Similarly, the NDA Government under Atal Bihari Vajpayee has not taken Parliament into confidence when it conducted secret talks with the US government after Pokhran II nuclear tests to sign CTBT. There were repeated demands in parliament for details of Singh's parleys, but the Government failed to respond positively.

The most recent crisis India witnessed with regard to foreign policy was when it concluded nuclear agreement with the United States of America. The entire opposition questioned that agreement and the Left parties' criticism against the Manmohan Singh government was very severe. Since the government did not accommodate the demands, the Left parties withdrew support to the UPA government, and with a great difficulty the government survived.

Hence, the history of parliamentary process reveals that though India's Parliament is a sovereign body of decision making, and it has supreme authority to pass any law, in reality, the executive centred around the Prime Minister is real power centre in the making of foreign policy. The actual foreign policy making is carried by the executive with an active role played by the PMO and MEA.

1.3.4 THE PRIME MINISTER OFFICE (PMO)

The elevation of the Prime Minister Office (PMO) to the key decision making body is a recent phenomenon. The PMO was grown out of the older Prime Minister Secretariat (PMS). It was given the present name by Morarji Desai when he became the Prime Minister in 1977 and replaced the PMS. The PMO became very powerful institution during the Indira Gandhi's tenure in the early 1980s with P.C. Alexander as Principal Secretary. Several key departments were transferred from the Ministry of Home Affairs to the PMO, which started playing an almost decisive role in both security matters and foreign policy.

When the BJP came to power in 1998 under the Prime Ministership of Atal Behari Vajpayee, the PMO continued to play a high-profile role in foreign policy, particularly through Brajesh Mishra, the Principal Secretary to the PM, who headed the PMO. Mishra was also appointed as National Security Advisor (NSA) when the National Security Council (NSC) was set up in 1998. From that time onwards, he functioned as both head of the PMO and NSA, making it difficult to distinguish between his two different roles. While holding these two positions, Mishra played a major role in the making of foreign policy, and virtually sidelined the Ministry of External Affairs (MEA), particularly the Foreign Secretary. After Pokhran II nuclear tests, he travelled all over the world to explain the reasons for India's nuclear tests. Mishra also took a very significant interest in Pakistan, and the then Foreign Secretary, Raghunath, reportedly had to follow his instructions strictly. As A. G. Noorani wrote in the *Statesman* in April 1999: "The PMO is no mere coordinator now. It conducts negotiations with foreign dignitaries, talks to the media and involves itself with everything under the sun". When the strategic partnership agreement was signed with

Russia during President Putin's visit to India in October 2000, the detailed media briefing on the India- Russia agreement was done by Brajesh Mishra. During the Indo-Pakistan Agra Summit of July 2001 also, it was the PMO which played a decisive role, while the MEA, including the Foreign Secretary, remained largely invisible.

The PMO continues to play critical role even after the NDA lost power in Delhi and the UPA formed coalition government under Manmohan Singh as Prime Minister. J. N. Dixit, a seasoned and experienced diplomat, has been appointed as National Security Advisor who involved in many secret negotiations with his Pakistani counterpart to resolve all the bilateral disputes between India and Pakistan, including Kashmir. As a Prime Minister who committed to peaceful relations between India and Pakistan, the PMO under Manmohan Singh almost succeeded to conclude an agreement with Pakistan. However, the cross border terrorism undertaken by Pakistan based organisations nullified further advancement in Indo-Pak relations. One specific feature of the Manmohan Singh period is that even though, the PMO played a critical role in matters of foreign policy, the MEA was not undermined. It has got its due importance in matters of foreign policy and there is coordination between both the organisations and played a complimentary role. This period was also witnessed the most experienced, senior and seasoned politician Pranab Mukherjee as a Foreign Minister. This well-coordinated efforts of the PMO and the MEA resulted in achieving one of the most successful outcomes of India's foreign policy – concluding a nuclear deal with the United States of America.

When Narendra Modi became the Prime Minister after the BJP winning the 2014 general election, it was generally expected a strong role of the PMO in foreign policy making. True to the expectation, Modi is taking active party in the India's strategic and foreign policy matters, travelling all over the world to enhance India's strategic depth and standing. Focusing more on advancing India's economic interests, Modi has given strong emphasis to improving bilateral relations with big powers, without jeopardising relations either with the US or China. But precaution was taken not to undermine the importance of the MEA by appointing

a strong personality and senior leader of the BJP Sushma Swaraj as a Foreign Minister. Though Sushma Swaraj not even accompanied the Prime Minister in his overseas tours, however, she is playing an important role in the making of foreign policy. One of the successes that the present NDA government achieved was the conclusion of Indo-Bangladesh agreement that resolved most of the outstanding problems between both the countries, including the settlement and clear demarcation of the border. Many acknowledged the critical role played by the MEA under the stewardship of Sushma Swaraj that include boarding Mamata Benerjee, the Chief Minister of West Bengal who initially was very critical of the settlement as she perceived it undermining water rights of West Bengal.

Nevertheless, being a strong prime minister, it is natural to expect that the PMO is going to play a very important role in foreign policy making under Narendra Modi, though the policy making will be guided more by the core group of the BJP, a cohesive party with a clear ideological orientation and strategy about future India and its role in the community of nations with a extensive focus on economic growth and development.

1.3.5 THE MINISTRY OF EXTERNAL AFFAIRS (MEA)

In a parliamentary democracy, foreign policy, like domestic policy, is the prerogative of the political executive. The Foreign Office, like the other departments of government, is primarily responsible for carrying out the directives of the former. But on account of the far- flung and highly complex nature of foreign policy in the modern world, the Foreign Office has to perform a much greater informative and advisory role vis-a-vis the political executive than any other departments. While the Foreign Minister, and ultimately the Prime Minister and the Cabinet, are responsible for actual decision making with regard to the fundamentals of foreign policy, the Foreign Office is responsible for feeding them with detailed and adequate information, analyzing and evaluating the available data, and recommending concrete measures in each case. The Foreign Office, therefore, plays a vital and indispensable role in the making of foreign policy, without being ultimately responsible for it.

1.3.5.1 STRUCTURE AND ORGANISATION

The Ministry of External Affairs is headed by one of the key members of the Cabinet as Foreign Minister, who generally assisted by a Minister of State and/or a Deputy Minister. It has also been customary to allot some territorial and administrative work to these State and Deputy Ministers.

Next in the hierarchy of the Ministry of External Affairs is Foreign Secretary, who for a long time, during the entire tenure of Nehru, called as Secretary-General. Since Nehru was both Prime Minister and Foreign Minister from the beginning, it was considered necessary to have a senior officer as the administrative head of the Foreign Office to supervise and coordinate the activities of the Ministry and to advise the Prime Minister on policy details. He was officially described as “the principal official adviser to the Minister on matters relating to foreign policy” and was said to be “responsible for the supervision and coordination of the work of the Ministry as a whole”.

At the head of the Ministry of External Affairs is the political executive, consisting of the Minister for External Affairs and the Minister of State for External Affairs. Below the level of the political executive is the bureaucratic structure of the Foreign Office headed by the Foreign Secretary. Presently, there are five Secretaries in the Ministry of External Affairs including Foreign Secretary, Secretary (East), Secretary (West), Secretary (Multilateral & Economic Relations – M&ER), Secretary (Americas & CPV). CPV refers to Consular, Passport & Visa. Below these five secretaries, two additional secretaries are placed to assist the Foreign Secretary. Below the level of Secretaries and Additional Secretaries are a large number of Joint Secretaries, Directors, Deputy Secretaries, Under Secretaries, and Attaches, in a descending order of status. Divisions are two categories: a) Specialised Divisions such as administration, security, economic, publicity, finance, policy planning etc.; and b) Territorial divisions looking after each region of the world, like Africa, Central Asia, East Asia, Europe, Gulf, etc.

The main source of information regarding happenings in foreign states and other international developments at the disposal of the Ministry of External Affairs

is the large network of Missions and Posts maintained by it abroad. These Missions and Posts are also ultimately responsible for the effective implementation of foreign policy. The Foreign Office at the Delhi which controls the administration and supervises the work of the Missions and Posts represents a two-way transmission belt between the latter and the Foreign Minister and the Cabinet.

The MEA and its Missions and Posts abroad conducts various activities that include political diplomacy, economic diplomacy, cultural diplomacy, propaganda or external publicity, policy planning and personal planning.

1.3.5.2 THE MEA : CRITICAL APPRAISAL

The MEA being a professional organisation that is responsible for coordinating India's foreign policy is staffed with personal that were trained to carry out responsibilities. Their functions are more diverse than the functions carried by other ministries in the Government of India. As the world is getting complex day by day, so are the functions and activities of the bureaucracy in the MEA. The increased multilateralism, sophisticated publicity and propaganda due to cutting edge technology and social networking, dealing with newer global crimes such as terrorism, piracy, cyber crimes, etc. are making the task of the MEA tougher. The MEA is trying it best to cope up with all these challenges.

However, the MEA is not adequately placed to carry this growing complexity of international relations. There are many structural weaknesses to handle the gamut of foreign policy. First and foremost structural problem is related to less manpower: about 800 diplomats carry the responsibilities of the MEA, whereas China has 4000 diplomats and the USA has nearly 20000. As the responsibilities are increasing with the growing stature of India in international politics, there is urgent need to enhance the staff to handle multitude of activities. There is a mismatch between the demands of present foreign policy making requirements and supply of the staff.

Many scholars are also pointed out that India's foreign policy decisions are often highly individualistic – the province of senior officials responsible for

particular policy areas, not strategic planners at the top. As a result, India rarely engages in long-term thinking about its foreign policy goals, which prevents it from spelling out the role it aims to play in global affairs. The other concern is that Indian foreign-policy makers are insulated from outside influences, such as think tanks, which in other countries reinforce a government's sense of its place in the world.

Several current and former ambassadors are critical of overwhelming role played by the bureaucracy rather than political executive. The lack of top-down planning is somewhat undermining the optimum balance between societal requirements and policy making. One of the former ambassadors to several European countries stated that "I could never find any direction or any paper from the foreign office to tell me what India's long-term attitude should be toward country X. Positions are the prerogative of the individual ambassador."

This lack of top-down instruction means that long-term planning is virtually impossible. Many of the officials confirmed that India produces no internal documents or white papers on grand strategy. Moreover, newly minted ambassadors are given very loose guidelines and little background information about their regions of responsibility, and they are not required to produce reports on their goals.

The absence of grand strategic thinking in the Indian foreign policy establishment is amplified by the lack of influential think tanks in the country. Not only is the foreign service short-staffed, but its officers do not turn to external institutions for in-depth research or analysis of the country's position. U.S. foreign-policy makers, by contrast, can expect strategic guidance from a broad spectrum of organizations that supplement the long-term planning that happens within the government itself. But in India, there are very few policy-oriented research institutions that focus on international relations. Those that do are often private organizations funded by large corporations, so they inevitably focus chiefly on trade issues. Even when Indian think tanks house retired foreign service officers and ambassadors - who often have access to senior government officials -- they are still not seen by the government as useful sources of advice.

Countries that aspire to great-power status usually look beyond tactical challenges, imagine a world that best suits their interests, and work to make that vision a reality. The problem for India is that its foreign policy apparatus is not yet designed to do that. India's inability to develop top-down, long-term strategies means that it cannot systematically consider the implications of its growing power. So long as this remains the case, the country will not play the role in global affairs that many expect.

1.3.6 POLITICAL PARTIES

Political parties play a critical role in a democracy; more so in a parliamentary democracy where they act as aggregators of segmented interests of economic, political and religious. In India, the existence of many political parties and pluralities of interests they represent adds a sort of complexity to foreign policy making.

1.3.6.1 THE CONGRESS

The unbroken domination of the Indian political system by the Indian National Congress for nearly four decades after independence, and Nehru's towering leadership imparted a unique character to the process of decision making in Indian foreign policy. However, the opposition parties on both the left and the right, as well as various groups within Congress, exercised some influence on the making of foreign policy. With the waning of Congress power and the appearance of a visible trend towards the growth of more complex and polycentric political system in the country, particularly since 1998, it has become somewhat difficult for any political party to exercise decisive influence over the shape and direction of Indian foreign policy.

The domestic and foreign policy of the Government of India after independence were largely based on the resolutions of the Indian National Congress adopted during the freedom movement and afterwards. Hence, the fact that the Congress was continuously in power during the most formative period of India's foreign policy has been of decisive importance from the point of view of the decision making in foreign policy. The Congress itself had been during the freedom

movement, and remained at least for two decades after independence, a broad political platform representing the consensus of many dissimilar and divergent political opinions, and this trend of decision making was largely reflect in foreign policy as well. The resolutions of the Congress on foreign policy were, however, largely the handwork of Nehru, and this fact, coupled with his unquestioned monopoly within the government with regard to foreign policy decisions, made the concrete formulation, if not the broad orientation of India's foreign policy the product of Nehru's own thinking to a great extent. His main contribution probably lay in harmonizing and synthesizing the rightist and leftist opinions on foreign policy within the party and bringing them to a common focus. Nehru's own foreign policy thinking, and the detailed decisions made by him, were probably influenced to a certain extent by the actual and potential reaction of the various opposition parties.

Like Nehru, Indira Gandhi also dominated the formulation and implementation of foreign policy during her two tenures as Prime Minister. But she had to depend heavily for her survival as Prime Minister and political leader, particularly during her first tenure, on the support of the CPI and the so-called "Progressive Congressmen" who were inclined towards the CPI and the Soviet Union. This must have been one of the reasons for the apparent pro- Soviet tilt of her foreign policy, although the situation in the subcontinent arising out of the Bangladesh crisis of 1971 and the resulting polarization of external powers was another major cause of this tilt.

However, the Janata government in 1977 and later on the BJP government in 1998 somewhat attempted alter some of the policies pursued by the Congress, particularly with regard to anti-Americanism. Moreover, the dissolution of Soviet Union and the end of Cold War brought significant shift to Congress orientation towards India's foreign policy. The Congress under Manmohan Singh, initiated economic reforms and moved closer to the United States. It successfully concluded a nuclear deal with the US and started playing active role international relations, especially in multilateral forums such as WTO and also took proactive role in regional forums such as BRICS and IBSA. Apart from that it also attempted to improve friendly relations with the neighbourhood.

1.3.6.2 THE BJP

The BJP has got strong ideological proclivities. It believes in greatness of Hindu traditions and impact of these traditions not only in the Indian subcontinent and in entire Asia. When it was first in office between 1998 and 2004, the BJP governed within the context of a coalition. Many of its coalition partners had not necessarily shared the party's ideological agenda and especially its vision of Hindu nationalism. Consequently, some of its most cherished goals have to be set aside. Yet, manifestations of the BJP's own foreign policy attitudes were evident in the Pokhran II nuclear explosions and the programme of nuclear weaponization, the development of friendly relations with Israel, the new pro-American orientation of Indian foreign policy, the emphasis on state power, the abandonment of the planned economy, privatization and liberalization of the economy, and the open-door policy towards foreign direct investment from multinational corporations.

In 2014, the BJP returned to office with a clearcut majority in parliament. Even though it has a set of allies, it does not depend on them for its survival in office. Hence, it is in a position to execute the policy without any constraints. Hence, one sense the kind of policy orientation the Narendra Modi government is going to undertake on matters of foreign policy.

The BJP's domestic agenda under the leadership of Narendra Modi is clear: despite some inevitable setbacks, his government is keen to promote rapid economic development, while it has little use for India's long-held (if imperfect) commitment to a secular polity. What are some of the initial portents of his preferred foreign policy goals and outcomes? At the outset, it is important to mention that unlike every other government since India's independence, the new regime has not felt compelled to publicly affirm its fealty to non-alignment. Modi's lack of reference to this important lodestar in India's foreign policy constitutes a dramatic departure from the past. His silence on the matter is significant because the doctrine was closely identified with the politics of the once-dominant Congress Party and India's first prime minister, Jawaharlal Nehru.

Modi's extremely vigorous ventures abroad and changes at global, regional, and bilateral levels seem to herald a markedly new era in India's foreign policy. Three key imperatives in his foreign policy can already be discerned. The first involves engaging with a number of advanced industrialized states to boost India's economic interests. The second involves designing a strategy to cope with a resurgent China. The third involves attempts to improve relations with India's neighbours as well as states in the Indian Ocean littoral also with a firm eye toward limiting China's influence. The one exception to this effort may well be India's bilateral relations with Pakistan.

Modi's lack of interest in historical baggage was exemplified in his decision to invite U.S. President Barack Obama as the chief guest at India's annual Republic Day parade in January 2015. This gesture was fraught with considerable meaning: no U.S. president had ever been asked to grace this occasion. In many ways, this move could be construed as a signal that his government is ready to forge a normal working relationship with the United States. Given the fraught history of Indo-U.S. relations, the significance of the invitation cannot be underplayed.

Modi has also displayed a keen interest in bolstering existing relationships and expanding India's presence in the emergent global order. These initiatives deserve some comment. Without cataloguing every one of Modi's foreign trips, it is possible to highlight the most salient. Even before travelling to the United States, Modi visited Japan. The Indo-Japanese relationship is of particular significance to this regime for a number of compelling reasons. At the outset, both Modi and his Japanese counterpart, Shinzo Abe, are unabashed nationalists. They are also acutely concerned about the rise and assertiveness of China. Consequently, Modi's visit to Japan in late August 2014 was multi-faceted, and not surprisingly highlighted the security dimensions of the relationship.

At a regional level, Modi also seems more prone to taking new initiatives as well as risks in his dealings with India's neighbours. Some choices seem entirely consistent with his ideologically charged worldview, while others appear

to demonstrate a streak of pragmatism. Two key issues seem to animate his regional agenda. First, it is evident that he deems that good relations with India's neighbours are essential to the country's security and well-being. While previous prime ministers in the recent past had expressed similar sentiments, their willingness and ability to follow through on their rhetoric had fallen short. The other, unstated concern, of course, is the looming presence of China in South Asia. Not surprisingly, almost immediately upon assuming office, Modi visited the small Himalayan kingdom of Bhutan. This trip was significant because it was an obvious attempt to ward off the attempts of China to woo Thimphu.

This pragmatic attitude has been most evident in Modi's willingness and ability to resolve a nagging border dispute with Bangladesh even though it required a constitutional amendment. The resolution of this land border dispute effectively removed a significant and long-standing irritant in Indo-Bangladeshi relations.

Modi's foreign policy has also not neglected India's other neighbours. To that end he has visited Myanmar, Nepal, and Sri Lanka. In all three countries, apart from specific bilateral issues, he has not lost sight of a central concern: the growing presence and influence of China. In Nepal, which he visited in August 2014, he deftly emphasized India's regard for Nepal sovereignty, saying that Nepal's water resources were its own and that it was for Nepal to decide whether or not it would provide India with hydro-electric power. These statements were deliberately designed to assuage long-standing Nepalese misgivings about India.

A curious amalgam of ideology and pragmatism has also been manifest in BJP's dealings with India's long-standing adversary, Pakistan. In a remarkable departure from the past, Modi invited the political leadership of all South Asian states to his inauguration as prime minister and chose not to exclude Prime Minister Nawaz Sharif of Pakistan. Indeed, at the time, a number of commentators suggested that this decision to include Sharif indicated a willingness

on Modi's part to renew a stalled dialogue with Pakistan. These hopes, however, were soon dashed. The decision to resume Foreign Secretary level talks was withdrawn immediately after the Pakistan Ambassador's meeting with Hurriyat people.

Modi has displayed similar resolve in his dealings with China. During Chinese President Xi Jinping's visit to India in September 2014, the People's Liberation Army made incursions in a disputed region along the Sino-Indian border in Ladakh. Modi forthrightly told Xi that such incidents were unacceptable. Similarly, even as he undertook efforts to resolve the border dispute with China and attract investment, it is reported that he did not shy away from highlighting India's security concerns during his visit to Beijing in May 2015.

From both the cases discussed above, it can be inferred that Modi has brought a new, more muscular resolve to India's foreign policy. This demonstration of firmness is entirely in keeping with the ideological roots of the BJP.

1.3.6.3 THE LEFT PARTIES

In the early days of India's independence the Communist Party of India has significant popularity among the masses. However, its disastrous strategies and political and ideological orientations gradually eroded that popularity. Initially, the Communist Party of India refused to accept that India has achieved the independence; used to consider India as a puppet of British imperialism. It has undertaken armed struggle in Telangana in which it has lost substantial cadre. However, the split in 1964 brought a qualitative change to the Left politics in India. The CPI has become closer to the ruling Congress as they both share similar proximity towards the Soviet Union. In fact, the CPI has gone to the disastrous extent when it supported Indira Gandhi during emergence. Later on development in international politics brought back some sort of balance to its policies, though the support base of both CPI and CPM eroded substantially as it was witnessed in 2014 general elections. First time it recorded the lowest presence in Lok Sabha, CPM with 9 seats and CPI with one.

In matters of foreign policy, both the Left parties take more or less similar perspectives. They strongly advocate for solidarity of Third World countries to fight against imperialism, neo-colonialism, economic liberalism imposed by Western countries, the US operations in developing countries, close ties between all the South Asian countries, meaningful cooperation between India and China, etc. They are very critical of India moving closer to the United States of America which they consider as imperialist state that imposing a sort of the world order to facilitate big business and multinational corporations at the cost of the people, especially poor, in the developing countries.

Due to this ideological orientation, the Left parties strongly opposed Indo-US nuclear deal that was initiated by Manmohan Singh led UPA government for which the Left parties extended support from outside. The Left parties, particularly the CPI (M) considered that the Indo-US nuclear deal was not just about civil nuclear trade, but represented a fundamental shift in India's foreign policy orientation, especially since the measure was paralleled by moves to strengthen the US-India defence relationship as well.

The Left confronted the government when India voted with the United States in the International Atomic Energy Agency (IAEA) with reference to Iran's nuclear programme in September 2005 and February 2006. The Left also protested the growing military ties between the two countries, and mounted a protest when Indian and the United States held a joint exercise at the Kalaikunda airbase in West Bengal. But the breaking point came in August 2008 when Prime Minister Manmohan Singh announced that India would approach the IAEA to sign a new safeguards agreement to implement the Indian end of the Indo-US nuclear deal. On July 8, 2008, the Left parties withdrew support from the UPA leading to a confidence vote in Parliament on July 22, which the government won after strenuous manoeuvring.

Though lost popularity as they used to have in Indian politics, still the Left is voicing its protest as when it consider India is moving closer to America and for also becoming part of the world that the United States want to build.

The CPI (M) leader Sitaram Yechury criticised the government's decision to invite United States President Barack Obama as the chief guest on Republic Day by stating that: "This is the first time that India has invited the President of the United States of America to be the chief guest at the Republic Day. It's not that earlier invitations were given and they refused to come but India out of a clear cut foreign policy direction says that our privacy in our foreign policy lies with our solidarity with the developing world".

However, there are very few either in the ruling BJP or oppositional Congress that would agree with the ideological orientation of the Left parties in changing international circumstance. The foreign policy establishment hardly consider the views of Left parties as they are away from the direction that the international politics have taken for quite sometime.

1.3.6.4 REGIONAL PARTIES

Post-1990 has seen an upsurge in number of regional political parties across India. Before 1990, such parties had a limited presence. Save Tamil Nadu, they were not a force to reckon with anywhere. At the national level, their minor presence was used either to save the government of the day or such parties would support the national parties in order to gain political and economic benefits.

Things have changed now. The regional political parties are today a major force. At national level, due to their strength in their region, they are major players. They play important role decision-making. They have significant influence on the policy making too.

The influence of Tamil parties on matters related to Sri Lanka is substantial. In fact, for a while they are setting the agenda for bilateral relations. The recent developments clearly indicate this. Since the infamous return of the Indian Peace Keeping Force (IPKF) from the Sri Lanka in 1990, India had stayed away from direct involvement in the Sri Lankan civil war between the LTTE and the Sri Lankan government. However, the Indian government quietly backed

the Sri Lankan government in the mid-2000s in a bid to counter Pakistani and Chinese influence.

In January 2008, the Sri Lankan government unilaterally withdrew from the ceasefire agreement it had signed with the LTTE in February 2002 and resumed its offensive against the rebels. On May 16, 2009, President Mahinda Rajapakse declared victory against the LTTE. Two days later V. Prabhakaran, the leader of the LTTE, was killed.

Throughout, the LTTE's fight evoked a great deal of sympathy and stirred protests in the Western world. But in India, the only support they got was from Tamil Nadu. Political parties in Tamil Nadu, especially the DMK and the state media, strongly criticised the Sri Lankan government for what they said were criminal human rights violations.

Similarly, India's Bangladesh policy cannot ignore the concerns of West Bengal Chief Minister, Mamata Banerjee's Trinamool Congress. In fact, a water agreement with Bangladesh was put on hold because Ms Banerjee was not convinced by some of its provisions. Originally scheduled to accompany the Prime Minister on his visit to Bangladesh, Ms Banerjee ultimately refused to go. However, the present BJP government successfully concluded the agreement in June 2014 after addressing the concerns expressed by Mamata Banerjee.

This phenomenon of the regional parties playing a critical role in matters of foreign policy is not unique to India; the same trend can be observed in other countries as well. The fact is, participation of regional governments in foreign policy is a global phenomenon and has been defined as 'constituent diplomacy' by American scholar John Kincaid. He attributes this phenomenon to a cocktail of factors driven by globalisation, such as economic liberalisation, diffusion of technology and the decentralisation of political power.

India, too, is witnessing this change. Since the 1990s in the immediate aftermath of economic liberalisation, Indian states have been doggedly pursuing economic diplomacy with both the US and other countries. In recent years,

states such as Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh and Bihar have been pro-active in their engagement with foreign governments. State governments such as Gujarat and Bihar have started global summits, which host potential investors from around the world.

Regional parties in India have an important role to play in an increasingly coalition-led central government. These regional parties are exercising a considerable influence over foreign policy, especially with regard to India's neighbouring countries. In certain cases, they have even intervened on issues that previously would be considered the exclusive domain of the central government.

Foreign governments also realise the increasingly important role state governments play, and are beginning to actively engage with state governments. In May 2012, Secretary of State Hillary Clinton visited West Bengal before visiting New Delhi and met up with Chief Minister Mamata Banerjee to discuss the possibility of US investment in West Bengal. And last year, Clinton visited Tamil Nadu and met up with the Tamil Nadu Chief Minister Jayalalitha.

1.3.7 MEDIA AND FOREIGN POLICY

The media has an obvious and independent role in shaping public opinion on foreign policy issues in a democracy. However, the influence of media on foreign policy is shaped by two important factors: first, the extent of domestic political disagreement or consensus on foreign policy issues; and second, the relationship between the Government of the day and the media.

Indian foreign policy was marked by a high degree of domestic political consensus in the initial years after Independence. Few in the national press questioned Jawaharlal Nehru's overall foreign policy orientation. During the Cold War there was a weakening of this consensus in the press, with some favouring a closer relationship with the West and the others favouring a stronger "anti-imperialist" stance. The mainstream public and political opinion in India favoured Nehru's path of "non-alignment" in the Cold War.

The Ministry of External Affairs has traditionally maintained a close connection with influential editors and columnists to ensure, what a high ranking Indian diplomat has dubbed, a “cosy relationship.” While some journalists view this with deep suspicion and may even refuse to accept Government hospitality as a way of defending media freedom, one must not exaggerate the success that Government’s have in winning over the media to their viewpoint. In India’s increasingly fractious political environment and given rising budgets of private media organizations, Government freebies and junkets have declining influence in shaping media thinking on major policy issues, especially after the rise of electronic media and proliferations of televisions channels.

The electronic media, like Parliament, has become an arena in which party political differences on foreign policy do get articulated more forcefully because of the nature of the medium. In fact, TV news channels may have contributed to increased public discord on foreign policy by deliberately strait-jacketing all “discussions” into binary, conflictual “for- and-against’ debates. Rather than facilitate a consensus such “argumentative” debates foster divergence. While television resorts to this practice to increase viewer attention and make news more “entertaining,” this has increased the role of the media in shaping political thinking on foreign policy issues.

The last two decades, therefore, marks a turning point in the role of the media in shaping foreign policy. This is on account of three very different factors: (1) the gradual erosion of the domestic political consensus on foreign policy, giving the media the role of an arbiter and an independent analyst of contending political views; (2) the media revolution and expansion, with the rise of television and business journalism and the growing importance of private corporate advertisement revenues, as opposed to government support for media, in influencing media economics; and (3) the increasing influence of the middle class and the business class in the media has also influenced media thinking on foreign policy.

An early example of the media playing an important role in shaping public opinion and government policy with respect to a foreign and strategic policy issue, in the context of domestic political discord, was the role played by *The Times of India* in 1996 on the issue of India signing the Comprehensive Test Ban Treaty (CTBT) agreement. The *Times of India* editorially called for India rejecting CTBT in the form in which it was then being proposed. India can be a signatory only as an acknowledged nuclear weapons power and not as a non- weapon state. This finally became the official Indian position.

The entire mainstream media has been a strong and consistent supporter of the India-US agreement on cooperation in civil nuclear energy. Overwhelming, media support for the civil nuclear agreement, with the exception of *The Hindu* and *The Asian Age*, strengthened the Government's hand in politically defending its case at home, against political criticism from Left and Right opposition. More than print, television played an extremely influential role in generating public support for the nuclear accord. No major TV news channel campaigned against the agreement, while many of them took a strong supportive stance.

1.3.7.1 MEDIA ROLE : A CRITICAL APPRAISAL

Media impact on foreign policy might begin with the larger role that media plays in providing an understanding of foreign countries and their foreign policy to the domestic audience. The image of a country or region, created through media reportage and commentary, cannot but be a component of the foreign policy formulation of a country.

Media had played mostly complimentary role in the making of India's foreign policy since there is general consensus on course of policy during most part of the post-independence period. However, the largely consensual style of foreign policy has been replaced by approaches that vary from being simply different to being partisan and ideological, as we have seen Indo-US nuclear deal. With the end of the era of consensual foreign policy, the media end up playing the role of an arbiter, rather than a reporter, of contending political

views. The dividing line between arbitrating contending views and advocating a particular point of view is quite thin. Meanwhile, the media as a whole emerged as a significant business opportunity attracting large investments and most of its advertising revenues from the private sector. This has limited the government's ability to influence the media using its traditional methodologies of patronage.

TV news channels may not often set the agenda, but they have certainly adopted new style of framing issues. For example, newscasts offer less news content and more binary, for- and-against debates, tightly controlled by star anchors. However, their record of actually influencing policy has been indifferent.

So while there can be little doubt that the media play a significant role in informing, shaping, or skewing the foreign policy debate, it remains questionable as to whether the media can actually lead a government to adopt, modify, or abandon, a chosen foreign policy course. Pandala, a scholar who studied Indian media says that her findings reveal that 'the India media affected foreign policy formulation in a minimalistic and often symbolic manner'. She adds that the perception that the media lack maturity has detracted from their ability to influence long-term policy changes.

Thus, the extent to which the media influence government policy depends on a great degree on the government itself. A stronger government with a coherent policy can tide over media storms, whereas an unsure course within the government can buffet the policy ship in one direction or the other, or bring it to a grinding halt. All of this is notwithstanding problems within media themselves—lack of expertise in reporting on specialized issues, poor editorial supervision, or even a cynical strategy of deliberately fanning emotions as a means of maintaining viewership and enhancing circulation.

1.3.8 SOURCES & SUGGESTED READINGS

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1.4 CONTINUITY AND CHANGE IN INDIA'S FOREIGN POLICY: POST-COLD WAR ERA

–V Nagendra Rao

STRUCTURE

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1.4.6 Let us Sum Up

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1.4.0 OBJECTIVES

This lesson provides basic understanding about the continuity and change in India's foreign policy in post-Cold War period. After going through this topic, you should be able to:

- know the context under which Indian foreign policy undergone changes;
- understand the structural changes to India's foreign policy;
- comprehend the dynamics of the new foreign policy; and
- know what is continuity in changing foreign policy of India.

1.4.1 INTRODUCTION

Continuity and change are features of all foreign policies. Foreign policy of a nation reflects continuity because it is based on, and guards, the long term national interests of the nation. Continuity in foreign policy reflects the foresightedness and the vision of the foreign policy makers. Similarly, change is also an important aspect of all foreign policies. Change reflects pragmatism of the policy makers holding this responsibility. Change is necessary because the environment, both internal and external, is constantly at flux. Hence, countries need to adjust themselves to the changing circumstances. Therefore, both continuity and change are important features of any foreign policy. Indian foreign policy is no exception to this rule.

If continuity and change are constant features of any foreign policy, is there any change in India's foreign policy? If yes, when the change was brought

into, under what conditions? Is the change substantial or piecemeal? These are questions one has to confront when dealing with an issue like continuity and change in India's foreign policy. However, the answers are difficult to get. Those who follow the foreign policy debates in India know that the diversity in opinion is no less than the diversity of politics. Some say that there a "continuity and change", some say "continuity in change", other say "change no continuity" and remaining say "continuity no change". These differences are due to what some considered as change might be considered by others as continuity. For instance, some say that India has shed its age old policy of "nonalignment" but others refer the contemporary policy of "strategic autonomy" is nothing but old wine in a new bottle. Hence, it all come down to the perspective one would take to understand continuity and change. In this lesson, we discuss some of the significant developments in India's foreign policy to understand the continuity and change in its foreign policy.

1.4.2 CHANGE IN INDIA'S FOREIGN POLICY: THE CONTEXT

The foreign policies of countries are marked more by continuity than change. The reasons for this are fairly obvious. Since most of the tangible determinants of foreign policy remain constant over a long period of time, the scope for policy alteration tends to be limited. Also, decision-makers are hesitant about contemplating change in external relations because they know the consequence could be serious. Fundamental changes in foreign policy take place only when there is a revolutionary change either at home or in the world.

India's relations with the world have seen a fundamental transformation over the last decade and a half. A number of factors were at work in India. The old political and economic order at home had collapsed and externally the end of the Cold War removed all the old benchmarks that guided India's foreign policy. Many of the core beliefs of the old system had to discarded and consensus generated on new ones. The collapse of the Soviet Union and the new wave of economic globalization left India scrambling to find new anchors for its conduct of external relations.

1.4.2.1 CHANGES IN EXTERNAL ENVIRONMENT

In earlier lessons, we have studied that foreign policy is dependent on internal and external factors. Any changes in these factors will lead to the change in the orientation of foreign policy as well. These changes are summarised as following.

Dissolution of Soviet Union

The sudden dissolution of Soviet Union has significant affect on India's foreign policy. The partnership between India and the Soviet Union during the Cold War has been widely regarded as a success story. Although the two countries did not pretend to share the same values, they had no serious conflict of interests and created a model of mutually beneficial realpolitik. The relationship still evokes nostalgia in India, projecting the image of the Soviet Union as a respectful and reliable friend. It has helped India in industrialisation, in establishing modern institutions of higher education and research, contributed to the India's space and nuclear technology, provided market for tea and other products.

Most importantly, Soviet Union has extended its unconditional support to India when the later was in a crisis. Though initially reluctant to take sides during the India's war with China in 1962, as war progresses, it extended support to India. During the Bangladesh crisis when America sent its warship US Enterprise to Indian Ocean, Soviet returned with signing Indo-Soviet Friendship Treaty. Most importantly, the Soviet Union saved India from embarrassment in the United Nations by invoking veto on Kashmir issue as and when the West proposed a resolution against India. The dissolution of the Soviet Union meant, now onwards India has to defend on its own in the United Nations and elsewhere which is not possible without developing rapprochement and close proximity with the Western Countries.

Irrelevance of Nonaligned Movement

The nonalignment was broadly conceived as a platform by India and other like minded Afro- Asian countries to keep neutrality between two dominant power blocs of the world, the West and Socialist. However, the exit of Soviet Union from the world scene makes nonalignment a little sense. In the emerging US-

centric world order, there is no option for India other than cultivating friendly relations with the United States. Moreover, the disappearance of nationalist leaders who have come to the power after anti-colonial struggles by 1980s also qualitatively altered the relationship between so-called Third World countries. Most of the countries that were active in the Third World movement are started flirting with Western countries, be it Egypt or Indonesia. The old fraternal relationship between these countries started melting as new generation of leaders' outlook and understanding considerably different from old nationalist elite.

Socialist Planning to Capitalist Development

There was a considerable change in the economic development of the Third World countries from the late 1970s and early 1980s onwards. In the initial period of independence, most of these countries, like India, have undertaken economic development in the model of "mixed economy" with a strong stress on planning. Since most of these countries were lacking the private capital to industrialise the country, heavy industries were built under state patronage as public sector units. However, the relative development of private capital by late 1970s made this model a sort of irrelevant. Once the private capital and interests are proliferated, there is structural change to the economies, societies and politics of these countries. The idea of socialist welfare economies had losing its ideological rigour in these societies. Hence, the qualities changes started taking place in these countries much before the dissolution of the Soviet Union. When the Soviet Union was disappeared, these private interests got voice to pressurise their governments to liberalise the economies in the direction of the capitalist development.

Impact of WTO and other Economic Regimes

The disappearance of Soviet Union also led to the increased the influence of Western controlled economic regimes such as WTO, IMF and World Bank. Since most of the big powers in the world were strongly backing these organisations and pressurising the Third World countries to accept the trade and financial rules set by these multilateral organisations, not many options are left for these countries. Moreover, the dire financial situation in many of Third World countries, particularly

African countries led to the borrowing money from the IMF and World Bank. Since the lending money is always linked with the liberalisation of the internal economy most of the developing and underdeveloped countries have started initiating economic reforms.

1.4.2.2 CHANGES IN INTERNAL CONTEXT

The Internal developments in India since late 1970s also had sown seeds for reforms in political and economic systems as well as foreign policy. There is structural changes to society and polity that ultimately made reforming the country easier in the early 1990s

End of Congress Party Domination

The late 1990s witnessed the end of the single party domination in India. The Congress, which acted as platform for consensual politics, fragmented and many newer parties emerged with different outlook. The kind of unanimity which the country has witnessed in the early independence period was disappeared; the parties started voicing segmented interests than pan-Indian interests. This has a considerable impact on the political development of India.

Emergence of New Elite

India's internal factors also significantly contributed to the change in India's foreign policy. By 1980s almost all the national leadership that took active part in Independence movement has disappeared from the political scene. A new breed of leadership that emerged in the Indian political scene in the 1980s has more pragmatic in its approach than the earlier leadership. They no more consider planning and nationalisation of key economic institutions as a best way for economic development. The new business and trading class also inclined to open and liberal economy rather closed and regulated economy. The Indian capitalist class, which has grown up in the intermediate years, started pressurising the political class to initiate economic reforms. Rajiv Gandhi government responded favourably to these demands and started economic reforms in late 1980s. Hence, India initiated economic reforms much before the dissolution of the Soviet Union.

These are the changes to the external and internal context that reoriented India's political and economic systems in early 1990s. The immediate factors such as balance of payment crisis fastened the reforms, but the context is already set in terms of structural changes to the national and international systems.

1.4.3 STRUCTURAL CHANGES IN INDIA'S WORLD VIEW

Underlying India's current foreign policy strategy are a set of important transitions in India's world view. Not all of these were articulated self-consciously or clearly by the Indian political leadership. However, the change is clearly visible. Some of these are detailed below.

1.4.3.1 ADOPTING TO THE PROCESS OF GLOBALIZATION

The first was the transition from the national consensus on building a "socialist society" to building a "modern capitalist" one. Adapting to the new challenges of globalization now became the principal national objective. The change in the national economic strategy in 1991 inevitably produced abundant new options on the foreign policy front.

1.4.3.2 SHIFTING FOCUS FROM POLITICAL TO ECONOMIC

Implicit in this was the second transition, from the past emphasis on politics to a new stress on economics in the making of foreign policy. India began to realize in the 1990s how far behind it had fallen the rest of Asia, including China, in economic development. India was now seeking foreign direct investment, and access to markets in the developed world. The slow but successful economic reforms unleashed the potential of the nation, generated rapid economic growth and provided a basis to transform its relations with great powers, regional rivals Pakistan and China, and the neighbourhood as a whole.

1.4.3.3 LEADER OF THIRD WORLD TO EMERGING POWER

A third transition in Indian foreign policy is about the shift from being a leader of the "Third World" to the recognition of the potential that India could emerge as a great power in its own right. While independent India always had a sense of

its own greatness, that never seemed realistic until the Indian economy began to grow rapidly in the 1990s. While the rhetoric on the third world remained popular, the policy orientation in India's external relations increasingly focused on India's own self interest. There was a growing perception, flowing from the Chinese example, that if India could sustain high growth rates it had a chance to gain a place at the international high table.

1.4.3.4 DISCARDING ANTI-WESTERN APPROACH

The 1990s also saw India begin discarding the "anti-Western" political impulses that were so dominant in the world view that shaped Indian diplomacy right up to 1991. Rejecting the "anti-Western" mode of thinking was the fourth important transition of Indian foreign policy. As the world's largest democracy, India was the most committed to Western political values outside the Euro-Atlantic world. Yet the Cold War saw India emerge as the most articulate opponent of the Western world view. A strong anti-Western bias crept into Indian foreign policy supported by the left as well as the right and underwritten by the security establishment. The disappearance of the Soviet Union and China's rise as a great power demanded that India to break the decades old anti-Western approaches to foreign policy.

1.4.3.5 IDEALISM TO REALISTIC POLICY ORIENTATION

Finally, the fifth transition in Indian foreign policy in the 1990s was from idealism to realism. Idealism came naturally to the Indian elite that won independence from the British by arguing against colonialism on the basis of first principles of Enlightenment. The new leaders of India had contempt for "power politics". They believed it was a negative but lingering legacy from 19th century Europe that had no relevance to the new times of the mid 20th century. India tended to see its role in world politics as the harbinger of a new set of principles of peaceful coexistence and multilateralism which if applied properly would transform the world. Although Nehru demonstrated realism on many fronts, especially in India's immediate neighbourhood, the public articulation of India's foreign policy had the stamp of idealism all over it. Since the 1990s, India could no longer sustain the presumed idealism of its foreign policy. India had to come to terms with the painful reality that

its relative standing in the world had substantially declined during the Cold War. Much like Deng Xiaoping who prescribed pragmatism for China, the Indian leaders began to emphasize practical ways to achieve power and prosperity for India.

1.4.4 DYNAMICS OF THE NEW FOREIGN POLICY

The shift in India's foreign policy is clearly visible with the measures India has undertaken from 1990s onwards. It has shed many of the ideological impulses and started asserting on issues which it consider as vital to advancing its interests. The policies it has adopted, initiatives it has undertaken and strategic relationships it has nurtured in the post-Cold War period were so significant that no one would have imagined a couple of years before.

1.4.4.1 NUCLEAR DIPLOMACY

One area which saw the cumulative impact of all these transitions in a powerful manner was India's nuclear diplomacy. After years of promoting idealistic slogans such as universal disarmament, India by the late 1990s recognized the importance of becoming a declared nuclear weapon power. Despite the steady nuclearization of its security environment over the decades, India remained ambiguous about its attitudes to its national own nuclear weapons programme. Even as it tested a nuclear device in 1974, India refused to follow through with the nuclear weapons project. By the late 1990s, though, India found it necessary to make itself an unambiguous nuclear power. The economic growth of the decade gave it the self-confidence that it could ride through the inevitable international reaction to it. India was also right it betting that a country of its size and economic potential could not be sanctioned and isolated for too long. Even more important, India sensed that there might be diplomatic opportunities for getting the great powers acknowledge if not legitimize its nuclear weapons programme and remove the high technology sanctions against it. Within seven years after its second round of nuclear testing in 1998, India signed the historic nuclear deal with the Bush Administration in July 2005 under which the U.S. agreed to change its domestic non-proliferation law and revise the international guidelines on nuclear cooperation in favour of India.

1.4.4.2 EXPANSION OF RELATIONS WITH MAJOR POWERS

Another area of transformation was India's relations with the great powers. The end of the Cold War and the collapse of the Soviet Union, allowed India to pursue, without the political inhibitions of the past, simultaneous expansion of relations with all the major powers. Injecting political and economic substance into the long emaciated relationship with the United States, now the lone super power, became the principal national strategic objective. At the same time, India was unwilling to let its old ties to the Soviet Union, now a weakened Russia withers away. Since the end of the Cold War, Russia has remained an important source of arms and a strategic partner. Meanwhile India's ties with Europe, China and Japan have all become far more weighty and diversified. The upgradation of the relations with China since the early 1990s has been one of the biggest achievements of India's new foreign policy. The once wary relationship with China has now blossomed into a strategic partnership for peace and development. China has emerged as India's single largest trading partner. India and Japan, which drifted apart from the Cold War, have steadily expanded the basis for political cooperation in recent years and have proclaimed a strategic partnership in 2005.

1.4.4.3 RECONCILIATION WITH NEIGHBOURS

India's new foreign policy was not all about "big power diplomacy". It involved a strong effort to find political reconciliation with two of its large neighbours—Pakistan and China. Since the end of the Cold War, India had sought to cope with Pakistan in the radically changed context that brought nuclear weapons into the bilateral equation and an increased ability of Pakistan to intervene in the disputed state of Jammu and Kashmir through cross- border terrorism. The diplomatic history of Indo-Pak relations in the 1990s included every possible development—from a limited conventional war to a total military confrontation to many summits that struggled to define a new framework for peace between the two neighbours. A new peace process under way since 2004 has produced the first important steps towards a normalization of Indo-Pak relations, including a serious negotiation on the Kashmir dispute. At the same India is also involved in purposeful negotiations

to end the long-standing boundary dispute with China. For the first time since its independence, India is now addressing its two of most important sources of insecurity—unresolved territorial questions with Pakistan and China. Both involve de-emphasizing territorial nationalism, which in turn carry significant political risks at home. Yet, the Indian political leadership now believes resolving either or both of these problems would fundamentally alter India's security condition.

1.4.4.4 NURTURING RELATIONS WITH EXTENDED NEIGHBOURHOOD

India also started asserting its rightful place in the Indian Ocean and its littoral states. The 1990s saw India making a determined effort to reconnect with its extended neighbourhood in South East Asia, Afghanistan and Central Asia, and the West Asia. India's renewed engagement with the surrounding regions is within a new framework that emphasized economic relations and energy diplomacy rather than the traditional notion of third world solidarity through the nonaligned movement.

During the 1990s Indian diplomacy had to develop a new strategy to deal with the Islamic world. Even as it renewed its engagement with Israel, which was kept at arms length for decades, India also sought to redefine its policies towards key Islamic countries. The reality of a large Islamic population—nearly 150 million today—had always been an important factor in India's foreign policy. In the past it merely meant supporting various Islamic causes. But today, the relationship with the Islamic world is being deepened on the basis of economic and commercial cooperation, energy security and cooperation in combating religious extremism and terrorism. This gave an unprecedented depth and breadth to India's ties to the Islamic world since the end of the Cold War.

1.4.4.5 India's Foreign Policy Under Narendra Modi

India's foreign policy under Narendra Modi has more of a realistic and pragmatic turn without leaving the core of India's foreign policy ideals. Modi, a deft politician, began his diplomatic offensive immediately after his BJP secured a majority in the 2014 parliamentary polls. He invited many regional leaders, including Pakistan's

former PM Nawaz Sharif and ex-Afghan President Hamid Karzai, to his oath-taking ceremony. In September 2014, Modi visited the US and addressed the Indian diaspora in New York's Madison Square Garden. He also held talks with Former US President Barack Obama. Modi's "diplomatic showmanship" made headlines in India as well as in the US. After Donald Trump became America's president, India-US ties continued to flourish, with New Delhi and Washington sealing several trade and defense deals and undertaking joint military exercises. Modi's diplomacy equally charmed the European Union. The Indian prime minister visited Berlin and Paris in 2015 and held talks with German Chancellor Angela Merkel and Former French President Francois Hollande. In France, Modi managed to break the deadlock over the sale of 36 Rafale fighter jets.

India's relations with some of its neighboring countries have always been problematic. India views China and Pakistan as its biggest security challenges in the region. This aspect of India's foreign policy has remained unchanged for the past few decades. But security analysts say that unlike his predecessors, PM Modi has chosen to be more assertive when it comes to national security. As an example of this assertiveness, they point to India's "surgical strike" against suspected militant hideouts in Pakistan in response to a deadly attack on Indian troops in Kashmir in February. Modi's China policy, meanwhile, hasn't succeeded in resolving the tensions and mistrust between the two nations. In April 2018, the Indian prime minister met with Chinese President Xi Jinping at a bilateral summit in Wuhan. The meeting was touted as a milestone in India-China relations; however it failed to deliver concrete results. New Delhi is also skeptical of China's Belt and Road Initiative (BRI), which it considers a regional security threat. Rangachari says that India is not alone in expressing concerns about the BRI.

Channeling India's regional foreign policy through BIMSTEC underlines Modi's desire to focus on the country's eastern frontier. The Bay of Bengal connects India to its eastern neighbors, not only to its traditional South Asian partners such as Bangladesh, Bhutan, Nepal, and Sri Lanka, but also to Southeast Asia via Myanmar and Thailand. By doing this, Modi has tried to redefine India's strategic periphery, reimagining the country's neighborhood on more favorable terms.

Modi has also transformed India's "Look East" policy into a more aggressive "Act East" policy, which aims to connect India to East Asia through better infrastructure, trade and regional institutions. Analysts say the Act East policy, unlike other diplomatic efforts, gives an equal importance to economic relations and security interests. As a result, India has been more vocal about free maritime navigation and a rules-based order for maritime security, especially in the South China Sea, and has also signed a deal with Indonesia to build the Sabang port, located in the strategically important Malacca strait.

As Harsha V. Pant notes, India's foreign policy has undergone a remarkable transformation since Modi came to power in May 2014. No Indian prime minister has ever before generated the kind of tenor and volume of academic literature that Modi has, particularly in the field of foreign policy. As Foreign Secretary Vijay Gokhale remarks, in terms of the policy, India has moved from non-alignment to alignment: "India has moved on from its non-aligned past. India is today an aligned state—but based on issues." Underscoring that it was time for India to become part of the global rule-making process, Gokhale argued that "in the rules-based order, India would have a stronger position in multilateral institutions."

The Modi government is redefining strategic autonomy as an objective that is attainable through strengthened partnerships rather than the avoidance of partnerships. By doing so, it is underlining that in today's complex global scene, strategic autonomy should not necessarily be a twin of non-alignment. When India engages in the so-called "Quad," for instance, it seeks to enhance its strategic autonomy vis-à-vis China. Meanwhile, when the country sits together with Russia and China for a trilateral, it is magnifying its strategic autonomy vis-à-vis a Trump administration that is intent on challenging the pillars of the global economic order.

By elevating the former foreign secretary, Jaishankar, to minister of external affairs, Modi has made it clear that India will prioritize foreign policy. On the global stage, this comes at a time when escalating tensions between the United States and China are shaking up the world order. At the same time, U.S.-Indian relations may hit a rough patch over growing disagreements on trade-related issues.

1.4.5 INDIA'S FOREIGN POLICY: CONTINUITY IN CHANGE

It has now become something of a standard view that India's foreign policy and strategic orientation to-wards the world underwent a profound shift during the late 1990s. This shift has been described along various axes. *First*, it is a shift from a high minded, pious but ultimately impotent idealism to a sober and more effective pragmatism. Instead of building meaningless solidarities constructed around ineffective organisations like the non-aligned movement, or appealing for third world unity, India now more effectively exercises its diplomatic and policy choices. It squarely puts its national interests first, unhampered by any ideological baggage; it picks and chooses its allies, the particular battles it wants to fight, on its own terms. *Second*, India has jettisoned the always somewhat hypocritical stance that militarism is not a proper ingredient of foreign policy. Its resort to 'coercive diplomacy', its open espousal of nuclear arms, and its strategic uses of war talk signal a willingness to act tough. Its alliances and demands are more in tune with its perceived military needs, than a result of ideological conviction. It will do business with both Arab states and Israel; it will negotiate with any power capable of serving its interests.

Third, India's economic engagement with the rest of the world has acquired paramount importance. Indian thinking had long confused sovereignty with power. It became a prisoner of its own obsession with sovereignty, where sovereignty came to be understood as independence from the rest of the world. But this independence came at a price: since India was not a significant economic player in the global economy, the rest of the world was pretty much free to ignore it. Indian leadership had a pathological distrust of foreign investment and trade and saw it as a means by which India's sovereignty would be usurped. But trade and foreign investment also make others dependent, and give a different type of leverage over them. China long ago realised that its road to power would depend not simply on military might. Foreign investment in China would create lobbies within the US to do its bidding for it; trade would mean that a significant number of jobs in Europe and America would come to depend on exports to China. This fact alone would give the US less room for manoeuvre vis-à-vis China. In short,

while autarky (economic independence as a national policy) can produce a self-satisfied sovereignty, only interdependence can open up new avenues of exercising power. As India integrates into the world economy, it has realised these virtues of interdependence. It has also realised that a sound economic base is the surest means of achieving great power status. Policymaking within India became more self-conscious of the fact that the past economic policies had made India a considerably diminished economic power, and this reduced its leverage with the rest of the world. Finally, in a move that symbolises all these changes, India's attitude to the US underwent a profound change. The almost pathological distrust of US strategic intentions, the dislike of capitalism gave way to talk of strategic partnerships and common business interests.

If many expressed above mentioned change in post-Cold War foreign policy of India, however, others consider that India's shifts in foreign policy are not as dramatic as they appear, that such shifts as have happened are largely a result of the transformation of India's economy.

Pratap Bhanu Mehta argues that a blind idealism never driven India in the making of its foreign policy. Although India was formally committed to non-alignment, it could be argued both that this was as much a strategic choice as it was a principled allegiance, and it seldom prevented India from aligning with the powers that be in a manner conducive to its own strategy. Whatever may have been Nehru's intentions, NAM was never fully determinative of India's foreign policy. It did not prevent India from seeking a close alliance with the US in the early 1950s, only to be rebuffed; and it did not prevent our catapulting into closeness with Soviet Union as a strategic choice. Indeed, with the possible exception of the engagement with China it is difficult to cite many instances where pragmatic national interest did not win out in Indian foreign policy. Pragmatism, not fidelity to non-alignment or a solicitude for world communism led India to be silent on the Soviet invasion of Hungary and Czechoslovakia, just as it is now muted on Iraq. Even India's nuclear programme is the outcome of very subtle nurturing by successive Congress governments, including the 'pacifist' Nehru. The transition from NAM and third world solidarity is not a transition

from idealism to pragmatism. It is simply an acknowledgement that the strategic gains from NAM diminished after the end of the cold war.

Pratap Bhanu Mehta further states that even in military terms, barring the debacle with China, India was more self-confident and assertive militarily till the late 1990s. Indira Gandhi could intervene in East Pakistan to stem one of the largest genocides ever perpetuated on Muslims anywhere in the world in a way in which no government can even dream of now. Coercive diplomacy pales in front of what India achieved in 1971, politically and morally, against the opposition of the US. If someone described two scenarios: an India taking on Pakistan on its own terms, militarily humbling it but granting it some political space in the Shimla agreement on the one hand; and an India unable to ‘contain’ Pakistani intervention, begging for American intervention while all the time denying it, which would you describe as more self-confident and clear-eyed foreign policy?

The above argument of Pratap Bhanu Mehta clearly reveals that for every one who consider that there is significant change in India’s foreign policy, more or less equal number of people think that there is tremendous continuity ‘in’ whatever changes we notice. They argue that the major objectives of the India’s foreign policy from the independence to now are more or less same with a slight variation in their emphasis.

Preservation of territorial integrity and freedom of policy, international peace, economic development, protection of the interest of PIOs abroad, and freedom of dependent people have been the primary objectives of Indian foreign policy. Principles adopted towards the fulfilment of these objectives were NAM, Panchsheel, solidarity with the third world countries, establishment of a just world order, support to UN, anti imperialism, etc. All governments, from the times of Nehru to the present have shown due regard to these principles of our foreign policy.

NAM has been the fundamental principle of India’s foreign policy. India still honour and pursue it. It implied keeping away from bloc politics and maintaining our “strategic autonomy”. This tradition of autonomy in foreign policy

making is still reflected in not giving in to the pressure for signing in the NPT and the CTBT. Similarly, India also refused to take part in Iraq and Afghanistan operations though America pressurised to do so as it is not willing to shoulder Americas war on these countries. Hence, strictly it adhered to the ‘autonomy’ principle that it is preaching for a long time. An exception to the rule of non alignment came in when India signed a secret agreement with the Soviets during 1970’s. However, it must be noted that India signed this deal to save its territorial integrity. It was a deal for its survival. Hence, India followed the policy of NAM with continuity as well as change. It reflects pragmatic strategy.

Contrary to the perception that India shed its anti-imperial “Third Worldism”, and moved closer to major powers, particularly towards the US, the reality speaks something else. Without using the rhetoric of NAM and Third World solidarity, India has, nonetheless, coordinating its activities with other developing and emerging powers of global south. Ahead of the September 2003 WTO ministerial meeting in Cancun, it was instrumental in forming a bloc of 21 developing countries opposed to the retention by the European Union and the USA of huge farm subsidies. Led by India, Brazil and China, the G21 blocked a new round of trade liberalization in the areas of investment and competition. American trade representatives singularly blamed India for this. Such South–South cooperation was given institutional expression with the establishment of a trilateral India, Brazil and South Africa Dialogue Forum (IBSA). It was intended to deepen cooperation not only in coordinating policy in multilateral trade negotiations but also in areas such as reform of the UN, security, development, defence and technology. Similarly, India also founding member of BRICs a forum comprises of leading countries Brazil, Russia, India and China, a block expected to develop as a rival economic group to US dominated western alliance. Many predicted that as growing economies, the BRICs would overtake rest of the groupings of the world. Recently, they have taken a critical decision to establish a BRICs bank to lend financial assistance to developing countries. Again, many have seen this development as emergence of rival financial system to the western-dominated World Bank and IMF. Hence, contrary to the perception that India

moved away from the south-south cooperation to the US-led world economic order, in reality, India is shaping its policies to maximise its interests, rather than taking shelter under one or the other countries.

Panchsheel has been another example of both continuity and change in India's foreign policy. India has adhered to the principle of non interference in the internal matters of any country. However, the change can be seen in Indian involvement in the liberation of East Pakistan and sending troops to Sri Lanka. Interference in East Pakistan was done to safeguard national integrity. Troops were sent to Sri Lanka to save the region from getting involved into super power rivalry.

There is a remarkable shift in Indian Foreign Policy when it comes to nuclear weapons. India has travelled a long way from the time when it stated that it would never possess nuclear weapons to the present times when it is demanding the status of a nuclear weapon state. However, India was by and large forced to change its stance. India has always remained committed to the goal of disarmament. It raised this issue from the platform of UN many times. However, seeing the attitude of the major nuclear powers and tacit support to Pakistan's nuclear programme by China, India was forced to undertake its own nuclear programme.

1990's saw a completely new international environment marked by the end of cold war and the emergence of worldwide globalization. These two developments have brought about major changes in the foreign policy thinking in almost all the nations. It brought issues of 'low politics' to forefront. Old partners and strategic equations needed a new look. India responded by playing in the economic diplomacy card. India's look east policy, strengthening of our bonds with the US, improvement in relations with EU, closer relations with the South East Asian countries, measures to strengthen the bond between the NRIs and our country, etc., was India's reply to the changed scenario.

Thus we see a remarkable continuity as well as pragmatism in India's foreign policy stands to fulfil its long term and short term national interests.

1.4.6 LET US SUM UP

In the post-Cold War world the role India's leaders seek to carve out is one that is more unambiguously based on a pragmatic assessment of national interest. It reflects the reality of a world in which one state (the USA) commands unprecedented power, which it is prepared, if need be, to exercise unilaterally. However, while India has shown itself prepared to shed old economic and political baggage when necessary, its foreign policy remains cautious and tempered by both past legacies and the pressure to seek a basic domestic consensus on major issues. It has sought to reconcile a long-term interest in seeing the eventual emergence of a multipolar world with the immediate requirement of accommodating the USA. This is an outlook it appears to share with its old ally Russia, still its main arms supplier, as well as states like France, China and Iran.

Over the past decade India has made headway in evolving a foreign policy that assures its emergence as a power with an effective presence on the international stage. Ultimately, however, success will depend not just in adapting to the changes in the wider international arena but on the proximate and interdependent factors of economic growth, political stability and regional peace.

1.4.7 SOURCES & SUGGESTED READINGS

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1.4.8 EXERCISES

1. Briefly state the context for change in India's foreign policy.
2. What are the major structural changes in India's world view?
3. Write a note on dynamics of New Foreign Policy?
4. There is continuity in change in India's Foreign Policy. Elaborate.

—x—

2.1 INDIA'S SECURITY POLICY : EVOLUTION AND PARAMETERS

– V Nagendra Rao & Rajesh Kumar

STRUCTURE

2.1.0 Objectives

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2.1.6 Let us Sum Up

2.1.7 Sources & Suggested Readings

2.1.8 Exercises

2.1.0 OBJECTIVES

This lesson provides basic understanding about the evolution of India security policy and the broader parameters of its security. After going through this topic, you should be able to:

- Conceptualise what constitute security;
- Understand the evolution of India's security policy ;
- Know the broader parameters of India's security.

2.1.1 INTRODUCTION

A country's foreign policy is principally and critically concerned with security. Its primary function is to enhance the country's security. Security cannot be trifled with by any nation. But it is not easy to define security, much less to ensure it. It is a tricky proposition, for just as one man's manna can be another's poison, one country's security could well be seen as the insecurity of another country.

2.1.2 CONCEPTUALISING SECURITY

After the Second World War, the concept of national interest became almost synonymous with the concept of national security. 'Security' was seen as some sort of protection of values, which have been previously acquired. In the words

of Walter Lippman, a nation is secure to the extent to which it is not in danger of having to sacrifice the core values, if it wishes avoid war and is able to maintain these values by victory in such a war. This definition implies that security is a matter of nation's own power to dissuade an attack and, if need be, to defeat it. Nations, while formulating policies of national security considerations, also take into account, to a certain extent, the security interests of other nations. It is only by doing so that the acquiescence of others to resort to violence can be minimised.

Mahender Kumar says that an ideal national security policy is one which helps in such a distribution of values that is satisfactory to all nations and thus helps in minimising the possibility of aggression. It is thus an approximation between the demands of national security and the concern for other's interests. Many scholars and experts on security matters argue that various segments of the international system are inter-linked to such an extent that their security and welfare depend upon each other. Mohammed Ayoob differentiates the definition of security that dominated the Western Literature on international relations during the post war years, its external orientation, positive links with systemic security and the correspondence of state security with alliance security on one hand, from the definition of 'security' by the Third World, on the other hand. He defines security-insecurity in relation to vulnerabilities, both internal and external, that threaten or have the potential to bring down or weaken state structures, both territorial and institutional, and governing regimes.

Thus, concept of security has evolved considerably over the years. Traditionally, security was defined primarily at the nation-state level and almost exclusively through the military prism. The focus on external military threat to national security was particularly dominant during the Cold War. According to Sandy Gordon, the concept of security can range from the traditional, realist idea of security as constituting freedom from threats to the existence of the nation state, to the concept of 'comprehensive' or 'human' security. The latter involves a focus on the security of individuals within the state and surrounding countries, rather than on the existential security of an individual state. In words of Ramesh

Thakur, human security includes all aspects of the welfare of individuals, including their human rights, gender rights, environmental rights, health, nutrition, education, employment, security from violence (whether from state or non-state actors), and so on. With the end of Cold War in 1991, many new dimensions of security in parlance of international relations like Globalisation, Global warming, Global terrorism etc., have emerged.

2.1.3 SECURITY OF WHAT?

J. Bandyopadhyaya, in his book *The Making of India's Foreign Policy* raises an important question regarding security, that is *security of what?* Though many people consider preserving territorial integrity as security but reducing it to a single dimension or aspect is not correct. Sovereignty can be surrendered or compromised through treaties, agreements, alliances or simply the domination of small states by a big and powerful one, without the loss of territorial integrity. The preservation of life of people is much more important than preserving territorial integrity or sovereignty of a country.

2.1.3.1 EXTERNAL SECURITY AND INTERNAL SECURITY

The external security of the state is closely interlinked with its internal security. This is almost a truism, but the difficulty arises because there are two different senses in which the term “internal security” is generally used. First, it is understood sometimes to mean the stability and permanence of a particular constitution or a particular government or form of government, which is to be safeguarded against violent internal opposition to it. Secondly, by internal security is meant the stability, viability and permanence of the state itself as an international personality, which is to be defended against violently anarchical or disorderly forces which threaten its very existence directly from within or by so weakening it that it falls an easy prey to external aggression or domination. From the point of view of International Relations as a discipline is not concerned directly with the stability or otherwise of particular government or form government prevailing within a state. Its primary concern is the stability of the state itself. Hence, it is only the second form of internal security that is directly related to external security. But this kind of

internal security, it must be realized, can be threatened from within, even in the absence of any violent internal force. It can also be jeopardized, for instance, by a dysfunctional government from above.

2.1.3.2 SHORT-TERM AND LONG-TERM SECURITY

A state may devote a high proportion of its resources of military investment and assume a generally militaristic stance in the short run for purposes of national security. But in the long run such a conception of security may boomerang in two ways. First, heavy military investment, which is mainly unproductive, may lead to a shortfall in industrial and agriculture production, hyperinflation, and the general dislocation of the economic system. This in turn may impair the long-term military potential that depends primarily on the strength and stability of the economic infrastructure, as well as threaten internal security. Secondly, such a militaristic stance may so alarm and antagonize other states that the external security of the states may be endangered sooner or later. But all such military misadventures have generally been harmful in their effects on the long-term security of the countries concerned. Normally, a state may devote its resources primarily to the development of a strong and stable economic infrastructure, while making the unavoidable minimum investment in defence, consistent with the preservation of its external sovereignty. This undoubtedly is more long-term and durable form of security, and has been adopted by most democratic states including India. However, when a state has hostile and militarized neighbours, it has little option but to invest in defence, sometimes even at the cost of development. When such hostile neighbours have nuclear weapons, it is hardly possible for a state not to build a credible minimum nuclear deterrence for safeguarding its own security. Such is the position of India at the beginning of the twenty first century.

2.1.4 EVOLUTION OF INDIA'S SECURITY POLICY

India's Security Policy evolved over the period. The international context, the environment in the immediate neighbourhood, security threats it experienced, wars it has to wage and the perceptions of the political elite determined the security policy. The following sections analyses of these aspects.

2.1.4.1 NATIONALIST AND IMPERIAL INHERITANCES

Two key factors influenced the making of India's security policy in the aftermath of its independence from British colonial rule in 1947. The first stemmed from Gandhian heritage. Gandhi's role in India's freedom struggle was simply inestimable. Consequently, his aversion to the use of force had profoundly influenced his successors, most notably Nehru. Not surprisingly, Nehru had sought to construct a world order that would rely on multilateral institutions and avoid the resort to force in international affairs. Simultaneously, Nehru was acutely concerned about the diversion of scarce resources away from economic development towards defence.

A second inheritance, also from colonial era, had a profound impact on Indian Defence policymaking. This inheritance was paradoxical. On the one hand, India inherited colonial notions about the scope and extent of its borders. On the other, its leaders had been kept out of the counsels of defence policymaking during the long span of colonial rule. While Indian leaders firmly subscribed to the colonially inherited borders, they lacked an adequate understanding of defence and security issues. This paradox would have important, and, indeed, tragic consequences for Indian policymaking in the post-independence era. The consequences were especially adverse as they concerned the defence of the Himalayas frontier against an assertive China.

2.1.4.2 WAR WITH CHINA

Nehru had an understanding that the defence of Himalayan borders would involve multilateral diplomacy, rather than reliance on India's limited military prowess. Nehru's influence on defence policymaking was so overwhelming that even the Chief of Staff of the Indian Army agreed with this assessment. Nehru's Defence Minister, V K Krishna Menon, had also persuaded himself that the principal threat to India's security stemmed from Pakistan and the China, a Communist country, would not attack India. In an attempt to cut defence expenditure, in 1950 the Indian Army was trimmed by 50,000 men to about 5,00,000. As subsequent events during the Sino-Indian border war of 1962 would show, these beliefs and

the strategic choices based upon them proved to be fundamentally flawed, as Indian forces were easily routed. Furthermore, the global community failed to come to India's assistance in the face of Chinese aggression.

Indeed, it was not until after the military debacle with China in 1962 that the Indian security policy underwent a fundamental reorientation. In the wake of the disastrous defeat at the hands of the Chinese army, Indian defence planners undertook a major reassessment of India's defence needs. They came to the inexorable realization that India could ill-afford to rely on diplomatic platitude and professions of goodwill to protect its vital national security interests. To this end, the armed forces embarked on an ambitious military modernization plan that sought to create a 45 squadron air force armed with supersonic aircraft, a million man army with 10 new mountain divisions trained and equipped for mountain warfare, and a more powerful navy with greater reach. However, it was not until the 1971 war, when the Indian Navy demonstrated its prowess and utility, that civilian decision-makers granted it sufficient leeway and the necessary resources for substantial expansion.

2.1.4.3 THE 1971 WAR WITH PAKISTAN AND THE CREATION OF BANGLADESH

India's military supremacy against Pakistan was proved in the wars of 1948 and 1965. In both the times, India concluded war in its own terms. In fact, in 1965 war Indian army even crossed the International border. After this 1965 war, India increased the modernization of Indian military power, both human and technological power. The third Indo-Pakistan conflict did not take place over Kashmir. Instead, it stemmed from the dynamics of Pakistan's internal politics. The discriminatory policies pursued by Pakistan government, dominated by the political elite of the West Pakistan, towards the people of East Pakistan. However, the crisis blown up when the Awami League, East Pakistan based political party, won an overwhelming victory in December 1970 elections, the first free and fair election in its history. When Pakistan military and political elite of West Pakistan were not willing to share power with Awami League, the later had started massive agitation that resulted in Pakistan Army's military crackdown. It resulted in the deaths of several

lakh Bengalis and the flight of about one crore individuals into the border-states of India, most notably Tripura and West Bengal.

The situation led to a third war between India and Pakistan, in which India achieved a decisive victory. The Indian military contributed to the break-up of Pakistan, and led to the creation of the new state of Bangladesh. This victory also established India's pre-eminent political and military status in South Asia. It also allayed the military misgivings about its performance during the 1962 Sino-Indian border war, and military balance in South Asia tilted in favour of India.

Also, in 1974, for a variety of complex reasons, both domestic and external, India chose to detonate its first nuclear weapon. Faced with widespread international disapprobation and substantial sanctions, it chose not to conduct any further tests.

2.1.4.4 THE POST-COLD WAR SCENARIO: REORIENTING SECURITY POLICY

The Cold War's end had a profound impact on India's foreign as well as security policy. Most importantly, the Soviet dissolution had meant the end of the Indo-Soviet security relationship that was signed during Bangladesh crisis. India cultivated new friendly relations with the United States as well as with Japan and countries of European Union. As part of this general transformation of India's security policy, the country also established close cooperation with the Israel, the country with which India had troubled relations throughout Cold War period, due to its ideological position and with the fear of annoying the Arab world. Since India's decision to grant Israel full diplomatic status in 1992, the relationship has made considerable progress on a variety of fronts, extending well beyond defence cooperation. The bilateral security relationship, which covers from weapon sales to counter-terrorism cooperation, forms the nucleus of the Indo-Israeli nexus.

2.1.4.5 CROSSING THE NUCLEAR RUBICON

In May 1998, India chose to conduct a series of five nuclear tests, thereby ending its long-standing policy of nuclear ambiguity. The tests represented the logical culmination of a series of long-standing decisions, coupled with more immediate

pressures from the global non- proliferation regime. Within weeks of India's tests, Pakistan carried out its own series of tests. Both countries faced considerable international uproar and economic and military sanctions. However, as times passed by India could successfully withstand the pressure from international community also persuaded major powers for subtle acceptance of its nuclear status. Ever since, it has concluded many bilateral agreements with nuclear powers for transferring technology and equipment for civil nuclear areas mostly for nuclear energy. Its effort to become a member of international nuclear organisations somewhat succeeded.

In short, the shifts in India's foreign and security policies in post-Cold War period manifested in a variety of ways, including better relations with China, strategic relationship with South-East Asian countries, defence cooperation with the US and Israel, enhanced energy diplomacy with West Asian countries, etc. The Indo-US nuclear agreement with the United States substantially improved overall security environment for India. However, India is also encountering new security threats both externally and internally. Today, threats of terrorism, environmental degradation, theft and threat of use of weapons of mass destruction, threats to food security, threats to its energy security and problems of cyber crime, piracy, emerging threats to country's maritime security etc., have aggravated the problems of national security. Thus, any Indian foreign and security policy making process must factor all such threats while conducting its diplomacy with rest of the world.

2.1.5 INDIA'S SECURITY PARAMETERS

As the above discussion shown, India's security parameters have changed from time to time. Initially, in the aftermath of independence, it factored only Pakistan for its security policy. However, the war with China in 1962 drastically altered its security parameters. Similarly, the evolving international security environment, its growing power in international politics, the economic growth, the need to expand its scope of security to beyond South Asia, the transnational terrorism, etc. significantly determining India's security environment. Apart from these

international dimensions of threats, the domestic situation also considerably determining India's security parameters. Some of these security threats include: insurgencies in bordering states, religious extremism, terrorism, Maoist violence, narcotics, etc.

In the backdrop of the above said, the Government of India, in its Gazette Notification of April 16, 1999, while establishing the National Security Council, enumerated seven broad areas of National Security which continues to shape broad parameters of country's national security in present era. These are:

- External security.
- Security threats involving nuclear energy, space and high technology.
- Trends in the world economy and economic security threats in the areas of energy, foreign trade, food, finance and ecology.
- Internal security, including counter insurgency, counter-terrorism, and counter intelligence.
- Patterns of alienations emerging in the country, especially those with social, communal and regional dimensions.
- Security threats posed by trans-border crimes such as smuggling and traffic of arms, drugs and narcotics.
- Co-ordination in intelligence collection and tasking of intelligence agencies.

All these parameters are explained below and they continue to present us a clear picture about nature of national security policy in India.

2.1.5.1 EXTERNAL SECURITY

Defending the country's borders from external attacks continues to remain the primary concern of Indian government and for that modernisation of Indian armed forces has been high on the agendas of the incumbent government led by Prime Minister Narendra Modi. India has long pending border disputes with

Pakistan and China both. Preventing Chinese incursions in LAC area and cross border firings in state of Jammu and Kashmir near LOC and international boundaries have received a lot of attention from the Government of India while dealing with China and Pakistan both. Defending its maritime borders and preventing Mumbai November 2008 like terrorists attack in cities close to sea areas is well reflected from India asserting before Pakistan to bring to justice to all those perpetrators of Mumbai terrorist attack. It has raised such issues on all possible international forums like SAARC, EU, ASEAN, ARF and the United Nations. India has taken several steps for mending its relations with Sri Lanka, Maldives, Bangladesh, Myanmar and is keen to build on its relationship with Pakistan subject to it stops providing open support to such terrorist organisations operating from their soils. It has formalised strategic partnerships with U.S.A., Russia, Japan, Australia, China, EU and many countries of West Asia and Indian Ocean region. Keeping the important sea lanes in and around Indian Ocean round the year has been very important component of India's strategic partnerships with all important countries of the world.

2.1.5.2 SECURITY THREATS INVOLVING NUCLEAR ENERGY, SPACE AND HIGH TECHNOLOGY

India is also faced with the uphill task of safeguarding all places and complexes which contain nuclear reactors/power plants, missiles and nuclear warheads storage sites, important Space programme labs and launch pads from coming under attack specially, by the non-state actors. The vigilance of all airports, refineries and other industrial complexes has been handed over to Central Industrial Security Force (CISF) by raising additional battalions in recent years. It is also actively coordinating with international agencies with regard threats from non-state actors who have developed a sort of nexus with nuclear establishment in some of the countries.

2.1.5.3 MITIGATING ECONOMIC SECURITY THREATS

Government of India is holding important discussions with countries like the U.S.A., EU members, BRICS nations, G-8 nations to ensure free trade and is also

taking steps to thwart any threats to sea communications due to events in instable regions in the West Asia, choking of important sea lanes/straits by states or non-state actors. Strategic partnerships with U.S.A., E.U., Russia, China and many other countries have been accomplished keeping in mind all these interests. India has actively participated in meetings and summit level talks and presented its case with IBSA nations very strongly for defending its rights on matters of climate change and other ecological issues.

2.1.5.4 INTERNAL SECURITY

Internal security involves counter insurgency, counter-terrorism, and counter intelligence along with other issues. Meeting all challenges to country's internal security effectively has been equally important for India along with managing different sources of external threats to country's national security. Crushing of militant/terrorists groups by constituting ATS forces, raising several battalions of paramilitary forces, allocating additional resources to state governments, providing new arms and training to counter insurgency forces are part of overall security strategy. India has established new bodies like National Investigation Agency (NIA), National Technical Research Organization (NTRO), National Counter Terrorism Centre (NCTC) etc., as important steps in recent years to tackle new sources of threats to its internal security. One new sub-department of Internal Security within Home Affairs Ministry has been opened which is looked after by Minister of State for Internal Security under the Home Minister of the country. India has also conducted active diplomacy with neighbouring countries like Bhutan, Bangladesh, Nepal and Myanmar and sought their cooperation for flushing out terrorists and destroying their training camps in these countries and received assurances from them that these countries would not allow the use of their territories on part of such terrorists groups for carrying out attacks in India.

2.1.5.5 THREATS FROM SOCIAL, COMMUNAL AND REGIONAL CLEAVAGES

India in past decade has also seen rise of violence with social, communal and regional dimensions. The phenomenon of globalisation has increased deprivations of multitude nature. The gap between haves and have-nots has increased, which

is often leading to increase in crimes in urban areas specially, in bigger cities thus posing serious threats to peoples life and liberty. Violence against minority groups have risen often leading to revengeful killings and destructions as it was witnessed in aftermath of Babri Mosque demolition in early 1990s. Gujarat riots, Mumbai killings, Meerut riots, Muzaffarnagar riots, Kandhamal violence and several other attacks have instilled a feeling of insecurity within the minds of ordinary citizens of the country. It is the duty of the government to ensure that fears of such kind are allayed and people are made to live in conditions of peace and constant progress. Attacks against ethnic minorities have been matters of serious concerns for several state governments in India.

2.1.5.6 SECURITY THREATS POSED BY TRANS-BORDER CRIMES

Crimes of transnational nature have also been posing serious challenges to authorities in maintaining law and order in the country. Inflow of arms and drugs across porous borders has continuously aided and abetted insurgent groups in carrying out their attacks. Maoist problem in many states of the country is prolonging because of easy availability of money and arms. Border States like Punjab and Rajasthan have seen immense rise in menace of drug trafficking thereby increasing flow of money into hand of terrorists groups who often raise money through these dubious trade in drugs for purchase of costly arms from international market. India has been fighting a costly war against such groups who often have received support allegedly from India's neighbours. India has been taking up these issues at SAARC level and it is party to some of the international agreements under the aegis of the United Nations.

2.1.5.7 CO-ORDINATION IN INTELLIGENCE

India has also been made to pay attention to the task of collecting of intelligence and greater coordination on part of different agencies of armed forces. Many internal intelligence organizations are overseeing the matters related to intelligence and counter intelligence. Of late, India is also actively coordinating with leading intelligence agencies, especially from the US, UK and Israel in collecting and sharing the information.

2.1.5.8 COMPREHENSIVE APPROACH TO SECURITY

India is trying to develop a comprehensive security doctrine that goes beyond narrow security prism of militarized security. As stated in Ministry of Defence's Annual Report of 2001, India has adopted a comprehensive approach to security, encompassing economic strength, technological progress as well as internal cohesion necessary for the exercise of the national will. At present, the national security objectives are:

- Defending the country's borders.
- Protecting the lives and property of its citizens against terrorism and insurgencies.
- Maintaining a credible minimum deterrent against the use or the threat of use of weapons of mass destruction against India.
- Securing the country against restrictions on the transfer of material, equipment and technologies that have bearing on India's security by placing greater emphasis on R&D.
- Promoting cooperation with neighbouring countries by implementing agreed CBMs.
- Working with NAM and ASEAN group of countries by getting engaged with them in co-operative security initiatives.
- Pursuing security and strategic dialogue with major powers and key partners.

2.1.6 LET US SUM UP

India's security policy evolved over the period, keeping both internal and external context in the picture. In retrospect, India is better placed today than the early period of independence in protecting the borders as well as its citizens. The Indian military has successfully prosecuted four wars against Pakistan, and is no longer likely to countenance a military calamity as it did with China in 1962. It has also successfully helped suppress a series of domestic insurgencies.

The end of Cold War led to significant change in India's defence policy. Despite India's continued reliance on Russia, for weapon purchases, India is now increasingly seeking to diversify its sources of supply. It has signed many defence collaborative agreements with other countries, including the US and Israel.

However, four key points are important in understanding India's security policy. First, with some exceptions, India's security policies are reactive. Second, the pattern of civilian supremacy established in the early years of the state has endured despite myriad challenges. Third, as India emerges as a significant Asian military power, its defence policy is now likely to show signs of greater autonomy and innovation. Finally, the country's ability to innovate and pursue a clear-cut strategic vision will, in considerable measure, depend upon the ability to improve institutional cooperation and coordination between the Armed Forces and their civilian counterparts in the Ministry of Defence.

2.1.7 SOURCES & SUGGESTED READINGS

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Sumit Ganguly, "Indian Defence Policy", in Neeraj Gopal Jayal and Pratap Bhanu Mehta (eds), *The Oxford Companion to Politics in India*, New Delhi: Oxford University Press, 2010.

2.1.8 EXERCISES

1. How do you conceptualize security?
2. How do you differentiate between Short and Long term security/
3. Write a note on Evolution of India's Security Policy?
4. Critically analyse India's Security Parameters.

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy
UNIT – II: INDIA'S SECURITY CONCERNS

2.2 INDIA'S SECURITY CONCERNS : EXTERNAL AND INTERNAL

- Rajesh Kumar

STRUCTURE

2.2.0 Objectives

2.2.1 Introduction

2.2.2 India's Security Concerns: External

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2.2.3.1 Socio-Economic Inequality

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2.2.4 Let us Sum Up

2.2.5 Exercises

2.2.0 OBJECTIVES

This lesson provides basic understanding about India's contemporary security threats, both external and internal. After going through this topic, you should be able to:

- Know the external security threats mainly from Pakistan, China, Indian Ocean region and cross-border terrorism;
- Understand the security problems India facing due to internal context viz. growing economic inequalities, religious fundamentalism, narcotism, Maoist movement, ethnic and regional movements;

2.2.1 INTRODUCTION

India is widely believed to have arrived on the global stage. It is the world's largest democracy, and one of its fastest-growing economies. In fact, if one goes by the popular press both domestic and foreign, it is very difficult to not get swayed by the euphony being generated about India and her inevitable ascendance to rightful place in the comity of nations. Nonetheless it is also facing number of threats for its security. While parts of the country bask in the glow of new-found affluence, others continue to toil in the gloom of abject poverty. This other side of India is also riven by violence and unrest, which increasingly targets the government. Meanwhile, even as India takes on the trappings of a global power, it remains deeply concerned about security developments beyond its borders. Lurking beneath India's recently triumphs are internal and external security challenges that may well intensify in the years ahead.

Hence, an overarching framework of India's national security has to take cognisance of military and non-military dimensions in terms of both external threats and internal challenges to its territorial integrity and national unity. Threats to a nation emanate as much from external aggression as from internal strife but at times internal factors can erode national security more critically than any external danger. National power based on political stability, societal cohesion and economic development would thus remain central to the future of India's national security.

2.2.2 INDIA'S SECURITY CONCERNS : EXTERNAL

Contemporary India is facing number of security threats from its external environment. While it is one of the fastest growing economy, it is also one of the countries in the world that are facing security challenges from the external environment. The very location of India is the major reason for its security threats. Most of the neighbouring countries in India are facing political instability and violence periodically. Some of these countries have become sources not only for regional terrorism but causing violence at global violence. Similarly, the very strategic location of India at the pivotal position of Indian Ocean is also having its own dimensions. Most importantly, the presence of China, the second biggest economy and the one of the largest military power in the world, in the next door has its own security problems. The following sections will analyse some of these security challenges emanating from external environment.

2.2.2.1 PAKISTAN

The perennial challenge before Indian defence apparatus to manage external covert and overt threat from Pakistan is more or less known to everyone in India. Since the birth of that country, India fought war with Pakistan - 1948, 1965, 1971 and 1998. Besides the country is facing low intensity conflict in J&K abetted and sponsored by Pakistani military, in the North-East and through support to various fringe extremist group within the country. The country also faces huge challenge before its economy in the form of fake rackets being operated from Karachi and Dubai and widely believed to have blessings of Pakistan's Inter- Services Intelligence – its external spy agency.

Pakistan's Support to Kashmiri Separatist Groups in India

One of the long pending issues between India and Pakistan has been Pakistan's open support to Kashmiri separatist group in India. Since late 1980s and early 1990s, Pakistan is fomenting troubles in state of Jammu and Kashmir through its Jeehadi elements that have been openly coercing people to raise demands for independence of Kashmir from India. Pakistan has been continuing its policy of carrying out proxy-war against India. Over the years it has succeeded in getting

the demographic profile of Kashmir valley changed. It has been continuously trying to raise issue of Kashmir at international level. In complete disregard to Shimla Agreement of 1972, it has tried to raise the issue of 'Plebiscite' in Indian Kashmir in various international forums including the United Nations. For India, the UN Resolution of holding plebiscite is no more valid as it stands superseded by Shimla Agreement and Lahore Declaration.

Pakistan has also been supporting Hurriyat Conference leaders for not participating in any electoral process taking place in Jammu and Kashmir. As a result of Pakistan's support to separatist groups in Kashmir, India is compelled to have a huge presence of army in entire state of Jammu and Kashmir whose number sometimes reaches up to half a million. A killing of innocent civilians, members of armed forces as well as terrorists groups has been very common in state of Jammu and Kashmir. Pakistan always makes attempt to infiltrate terrorists groups in Jammu and Kashmir despite the fact that Indian government has got the borders fenced completely. In order to establish peace in state of Jammu and Kashmir, India has entered into several Kashmir related CBMs with Pakistan like opening of trade across LOC through Muzaffrabad route. Both countries have also agreed to run Bus service through this route. However, very little dividends have been realised so far.

Nuclear Pakistan poses serious threat to India's security

India and Pakistan continues to draw the attention of the international community not only for their poor achievements in social sectors and failing large number of their people in meeting their legitimate aspirations. Pakistan over a period of last few years has successfully inter- wined its nuclear assets with its military strategy and on certain occasions expressed its willingness to make use of nuclear weapons against India. Pakistan's behaviour in past crises like situations, be it Kargil operations (1998), Operation Prakaram (2001), or Mumbai attacks (2007) has not shown much restraint towards India; instead, it stands emboldened by undertaking such misadventures one after the other and still managing to escape any full- fledged actions from Indian side and often stating it to be victory of nuclear

deterrence theory. However, India has shown its restraints and continues to remain committed to No-First Use (NFU) but at the same time it preaches maintaining minimum credible deterrence at all costs. In case of war between India and Pakistan, exchange of even a few nuclear weapons against each other's cities for retaliatory purposes could wreak havoc. The genesis of Pakistan's nuclear weapons program gives insight into Islamabad's ultimate aim: to avoid massive conventional defeat at the hands of the Indians as in 1971. According to Sumit Ganguly and Devin Hagerty, the core aim of Pakistan's nuclear weapons programme is to prevent a repetition of 1971 and to deter an Indian attack that might reduce Pakistan's size even further, or perhaps even put the country out of existence entirely.

Pakistan Alleged to be as epicentre of Global Terrorism

For too many scholars and practitioners, the world's grimmest security concerns converge in South Asia, especially, in Pakistan where its Army is fighting a de facto civil war against extremists groups, particularly the Taliban. It supports cross-border terrorism in India, provoking periodic reactions from Indian government. India-Pakistan relations have remained very grim because of blames and counter blames over issues like proxy wars, clandestine operations, cross-border terrorism and so on. Leaders from both countries issue often inflammatory statements, especially during Indo-Pak crises, which is sufficient to vitiate the tense atmosphere, rouse public sentiments, and make the normalizing of relations more difficult.

Arms Race between India and Pakistan

According to Gurmeet Kanwal, China and Pakistan have been colluding with each other which pose a major strategic challenge to India. He also adds that China is helping Pakistan to build a secret nuclear reactor to produce weapons grade plutonium at the Chasma nuclear facility. China has transferred M-9 and M-11 nuclear capable ballistic missiles and has facilitated the transfer of Taepo Dong and No Dong ballistic missiles from North Korea to Pakistan. Annual Reports (2001-05) of Government of India, Ministry of Defence stated that India continued to maintain a close watch on China's own military modernization programmes

as well as its military relations with India's immediate neighbours who had, in the past, been beneficiaries of Chinese military supplies in the form of weapons training in particular. As one of the Reports stated, India needed to remain vigilant with regard to China's missile and nuclear technology transfers which might vitiate the regional security scenario.

Pakistan-China Strategic Alliance

China's policy towards South Asia in present decade is of having 'all weather partnership' with Pakistan, continue with 'string of pearls' policy for encircling India and remain wary of US presence in South Asian region. China's security cooperation with Pakistan, its support for Iran, and likely bigger role in Afghanistan after US's withdrawal in 2014 has made South Asian security very complex. India has a daunting task in not allowing adverse balance of power to emerge in the region. Such developments are going to have bearings upon India-U.S.A.-China-Pakistan relations. The South Asian security/ balance of power cauldron, often quadrilateral is characterized by the geostrategic/geopolitical intertwining of the security policies of four nuclear powers present in the region. Thus, from China's perspective, Pakistan serves many of its vital geo-strategic objectives right from posing counterbalance to India's pre-eminence in South Asia, serves as an important gateway to the Muslim world, provides China an access to energy rich countries in Western Asia, and also helps China in its long-term strategy of keeping U.S. preponderant influence in the region at bay. From Pakistan's perspective, China is an indispensable ally in helping Pakistan counter India. Pakistan has a stake in reducing its dependence on the U.S. and cultivating China as a reliable strategic partner in the regional security scenario. Pakistan is also heavily dependent on China for its vital defence supplies and critical help in augmenting its technological and nuclear capabilities. According to R. Prasnam, the agreement between Pakistan and China made by Prime Minister Nawaz Sharriff and Chinese Premier Likeqiang for the development of a national 'Economic Corridor' that would connect Kashgar in China and Gwadar Port in Arabian Sea, involving a sum of \$ 18 billion in May 2013, is going to change the geo- strategic and balance of power scenario of the entire region for next several decades to come.

2.2.2.2 CHINA

The 21st century has witnessed important transformation in China-India relations. Both have succeeded in establishing strategic and cooperative partnership with each other. Both the countries have shown enough restraint towards each other so as to ensure that they avoid direct confrontation and rather remain engaged through dialogues. Even though issues like denial of visas by China to senior army officers posted in Kashmir and Arunachal Pradesh; Chinese incursions in Leh-Ladakh areas; protests by Tibetan students in New Delhi; arrest of Indian traders and then their release in one of the China's province; denial of contract to Chinese company over security concerns by India; have been certain pinpricks between India and China, yet in recent years both have shown greater accommodation towards each other.

In the past, China has expressed reservations over India seeking closer cooperation with ASEAN countries, especially with Myanmar and Vietnam. Oil explorations by Indian ONGC Videsh in Vietnam's maritime boundary in South China sea was opposed by China as their area of economic interest and objected to presence of Indian companies in that area.

China's ambitions in the Indian Ocean region and Arabian Sea further complicate the situation. For China, deepening of Indo-US strategic cooperation is seen as strengthening of balance of power against it and containing its influence in Central, South, South-East Asia and South Pacific region. At the same time, Sino-Pak strategic cooperation puts strain and pressure on India's security policy. China's increased involvement in development of infrastructure in POK area has already been a matter of serious concern for India in recent years. India also remains concerned over the likely transfer of Gilgit and Baltistan of POK to China on long term lease by Pakistan as it would aggravate the security complexities for India.

Chinese Incursions into LAC Area is a Direct Challenge to India's Sovereignty

Chinese PLA's incursions in March-April 2013 on the Indian side of LAC have raised serious doubts over China's ambitions in South Asia under its new leadership

of President of Xi- Jinping and Premier Likeqiang. Though, India has taken several measures in response to this emerging complex security scenario in South Asia region, but one remains sceptical whether those measures would be sufficient for overturning the adverse security situation against it bearing the fact that India is being made to face the common strategic goal of China and Pakistan to militarily contain India.

Sino-Pak Military Nexus is Dangerous for India

Sino-Pak strategic cooperation puts strain and pressure on India's security policy. The close security cooperation between Pakistan and China especially, in aftermath of US-Pak strained relationship over Abbottabad incident and the killing of Pakistan's soldiers in Drone attack along with China's increased involvement in development of infrastructure in POK area is a matter of very serious concern for India. Pakistan is also heavily dependent on China for its vital defence supplies and critical help in augmenting its technological and nuclear capabilities. However, past decade and a half has witnessed nuclear and missiles technological cooperation between Pakistan and China gathering strength. Pakistan's nuclear programme is largely attributed to China's help. China provided short range M-11 Missile, which was named as Shaheen. Pakistan also acquired from North Korea Dong-Feng' Medium-range missiles. Past few decades China has pursued policy towards Pakistan so as to enable Pakistan to close military and strategic gap vis-à-vis India. Pakistan's entire Missiles development programme can be attributed to Chinese and North Korean Missiles getting rechristened by Pakistan after being transferred to them.

Modernisation of China's Armed Forces Poses a Serious Security Threat to India

According to SIPRI Report of 2010, China in recent past surprised the world by destroying a satellite in space by its newly developed missiles/rockets capability. It has also shown to world of its new technological capabilities by developing J-20 Stealth Bomber. China also has successfully developed Deng Fong ICBM having capability to cover a distance of 5000 Kms. It has also acquired an Aircraft

Carrier and is also making three more aircraft carriers which would help it in acquiring a capability of true 'Blue Water Navy'.

It has very fast bridged gap in space sector vis-à-vis western world. China's emergence of world's second largest GDP in recent years has helped it in going for modernization of its defence forces in a very big manner. China today has attained global force projection; it continues to pose serious security challenges to its neighbouring countries like India, Vietnam, Malaysia, Philippines, South Korea and Japan. China in past few years has settled its borders disputes with more than 20 countries in Central and South East Asia except India, which raises doubts about its intentions in the region. Its economic surplus has led to normalization of relations with Russia by turning Russia to be the largest exporters of weapons to China and helping it in carrying out the modernizations of its defence forces. Until last year, China was the biggest importers of arms in the world as well as had the highest defence budgets in the world.

Regional Developments in South Asia and China-India Security Relations

China's deeper involvement in Nepal, Sri Lanka and Maldives has certainly raised alarm in India. Extending of its Rail network right up to Kathmandu from Tibet's Lhasa would bring it very close to Indian borders. Within the region, China has also established stronger relationship with Bangladesh and Bhutan. In past Sri Lanka has shown its preference for Chinese FDI. Though, it has also entered into free trade agreement (FTA) with India, for Sri Lanka, victory against LTTE has removed a constant India factor as irritant.

2.2.2.3 INDIAN OCEAN

Indian Ocean has been very important area of concern for India since the decades of 1950s-60s. India strongly favoured the idea of keeping Indian Ocean area free from the presence of external powers. During Cold War period, the U.S., France, former USSR's navy always used to remain present in Indian Ocean posing serious threat to India's coastline security. India is known for conducting hectic diplomatic efforts for getting Indian Ocean declared as Zone of Peace by the United Nations

so as to keep this area free from external power's presence close to India's territory. It was diplomatic victory of India when it managed to get UN Resolution declaring Indian Ocean as Zone of Peace passed in early 1970s. In the changed context and changed global role of India, it has become necessity for India to play an important role in maintaining the security of Indian Ocean and protecting its sea lanes from various threats.

As per GOI document, *India's Foreign Relations 2012*, Piracy on the high seas is as old as the history of seafaring itself. Piracy is a resurgent threat which has come to the fore in recent times. Concerns over maritime security have been not only centred on piracy in the Gulf of Aden, but also in the Malacca Straits and the Mozambique Channel. Somali pirates, by far the greatest global piracy threat, have increasingly pushed farther off the Somali coast. They have moved deeper into the Indian Ocean. According to the International Maritime Organisation almost 90% of world trade is transported by sea. The continuing threat of piracy raises the cost of trade directly and indirectly.

China-India Competition Assumes Maritime Dimensions in Indian Ocean

Mohan Malik, a noted scholar, is of view that the traditional Sino-Indian geopolitical rivalry has acquired a maritime dimension, as Beijing is laying the groundwork for a naval presence along maritime chokepoints in the South China sea, the Malacca Straits, the Indian Ocean and the Straits of Hormuz in the Persian Gulf through acquisition of or access to naval bases in Cambodia, Burma, Bangladesh, Sri Lanka and Pakistan to protect its long term economic security interests. For its part, India has countered the Chinese efforts by promoting defence cooperation with Iran, Oman and Israel in the west while upgrading military ties with the Maldives, Madagascar and Burma in the Indian Ocean and with Singapore, Indonesia, Thailand, Vietnam, Taiwan, the Philippines, Australia, Japan and the US in the east. As part of its 'Look East' strategy, India has concluded over a dozen defence cooperation agreements over the last decade and the Indian Navy has been holding joint naval exercises with East and Southeast Asian countries to signal to the Chinese navy that its future presence will not go unchallenged.

The US presence in Indian Ocean

According to Rajiv Sikri, a well-known Indian diplomat, the US, as the preponderant maritime power globally, will continue to exercise a decisive influence in the Indian Ocean region, India's attitude to the presence and policies of the US in the Indian Ocean region needs to be formulated and articulated with clarity and foresight. All the other navies combined cannot match the US Navy. The Indian Navy's regular Malabar exercises with the US Navy since 1992, established close cooperation between both the navies. At the same time, India needs to make a careful assessment of the US's long-term strategic view of India. Many questions need to be addressed. Can India be subjected once again to the kind of pressure that was put on it through the presence of 'USS Enterprise' in the Bay of Bengal in 1971 or the intelligence reconnaissance missions undertaken by US planes from Diego Garcia? What are the implications for India if Pakistan retains its current importance in US strategic plans? Going back to the signing of the India–Sri Lanka Accord in 1987, are the factors that led to that pact, namely the setting up of the Voice of America transmitter in northern Sri Lanka and the possibility that Trincomalee port, with its excellent harbour, would be leased out to the US, relevant today? Given the history of pressures that the US has exerted upon India from the Indian Ocean, it will be some time before India is ready, if at all, to consider the US as a benign power. In planning for the future, India should consider whether in a decade or two, if India continues to grow by 8–9 per cent per year, India could become a country of concern to the US, as China is today. Or has India's strategic perspective changed, since India now apparently does not feel uncomfortable with Sri Lanka hosting multiple foreign military presences? Realism dictates that India should look at capabilities; intentions can change.

Sikri says, it is good that since 2003 India has been holding regular exercises with the Russian Navy. In order to underline its seriousness in playing a more active role in matters related to the Indian Ocean, India took a welcome initiative to convene in February 2008 an Indian Ocean Naval Symposium (IONS) with the participation of the Naval Chiefs of about 30 littoral countries of the Indian Ocean region. The aim of IONS was to provide a consultative forum to discuss

issues and concerns related to maritime security and, based upon a common understanding, to develop a comprehensive cooperative framework on maritime security, by pooling resources and capacity building and exchanging information. However, within India a lot more work remains to be done, both in terms of allocation of resources and in working out institutional mechanisms to better coordinate and integrate India's multifaceted maritime interests. There is a case for setting up a maritime commission along the lines of the Atomic Energy Commission and the Space Commission to ensure greater coordination among the different stakeholders on maritime issues.

2.2.2.4 CROSS-BORDER TERRORISM

India in last few decades has been one of the worst affected countries on account of cross border terrorism. Non-state actors like terrorists organisations have been continuously receiving moral as well as financial support from India's neighbours like Pakistan for carrying out subversive activities in India. Pakistan has picked up this art of using non-state actors as strategic assets for achieving their goals which their armed forces could not achieve during past several wars it fought with India. A large number of terrorists have been sneaking into Indian territory make use of porous borders between India and Pakistan. India has suffered a lot because of infiltration of terrorists inside Indian states of Jammu and Kashmir and Punjab. Both the Indian states have passed through worst phases of secessionist movements apart from internal disturbances in states like Assam, Nagaland, Mizoram and Manipur where insurgent groups have been carrying out subversive activities and continue to seek shelter in neighbouring countries like Bangladesh and Myanmar. In mid-1990s, Indian government decided to get its borders fenced in both directions i.e., on Pakistan as well as Bangladesh side in order to put a curb on the infiltration of terrorists inside Indian borders.

According to E.A. Ahmad, MOS for External Affairs, Government of India, Terrorism is often used not just to impose a political agenda but to force unacceptably backward codes of life and governance on democratic societies. It invariably translates into meaningless and horrific incidents of violence. The 2008

Mumbai attacks were symbolic, in striking at everything India has been able to achieve – economic success, openness to the world, freedoms, conventional defence capabilities and pluralism in society.

Mumbai attack by terrorists has been one of the recent examples of cross border terrorism taking place against India. It is after Mumbai attack, there has been a pause in the Composite Dialogue process between India and Pakistan. Even talks regarding terrorism has been one of the issues apart from Kashmir issue as part of composite dialogue. Issue of cross border terrorism continues to hold India-Pakistan relations backwards as Pakistan would claim that it is not terrorists groups which are responsible for disturbances in Kashmir rather it is movement on part of Kashmiri people for independence which is being supported by people from across the borders.

Intermittently, Pakistan through its Foreign Secretary has expressed the desire and determination of the Government of Pakistan to make all possible efforts for a successful conclusion of the Mumbai attack trial which is underway in Pakistan. It has also conveyed through its officials that Pakistan was determined not to allow its territory to be used for terrorist activity against any country, and said that the additional information provided by India will be studied. India has continuously expressing its concerns on cross-border infiltration from Pakistan and ceasefire violations by Pakistan across Line of Control and International Border. These have been taken up with the Government of Pakistan through existing mechanisms. The position that there can be a meaningful dialogue with Pakistan only if it fulfils its commitment, in letter and spirit, not to allow its territory to be used in any manner for terrorist activities against India was reiterated on several occasions, including by Prime Minister Narendra Modi in Parliament after its High Commissioner held talks with the separatists group led by Hurriyat Conference in New Delhi which led to the cancellation of official foreign secretary level meeting between their representatives. India has received a lot of support from Nepal, Bhutan, Bangladesh and Myanmar over the issue of not allowing any terrorist organisation to make use of their territory for carrying out acts of cross border terrorism.

2.2.3 INDIA'S SECURITY CONCERNS : INTERNAL

Apart from the external threat that have been analysed above, India's security also seriously affected by some of the problems that are emanating from the domestic environment due to internal socio-economic and political context. The following sections will analyse an important internal factors that are causing security problems to India.

2.2.3.1 SOCIO-ECONOMIC INEQUALITY

As per the World Bank Report of 2012, inequality in India has been on the increase. But at least some of the factors driving inequality up, such as increasing returns to education, seem to be associated with India's accelerating growth rather than with an intensification of structural inequality. Some signs are also apparent of dynamism within caste hierarchies. But structural inequalities also remain present and visible. Caste is still a potent indicator of social status. Female disadvantage continues despite high rates of growth, with deaths of females both in infancy and in motherhood and with poorer outcomes for women from scheduled castes. The 10 poorest nations as measured by the Multi Poverty Dimensional Indicator (MPI) are all in sub-Saharan Africa. But the largest group of multidimensional poor is South Asian : India, Pakistan and Bangladesh have some of the highest absolute numbers of MPI poor.

The Report further states, increases in inequality due to increasing returns to education might be growth enhancing and ultimately poverty reducing, other inequalities in India are structural and are more likely to act as a brake on, rather than enhance, poverty reduction. At the all-India level, differences between social groups explain only a small share of total consumption inequality in India; but in some states, group differences are important and growing. Welfare indicators for SCs and STs are improving, but the gap between them and the general population is large and persistent. Nearly 30 per cent of Dalits are engaged in low-skill casual jobs, compared to 8 per cent in the general category individuals. They are also less likely than other groups to have their own business enterprises, particularly in urban areas. Concentration of Dalits in casual work or in lower-paid occupations

relative to other groups is in part related to differences in education levels, but the differences persist even after controlling for education and other characteristics.

Literacy rates are at par with Sub-Saharan African countries' and much behind those in China. In 1975, 32 per cent of China's adult population had secondary education, versus just 16 per cent of India's in 2004. Viewed through the prism of nutrition and health outcomes, Indians are not doing well. In 2005–06, 43 per cent of children (age less than five years) were underweight. More than half of adult women in India are anaemic, and a third of all adults have low body mass index. South Asians are among the shortest people in the world and attain adult height at a later age than people in other countries, a marker of childhood insults. Contrasted with consumption poverty rates of 26 to 28 per cent, it is clear that poor human development indicators are not a problem only of the poor, even though outcomes are substantially worse among the poor.

The uneven distribution of gains from development is striking in India. These inequalities have provoked the political mobilization of hitherto excluded groups, sometimes through politically motivated violence and forceful struggle. Many parties continue to rely on identity politics, which results in the deepening of social cleavages and the persistence of political fragmentation.

These social inequalities and growing rich-poor divide is having serious problems for India and its internal stability. The growing inequalities are disturbing social cohesion that is essential for any state and sometimes leading to disturbances and violence. Any country that wants to emerge as a major power in the international relations must, first of all, reduce the growing inequalities and poverty. It is not going well with India if its social indicators in some of the areas are much lower to its neighbours and more or less equal to Sub-saharan African countries. Hence, one of the important challenges before country's leadership is to reduce the poverty and growing inequalities in India.

2.2.3.2 RELIGIOUS FUNDAMENTALISM

In aftermath of the end of Cold War and the emergence of New World Order, a new thesis got propounded by an American Scholar S P Huntington in his book

The Clash of Civilizations and the Remaking of World Order in which he has discussed the role of ethnicity and religion in nationalist movements. He has been of the view that here onwards wars shall not be fought on territorial lines instead they would be fought on civilizational/religious lines. Huntington says that the world is driven by deep cultural divisions and that nations and peoples belonging to different cultural groups—for example, Western, Islamic or Confucian—holds markedly different values regarding democracy, human rights, and religious tolerance. The post-Cold War world order has been unipolar world where the U.S. has been accused of imposing its hegemony upon rest of the world. The more it has tried to bring political cultural uniformity at the world level the more it is faced with resistance form across the world. The world witnessed the glimpse of religious conflict in Yugoslavia's Bosnia republic where Muslims got annihilated at the hands of Christians. The EU members have been wary of religious fundamentalism and they have been siding with USA in fight against terrorism after the 9/11 attack against America's World Trade Centre. Huntington concludes that it is wrong for the West to impose its value system on the rest of the world in what can only be a futile contest of "the West against the rest". Thus, there is no denying the fact that ethnicity and religion have been playing prominent role in different parts of the world.

There has been sharp rise in the tendencies whereby religious feelings may be aroused by vested interests to create rift and conflict in the society. The Arab-Israel war is classic example of war between the Jewish state of Israel and its Muslim neighbours, as well as the Palestinians within Israel. Problems persisting in Indian Kashmir can also be attributed to religious fundamentalism because of which several lakh Hindu Kashmiri Pandits have been made to quit Kashmir and live as refugees in their own country. When excessive use of religion gets made for achieving political goals on part of nationals then it becomes religious fundamentalism. In India also some of the fundamentalist groups like SIMI, Jeshe-Mohammad, Lashkare-Taiba, Indian Mujhaideen etc., have been trying to induct youth into their wings for fighting war in the name of saving their religion. Even few of Indian youth they got attracted towards ISIS, one of the most dreaded

terrorist organisations which is a group of Sunni fighters having come out of Al-Qaeda group only. There are certain groups among Hindus like Hindu Sena, Ram Sena etc., who carry out attacks against minorities in India. The militancy in state of Punjab and Jammu and Kashmir certainly had religious underpinnings where two different groups would hate each other and indulge in mindless killings.

2.2.3.3 MAOIST MOVEMENT

India in recent years has witnessed rise in ‘Red Corridor’ area denoting the rise of Maoist elements in more than half of the total 600 districts in the country. States like Orissa, West Bengal, Jharkhand, Bihar, Andhra Pradesh, Chhattisgarh, Madhya Pradesh and Tamil Nadu have witnessed significant rise in killings of people because of the on-going civil war between these forces and police forces of these states. The policies of neo-liberalism is being seen as reason for rise in such Maoist movements at such a massive scale level that more than half of districts are engrossed with this problem. The economic growth process of the country has increased the mining activity in areas which were largely forests and inhabited by tribal groups who are now getting uprooted in name of development and often bringing them into conflict with state forces as well as the investors. The local social dynamics in these states is also responsible for prevalence of civil-war like situation in the country.

The Naxal movement in India is an extremist Leftist movement influenced by Maoist ideology. Like Mao’s political tactics, Naxals also mainly focused on peasants and tribals for their activities. The peasant struggles that managed to survive despite heavy State repression against them during the initial years after independence, re-emerged in a new avatar as the Naxalite movement in the 1960s. This was mainly because the State failed to address the root cause of the problem – grinding poverty, absence of equitable land reforms and dehumanising caste discrimination – and attempted to deal only with the symptoms. Coupled with this, faulty development policies of the State, which displaced millions of tribals and peasants from their land without giving them proper compensation, only heightened the sense of alienation that the poor felt towards the State and pushed

them into the fold of the Naxalite movement. The Naxal movement draw its sustenance from the existing inequity. The available accounts suggest that complicity of the state administration (the civil as well as the police) with the rural rich over the years has given the Maoists a rationale to continue their campaign.

The Naxal movement is highly splintered, with the existence of many groups which blame each other for ideological and political tactics and programmes. Naturally, such a fragmented movement is unlikely to mobilize the mass of peasantry. Many consider that the movement reached a dead end. They either fizzled out, as in the case of the Telangana and Naxalbari movements, or lost their mass character, reducing themselves to conduct targeted killings of political enemies and security forces. The reasons leading to this are as follows. First, having aroused the aspirations of the peasantry, the leadership failed to adapt to the fast-changing political circumstances to keep the movement going in the face of the administrative repression. Secondly, they failed to give a long term goal, agenda and perspective to the movement at a time when it had become clear that such a movement was neither capable of overthrowing the regime through revolution, nor drastically changing the social situation. Thirdly, the leadership became a prisoner of Maoist perspective drawn entirely from foreign situations. This not only revealed a lack of understanding of the local Indian situation, but also a dearth of original ideas applicable exclusively to the Indian situation. Finally, Charu Mazumdar's call for annihilation of class enemies and similar strategies in Andhra Pradesh and Bihar gave a new logic of violence to the movement, whereby violence became an end in itself and defeated the basic cause for which the movement was launched.

The issue of Maoist movement or so called Left Wing extremism has been echoing inside the Parliament also. President of the country, Pranab Mukherjee while addressing the members of Parliament in 2012 highlighted this threat of Left-wing extremism. He said, "Terrorism and left wing extremism are two issues, which I believe would unite the nation to work out comprehensive coordinated strategy to work out the menace of terrorism and left-wing extremism. What

happened in Orissa earlier this week, where two Italians were abducted by Left-wing extremists, is a grim reminder to all of us that our nation's security can be in danger if we are not careful or alert to tackle the anger of left-wing extremism or terrorism. Dealing with terrorism and dealing effectively as well as the control of left wing extremism constitute two big challenges before our country and for all the growth objectives that we have, particularly, the developments of the Central Indian regions." He further said, "The States of Chhattisgarh, Madhya Pradesh, Bihar, Jharkhand are infested with left wing extremism. Control over the left wing extremism and control over terrorism are absolute necessities if we are to achieve our growth objectives. Let me assure the House that our Government is committed to providing fully secured living conditions to its citizens and it will take every possible step to deal with the menace of terrorism." Though government sees it as law and order problem, but the problem has to be tackled with a humane face because it is the poorest of the poor who has taken up the arms against the state.

2.2.3.4 REGIONAL AND ETHNIC CONFLICTS

The post-Cold War World Order has seen enormous rise in regional and ethnic conflicts across the world. Middle East, West Asia, Central Africa, West Africa, Caucuses region along conflict in Kosovo and former Yugoslavian republic has turned the World Order very instable. Afghanistan war, Iraq war, Syrian conflict, ISIS war against Muslim world, Arab Spring etc., has compelled the scholars of International Relations to ponder over various reasons for sudden rise of regional conflicts and ethnic conflicts all over the world. The ever increase in fundamentalism, sectarian conflicts have become the hallmark of Islamic World as on today and posing serious threats the security of entire world's population.

Today, most of the major armed conflicts in the world are internal conflicts, and most of them could plausibly be described as ethnic conflicts. Political turbulence in Europe has also moved issues of ethnic and national identities to the forefront of political life.

According to Gurnam Singh factors such as modernisation, irrational drawing of nations boundaries, loss of autonomy on part of minority ethnic groups

during colonial periods, rise in expectations of people across the world for a better living standards etc., are primarily responsible for stoking the phenomenon of ethnic conflicts across the world including India. Demand for a separate Khalistan in Punjab, demand of freedom in Jammu and Kashmir, specially Kashmir, Nagaland are various manifestations of ethnic conflicts only.

India also is a multi-ethnic country. People living in all different Indian states constitute different ethnic groups like, Punjabis, Kashmiris, Tamilians, Bengalis, Marathis, Biharis, Telgu, Kannad, Malyalis, Assamese, Bodos, Manipuris, Nagas, Mizos and so on. India also has faced ethnic conflicts in states of Jammu and Kashmir, Manipur, Assam, Nagaland and Mizoram where dominant majority ethnic community would try to kill others and force a minority ethnic community to leave their state not minding the fact that Indian Constitution is based upon the principles of pluralism. Indian Constitution is the epitome of the idea of Unity in Diversity.

2.2.3.5 NARCOTISM

Giorgio Giacomelli, the executive director of the U.N.'s International Drug Control Program, issued this sober warning in 1997: "All over the world individuals and societies face an illicit drug problem whose scale was unimaginable a generation ago. As drug abuse affects more and more countries, the power of international drug trafficking organizations threatens to corrupt and destabilize the institutions of government." Underlying Giacomelli's concerns are U.N. estimates that between 3.3% and 4.1% of the world's six billion people are regular users of illicit drugs. The annual profits from narcotics trafficking are around US\$400 billion, or 8% of international trade. He says, these figures must be treated with caution given the difficulty of calculating the value of an industry that is inherently nontransparent. But they do lend credence to claims that a culture of drug taking has entrenched itself globally, enriching and empowering today's drug lords to a degree that is historically unprecedented.

Latin America is the region most closely associated in the public mind with the illicit drug trade, and for good reason. Far less is known about the

dynamics of the illicit drug trade in East Asia even though it is home to the infamous Golden Triangle area of Thailand, Burma, and Laos that is the world's largest producer of heroin. The principal conclusion reached is that the illicit drug trade is emerging as a significant long-term security issue for the region. A narcotic trafficking has grown enormously in sophistication and volume in conjunction with the spread of Asian organized crime in the decade since the end of the cold war, and it will continue to do so in the absence of effective national and regional countermeasures. While the production and consumption of narcotic substances has a long history in East Asia, there are several disturbing new developments that have forced narcotics trafficking onto the regional security agenda for the first time.

Today narcotism has become a serious international security issue. Involvement of international groups lead to criminal activities which pose a direct threat to the political sovereignty of the states like India which has common borders with Pakistan, Nepal, Bangladesh, China, Bhutan, Myanmar which is part of Golden Triangle, maritime boundaries with Sri Lanka and Maldives. Afghanistan which has become member of SAARC is hotbeds of cultivation and production of drug related raw material and poses serious threat to India. There is considerable growing of trade between India and these SAARC members including Afghanistan, there always remain attraction on part of groups to smuggle such goods under cover operating from across borders. Though India has increased vigilance on borders, it has got its borders, especially with Pakistan and Bangladesh, fenced still there has been increase in smuggling of contrabands. All these trade and smuggling in narcotic goods have the capacity to undermine and subvert the authority and legitimacy of all South Asian governments especially, India. Some of the Indian states like Punjab, Manipur, Nagaland, Mizoram and Assam have become hotbeds for this illegal trade and have been responsible for ever increasing tendency of Drug Addicts among Indian youth. Trade in narcotics has emerged as one of the easiest ways on part of terrorists organisations for raising money which they need it for purchase of arms from international market so as to keep their political movements going and finance their operations.

For the last three decades India has also become a transit hub as well as a destination for heroin and hashish produced in the 'Golden Triangle' and the 'Golden Crescent'. In addition, various psychotropic and pharmaceutical preparations and precursor chemicals produced domestically as well as in various parts of the world are also trafficked through Indian territory. The two-way illegal flow of these drugs and chemicals not only violates India's borders, but also poses a significant threat to national security.

The nexus between drug traffickers, organised criminal networks and terrorists has created a force powerful enough to cause instability in the country. Money generated through drug trade has been used to fund various insurgent and terrorist movements. For instance, it has been estimated that money generated from the illegal sale of narcotics accounted for 15 per cent of the finances of militant groups in Jammu and Kashmir. Similarly, Sikh militant groups in Punjab and Northeast insurgent groups like the Nationalist Socialist Council of Nagaland (Isak-Muivah) [NSCN (IM)] are known to channelize drugs into India to finance their operations.

Besides, criminal syndicates engaged in drug trafficking like the Dawood Ibrahim gang have themselves resorted to terrorist acts in the past (the 1993 terrorist attacks in Mumbai) or have become deeply engaged in the business/logistics end of terrorism. Further, drug trafficking facilitates other organised criminal enterprises such as human trafficking and gun running, all of which use the same networks and routes to smuggle people, arms and contraband. To cite an example, the explosives used in the 1993 Mumbai terrorist attacks were smuggled into India using the same routes through which drugs and other contraband items were trafficked by the Dawood gang. Even today, terrorist groups use these routes to source weapons and explosives across the borders.

The Narcotic Drugs and Psychotropic Substances (NDPS) Act, 1985 was framed taking into account India's obligations under the three UN drug Conventions as well as Article 47 of the Constitution mentioned in para 1 above. This Act prohibits, except for medical or scientific purposes, the manufacture, production, trade, use, etc. of narcotic drugs and psychotropic substances.

There are several layers of major drug traffickers in the illicit drug market who form the vital link between the illicit manufacturers / smugglers and the street peddlers who actually sell the drugs to addicts. Apprehending and prosecuting them is one of the most important elements of drug control. As they are highly organised and efficient, apprehending them requires concerted efforts and specialised skills.

While as per the NDPS Act, 1985, any officer empowered under the Act may arrest and prosecute drug traffickers, it shall be the primary responsibility of the specialised drug enforcement organisations such as Narcotics Control Bureau, Central Bureau of Narcotics, Directorate General of Revenue Intelligence and the special anti-narcotics cells, by whatever name they are called, in the State Police and other organisations to collect intelligence about drug trafficking, apprehend drug traffickers, investigate cases and prosecute the offenders.

2.2.4 LET US SUM UP

It is clear that India is slated to play an increasingly larger role in the coming decades. Its future as a credible power would, however, depend as much on its ability to manage the present stage of transition as on the projection of its strategic perspectives and policy options for the future. Two or three points deserve mention in this regard. First, India's status and power projections remain essentially contingent on its national security in terms of political stability, economic development and military strength. Second, although the asymmetrical power structure in South Asia ensures India's centrality, its regional power and influence tends to get circumscribed by the neighbouring countries' sustained pressure to counter its pre-eminence. In particular, Pakistan's unceasing search for parity with India makes for a deep-rooted strategic dissonance in the region which effectively reduces its capacity to shape or influence events in its neighbourhood. Third, continued involvement of external powers in the region remains an integral part of South Asian geo-political realities. The end of the Cold War has weakened the inevitable link up between regional conflict and Great Power rivalry. However, the inability of the states of the region to evolve a credible bilateral and regional

framework for cooperation would continue to play an important role in reinforcing the pattern of external involvement—primarily in pursuance of their own strategic interests--in the region. This is bound to impinge on India’s security perspectives, both short-term and long-term.

Similarly, India also inherited some of the problems from the British colonialism which are still causing internal security related problems. The religious fundamentalism, ethnic conflict, regional movements are some of the examples for this. However, the policies pursued by successive generation of leaders, particularly in the post-liberalisation period significantly increased internal turmoil as they are leading to growing inequalities among segments of Indian population. Without achieving internal stability, social harmony and cohesion, it is meaningless to talk about India’s emergence as a major power in international scene. Hence, while addressing security threats emanating from external environment, India must also focus on establishing social harmony among different groups of society.

2.2.5 EXERCISES

1. Explain India’s security concerns with regard to Pakistan and China.
2. How Indian Ocean is important for India’s Security?
3. Socio-economic inequalities in India are one of the serious problems for India’s security and stability. Do you agree with this?
4. How Narcotism is emerging as a serious concern for India’s security?

—x—

2.3 INDIA'S NUCLEAR POLICY: SHIFT FROM PEACEFUL PURPOSES TO WEAPONISATION AND NUCLEAR DOCTRINE

– V. Nagendra Rao & Rajesh Kumar

STRUCTURE

2.3.0 Objectives

2.3.1 Introduction

2.3.2 India's Nuclear Programme: The Beginning

2.3.2.1 India's Opposition to NPT

2.3.3 India as Nuclear Weapons State: Pokhran I to Pokhran II

2.3.3.1 Pokhran II: Emergence of India as Nuclear Weapon State

2.3.4 India's Nuclear Doctrine

2.3.4.1 No-first Use

2.3.4.2 Credible Minimum Deterrent

2.3.4.3 Nuclear Command Authority (NCA)

2.3.5 Indo-US Nuclear Deal

2.3.6 Let us Sum Up

2.3.7 Sources & Suggested Readings

2.3.8 Exercises

2.3.0 OBJECTIVES

This lesson provides basic understanding about India's from the inception to present times. After going through this topic, you should be able to:

- know the efforts of India's leadership to acquire nuclear technology;
- understand the reasons for India's nuclear explosions at Pokharan in 1974 and 1998
- comprehend the outcomes of these nuclear tests on India's status
- the importance of Indo-US nuclear deal for acquire recognition as NWS; and
- India's Nuclear Doctrine and its political and strategic importance.

2.3.1 INTRODUCTION

India's nuclear policy is shaped up and continues to be influenced by the international and domestic milieu. The early years reflected the moral and idealistic content in her nuclear policy. Maintaining ambiguity about its nuclear option till 1998 suited the policy makers and it helped India to consolidate its nuclear programme without being watched by the International bodies. The Cold War politics, India's war with two neighbours (Pakistan and China), presence of nuclear submarines and the naval fleet of superpowers in the Indian Ocean region, did impinge upon formalizing of our nuclear policy. India's nuclear policy was also embedded in achieving the goals of complete nuclear disarmament. It had the connotation of making important strides in the area of science and technology also. It helped India in mobilizing the support of Third World countries on this very important issue. Over a period of time, it was expected to assume realistic content in it. Mid sixties and early seventies India's security scenario underwent massive change. Several changes within the subcontinent and at the international level casted their impact on Indian thinking and strategies. Dismemberment of Pakistan, Sino-US rapprochement, India-Soviet Union Treaty of Peace and Friendship and evolving closer relations between Pakistan and China were very important from the point of view of determining India's nuclear policy and its overall security.

The end of the Cold War changed the security scenario in and around the region completely. A unipolar world under the leadership of the USA emerged on the scene. India's nuclear policy was expected to be relevant to the contemporary globalised world and India had to progress towards a fuller understanding of the nuclear regime formation at the international level and relate itself to the actors, principles, rules and regulations. India went nuclear in May 1998 and declared it to be a State with Nuclear Weapons. Pakistan also became a nuclear weapon state. The scenario changed completely after 9/11 incident. US war against Iraq and Afghanistan led to new alignments and adjustments within the region. India and the USA succeeded in formalizing 'US-India Peaceful Nuclear Cooperation Agreement' in the changed environment.

2.3.2 INDIA'S NUCLEAR PROGRAMME: THE BEGINNING

India's aspirations for a nuclear programme began before independence and were then consecrated through the creation of the Indian Atomic Energy Commission in 1948.

Combining work at the Tata Institute of Fundamental Research (itself set up in 1945), Homi Bhabha was the founding chair of the Atomic Energy Commission and guided India's nascent nuclear development. Nehru had seriously focused on improving countries capabilities in nuclear technology; he established, under his own supervision, the Department of Atomic Energy (DAE) in August 1954. DAE's focus in the early phase was technological rather than militaristic. The DAE would remain under the direct control of subsequent Indian prime ministers. Economic advancement initially drove India's nuclear considerations, which were simultaneously aimed at overcoming decades of colonial exploitation, developing India's technical infrastructure and garnering international prestige through a display of scientific prowess. As funding significantly rose in the earlier 1950s, India's leaders increasingly saw nuclear science as a way to ameliorate India's post-independence position and to signal her international resurgence.

Initially, the peaceful non-military uses of nuclear energy were prominent and mixed with the wider goal of universal nuclear disarmament. This approach

confirmed a focus on India's economic development that eschewed military spending and an avoidance of the two superpower blocs, as manifested through India's leadership of the Non-Aligned Movement (NAM). In turn, a world free of nuclear weapons would help to reduce the risk of existential nuclear conflict, protect South Asia from external influences, and enhance Indian security. Maintaining India's independence underpinned these notions through a 'refusal to accept any external controls and restraints instituted in a discriminatory way', and a commitment to peaceful, non-military uses of nuclear technology.

Thus, from 1955 onwards nuclear co-operation between India and several other governments (Canada, the USA, the United Kingdom and France) was established. These links led to the building of the APSARA research (light water) reactor in 1956, the first research reactor of its kind in Asia, and to the building of the CIRUS research (heavy water) reactor in 1960. By 1962 Indian scientists had begun producing their own heavy water and in 1965 they separated plutonium for the first time. All these accomplishments represented key steps in the realization of India's nuclear energy industry, but also had possible dual usages, especially the manufacture of weapons grade plutonium. In turn, in April 1954 in the Indian parliament Nehru had called for the prohibition and elimination of nuclear weapons, as well as a halt to all nuclear testing. The ban led to the ascendancy of underground testing.

However, China's nuclear tests at Lop Nor on 16 October 1964 confirmed India's perceived threat, and added credence to the notion that nuclear weapons were force equalizers that overcame military asymmetries between states. In addition, nuclear weapons became seen as a shortcut to a modernized defence force that would exponentially improve India's security. After Indian leaders failed to illicit nuclear guarantees from the USA and the USSR (whereby India could be protected with their nuclear capabilities), pressure grew for India's nuclear option to be realized and in 1964 Indian Prime Minister Lal Bahadur Shastri launched a programme to reduce the time in which India could be weapons capable to six months. Chinese threats of opening a second front

during the 1965 India–Pakistan war reinforced this necessity, as did the emergence of close China-Pakistan ties aimed at limiting India’s regional influence. Post-1964 the nuclear debate in India thus became dominated by the threat posed by China, the cost of nuclear weaponization and the morality of having such weapons.

2.3.2.1 INDIA’S OPPOSITION TO NPT

Within the international community at large and the P-5 powers, China’s 1964 tests had also underlined the need to prevent further proliferation. The resultant Nuclear Non-Proliferation Treaty (NPT) was signed on 1 July 1968 by the United Kingdom, the USA and the USSR, and came into force on 5 May 1970. However, rather than fulfilling India’s aims of banning all nuclear weapons, the NPT split the world into Nuclear Weapons States (NWS)—defined as those that had tested prior to 1 January 1967 and who could keep their weapons—and Non-Nuclear Weapons States (NNWS)—which were banned from ever possessing or developing nuclear weapons. The terms of the NPT were then to be reviewed every five years from 1970 onwards. Opposed to a treaty that did not provide ‘equal and legitimate security’ for all states, and in order to keep the nuclear option open, India refused to sign the NPT. As such, India’s leaders maintained the policy that, ‘unless everyone closes the nuclear door, it is not in India’s interests to do so.’ The NPT also increased Indian distrust of the international community, as it threatened India’s autonomy, development and long-term power aims.

2.3.3 INDIA AS NUCLEAR WEAPONS STATE : POKHRAN I TO POKHRAN II

By the early 1970s the ambiguity of the ‘nuclear option’ had effectively merged India’s antinuclear and pro-nuclear opinions whereby a nuclear bomb would be developed but not used. This ambiguity ensured that India’s weaponization programme continued but simultaneously reassured those in India’s elite who both wanted a nuclear weapons capability (the hawks) and those that did not (the doves). At the same time, moral arguments as to the legitimacy of having nuclear weapons had become supplanted, courtesy of the NPT, by arguments

more concerned with the nuclear 'haves' and 'have-nots'. These arguments appeared to cast India as a second rate power, and nuclear bombs increasingly came to symbolize the national power, strength and development that India's leaders craved. India's refusal to declare South Asia a nuclear weapons free zone, as proposed by the USA, underscored these aspirations and India's policy direction.

In turn, although India had fought a successful conflict with Pakistan in 1971 (which led to the creation of Bangladesh), and had signed the 20-year Treaty of Peace, Friendship and Cooperation with the USSR, India's regional security environment was deteriorating. This deterioration was typified by the US tilt to Pakistan in the 1971 war, by deepening China-Pakistan ties and, most critically, by the US-China rapprochement under Richard Nixon and Mao Tse Tung from 1972. These relations effectively created a China-Pakistan-USA united front against India and were strengthened by China's regional nuclear monopoly. Such factors combined with a variety of domestic pressures, and India's Prime Minister Indira Gandhi decided to carry out a nuclear test to demonstrate India's capability. With a sufficiently developed nuclear programme at hand and under the codename 'Smiling Buddha', India undertook her first nuclear test on 18 May 1974—a test described as a Peaceful Nuclear Explosion (PNE). The test also became known as Pokhran I, named after the site where the test took place in the Thar Desert in Rajasthan.

Despite these developments, India's diplomatic efforts to achieve unilateral nuclear disarmament continued, and included a new dimension of self-restraint whereby India would not test any further nuclear weapons. As such, in 1978 India pursued negotiations for an international agreement on prohibiting the use or threat of use of nuclear weapons; in 1982 she called for a 'nuclear freeze' to prohibit the production of fissile materials for weapons and in 1988 Prime Minister Rajiv Gandhi tabled an Action Plan at the UN for the phased elimination of all weapons within a specific timeframe. India also supported plans for a Nuclear Weapons Convention akin to the Biological Weapons Convention (opened

for signature on 10 April 1972 and entering into force on 26 March 1975), and the Chemical Weapons Convention (opened for signature on 13 January 1993 and entered into force 29 April 1997), both of which India signed.

However, as had been the case for the NPT, India refused to sign the Comprehensive Nuclear Test Ban Treaty (CTBT) that opened for signature in New York on 24 September 1996. India argued that the Treaty favoured the P-5 powers, did not carry forward the disarmament process and, therefore, effectively diminished India's nuclear potential.

By the 1990s India's nuclear weapons programme appeared to face an existential crisis. India's nuclear stance appeared as ambiguous 'recessed deterrence', and she remained one of the 'main NPT holdout states', along with Pakistan and Israel. Still contending with international sanctions, it seemed that many international proliferation controls were India-specific and intended to threaten her strategic autonomy and Great Power emergence. Thus, Indian analysts talked of a US-EU-Japan (and even US-China) concert against India. When the CTBT's entry into force provisos (Article 14) opened up a final testing window from September 1996 to September 1999, such nuclear inequity appeared to be explicit, particularly after China and France tested nuclear devices in 1995. The indefinite extension of the NPT in 1995 only compounded these perceptions. International rebuffs towards India's attempts at restricting proliferation had, however, continued to spur Indian leaders towards nuclear (weapons) development. The end of the Cold War also signalled the demise of the USSR as a reliable counterweight for India to use against the international system, along with a now less meaningful NAM. Unable to benefit from Soviet arms trading and political support, India was increasingly isolated in a world now dominated by the USA—a position that threatened her regional security and global influence.

2.3.3.1 POKHRAN II: EMERGENCE OF INDIA AS NUCLEAR WEAPON STATE

In 1998 a newly elected government led by the Bharatiya Janata Party (BJP) came to power. With policies that promoted the image of a powerful, resurgent and dynamic India to the world, the BJP had consistently advocated the induction

of nuclear weapons in their election manifestos. In particular, they recognized the symbolic appeal of testing nuclear weapons. As the new Minister of External Affairs, Jaswant Singh, argued that international proliferation controls amounted to a 'nuclear apartheid' that cast South Asia and Africa outside of the dominant global 'nuclear security paradigm'. Such discrimination placed India in a position inferior to the Great Powers, often in association with Pakistan. This perspective linked with the repeated calls from India's strategic enclave of analysts and academics to resume testing. Although India had the appropriate scientific-military nuclear infrastructure in place, it was often only US pressure (and intelligence) that had stopped any new tests, particularly in the mid-1990s. These factors coupled with the BJP's desire to test—often bolstered by their nationalism and a need to establish the power of their governing coalition.

Against this backdrop, amid great secrecy, and only two months after coming to power and after new Pakistani missile tests (Ghauri) on 6 April, the BJP Government under Prime Minister Atal Behari Vajpayee tested five nuclear devices on 11 and 13 May 1998. Confirming their own capabilities and in response to domestic pressures, Pakistan carried out its own nuclear tests at Chaghai Hills in Baluchistan on 28 and 30 May. Codenamed Operation *Shakti* (strength), and often called Pokhran II (having used the same test site as the 1974 PNE), India's 1998 nuclear explosions were the first overt tests since the NPT had come into force in 1970.

Despite initial sanctions from the USA and Japan after the tests, and almost universal condemnation, Pokhran II resulted in India moving from an outlier of little significance to the international mainstream. Not only did the tests result in a new assertion of Indian autonomy in international affairs, but they also provided their own nuclear guarantee—thus removing any need for dependence on external states. Indeed, the tests transformed her global relations, especially through their explicit enunciation of India's desire for a Great Power role, which was supported by her increasing economic and technological strength. This combination made India a state needed by other countries. In turn, policy

concerning UNSC recognition became more prominent, with a permanent seat now seen as 'not a quest' but as 'India's rightful due'. While certainly less idealist, more belligerent and increasingly pragmatic, India's leaders still argued for universal nuclear disarmament. India used their acquisition of nuclear weapons as a new point of leverage, stating that they would give up their own proven nuclear capabilities in any new non-proliferation regime. Therefore, the paradox at the centre of India's nuclear programme between weaponization and disarmament that had been present since independence continued.

2.3.4 INDIA'S NUCLEAR DOCTRINE

India's National Security Advisory Board unveiled the state's Draft Nuclear Doctrine on 17 August 1999. The main elements of the doctrine were a no-first-use policy, non-use of nuclear weapons against non-nuclear weapons states, a moratorium on nuclear tests, the non-export of nuclear technology and working towards universal nuclear disarmament. Conservative in nature, the doctrine displayed a commitment to using 'strategic nuclear assets as instruments of retribution in case deterrence fails', rather than as tools of aggression. Such a nuclear doctrine was regarded as conducive to strategic stability in South Asia, which reassured China and the USA in particular, and created the image of India as a responsible nuclear power.

However, three elements are crucial in India's Nuclear Doctrine that was pronounced in 1999. These are :

1. No first use.
2. Credible minimum deterrent.
3. Civilian control (NCA).

All other components of the doctrine survivability strategic trend, punitive retaliation in rapid response and shift from peace time deployment to fully employable forces in the shortest possible time are all strict mathematical derivations of the above three basic principles.

2.3.4.1 NO-FIRST-USE

The nuclear doctrine states that India is committed to a no-first-use of nuclear weapons. The theory of deterrence and no-first-use go together. The first aggressive use of a nuclear weapon will be a confession that deterrence has failed and use of nuclear weapons was the only recourse left. It is globally recognized that nuclear war between two nuclear powers would not lead to any meaningful military decision beyond appalling losses to both sides. In these circumstances no-first-use is the most appropriate policy.

2.3.4.2 CREDIBLE MINIMUM DETERRENT

The concept of minimum nuclear deterrent will include sufficient survivable and operationally prepared nuclear forces, a robust command and control system, effective intelligence and early warning capability and comprehensive planning and training for operations in line with the strategy and the will to employ nuclear forces and weapons. The nuclear doctrine envisages a deterrent that has the capability of inflicting destruction and punishment to the aggressor. The principles of credibility, effectiveness and survivability will be central to India's nuclear deterrent. The nuclear doctrine does not quantify the minimum deterrent. It calls for highly effective military capability. The nuclear doctrine stresses upon effective, enduring diverse forces which are based upon a nuclear tread of air-craft, mobile land-based missiles and sea-based assets.

2.3.4.3 NUCLEAR COMMAND AUTHORITY (NCA)

On January 4, 2003 India revealed a three tier nuclear command authority (NCA) to manage its nuclear weapons. This broad framework was approved on the nuclear doctrine prepared by the National Security Board set up after the May 1998 nuclear tests. The NCA comprises of (a) political council, (b) executive council and (c) strategic forces command. Political council is headed by the prime minister. It is the body which authorizes the use of nuclear weapons. Executive council is headed by the national security adviser to the prime minister. Its function is to provide inputs for decision making by the NCA and

to execute the directives given to it by the political council. The executive council may comprise of the chiefs of defence services, the IIC chairman, the convener of the NSAB, the cabinet secretaries, heads of intelligence agencies and secretaries of ministers represented in the cabinet committee of security (CCS). The strategic force command (SFC) would be responsible for the administration of the nuclear forces and will be actually tasked with the firing of nuclear weapons. SFC is the second tri-service command after the first one in Andaman and Nicobar Islands was established in 2001.

Indian's nuclear doctrine is the most responsible doctrine which aims at providing minimum credible deterrent. It is a consensus document which does not limit the country in any way in exercising its nuclear weapon options. It provides complete elasticity in deciding the number of nuclear weapons India should possess and classifies the emphasis on the survivability of the deterrent. Establishment of the NCA will add credibility to India's nuclear posture. The NCA stands out in its firm commitment to deterrent stability through civilian control over nuclear weapons. Most significant aspect of India's nuclear doctrine is that it is intimately tied up with continued commitment to total nuclear disarmament. The five major nuclear powers are reluctant to give up their monopoly over production and deployment of nuclear weapons while denying a similar privilege to other countries.

2.3.5 INDO-US NUCLEAR DEAL

The developments in nuclear front formed part of political leadership attempts to strategically lift India away from South Asia towards a greater global role and to improve her security environment. India has got best opportunity with enhanced Indo-US relations. As the cooperation progresses, the USA dropped all demands for India to sign the CTBT and join the related Fissile Material Cutoff Treaty (FMCT). This improved relationship also paid other dividends, including a more neutral tilt towards Pakistan (particularly during the 1999 Kargil conflict) and de-hyphenating India and Pakistan when US policy-makers thought of South Asia, as well as heightened economic, political, cultural and military co-operation.

Improved Indo-US relations led to the signing of their Next Steps in Strategic Partnership (NSSP) of January 2004, which focused on the three-fold issue of civilian nuclear energy, civilian space programmes and high technology trade, with a dialogue on missile defence being added. Under the joint US-India Civilian Nuclear Cooperation announcement (July 2005), India agreed to separate its civil and military nuclear facilities and to have all its civil nuclear facilities placed under IAEA safeguards. This agreement gave India de facto nuclear recognition. After being passed in the US Congress (via the Hyde Act, which allowed the modification of Section 123 of the 1954 US Atomic Energy Act), it was then blocked from scrutiny in the Indian parliament, although only after Prime Minister Manmohan Singh survived a no-confidence vote in July 2008. Subsequently, in August 2008 the IAEA approved the safeguards agreement with India, and in September 2008 the NSG granted India a waiver, over Chinese obstruction, to give India access to civilian nuclear technology and fuel from other countries—developments that effectively allowed India to sidestep the requirements of the NPT. In October 2008 the deal was legislated as the United States-India Nuclear Cooperation Approval and Non-Proliferation Enhancement Act, ending the US sanctions on nuclear trade that dated from the 1974 PNE.

2.3.6 LET US SUM UP

India's political leadership, ever since her independence, understood and recognised the importance of nuclear technology for advancing national interest; hence, efforts were made from the beginning to nurture and improve nuclear capabilities. However, the leadership's nuclear policy was mostly determined global as well as regional context. If experiences of Bangladesh crisis resulted in PNE of 1974, the post-Cold War realities dictated Pokhran II explosions, in which India declared to the world as a state with nuclear weapons and demanded the international community to accept their status as such. The subsequent developments, particularly the strategic cooperation that evolved between India and the US, led to achieve what India is looking for a long term – recognition of India as Nuclear Weapon State. Now it can separate civil from the military

nuclear facilities and allow international agencies to monitor civil nuclear programme not military. It has also signed agreements with many countries – the US, Russia, France, Australia, Japan, etc. – for supplying nuclear material and technology, Now India has become one of the very few countries – the US, Russia and China – that have developed nuclear ‘triad’. These capabilities had increased India’s prominence and importance in international relations and further bolstered India’s aspirations to become a Great Power.

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2.3.8 EXERCISES

1. Briefly write Nehru’s contribution to India’s Nuclear programme.
2. Why India refused to sign NPT?

3. Write a note the circumstances that lead to PNE or Pokhran I nuclear explosion.
4. How do you understand the significance of Pokhran II for India's nuclear status?
5. How far the Indo-US nuclear deal contributed to India gaining recognition as Nuclear Weapons State (NPS)?
6. How do you understand India's Nuclear Doctrine? What are the important elements in it?

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy

UNIT – II : INDIA'S SECURITY CONCERNS

2.4 INDIA'S ENERGY SECURITY : ROLE OF DIPLOMACY

– V. Nagendra Rao & Rajesh Kumar

STRUCTURE

2.4.0 Objectives

2.4.1 Introduction

2.4.2 India's Energy Security

2.4.3 Government's Energy Policy

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2.4.5.1 The TAPI pipeline

2.4.5.2 Iran-Pakistan-India Pipeline

2.4.5.3 Myanmar Pipeline

2.4.6 Energy Security: Domestic Efforts

2.4.7 Let us Sum Up

2.4.8 Sources & Suggested Readings

2.4.9 Exercises

2.4.0 OBJECTIVES

This lesson explains the importance of energy security for India's economic development and efforts made by India in recent times to achieve energy security. After going through this topic, you should be able to:

- know the issues related to energy security;
- understand Government of India's energy policy;
- comprehend the diplomatic efforts of India in security energy, including initiatives taken for building gas pipelines;
- various internal efforts to increase the production of power generation.

2.4.1 INTRODUCTION

According to J. Peter Burgess, in the late modern era, the notion of energy security has risen in importance for other reasons. It is primarily due to the transformation of the global market into an arena for security politics. The threats stemming from energy are linked to the deep and to a large degree un-regulated integration of the global economy. The world is deeply interdependent, interlinked in ways that exceed both the instrumentality of goal oriented international relations and the democratic systems that is regulating the internal demands. A central part of the international economy is the global energy market. Through it, the major economic powers of the globe are interlinked less by their shared need for energy, though this is largely a given, but rather by their shared need for stability.

Peter Burgess further states that, what happens in the energy market has profound consequences of general economic conditions to be sure, but it has arguably far more threatening consequences for global capital system on which all depend. The classical capitalist principles of credit, investment, distribution and profit depend on stable money markets and stable conditions of production. The correlates to this market based logic of insecurity can be mapped along three primary themes: the Middle East, peak oil, climate change. Add to this the fact that both China and India are postured to become world economic powers, easily surpassing the energy production and consumption levels of the U.S. and energy

insecurity are raised considerably. The energy market will only become tighter in the coming decades and the margin of security correspondingly acute. Stability is the key. A large part of the growth in the world energy supply after 2010 will occur in countries in transition, in unstable conditions for production and investment.

2.4.2 INDIA'S ENERGY SECURITY

One of the hallmarks of Indian foreign policy in recent years has been enhancing goals of energy security for the country through diplomatic efforts. The UPA Government's foreign policy through years 2004-2014, to a very large extent, remained intertwined with economic policies of the country for ensuring constant energy supplies in a changing international security scenario. India's future energy consumption is expected to be driven by its economic growth and demographic trends. India is expected to maintain economic growth around 6-7 per cent under 12th Five Year Plan despite the current downturn in its economy.

More than a decade ago some analysts predicted that 'India will be forced to calculate its energy security requirements within more general geo-political environment that is characterized by rapid change and unpredictability'. Consequently, India has launched its integrated energy policy and 'oil diplomacy' in search of new energy assets to fulfil the energy requirements of its high economic growth, with energy security emerging as a 'crucial' component of its foreign policy. In a speech at the Constituent Assembly in December 1947, Jawaharlal Nehru had argued that in 'talking about foreign policies, the House must remember that these are not just empty struggles on a chess board. Behind them lie all manner of things. Ultimately foreign policy is the outcome of economic policy, and until India has properly evolved her economic policy, her foreign policy will be rather vague, rather inchoate, and will be groping'.

Despite fairly low per capita energy consumption, India is the fifth largest energy consumer and is likely to become the third largest by 2030. The country is also a major producer and is currently the world's seventh largest producer of energy. Primary commercial energy demand grew almost three-fold at an annual rate of 6% between 1981 and 2001. To catch up with the rest of dynamic Asia and

to remove poverty, it has become essential for India to continue growing at about 8%–10% or more over the next 25 years. Its energy requirements for a sustained 8%–9% annual growth rate pose a major challenge. According to the government integrated energy policy, India needs to increase its primary energy supply by three to four times its 2004 levels, and its electricity generation capacity/supply by five to six times. With 2004 as the base, its commercial energy supply needs to grow at 4.3%–5.1% annually. By 2030, power generation capacity must increase to nearly 800,000 megawatts (MW) from the 2004 capacity of around 160,000 MW. In addition, the requirement of coal, the dominant fuel in India's mix, will also need to expand to 2,000m. tons a year.

Since India is relatively poor in oil and gas resources, it has to depend on imports to meet its energy supplies. With already about 80% of its crude oil requirements met by imports, its oil import bill was close to \$90,000m. in 2008/09. The Organisation for Economic Co-operation and Development (OECD) estimated that in 2005 India imported about 70% of its crude-oil requirements and consumed about 3% of world oil supply. Liquefied Natural Gas (LNG) imports in 2005 made up 17% of total gas supply. India also imported about 12% of its coal supply. Currently, India imports oil from about 25 countries, with nearly two-thirds of imports coming from four countries: Saudi Arabia, Nigeria, Kuwait and Iran. Due to this dependence on West Asian countries, Indian policy-makers are worried about oil price volatility, and its impact on inflation, economic growth and foreign exchange reserves. In addition, overwhelming dependence on the Gulf region has its own political implications. Compared with other major states in the world, India is more vulnerable to any disruption in oil supplies from the Gulf. However, it could be argued that India's dependence should not be seen as a vulnerability, as encouragement of growing interdependence between India and the Gulf contributes to stability to energy markets.

2.4.3 GOVERNMENT'S ENERGY POLICY

As over one-half of the country's population does not have access to electricity or any other form of commercial energy. The Government of India's expert

committee on integrated energy policy argued that India would be 'energy secure when we can supply lifeline energy to all our citizens irrespective of their ability to pay for it as well as meet their effective demand for safe and convenient energy to satisfy their various needs at competitive prices, at all times and with a prescribed confidence level considering shocks and disruptions that can be reasonably expected'. The major issues discussed in the context of Indian energy security by the expert committee were reducing energy requirements, substituting imported energy with domestic alternatives, diversifying supply sources, expanding resource bases, developing alternative energy sources, increasing the ability to withstand supply shocks and increasing the ability to import energy and face market risks. Overall, it is believed that India's energy security can be increased by a) diversifying both energy mix and sources of energy imports; b) seriously pursuing overseas acquisitions of energy assets; and c) initiating policy reforms to attract foreign investment as well as improving domestic production, distribution and consumption. In order to safeguard against short-term supply disruptions, the Indian Government is also in the process of setting up 5m. metric tons (36.6m. barrels) of strategic crude oil storage reserves at Mangalore, Vishshapatnam and Padur. This strategic reserve will be in addition to the existing storage facilities of various public sector oil companies. These stores are located along the coast so that reserves could be easily exported during disruptions.

2.4.4 INDIA'S ENERGY DIPLOMACY

In the one or two decade, 'energy diplomacy' has also become one of the main agendas of the country's foreign and security policy. India is seriously considering its nuclear energy option as well as importing sources beyond the West Asia. Bilateral nuclear agreements with the USA, France, Russia and Canada, as well as consistent engagements with the countries of Eurasia, Africa and Latin America, could be seen from this perspective. The external dimension of energy efforts by India include: a) acquisition of assets abroad through acquiring equity participation in developed fields, and obtaining exploration-production contracts in different parts of the world; b) entering into long-term LNG supply contracts; c) pursuing

transnational gas pipeline proposals; and d) promoting partnerships with foreign entities in the downstream sector, both in India and abroad.

In an attempt to diversify oil and gas imports, Indian companies are trying hard to get a strong foothold in the Eurasian region. Investment in Russia's Sakhalin-1 field, and the purchase of Imperial Energy by the Indian public sector company Oil and Natural Gas Corporation (ONGC) in 2009 were efforts in this direction. India views Kazakhstan as an important energy player in Central Asia. Competition in this region is very fierce as China is also pursuing the same strategy. At the same time, rapidly growing trade and economic relationships between India and China may also compel them to talk of building partnerships in other areas. Both have declared their intentions of co-operation in oil and gas biddings. India also mooted the idea of Asian regional cooperation in energy, and initiated a dialogue between principal Asian suppliers (Saudi Arabia, United Arab Emirates (UAE), Kuwait, Iran, Qatar and Oman) and principal Asian buyers (India, China, Japan and South Korea). These efforts showed some results when China National Petroleum Corporation (CNPC) and India's ONGC mounted a successful \$573m. joint bid to acquire Petro-Canada's 37% stake in the al- Furat oil and gas fields in Syria. Earlier, they worked as joint operators in Sudan. India and China may be co-operating in other areas, but when it comes to Central Asian energy, cash-rich China has shown that it can outmanoeuvre India in energy deals. This was clearly illustrated in late 2005 when China outbid India to acquire PetroKazakhstan, Kazakhstan's third-largest oil producer with CNPC raising its bid to \$4,180m.

In 2008 ONGC Videsh (OVL) signed an agreement with the Corporación Venezolana del Petróleo and acquired a 40% participating interest in the San Cristobal project. During the same year OVL signed deals in Brazil and Colombia. Earlier, the company had acquired some new assets in Cuba, Colombia and Congo, Sudan and Egypt. With about 40 oil and gas projects, OVL has a presence in 17 countries. It has production of oil and gas from Sudan, Viet Nam, Syria, Russia and Colombia, with various projects under development in Iran, Brazil, Myanmar, Egypt, Venezuela and Kazakhstan.

2.4.5 GAS PIPELINES

India is also exploring the possibility of importing gas through pipelines from Turkmenistan, Iran, Myanmar and Bangladesh. Though, there is some progress in some fronts, still none of these pipelines are not materialised on the ground. The prevailing security environment in the subcontinent is mainly responsible for this delay.

2.4.5.1 THE TAPI PIPELINE

Since 2002 there has been a lot of discussion on the \$7,600m. Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. There have been some uncertainties over gas reserves in Turkmenistan, over the security situation in Afghanistan, and over the endemic strained relations between India and Pakistan. Still, all parties are considering the proposal very seriously. This 1,680-km pipeline would run from the Dauletabad gas field in Turkmenistan to Afghanistan, from where it would be constructed alongside the highway running from Herat to Kandahar, and then via Quetta and Multan in Pakistan. The final destination of the pipeline would be Fazilka in Indian Punjab. India was formally invited to join the project in 2006, having earlier participated as an observer. In May 2006 the Indian Government officially approved its participation in the TAPI project and authorized the Ministry of Petroleum and Natural Gas to put up a formal request for joining the project. In April 2008 Afghanistan, India and Pakistan signed a Framework Agreement to buy gas from Turkmenistan. The participating countries also planned to discuss soon the issues of payments of transit to Afghanistan and Pakistan, taxation structure and consortium issues. For the last few years, TAPI has also been discussed at almost every important meeting on Afghanistan's reconstruction.

Prime Minister Narendra Modi in his recent visit to Russia and Central Asian Countries met with Turkmenistan President Gurbanguly Berdymukhammedov in Turkmenistan capital on July 11, 2015 and pitched for early implementation of the \$ 10 billion TAPI gas pipeline project. The pipeline is expected to be operational by 2018 and will carry gas from Turkmenistan's Galkynysh field that holds gas reserves of 16 trillion cubic feet. A joint statement called the TAPI project a "key

pillar” of economic engagement between the two countries and said both the leaders recognised that its implementation would have a transformational impact on trade. It said they decided to take measures for early implementation of this important regional project. The leaders reaffirmed their strong commitment towards timely implementation of this strategic project and noted that the selection of its Consortium Leader, to be finalised by September 1, 2015, would mark a crucial step.

2.4.5.2 IRAN-PAKISTAN-INDIA PIPELINE

Despite many obstacles, the \$7,500m., 2,300-km Iran-Pakistan-India (IPI) gas pipeline is still on the agenda. The proposed IPI pipeline will initially transport 60m. cu m of Iranian gas a day, split between India and Pakistan equally. In Pakistani territory an 800-km pipeline will be carrying gas for both Pakistan and India. Iran and Pakistan have already finalized gas sale agreements, with Iran committing itself to supplying 21m. cu m of natural gas daily to Pakistan from 2014. In 2010 the Minister of External Affairs made a statement in the Indian parliament that India was still party to the IPI project and various issues concerning pricing of gas, delivery point of gas, project structure, assured supplies and security of the pipeline, transportation tariffs and transit fees for passage of natural gas through Pakistan, etc., were being discussed between participating countries. As in other parts of the world, the USA is also trying to inject its own geopolitical interests in the Asian energy competition. It has discouraged India from sourcing gas from Iran and instead promoted the TAPI pipeline.

After more than a decade of engagement with these two pipeline proposals, it is becoming clear to Indian policy-makers that none of these two projects may take off in near future, as the security situation in Afghanistan and Pakistan has deteriorated further and India-Pakistan relations have not improved either. Still, if any of these projects materializes in the near future, it will be a game changer in regional geopolitics and geoeconomics. However, the recent visit of Prime Minister to Turkmenistan increased a sense of hope that the TAPI project may be completed by 2020.

2.4.5.3 MYANMAR PIPELINE

A final pipeline project, importing gas from Myanmar, was also struck due to regional geopolitics. India and Myanmar signed a deal in 2006 to build a 900-km pipeline that would have crossed Bangladesh. Indecision from Bangladesh delayed the project and another pipeline proposal between Myanmar and China further complicated the matter. There were also reports of India and Myanmar discussing alternative proposals linking the pipeline directly with the Indian north-eastern states. Since the beginning of 2010, there have been reports that the new Bangladeshi Government has agreed to a tri-nation gas pipeline.³⁵ In this case, the Myanmar-Bangladesh-India gas pipeline may materialize in the next couple of years.

2.4.6 ENERGY SECURITY: DOMESTIC EFFORTS

India in recent years has decided to go for increasing the proportion of nuclear energy in total generation of electricity in the country through thermal, hydro and other modes. For India, energy security refers to its ability to minimize vulnerability to oil-gas supply interruptions, ensuring the opening up of sea routes round the year and stability in price of energy resources. Nuclear power has a significant role to play in meeting the demand for a secure energy supply offering several advantages. It is an important alternative to expensive oil and natural gas. Nuclear energy is viable option for making the rapid and dramatic reductions in carbon dioxide emissions necessary to mitigate climate change. Concerns for energy security and climate change make nuclear energy very important today. It reduces India's ever increasing dependence on petroleum imports. It also saves much needed foreign exchange reserve and reduce its current account deficit.

Indian Government has been of the view that the large and growing markets in Asia also provide an opportunity for collaboration through joint research and technology development for the supply of clean and cheaper energy to the people. Expanding the use of natural gas in India is one of the most important and immediate ways of responding to the challenges of energy security and the management of climate change. The Government of India had launched the New

Exploration Licensing Policy (NELP) way back in the year 1997-98. The policy has resulted in investments of over US\$14bn and discovery of 87 oil and gas blocks, with three blocks in production. The 9th round of NELP has just been completed covering a sedimentary area of about 88,000 sq km, which saw participation by 37 companies including eight foreign ones. The opening up of the oil and gas sector to private industry participation has resulted in higher domestic gas availability and has also led to growing participation by multinational corporations. To cater to the large demand for gas, India has accelerated investment in creation of LNG re-gasification facilities. With new re-gasification LNG terminals coming up at Kochi and Dabhol, the country's current import capacity of 14 million tonnes a year is set to increase to 20 million tonnes a year by 2012-13.

In words of Indian President Pranab Mukherjee, India has also launched an ambitious pipeline development programme. Indian company Gas Authority of India alone will expand its pipeline length from the existing 9000 Km to around 14,500 km by 2014. Private operators are also expected to add another 5,000 km in the same period. The target is to have a country-wide gas grid of about 30,000 km by the end of the 12th Five-Year Plan in 2017. The 2000 km long Dahej-Vijaipur-Bawana-Nangal/Bhatinda pipeline of GAIL has been completed recently.

India is also pursuing the development of sources of unconventional gas such as Shale gas and Coal Bed Methane. India is also harnessing coal bed methane for which four licensing rounds have been held and commercial production has commenced at Raniganj in West Bengal. As India has one of the world's largest coal reserves, efforts were made to work with international companies having the requisite experience and expertise for exploitation of coal seam gas.

2.4.6.1 ENERGY POLICY INITIATIVES OF MODI'S GOVERNMENT

Prime Minister Modi hails from a state like Gujarat which has the potential of emerging as an energy hub for the country. The presence of Reliance Company's refinery along with Essar and Cairn multi-national company's presence in Gujarat and Rajasthan have an important role to play in achieving energy security goals for the country. Prime Minister Modi has been dealing with energy related issues

since he was Chief Minister of Gujarat. It was natural on part of Prime Minister Modi to focus on energy issues as head of the Indian government also. His government's determination to get the new Land Acquisition Bill passed by the Indian Parliament in the Budget Session itself showed urgency of making land available for new upcoming nuclear and thermal power projects in hassle free manner. The Prime Minister Narendra Modi's government presented its second budget on 28 Feb. 2015 and a day before it also released the Annual Economic Survey 2014-15 which emphasised upon India's ambitious solar power generation to a tune of 1,00,000 MW by 2022.

The Ministry of Power has already launched an initiative for development of coal-based supercritical Ultra Mega Power Projects (UMPP) of about 4000 MW capacity each. Four UMPPs, namely Sasan in Madhya Pradesh, Mundra in Gujarat, Krishnapatnam in Andhra Pradesh, and Talaiya in Jharkhand, have already been transferred to the identified developers and are at different stages of implementation. The Mundra UMPP (5x800 MW) is fully commissioned and is generating electricity. Three units of the Sasan UMPP (3x660 MW) have been commissioned so far. The remaining units of Sasan and other awarded UMPPs are expected to come up in the Twelfth Plan (except the last unit of the Talaiya UMPP, which is likely to come up in the Thirteenth Plan).

2.4.7 LET US SUM UP

India, set to become one of the largest economies of the world, needs to sustain its current 8 per cent economic growth rate so as to help eradicate poverty and to meet its economic and social development goals. More growth means more energy, so energy security is moving up the political agenda. In January 2005, in his address to the nation on the eve of the 59th Independence Day, the President, A. P. J. Abul Kalam, stressed the need of "Energy Security" as a transition to total "Energy Independence". Since then the Indian Prime Minister Manmohan Singh has emphasized energy security as the most important security concern, second only to food security. The present Prime Minister also initiated measures in the direction of securing the country's energy requirements.

However, a new approach is needed to achieve comprehensive energy security. For the last three decades energy security has been conceived very narrowly, largely in terms of managing supply. This is far too limited. Not only do many new factors need to be accommodated, they must be set in a much wider context. Energy security involves geopolitics, bilateral relations with other nations, diversification of sources of supply and diversified types of energy in the form of both renewables and non-renewables.

2.4.8 SOURCES & SUGGESTED READINGS

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Ashok Sharma, “India and Energy Security”, *Asian Affairs*, Vol. 38, No. 2, 2007, pp. 158-172.

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2.4.9 EXERCISES

1. Why energy security has become crucial for India’s development?
2. Briefly outline Government of India’s Energy Policy.
3. Highlight the important aspects of Energy Diplomacy.
4. What are the initiatives taken recently for boosting domestic sources of energy?

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3.1 INDIA AND THE UNITED STATES : FROM DIVERGENCE TO CONVERGENCE

–Rajesh Kumar

STRUCTURE

3.1.0 Objectives

3.1.1 Introduction

3.1.2 India and the US: From Divergence to Convergence

3.1.2.1 Increasing Frequency of Visits

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3.1.4 Indo-US Strategic Partnership

3.1.4.1 Convergence of Interests over UNSC Reforms

3.1.4.2 Convergence of Interests over China

3.1.4.3 US-Indian Counter Terrorism Cooperation

3.1.5 Indo-US Defence Cooperation

3.1.5.1 Joint Military Exercises

3.1.6 Other Areas of Indo-US Convergence

3.1.7 Recent Developments

3.1.8 Let us Sum Up

3.1.9 Exercises

3.1.0 OBJECTIVES

This lesson explains the evolving Indo-US relations in the post-Cold War period and the significance of strategic relationship between both the countries to the interests of India. After going through this topic, you should be able to know:

- the factors that led to convergence of interests between India and the US;
- the importance of Indo-US Nuclear Deal;
- the multidimensional strategic relationship that evolved between India and the US;
- the issues involved in Indo-US defence cooperation.

3.1.1 INTRODUCTION

India, during the early and mid-1990s' veered away from its strategic partnership with the United States, that started building up after Rajiv Gandhi's visit to the United States in May 1985. It goes to the credit of the United States' President Bill Clinton for restoring this vital strategic partnership once again with India. This was the outcome of a successful conclusion of 'Indo-US Strategic Dialogue', between Strobe Talbott and Jaswant Singh, that a very strong foundation for renewed enhanced level of Indo-US Strategic Partnership was laid. The Annual Reports of different years of External Affairs Ministry of Govt. Of India state that India-U.S. bilateral relations have developed into a global strategic partnership, based on increasing convergence of interests on bilateral, regional and global issues. The bilateral cooperation is now broad-based and multi-sectoral, covering trade and investment, defence and security, education, science and technology, cyber security, high-technology, civil nuclear energy, space technology and applications, clean energy, environment, agriculture and health. People to people interaction provide further vitality and strength to bilateral relationship. India and U.S. relations went through both highs and lows in 2010, with roadblocks on nuclear cooperation and outsourcing creating some rifts in a relationship that is strengthening overall.

The Annual Report of External Affairs Ministry of Government Of India says, India and the U.S. have launched a Ministerial-level Strategic Dialogue, co-chaired by External Affairs Minister and the U.S. Secretary of State since July 2009, which focuses on bilateral relations along five pillars of mutual interest, namely: Strategic Cooperation; Energy and Climate Change, Education and Development; Economy, Trade and Agriculture; Science and Technology; and Health and Innovation. The first round of the Strategic Dialogue was held in Washington D.C. in June 2010. The fourth meeting of the Strategic Dialogue was held in New Delhi in June 2013. At present the strategic dialogue has become annual feature between both the countries. As on today, the US is one of India's largest trading partners.

3.1.2 INDIA AND THE US: FROM DIVERGENCE TO CONVERGENCE

India's relations with the outside world underwent a fundamental re-orientation. The end of the Cold War has provided India an opportunity to re-discover its traditional and historical linkages that had become weak during Cold War period. India has been very keen to play important role not only in the South Asian region, but at the global level. India for the past one and a half decade has been pursuing policies that places it as an important player at global level and today its defence and foreign policy is to deter aggression, ensuring stability and peace in its neighbourhood, developing friendly and mutually beneficial ties in the West, Central and South-East Asia, and establishing strategic partnerships with all the major actors in the world, particularly the United States, European Union, Russia, China and Japan. The changing attitude of U.S. towards India can be understood in the light of three major facts: U.S. had started realizing that India was a big market for the sale of its products. It realized that India was a mature market to deal with; it also took into consideration that India was a leading power in South Asia. India's interest of maintaining peace and its rising concerns about security issues in Asia coincided with those of the U.S. and U.S. started realizing that it would be better to deal with India if it wanted to ensure peace and stability in Asia; The third fact deals with the emergence of India in technology sector. India's emergence in the field of development raised interest of U.S. towards it.

3.1.2.1 INCREASING FREQUENCY OF VISITS

The stalemate of 1998 because of India's nuclear explosion got broken after the completion of several rounds of talks between India's Jaswant Singh and Stobr Talbott of the U.S.A. It was their meeting which melted the ice between both of them and since then they have not looked backwards. Last time when any U.S. President visited India was 1979 but since year 2000, every U.S. President has chosen to visit India. President Bill Clinton visited India in March 2000 and signed VISION DOCUMENT with Indian Prime Minister Atal Bihari Vajpayee. The relations started normalizing after President Clinton's visit to India. Prime Minister Vajpayee also paid a return visit to U.S. in October 2000, when he declared that India and the United States are "Natural Allies". Since then high level visits have become the hallmark of Indo-U.S. bilateral relations. These visits have helped both the countries in building stronger ties and enabled them to resolve most contentious bilateral issues like nuclear cooperation, WTO related issues, intellectual property and outsourcing issues. Prime Minister Manmohan Singh visited U.S. in year 2005 and a new chapter between India and the U.S. started after the signing of Indo-U.S. Nuclear Deal. President George W. Bush Junior visited India in 2008 and President Barak Obama visited India twice in 2012 and January 2015, as chief guest on republic day.

3.1.3 INDO-U.S. NUCLEAR DEAL

It was during the then Prime Minister Vajpayee's visit to U.S. in September 2004 that the Indi-US relationship started maturing into a strategic partnership. Prime Minister Vajpayee and President Bush announced the 'Next Steps in Strategic Partnership (NSSP)'. As part of this NSSP, progress in three very crucial areas were to be made. These are: easing of export restrictions to India of dual-use technology goods, increase in civilian nuclear and civilian space cooperation and later on missile defence was added to this list.

The Indo-U.S. nuclear deal of July 2005 that provided the framework for cooperation in the field of civilian nuclear power is important as Washington promised to persuade the US Congress to make changes in its domestic legislation

which the U.S. did by enactment of Hyde Act and signing of 123 Agreement with India in 2008. The U.S. also persuaded the Nuclear Suppliers Group (NSG) to make suitable adjustments in its regulations that led to the opening up of nuclear trade and commerce opportunity for India with rest of the world after India took several important steps in return. India separated its civilian nuclear installations from military nuclear installations and signed India Specific Agreements with International Atomic Energy Agency (IAEA).

This certainly provided opportunity to India being recognized as a “responsible state with advanced nuclear technology” and a tacit U.S. recognition of India’s status as a de facto nuclear weapon state outside the Nuclear Non-Proliferation Treaty (NPT). The second was the U.S. offer to cooperate with India on civil nuclear energy issues. Since then nuclear cooperation has gained momentum in Indo-U.S. relations. It got institutionalised now unlike in the past when several irritants would not allow institutionalisation of Indo-U.S. relationships.

3.1.4 INDO-U.S. STRATEGIC PARTNERSHIPS

In pursuing a new relationship between both the countries, the leaders and policy-makers in both the countries have been talking of a “natural alliance”, between the two. Moreover, there appears to be convergence of interest between India and U.S. on various global matters, like peace and stability in Gulf and Indian Ocean region, guaranteeing peace in the South East Asian and Pacific region, as China grows more stronger and might pose threat to both India and USA, and its friendly countries in South-East Asian region. The U.S.A. has been looking for having regional managers in the Gulf and Asian Pacific region. The U.S.A. has been of the view that India which has acknowledged its military capabilities, can prove to be a useful partner for enhancing and protecting its own interest as part of US global interests.

As per George Perkovich, a U.S. scholar, the strategic cooperation between India and the USA was expected to focus on the global security issues, including India’s quest for the permanent seat of the UN Security Council, future defence cooperation, high technology trade, and space related collaboration as well as

regional issues, pertaining to security, in and around South Asia. The prospects of increased level of strategic cooperation between USA and India, is in line with the new US policy of assisting the growth in Indian power, for multiple reasons: India's growing geo-political importance; the role it can play in counter proliferation activities in the Indian Ocean; its potential utility as a hedge against a rising China; and its importance for global energy stability and environmental protection.

3.1.4.1 CONVERGENCE OF INTEREST OVER UNS C REFORMS

In post-Cold War period, both the countries have developed a habit of engaging each other on global issues like UN reforms. On different occasions the U.S. has provided India assurances that it would support India's candidature to the UN Security Council's permanent membership whenever the occasion would arise. The U.S knows that a huge chunk of India's population wish that India needs to be given the permanent membership of UN Security Council. The high point of India-US relations was the visit to New Delhi of President Barak Obama. He went all out to respect the Indian sensitivities on all issues and characterized "the India-US relationship as one of defining partnership of the 21st Century". On the question of India's permanent membership of the UN Security Council, an issue close to the hearts of millions of Indians, President Obama was more than categorical. In his address to the Indian Parliament he gave an explicit assurance that the United States supported India's quest for a permanent seat, an assurance which was reflected in the Joint Statement issued at the end of his visit—"in the years ahead the United States looks forward to a reformed UN Security Council that includes India as a permanent member."

3.1.4.2 INDO-U.S. CONVERGENCE OF INTEREST OVER CHINA

The rise of China is also one of the reasons for evolving strategic relationship between India and the United States. There is a serious thinking among the policymakers as well as strategists in the United States that if one country that can emerge as a countervailing power to China that is India. The United States is a long-term stakeholder in the Asia-Pacific. Basically the U.S. role of "balancer" against any uncertainties in Southeast Asia — indispensable and tenacious — is

an integral part of stability, peace, and prosperity at the regional level. Simultaneously Beijing understands the significance of close bonds between the United States and the ASEAN region — Southeast Asia needs the United States to counter-balance a rising China, in which India plays a vital role.

China's frequent display of aggressiveness along borders and India's possible counter moves to block the Malacca Straits worsen the mistrust. As Indo-US strategic ties ascended, analysts rejoiced over the US 'pivot Asia' announcement and its intended aim to make India a linchpin in the Asia-Pacific theatre. Thus far an illusionary 'Indo-Pacific' idea currently in the offing is being viewed with excitement.

However, many warn that India should not play anti-China game of the US in Asia. The United States and China continues to have an ambiguous relationship in which rivalry will alternate or even coexist with tactical understandings at the global and national level. So India may need a more complicated three-dimensional kind of diagram to capture the complexity of this kind of balancing act. According to Neena Koshy, it's important for both Japan and India to not treat their relations in Asia as a zero-sum game. India should not look at its relations with China as a derivative of U.S.-China relations, nor should India look at its relations with Japan as a derivative of Japan-China relations. The more India does that, the greater is the danger that it will run into trouble, that the India-US relationship will be hostage to any improvements that may happen on the U.S.-China front or the Japan-China front.

3.1.4.3 U.S.-INDIAN COUNTER TERRORISM COOPERATION

Another facet of the emerging 'strategic partnership' between the United States and India is vastly increased counter terrorism cooperation. In November 2001, President Bush and the then Indian Prime Minister, Vajpayee agreed that "terrorism threatens not only the security of the United States and India, but also our efforts to build freedom, democracy and international security and stability around the world". In 2002, India and United States launched the Indo-U.S. Cyber Security Forum to safeguard critical infrastructure from cyber- attack. The U.S. Embassy

document of July 2005, 'New Framework for the U.S. India Defence Relationship', lists, "defeating terrorism and violent religious extremism" as one of four key shared security interests and it calls for a bolstering of mutual defence capabilities required for such a goal. In October 2005, the United States and India also concluded a treaty on criminal matters that institutionalised law enforcement cooperation and created a regular channel for mutual assistance. Moreover, three months after the July 2008 Bombay terrorist bombings, senior CIA officials reportedly travelled to New Delhi to discuss improving counter terrorism cooperation with Indian leaders. Both the countries have established Joint Working Group on issue of Terrorism which enables them to share important information with each other at the levels of their security agencies so as to avoid major acts of terrorism.

3.1.5 INDO-U.S. DEFENCE COOPERATION

In June 2005, the United States and India signed a ten year defence pact, outlining planned collaboration in multilateral operations, expanded two way defence trade, increasing opportunity for technology transfers and co-production, expanded collaboration related to missile defence, and establishment of a bilateral defence procurement and production group. In April 2007, the commander of the U.S.-Pacific Command Administrator, Tim Keating told a Senate panel that Pentagon intends to "aggressively" pursue expanding military-to-military relations with India. The United States views defence cooperation with India in the context of "Common principles and shared national interest." Such as defeating terrorism, preventing weapons proliferation and maintaining regional stability.

The first ever major U.S. arms sale to India came in 2002, when Pentagon negotiated delivery of 12 counter battery radar sets, worth, of \$ 190 million. In 2002, both the countries were engaged in unprecedented, joint military cooperation. The U.S. agreed to supply 12 AN- TPQ/37 Fire-finder, counter battery radars to the Indian army. Since 2002-03, successive US governments have sold high-tech arms and military equipment to the Indian military. The latest deal signed in June 2013, authorized India's largest-ever purchase from the US that included ten C-17 heavy-

lift aircraft worth US\$4.1 billion. For some years now, the Indian defence market has proved to be a lucrative one for the US arms industry. For instance, in March 2009 the US government authorized the US\$2.1 billion sale of eight Boeing P-8I long-range maritime patrol aircraft to the Indian Navy. Before that, in January 2008, Washington also approved the US\$1 billion sale of six Lockheed Martin C-130J Super Hercules military transport planes. Similarly, in 2007 the Indian Navy purchased the USS Trenton for US\$48 million. The Trenton is a landing-dock vessel and was also the Indian Navy's first-ever US-built naval vessel. After the announcements of PM Modi's 'Make in India Initiative' things are likely to turn around if U.S. companies were to take the advantage of new norms whereby Indian Government has raised the limit of FDI in defence sector to a level of 49 per cent where a large number of U.S. companies can play a very vital role in the modernization of India's defence sector which has been continuing at very slower pace.

3.1.5.1 JOINT MILITARY EXERCISE

Since early 2002, the United States and India have held a series of joint military exercises, involving all the three wings of their armed forces. In 2005, U.S. and Indian Special Forces, soldiers have held joint exercises near the Sino-Indian border and major annual "Malabar", joint naval exercises are held, off the Indian coast. The seventh of these came in September 2007, when India hosted a total of twenty seven warships from five countries, including the United States, Japan, Australia, and Singapore, the U.S. and Indian official 'tout' such exercise as evidence of a deepening bilateral defence relationship. The Joint U.S-Indian military exercises, arms sales and Indo-US Nuclear Deal, has caused anxiousness in Pakistan, where there is a concern that induction of advanced weapon systems into the region, could disrupt the 'strategic balance'. These exercises now are being continued between all three forces army, air force and navy. IMET programme is the outcome of such cooperation between India and the United States of America.

"Exercise Malabar" is a bilateral naval exercise involving the United States and India. Participation has been expanded in some years to include Japan, Australia and/or Singapore. The annual Malabar series began in 1992, and includes diverse

activities, ranging from fighter combat operations from aircraft carriers, through Maritime Interdiction Operations Exercises. Three exercises were conducted prior to 1998, when the Americans suspended exercises after India tested nuclear weapons. However, Washington renewed military contacts following the September 11 attacks when India joined President George W Bush's campaign against international terrorism.

India and the U.S. in August 2014 decided to step up joint military exercises and also work together to develop and manufacture weapons. The two countries' declarations came after meetings in New Delhi between U.S. Defense Secretary Chuck Hagel and Indian Prime Minister Narendra Modi and other senior Indian officials.

3.1.6 OTHER AREAS OF INDO-U.S. CONVERGENCE

India wishes to pursue a very strong relationship with U.S. as a respectable partner in serving the mutual interests as well as creating a world with peaceful relations. There are four principles on which India pursuing its relations with the United States.

- India saw itself as a key player which had a rightful place in influencing the global system.
- Though it was keen on developing a positive and equal relationship with Washington, New Delhi would not compromise upon sovereignty. It was not seeking "alliance" but rather a durable "partnership where security cooperation played a prominent role."
- India wanted Washington to recognize that Indian strategic interests extended well beyond South Asia to encompass what it now calls an extended strategic neighbourhood from the Suez Canal to the Strait of Malacca, an area encompassing the West Asia, the Persian Gulf, South and Central Asia, and Southeast Asia. In other words, the U.S., while fulfilling its global obligations, should factor in India's aspirations and autonomy in this zone.

- Finally, another implicit principle in this outline is India's preference for a multipolar world, rather than a bipolar or unipolar one.

Within these broader parameters, India wants to pursue its relation with the United States and bilateral cooperation on range of issues. It included cooperation on counterterrorism, i.e., improved intelligence-sharing in Afghanistan, Tibet, and the South China Sea. India also hoped to benefit from advances in U.S. satellite technology and imagery. Both sides also wished to explore possibilities of expanded cooperation in military aviation. And India strove to adopt a fresh viewpoint on issues like Kashmir, Pakistan, and the nuclear question to dispel the impression that Kashmir could be a nuclear flashpoint. Indian officials argued that mere possession of nuclear weapons did not necessarily threaten nuclear war. India and the U.S., in fact, had a common agenda in encouraging democracy and economic well-being in Pakistan. A moderate democratic Islamic state was necessary and could emerge in Pakistan, if Islamabad, in its self-interest, reined in terrorism. India was also not averse to Pakistan's positive economic contribution to the South Asian Association of Regional Cooperation (SAARC). Cooperation in the SAARC could also become a channel for reviving an economic relationship.

3.1.7 RECENT DEVELOPMENTS

During Prime Minister Modi's visit to the United States in October 2014, Modi and President Obama sought to reset ties between India and the United States as both leaders had an extended discussion in the White House, resolving to broaden their cooperation in various fields including defence, intelligence, counter-terrorism, Afghanistan, space exploration and science. There was "great convergence" between the two sides on peace and stability in the Asia-Pacific, Modi said in comments made shortly after the talks ended. He said the US was an integral part of India's Look East, Link West policy.

Most interestingly, Modi and Obama sent a message to the outside world, in their jointly written editorial in Americas one of the leading dailies, *Washington Post*, named as "Forward together we go". This was the first time that the two leaders have interacted digitally to come out with a joint editorial. "The exploration

of space will continue to fire our imaginations and challenge us to raise our ambitions. That we both have satellites orbiting Mars tells its own story. The promise of a better tomorrow is not solely for Indians and Americans: It also beckons us to move forward together for a better world. This is the central premise of our defining partnership for the 21st century. Forward together we go - chalein saath saath,” the editorial read.

Similarly, during President Obama visit to India in January 2015, many significantly agreements have been signed between both the countries. The Nuclear Deal that was in limbo for a long time due to nuclear liability bill has got a sort of forward movement. This might lead to enhanced Indo-US cooperation. Obama also announced \$4 billion of new initiatives to boost trade/ investment ties, jobs in India via Exim Bank and OPIC. The US also opened new source of financing for social development ventures with an Indian Diaspora Investment Initiative. The \$4 billion deals include \$2 billion of leveraged financing for renewable energy investment and \$1 billion in loans for small medium businesses. Due to this, India will get access to clean energy technology. India and the US also agreed to create of a high-level India strategic and commercial dialogue to monitor progress on pacts and vision statements. Similarly, Defence Technology and Trade Initiative operationalized with focus on co-development and coproduction in India for India and global market.

3.1.7.1 INDIA-US RELATIONS UNDER TRUMP

Donald Trump’s election at a time of growing and converging interests between India and the United States necessitates a re-evaluation of several aspects of Indian domestic and foreign policy. The Trump administration bears continuity with respect to India, especially on matters pertaining to increasing defence interoperability and security cooperation in the Indo-Pacific. However, Trump’s protectionist stance on trade and immigration matters presents serious challenges. His transactional approach threatens the otherwise strong Indo-US ties, regardless of India’s crucial position in the US security calculus in the Indo-Pacific region and its

The Trump's anti-migrant politics and policies led to occasional "hate crimes" against Indians, for which India has expressed its concerns. Steps were contemplated to stem Indian non-immigrant visas, both in Congress and by the White House. While India—being a non-participant—was an immediate beneficiary of Trump's unilateral withdrawal from the Trans-Pacific Partnership (TPP), the signal it sent for future trade prospects was negative. When announcing the U.S. departure from the Paris climate accord, Trump singled out India, arguing that New Delhi made its participation "contingent on receiving billions and billions of dollars in foreign aid from developed countries." Questions about the United States' role in providing security in the maritime commons of the Indian and Pacific Oceans have mounted in New Delhi, as have questions about the U.S. commitment to Afghanistan.

However, the Trump era ensures continuity by building on the momentum of the past decades for greater convergence of Indo-American interests, especially on issues of defence interoperability and security cooperation. The Trump administration's maiden National Security Strategy deemed India to be "a leading global power," and notably, Trump's first Secretary of State, Rex Tillerson, described India and the US as the "two bookends of stability" in the region.

Indeed, it is the Trump administration that encouraged the adoption of the 'Indo-Pacific' moniker, which links the fate of the Western Pacific to the Indian Ocean region. The Trump administration also rechristened the US Pacific Command (PACOM) in Hawaii to the 'US Indo-Pacific Command'. Although PACOM has had jurisdiction over India since the conception of US Combatant Commands in the immediate aftermath of World War II, the renaming of the command, albeit largely symbolic, signifies India's elevated role in the US security calculus.

Most noticeably, the US had recorded "a blazing growth in its arms exports to India, recording over 550% growth in 2013–17 compared with the previous five years. As a result, the U.S. has become India's second largest supplier." In trade, in 2017, the Indo-US bilateral trade of goods and services reached US\$140 billion from US\$118 billion in 2016, inching towards the Obama-era goal of

US\$500 billion. In immigration, Indians continue to dominate the high-skilled visa category, at times making up over 70 percent of H1-B visa holders. On the diplomatic front, the Indo-US synergy at the Financial Action Task Force (FATF) to grey-list Pakistan was notable. However, despite this apparent continuity—especially on the security front—trade and immigration are emerging as areas of contention, stemming from President Trump’s increasingly apparent transactional approach towards the mainstays of contemporary US foreign policy. That is the reason why India and US failed to conclude a much promised Trade during the Trump’s visit to India in February 2020.

Despite this, Prime Minister Modi has succeeded in creating a personal relationship despite some initial disdain that the US leader had reportedly shown for him. The result was that during his India visit, Trump was effervescent in his praise of Modi. During the February 2020 Trump visit India and the US issued a comprehensive joint statement, inked three memorandums of understanding, including one in the energy sector, and agreed to initiate talks on a major trade deal. The two leaders decided to raise India-US ties to the level of a “comprehensive global strategic partnership”. Security and defence ties got a boost, with the two deciding to work more closely on homeland security and combating global terrorism. There was also an ambitious effort to make defence manufacturers part of each other’s supply chains. Two arms deals worth over \$3.5 billion for six Apache attack helicopters and 24 Seahawk/Romeo anti-submarine warfare helicopters have been signed, with a \$1.9 billion deal for a missile defence system also in the pipeline. The Indo-Pacific remains a special focus, with the US president underlining the need to revitalize the Quadrilateral Security Dialogue initiative involving the US, India, Australia and Japan on counter-terrorism and maritime security.

3.1.8 LET US SUM UP

Since the end of the Cold War, the broad contours of Indian foreign policy have been propelled by the same realist interests that existed before albeit with updated priorities. Development as an ideology has been retained. However, this has been

defined in the terms of market-led growth. In the last decade, with the offering of a strategic partnership relationship from the U.S., India is all set to position itself at the international level to assume greater responsibilities. This shows India's new found confidence in various sphere of its military, economy and other areas that today no major international issues can be concluded without the participation of India. From the signing of a defence framework agreement to American affirmations to help India become a "global superpower", the working of a deal for civilian nuclear transfer; these events trigger a new shift from India's studied disengagement a close interaction.

As the economic power, cultural reach, and political influence of India increase, it is assuming a more influential role in global affairs. This growing influence, combined with democratic values it shares with the United States, an open political system, and a commitment to global stability, will present many opportunities for cooperation. India's military capabilities are rapidly improving through increased defence acquisitions, and they now include long-range maritime surveillance, maritime interdiction and patrolling, air interdiction, and strategic airlift. India has already established its worldwide military influence through counter-piracy, peacekeeping, humanitarian assistance, and disaster relief efforts. As its military capabilities grow, India will contribute to Asia as a net provider of security in the Indian Ocean and beyond. The common position of India and the USA as democracies does, however, provide a substantial ideational base for long-term co-operation, whilst geopolitically their spheres and strategic backyards do not particularly overlap.

Contrary to the fears that Trump's presidency would disrupt Ind0-US strategic relations, Modi and Trump have managed to give it a strategic coherence a better shape. From signing foundational military agreements to changing the energy and military contours of the engagement, the two have made it possible to imagine a relationship bereft of past baggage. Also, Modi has managed the Trump phenomenon better than even some of America's closest allies. Even as temperamental a president as Trump recognizes the importance of India has played in crafting the recent arc of the India-US trajectory.

3.1.9 EXERCISES

1. Briefly mention the factors that led to convergence of interests between India and the US.
2. What is the significance of Indo-US Nuclear Deal?
3. Explain the main contours of Indo-US strategic partnership.
4. What are the important elements in Indo-US defence cooperation?

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy

UNIT – III: INDIA AND MAJOR POWERS

3.2 INDIA AND RUSSIA: CHANGING CONTOURS

–Rajesh Kumar

STRUCTURE

3.2.0 Objectives

3.2.1 Introduction

3.2.2 Historical Background

3.2.3 Post-Cold War India-Russia Relations

3.2.4 Indo-Russian Defence Cooperation

3.2.5 India-Russia Nuclear Deal

3.2.6 India-Russia Cooperation in Energy Sector

3.2.7 India-Russia Collaboration at BRICS

3.2.8 India-Russia Cooperation on Kashmir and Terrorism

3.2.9 Recent Developments in India-Russia Relations

3.2.10 Let us Sum Up

3.2.11 Exercises

3.2.0 OBJECTIVES

In this lesson you will study Indo-Russian relations in post-Cold War period and the ups and down in establishing new meaningful relation between both the countries. After going through this topic, you should be able to know:

- the historical background of Indo-Soviet Relationship;
- the post-Cold War Indo-Russian relations;
- the Indo-Russian nuclear and defence cooperation;
- the evolving institutional cooperation between India and Russia under BRICS.

3.2.1 INTRODUCTION

The collapse of the Soviet Union and its sudden replacement by fifteen newly independent states, each with its own foreign policy, marked the end of the Cold War and changed the geopolitical map of the world. Like most countries, India is learning to live with the uncertainties of the new era. As the successor state to the USSR, Russia inherited its military might and economic disarray, even as it cast off the communist ideology of the Soviet Union and affirmed its intent to be a democratic state. But the political and economic transformation of Russia has not been plain sailing; its leaders were beleaguered by political instability, even fears about their country's territorial integrity, and innumerable economic conundrums. Russia's new, sometimes inchoate foreign policy reflected harsh domestic predicaments as well as its aspiration to remain a great power. These contradictory strands of continuity and change were mirrored in its uncertain but necessary search for new foundations and a new identity, and in its tentative first steps towards carving out a new international role for itself. The rest of the world has shown great interest in Russia's foreign policy, and, in a sense, has reacted to Russia's moves rather than making overtures. As the Soviet Union was India's largest arms supplier and a major market for its exports, India took early initiatives to protect its own interests, but the magnitude and complexity of the political upheaval in Russia and the economic exigencies it has faced have meant that

India has often had to 'wait and see' what Russia does, and how this will affect ties between the two countries.

3.2.2 HISTORICAL BACKGROUND

Traditionally, the former Soviet Union/Russia and India have had a substantive relationship, which was cemented by the Indo-Soviet Friendship Treaty of 1971. India had immensely benefited from Russian science and technology in all fields, including its defence and space programmes. India continues to depend to an extent of almost 60 per cent on Russian defence supplies and also benefits from Russian cooperation in the field of hydrocarbon and nuclear energy. During early years of India's independence, the relationship between India and the former USSR was based on a number of common factors. India having won freedom from the British, the anti-imperialism ideology of the Soviet Union complimented well with each other. India always received unilateral support of former USSR inside UN Security Council on issue of Kashmir. In the Security Council the Soviet Union supported India's position on Kashmir and vetoed unacceptable resolution moved by the Western countries especially the U.S.A. which had roped Pakistan into military alliances like SEATO and CENTO much to India's discomfort.

India's public sector, especially heavy industries, would not have received quantum jump had former USSR not helped India in a very big manner for which India always remain indebted to this country. Highly significant was Soviet aid in developing a heavy industrial complex in India. During the late 1950s, the former Soviet Union gave growing financial and technical assistance to India for the development of India's basic industries in steel, coal, machine-tool manufacturing, and other public sector areas. One of the landmark agreements that India signed with the erstwhile Soviet Union was in February 1955 for the setting up of a steel plant in Bhilai. When no help was coming from western countries, the terms of Soviet aid were favourable to India: when the western countries were charging 6 per cent as rate of interest, the Soviet Union charged only 2.5 per cent. In December 1953, India and the Soviet Union signed a long-

term trade agreement. An attractive feature of this agreement was the fact that payment for Indian imports could be made in rupees and not in hard currency like dollar. Trade with the Western countries, by contrast, was in hard currency. For this purpose, accounts of the Soviet Union were opened and maintained in several Indian banks.

Military supplies to India emerged as a prominent symbol of Indo-Soviet friendship. In 1962, just before the India-China war, the MiG (the fighter aircraft) deal was signed despite Chinese protest. The USSR replaced the British as the biggest supplier of fighter aircraft. In the aftermath of 1965 Indo-Pakistan war, the former Soviet Union hosted a meeting of leaders of India and Pakistan in Tashkent in January 1966 after the end of 1965 war. In August 1971, the Soviet and the Indian leaders signed the historic Treaty of Peace, Friendship and Cooperation, the first of its kind that India had signed. The Treaty provided for immediate mutual consultations in case either country was attacked from outside. It was only because of this historic treaty India could be relieved from the fears of U.S. and China attacking India in favour of Pakistan so as to prevent Pakistan from being dismembered and Bangladesh being created in place of east Pakistan in 1971.

India, in a way, reciprocated with support to the former Soviet Union after it invaded Afghanistan in December 1979. India was restrained in its public statements. For India, the Afghanistan issue had been somewhat overshadowed by the virtual military alliance between Pakistan and the US. Though many countries criticised India's leaning towards former USSR as going against India's policy of Non-Alignment but it did not deter India from doing so because of the larger national interest of the country. With the coming to power of Mikhail Gorbachev in 1985, the Soviet foreign relations went through a sea change; his domestic politics of glasnost and perestroika led to dissolution of the very Soviet Union, emergence of Russia as its successor state. No doubt, after the collapse of former USSR, Indo-USSR relations received a serious setback and India was made to undertake a major re-orientation in its foreign affairs and it once again started looking towards western nations but it kept on working for reviving of its special relationship with Russia on the patterns of former USSR intermittently.

3.2.3 POST-COLD WAR INDIA-RUSSIA RELATIONS

During Yeltsin's visit to India in 1993, the Treaty of Friendship and Cooperation was signed between India and Russia. It replaced the 1971 Treaty of Peace, Friendship and Cooperation. The security clause of the earlier Treaty was abandoned while the two countries resolved to continue their peaceful and friendly relation. Another important breakthrough was the agreement on debts and Rubble-Rupee exchange rates. A Treaty on cooperation in military field was also signed and Yeltsin confirmed once again that India would receive cryogenic rocket engines despite US objections. The Indo-Russian relations attained a new high and momentum with the signing of Declaration on Strategic Partnership during the visit of Russian President Vladimir Putin. The Indian Prime Minister Vajpayee's November 2001 visit resulted in the signing of the Declaration on International Terrorism. This declaration condemned the double standards adopted by the west on terrorism.

3.2.4 INDO-RUSSIAN DEFENCE COOPERATION

Defence cooperation between Russia and India remains strong because of shared security concerns, geopolitical imperatives, and economic benefits. Both countries fear radical Islamic terrorism, share concerns about regional instability in Central Asia, and are uneasy with US military hegemony and the rise of China. Powerful interest groups in both countries also have a common interest in sustaining Russian arms sales to India. India has an enormous legacy of Soviet-based weapons that it needs to modernize, upgrade, and replace. In addition, Russian arms supplies continue to offer a good price-performance trade-off. But recurring problems with some Indian purchases along with India's changing geopolitical orientation could eventually displace Russia's currently pre-eminent status in India's foreign military purchases.

Russia remains India's most reliable supplier of high-quality military equipment. Russia supplies more than seventy per cent of India's defence needs including the state-of-the-art weapon systems and the technologies. The major Russian defence exports include fighter aircraft (such as MiG-21), main battle

tanks (like T-72MI), helicopters, anti-tank missiles, anti-ship missiles, submarines, nuclear submarine (of Akula-2 class) and aircraft carrier (such as GorskhoV). In a “landmark deal” in January 2004, India agreed to buy the refurbished Admiral GorskhoV along with 12 Mig-29 fighter aircraft. Defence co-operation between India and Russian is not limited to procurement but includes production of many of these weapon systems in India (e.g. Mig-27M, Sukhoi- 30MK, T-72 tanks, etc.). It also covers areas like joint research and development and service to service co-operation. One of the most striking examples is the Indo-Russian joint endeavour to develop, manufacture and market the supersonic (flying faster than the speed of sound) Anti-Ship Cruise Missile Systems, BrahMos. Russia has also helped India build its Arihant submarine. The nuclear power stations at Kalpakkam were set up by the Russians.

According to Chenoy, Indo-Russian defence cooperation is based on structural inter-dependence and a key to this is that the Indian military continues to depend on Russia for almost 70 per cent of its hardware imports. This dependence has gradually been re-inventing itself from a supplier client relation to one of partnership, with joint production of sophisticated weaponry ranging from equipment to the manufacturing of the indigenous BrahMos missiles. Russian-Indian collaboration in space, nuclear power, satellite technology makes Indian military and security apparatuses intertwined with Russian military industrial complexes. During the painful Russian transition, India’s imports from Russia helped sustain the economies of the Russian military industrial complex and 800 Russian defence industries kept working on Indian (and Chinese) orders. India is one of the world’s most lucrative arms markets. It is the second largest arms market, with Russian share being around \$4.8 billion. In 1987, the Soviet Union had a 44 per cent share of global arms exports while the US had 29 per cent. By 1997, Russian share of the global market had fallen to just 4 per cent. By 2000, Russia revived its arms sales and is today the third after the US and the UK. Defence orders from India sustain part of the Russian military industrial complex, especially in St. Petersburg and Irkutsk that would otherwise have faced closure. India is the only country with which Russia has a long-term programme of military-

technical co-operation, with an agreement signed in 1994 and which was valid till the year 2000 and was then renewed for another 10 years. Annual Indian orders from Russian defence industry work out to about \$2 billion, with China being Russia's only other defence customer at this scale. India also gets most of its naval hardware from Russia and has recently acquired the 636-class submarines. Defence thus is a key part of the economic and strategic relations between the two countries. In fact, it is the most privileged part of the relationship.

3.2.5 INDIA-RUSSIA NUCLEAR DEAL

According to P Stobdan, a “path-breaker” umbrella agreement for expanding civil nuclear cooperation was signed by Prime Minister Manmohan Singh and President Dimitry Medvedev in Moscow. The deal on nuclear cooperation was pegged as even better than the 123 Agreement India had signed with the US. The agreement will give India the right to reprocess spent fuel and facilitate the transfer of sensitive enrichment and reprocessing technologies. New Russian nuclear reactors will be located at Haripur in West Bengal.

3.2.6 INDIA-RUSSIA COOPERATION IN ENERGY SECTOR

India and Russia have enjoyed strong historical ties. In the present international scenario, their views of the world coincide to a large extent. This is further complemented by the mutuality of their security and economic interests. Indo-Russian trade is the weakest link in an otherwise excellent relationship. But the economic interaction between the two countries is brightened by cooperation in new areas like energy and security. There are certain areas in which the bilateral cooperation between the two countries is looking up. Energy Cooperation is one of them. India is emerging as a large consumer of energy. Russia's oil and gas reserves and its expertise in thermal, hydropower and nuclear energy sector will be crucial in ensuring India's energy security in future. A number of thermal and hydropower projects have already been built with Soviet/ Russian collaboration. India's ambitious goals in the field of nuclear energy need Russian help since it is the only important nuclear power which is ready to co-operate with India in the atomic energy sector.

Russia is also a useful partner in facilitating India's relations with Central Asian countries. The Central Asian republics of Kazakhstan and Turkmenistan are having larger deposits of the hydrocarbon resources, a strategic relationship with Russia facilitate India to be part of this larger grid.

3.2.7 INDIA-RUSSIA COLLABORATION AT BRICS LEVEL

The importance of India to Russia is also linked to the global financial crisis. Both Russia and China have been attempting to evolve a fresh financial architecture, including a proposal for new global currency to replace the dollar, in an effort to pre-empt another financial meltdown. Moscow hopes that Brazil, India and China will join hands under the BRIC formula to push the idea further.

BRICS is the acronym for an association of five major emerging national economies: Brazil, Russia, India, China and South Africa. The grouping was originally known as "BRIC" before the inclusion of South Africa in 2010. The BRICS members are all developing or newly industrialised countries, but they are distinguished by their large, fast-growing economies and significant influence on regional and global affairs; all five are G-20 members. Since 2010, the BRICS nations have met annually at formal summits. Russia currently holds the chair of the BRICS group.

As of 2014, the five BRICS countries represent almost 3 billion people, or approximately 40% of the world population; as all five members are in the top 25 of the world by population, and four are in the top 10. The five nations have a combined nominal GDP of US\$16.039 trillion, equivalent to approximately 20% of the gross world product, and an estimated US\$4 trillion in combined foreign reserves. The BRICS have received both praise and criticism from numerous commentators. Bilateral relations among BRICS nations have mainly been conducted on the basis of non-interference, equality, and mutual benefit. It is estimated that the combined GDP (PPP) of BRICS would reach US\$ 50 trillion mark by 2020.

This year's summit was the seventh meeting of the global club that sets the precedent for an emerging global order. The theme of this year's summit was

‘BRICS Partnership - A Powerful Factor for Global Development’. The summit resulted in the Ufa declaration that essentially talks about broadening the Intra-BRICS regional cooperation.

A high point in this summit was further steps for operationalization of the BRICS bank or ‘New Development Bank’ (NDB). The NDB had taken proper shape during the previous BRICS summit in Fortaleza in Brazil. The NDB has at present an equal contribution from the all the members unlike the Bretton Woods twins (namely the World Bank and IMF) and other multilateral banks like the Asian Development Bank. These have varied contributions from different member states. The first President of the NDB was decided to be from India in the previous summit and the Indian government was prompt to name veteran banker KV Kamath as NDB’s first president. Before the summit in Ufa, Kamath made a statement about operationalizing the BRICS bank and approving the first loan by April 1, 2016.

A characteristic of 2015 BRICS summit at Ufa was the economic and trade cooperation, especially the collaboration of development strategy among the BRICS members. The meeting endorsed the Russia-initiated BRICS Strategic Economic Partnership, which provided a blueprint for the organisation’s economic and trade cooperation in the coming years.

3.2.8 INDIA RUSSIA COOPERATION ON KASHMIR AND TERRORISM

According to Anuradha M Chenoy, Russia’s stand on issues of Kashmir and terrorism has been consistent and unconditional over time or regime change. Every Russian leader, from Yeltsin to Putin, has reiterated this and it forms the basis for India’s trust with Moscow. Russia has never tried to ‘balance’ India’s interest with Pakistan; India has never put into a position of having to compete with other countries to prove its ‘loyalty’ by approving all other Russian positions (for example on Iran, Iraq, etc.); Russian defence and strategic support is not balanced with a link to any other Russian partner, including China. The US on its part has never supported the Indian position on Kashmir. They have

hyphenated their relations with India with that with Pakistan. The US needs Pakistan for its Afghanistan policy. They will thus continue to 'balance' India and Pakistan. International terrorism is perceived as a threat in the Russian national security doctrine, and both India and Russia have expressed concern that the international coalition against terrorism has not paid sufficient attention to terrorism in regions like Kashmir, Chechnya, etc., and is instead focused entirely on Afghanistan and Iraq. It can thus be judged to be selective and motivated. Russia and India have had reasons to combine forces on this issue, resolved to exchange information and set up working groups and will have to address this problem regionally.

Although Russia is not a super power any more, its significance for India cannot be underestimated. Being a permanent member of the Security Council of the UN, it has the power of veto. Further, Russia is the only important world power that has consistently supported the Indian position on Kashmir and cross-border terrorism. It holds Pakistan responsible for the spread of religious extremism and terrorism in this part of the world. The most recent support for Kashmir came in the form of the joint statement issued at the end of three days visit of Prime Minister Vajpayee to Moscow in November 2003. It called upon Pakistan to prevent infiltration of terrorists across the LOC and at the other points of the border into the state of Jammu and Kashmir. It also asked Pakistan to dismantle the terrorist infrastructure in Pakistan and Pakistan-controlled territory as a condition for purposeful dialogue between the two countries. Among the permanent members of the UN Security Council, Russia is the most prominent and unequivocal supporter of India's candidature for permanent membership in an expanded Security Council.

3.2.9 RECENT DEVELOPMENTS IN INDIA-RUSSIA RELATIONS

With 20 agreements worth billions of dollars signed during Russian President Vladimir Putin's visit to India in December 2014 was a productive one. The deals touched most of the fields India and Russia cooperate on, from oil, energy and infrastructure to military training, even as the two countries set a bilateral trade

target of \$30 billion between them by the year 2025. What is more, the opening of India's rough-diamond procurement policy by Prime Minister Narendra Modi will mean Mumbai can dream of becoming a worldwide hub for the industry. Finally, President Putin's offer of 12 nuclear reactors is the clearest and most welcome indicator yet that Russia does not share the concerns of other suppliers about India's liability laws. However, there is no denying that the old lustre of the India-Russia friendship has dimmed somewhat, and many of the affirmations in the "Druzba-Dosti" joint statement of friendship they issued seem problematic. Even before his arrival in Delhi, President Putin's decision to decline the offer to address a joint session of Parliament indicated that all is not well in the relationship. The problems seem evident: Russia has watched with displeasure as India has diversified its military imports, especially when it comes to helicopter and aircraft purchases.

The slide is not recent, and recently a senior Russian official had made the country's displeasure clear when he demanded India treat Russia as an "old partner", calling the decision to buy fighter aircraft and missiles from France, the U.S. and Israel "illogical and unfair". For its part, India was outraged by the Russian decision to lift its embargo on defence sales to Pakistan, and the first-ever Russia-Pakistan framework agreement that was finalised last month. Given that India still maintains about 70 per cent of its defence inventory from Russian hardware, and is one of Russia's biggest buyers, the unhappiness on both sides may not change the equations of dependence between them, but it must be addressed. In this context, it is significant that Prime Minister Modi said the relationship with Russia would remain India's "closest relationship" and it would be the "most important defence partner". It is increasingly important for New Delhi and Moscow to reassure each other in spheres other than the commercial ones of defence, energy and trade. Given Russia's growing isolation from the West, and India's growing closeness to the U.S. their relationship is bound to be challenged in many ways. The U.S. State Department's statement criticising the India-Russia deals gives a glimpse of those challenges already, and the assurance in Modi's tweet will likely be tested further in the coming months: "Times have changed, our friendship has not..."

However, India's Prime Minister Modi's visit to Russia in January 2020 resolved all the uneasiness in India-Russia relations. The two leaders expressed happiness at the significant landmarks the Special Privileged Strategic Partnership between the two countries had covered in the recent past, particularly in the year 2019. They agreed to continue consulting closely and working assiduously to further strengthen India-Russia ties in all spheres the year 2020. Modi also pledged a line of credit worth \$1 billion for the development of (Russia's) Far East. For the first time, India has moved its focus eastwards from Moscow towards the energy-and mineral-rich regions in Russia's Far East. It is the most ambitious move to diversify the India-Russia cooperation away from defence.

To sum up, the geo-political and geo-economic context is largely determining the India-Russia relations in the present period. This has required the two countries to overcome the old romanticism of the Indo-Soviet ties and engage at a pragmatic level. Today there is no denying the mutual trust and friendship that exists between the two countries. However, the divergences in the goals of the two nations have sharpened in recent times – fuelled by both bilateral and international factors – and have the potential to deeply impact the future of Indo-Russia relationship.

3.2.10 LET US SUM UP

The relationship between India and Russia needs to be nurtured in the changing global environment. Traditionally, both countries have favoured a rule based international order with both subscribing to the notion of a multi-polar world. Despite new sources for defence supplies, Russia remains a crucial partner for India. With its rapid economic growth, India's energy needs will continue to multiply. India will be a growing market for hydrocarbons as well nuclear energy and thus, energy offers considerable potential for mutually beneficial cooperation. India's globalizing service industries and corporate sectors can help diversify the Russian economy and develop bilateral trade.

Ironically, despite the rich content in India's relationship with Russia, which is strategic in nature, the people in India are not well informed about the

relationship. There have been various stumbling blocks that have impeded the relations from moving forward in recent years. Similarly, in the overall dynamics of on-going geopolitical developments, there have apprehensions growing in certain corners about what kind of course this relationship will take in the future.

3.2.11 EXERCISES

1. The Indo-Soviet friendship relations during Cold War are still guiding present Indo-Russian relations. Explain.
2. Write a brief note on Indo-Russian Defence Cooperation.
3. How BRICS organisation is important for Indo-Russian relations?

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3.3 INDIA AND EUROPEAN UNION : OPPORTUNITIES AND CHALLENGES

– V. Nagendra Rao & Rajesh Kumar

STRUCTURE

- 3.3.0 Objectives**
- 3.3.1 Introduction**
- 3.3.2 India and EU: Historical Context**
- 3.3.3 India-EU Relations in Post-Cold War Period**
- 3.3.4 India-EU Strategic Partnership**
 - 3.3.4.1 Effective Multilateralism
- 3.3.5 Political Dialogue: Convergence and Divergence**
- 3.3.6 India and EU: Trade Relations**
 - 3.3.6.1 The Free Trade Agreement (FTA)
 - 3.3.6.2 Critical Issues for Economic Cooperation
- 3.3.7 Humanitarian Aid**
- 3.3.8 India and EU on Climate Change**
- 3.3.9 Let us Sum Up**
- 3.3.10 Sources & Further Readings**
- 3.3.11 Exercises**

3.3.0 OBJECTIVES

In this lesson you will study the relations between India and European Union, in the past and present. After going through this topic, you should be able to know:

- the historical background of Indo-EU Relationship;
- the progress in the relations between India and EU in post-Cold War period;
- the strategic relationship that established between the EU and India;
- the nature and scope of trade relations between India and the EU.

3.3.1 INTRODUCTION

Relations between India and the European Union (EU) have evolved over a long period. Beginning in the early 1960s, with diplomatic relations being established between India and the European Economic Community (EEC), it has expanded and subsequently been transformed because both India and the EU (since 1992) have assumed a growing significance in post-Cold War international politics. However, this partnership has not been able to achieve its potential partly because of the low political visibility of the EU and strong bilateral relations between India and major European powers. The India–EU relationship in the context of the strategic partnership launched in 2004 has witnessed a dramatic expansion of engagement from the economic to the political and security realms, although the strategic partnership does not mean absence of differences and difficulties. There is, however, a perception that India’s closeness to the US has impacted the development of partnerships with both the EU and major individual countries.

3.3.2 INDIA AND EU : HISTORICAL CONTEXT

India took little interest in the movement for European unification during the first years of Indian independence. The European Economic Community (EEC), the predecessor to the EU set up in 1957 under the Treaty of Rome, was remote from Indian concerns. There were no statements by the Indian Government or any

references to it in debates in the Indian parliament until the United Kingdom expressed its intention to apply for membership of the Common Market in 1961. The question of India's relations with the EEC then took on a new urgency, especially as it came at a time when India's balance of payments had deteriorated sharply. Prime Minister Jawaharlal Nehru argued that the EEC would deepen Cold War divisions, widen the gap between the rich and poor countries, and weaken the Commonwealth of Nations.

Nevertheless, India recognized the importance of the EEC and was among the first developing countries to establish diplomatic relations. India and the EEC established political relations in 1963 and this constituted another set of relations to the existing bilateral relationships that India had with individual countries of the EEC, in particular the West European countries. India was also one of the first developing countries to engage with this new entity that represented an organized attempt at regional integration. The major elements of India-EEC relations from the outset focused on trade and commerce. Apart from this, India also received the highest amount of development aid among all Asian and Latin American countries from the European Community (EC).

Incremental steps that have been taken over the years have elevated the relationship from commercial and trade relations to political cooperation marked India's relations with the EC. In 1971, the EEC introduced the general tariff preferences for ninety one developing countries, including India, under the Generalized System of Preferences (GSP) scheme. This was followed by India and the EEC signing the Commercial Cooperation Agreement in 1973. In 1981, India and the EEC signed a five-year Commercial and Economic Cooperation Agreement. Further visibility was gained by the EEC in 1983 when the EC Delegation was established at New Delhi.

3.3.3 INDIA-EU RELATIONS IN POST-COLD WAR PERIOD

With the end of the Cold War, the EEC (which became the EU in 1993) no longer had to look at India through the lens of Cold War equations. Moreover, India was becoming progressively more interesting. Its policy of liberalization and economic

reforms launched in 1991 with consistently high growth rates, acquisition of nuclear weapons in 1998, and steadily improving relations with the USA, all led to recognition of India as a potential global player by the EU. In the post-Cold War era India pursued a pragmatic foreign policy, shed most of the ideological baggage, and accorded greater priority to the West as a market, source of technology and FDI.

Undoubtedly, ‘the cornerstone of the EU-India relationship in post-Cold War period lies in trade and investment. This pattern of essentially economic relations was reiterated by the 1994 Cooperation Agreement on Partnership and Development. Despite its alleged broader scope, the preamble asserts that its main aim is “...to enhance commercial and economic contacts between India and the EU [by] creating favourable conditions for a substantial development and diversification of trade and industry within the framework of a more dynamic relationship which will further their development needs, investment flows, commercial and economic cooperation”.

In fact, the centrality of economic interests is intimated by Article 4 of the Copenhagen Agreement, which spells out the three main areas of EU–India interaction: (i) ‘improving the economic environment in India by facilitating access to Community know- how and technology’; (ii) ‘facilitating contracts between economic operators and other measures designed to promote commercial exchanges and investments’; and (iii) ‘reinforcing mutual understanding of their respective economic, social and cultural environment as a basis for effective cooperation’. Within these three areas, the 1994 Cooperation Agreement outlines a set of 17 targets stretching from ‘improvement in the economic environment and the business climate’ to ‘cooperation in the fields of information and culture’. In this respect, the EU and India agreed upon ten ‘means’ for achieving these objectives ranging from the ‘exchange of information and ideas’ and ‘provision of technical assistance and training programmes’ to the ‘establishment of links between research and training centres, specialised agencies and business organisations’.

3.3.4 INDIA-EU STRATEGIC PARTNERSHIP

The EU-India relations gained momentum when regularised annual high-level meetings starting with the 2000 Lisbon Summit. Brussels declared that the summit was ‘a turning point’ as it provided the foundations for ‘a coalition of interest in addressing global challenges’. It furthered the ‘enhanced partnership’ between India and the EU by providing a forum for the discussion and negotiation of differences.

Thus, the strategic partnership is promoted as ‘the starting point of a collective reflection on upgrading EU–India relations’. At the same time, by acknowledging that the EU and India are increasingly seen as forces for global stability the focus of their relations has shifted from trade to wider political issues, Brussels intends ‘a strategic alliance for the promotion of an effective multilateral approach’. These assertions recognise that ‘the institutional architecture of EU–India relations defined by the 1994 Cooperation Agreement and the 2000 Lisbon Summit has created a complex structure of meetings at different levels in virtually all areas of interest and cooperation. In this respect, the 2004 Strategic Partnership identifies five areas for interactions between Brussels and New Delhi:

- (i) cooperation at international fora—on multilateralism, human trafficking and migration, conflict prevention and post-conflict reconstruction, non-proliferation of weapons of mass destruction, promotion of democracy and protection of human rights;
- (ii) economic cooperation—joint sectoral dialogues on regulatory and industrial policies;
- (iii) development cooperation;
- (iv) intellectual, scientific and cultural cooperation; and
- (v) cooperation on the improvement of the institutional collaboration between India and the EU.

However, just like the 1994 Cooperation Agreement, the 2004 Strategic Partnership reiterates the ‘noncommittal’ nature of Euro-India interactions. It plainly states

that it is underwritten by the intention ‘to produce *non-binding* guidelines for a further deepening of EU–India relations’.

3.3.4.1 EFFECTIVE MULTILATERALISM

According to Bernd Von, the EU’s approach to bringing its relationship with India to a “strategic” level rested on two premises—that India, as a like-minded democracy and emerging global power, would share the same notion of responsibility for global security, and that it would accept the EU as a true strategic player. Having fielded various civilian and military missions in and outside of Europe since 2003, the EU views itself as an important security provider and is anxious that this relatively new role be recognized by others as well. This aspiration provides the backdrop for the proposed closer Indo-European cooperation within the UN framework and with a special emphasis on peacekeeping and peace building, but at the same time mindful of maintaining the EU’s own profile. It further mirrors the widespread hopes that the end of Cold War– blockage at the UN would usher in a new era of broad multilateral consensus. From an Indian perspective, “an international order based on effective multilateralism” is a slightly suspect tautology. It begs the critical question of the purpose of this order. Seen from New Delhi, historical experiences with it are mixed at best. In spite of its active involvement in the formative phase of the UN, India had increasingly harboured reservations about the organization’s actual role and the legal framework it spawned, most notably in the case of the nuclear non-proliferation regime.

3.3.5 POLITICAL DIALOGUE: CONVERGENCE AND DIVERGENCE

There are fundamental differences between India and the EU on many issues because they are at different levels of development, because they come from two different milieus, and because they have different geographical and geopolitical priorities. Indian perspectives are shaped by its historical experiences and current realities, which include the fact that it lives in a very difficult and dangerous neighbourhood, and confronts a variety of external threats and challenges. Despite exhortations to identify possible synergies and initiatives to promote human rights

and democracy, there has in practice been little co-ordination on any of these goals.

There is some convergence in policy and practice between the EU and India on questions of multilateralism and global governance, but that convergence has notable and significant limitations. There are basic differences in both perceptions and interests between India and the EU in many fields, including trade, development, climate change, the International Criminal Court, globalization, humanitarian intervention, etc. On most issues that matter to India, like enlargement of the UN Security Council and civilian nuclear energy, the EU either has no common policy or is unable to formulate one. Though the EU and India have shared objectives in most South Asian countries, they are often unable to calibrate their foreign policies to work there. India feels that the EU is a marginal player when it comes to the security milieu in South Asia.

India does not seek to replace, but democratize, existing structures of global governance and increase its role in decision-making. India has been consistently advocating a more democratized, more representative and more credible UN system and has sought membership as a permanent member of a reformed UN Security Council. To most stakeholders in India, Europe is clearly over-represented but is in no hurry to reduce such over-representation. Most of the existing financial and trade rules of the current international architecture reflect the power realities at the end of the Second World War in which India was a recipient rather than a framer of norms. India has been a beneficiary of these rules, but has long been a victim of it. In recent years, there is a basic and increasing contestation about the content, value and scope of norms between the developed and developing countries. Europe often presents the normative agenda in a way that seeks to undermine the competitive advantage of developing countries. India wants to play a greater role in the making of new rules of the international economic and financial system.

Nevertheless, on most issues of substance, India's broad interests as a rising major power are consonant with those of the other major powers. In the

military-political arena, India shares a common interest with other major powers in preventing the spread of weapons of mass destruction and terrorism, in fostering maritime security, stabilization of weak states, and coping with health hazards. India will continue to strongly favour the development of multilateral regimes to regulate international trade and politics. In 2007 the EU, along with several other major world powers, gained official observer status in the South Asian Association for Regional Cooperation (SAARC), which reflects keen EU interest in the SAARC experiment. Another new forum for India to further develop its growing relations with both Asia and Europe is the 45-member Asia-Europe Meeting (ASEM), which New Delhi joined in 2007 and in which the EU's European Commission is one of the co-ordinators.

The India's Ministry of External Affairs (MEA) Document emphasises that relations between India and European Union are very cordial as can be seen by 11th Annual Summit of India and European Union held in Brussels on 10 December, 2010. The main focus of the Summit was the strengthening of the political dimension of the EU-India strategic partnership, in particular through increased cooperation in security and counterterrorism. The Summit also provided a strong impetus for an early conclusion of a broad-based investment and trade agreement. Both partners addressed regional and global issues of common interest and concern, as well as a wide range of joint activities and policy dialogues in various sectors of cooperation.

3.3.6 INDIA AND EU : TRADE RELATIONS

As per the EU Diplomatic Office in New Delhi, the EU became India's largest trade and investment partner in 2011. Total two-way trade in goods in 2011 was €79.8 billion, with EU goods exports to India of €40.4 billion and imports from India of €39.4 billion. This represented a year-on-year increase of 17% on 2010. Trade in goods between the partners has more than tripled from €25.6 billion in 2000. Two-way trade in Services in 2011 was €20.4 billion, taking overall bilateral trade for the first time to €100 billion. Negotiations for an ambitious and comprehensive FTA began in 2007 and intensive work continues with a view

to completing negotiations in the next months. Discounting Mauritius, the EU is also India's major inward investor and the most important destination for outward investment from India.

Trade in services reached € 22.2 billion in 2011. Indian service exports to the EU grew by 18.68% to €10.8 billion from € 9.1 billion in 2010. Indian service imports which stood at € 11 billion in 2010 remained more or less stable at € 11.4 billion.

The EU is also one of the largest sources of Foreign Direct Investment for India. FI inflows from the EU into India increased from €3.5 billion in 2009 to €7.5 billion in 2010 and €14.19 billion in 2011. Indian investment into the EU saw a decline from €0.945 billion in 2009 to €0.48 billion in 2010 but rose again in 2011 to nearly €2 billion. The leading EU member-state investors in India in 2011 were the UK (€8.24bn), Germany (€2.66 bn), Italy (€0.7 bn), France (€0.6 bn) and Sweden (€0.55 bn), followed by Spain, Finland and Netherlands with €0.22 bn, €0.19 and €0.18 bn respectively.

The India-EU Joint Commission dealing with economic and commercial issues meets annually, as do its three Sub-Commissions on Trade, Economic Cooperation and Development Cooperation. The last Joint Commission meeting at the level of Secretaries was held in Brussels on 4 February 2013. In addition, there are Joint Workings Groups on Textiles and Clothing, Agriculture and Marine Products, Technical Barriers to Trade and Sanitary and Phyto-sanitary Issues, Pharmaceuticals and Biotechnology, as well as Food Processing Industries, which meet regularly to enhance sector-specific cooperation.

3.3.6.1 THE FREE TRADE AGREEMENT (FTA)

India has embarked on a process of economic reform and progressive integration with the global economy that aims to put it on a path of rapid and sustained growth. With its combination of rapid growth, complementary trade baskets and relatively high market protection, India is an obvious partner for a free trade agreement (FTA) for the EU.

The parameters for an ambitious FTA were set out in the report of the EU-India High Level Trade Group in October 2006, which was tasked with assessing the viability of an FTA between the EU and India. Other studies have reinforced the economic potential of an FTA between the EU and India, notably a sustainability impact assessment was carried out by the EU. Negotiations for a comprehensive FTA were started in June 2007 and are on-going. This would be one of the most significant trade agreements, touching the lives of 1.7 billion people. Otherwise, India enjoys trade preferences with the EU under the Generalised Scheme of Preferences.

There were certain issues regarding services sector which is on the verge of getting resolved and the chances of FTA getting operationalized fully are very high. Phyto sanitary concerns in agriculture and dairy goods have been acting as irritants between both India and EU. The opening up of automobile sectors fully for manufacturers of EU has also been seen with doubts in certain quarters of Indian industries. Due to these unresolved issues, the FTA is still under negotiations but early conclusion is expected from both sides.

3.3.6.2 CRITICAL ISSUES FOR ECONOMIC COOPERATION

The EU still ranks as India's foremost trading partner, but it will likely be dethroned in the near future with China likely to become the main source of Indian imports if current trends persist. India's overall share of EU trade remains modest at 2.4 per cent, which now places it ahead of South Korea and Brazil. The stagnation and recession forecasts for some EU countries could further erode the importance of trading with Europe for India, and appear to vindicate New Delhi's efforts to open new markets and diversify exports through trade promotion programmes targeting the Middle East, Africa, and Latin America especially. Unlike India's unbalanced trade with China, depending mainly on exports of raw materials and resulting in a large and widening deficit gap, the exchange with Europe reveals a high degree of economic complementarities in the composition of exports and imports. Indian exports to the EU have consistently moved up the value chain, with the largest share now held by the product category of machinery and transport equipment. Yet Europe needs strong trade growth both in quality and quantity if

it wants to defend its present position in India. A timely conclusion of the “broad-based” Free Trade and Investment Agreement, discussed since 2005 and under formal negotiations since 2007, could alone provide the momentum needed for a quantum leap in the EU-India economic relationship.

3.3.7 HUMANITARIAN AID

Aside from being India’s most important trading partner and largest investor, the EU also tops the list of the country’s aid donors. Like the bilateral development cooperation programs of the EU member states, the programs managed by the European Commission have undergone significant changes since the first food aid was sent to India in the late 1960s. One of the largest and longest-running early programs was the development of the Indian cooperative dairy sector, code-named “Operation Flood” and funded through the sale of EEC food aid in its initial phase. Alluding to the preceding “green revolution” that enabled India to emerge from the status of food importer to an agricultural surplus country, it has also been called the “white revolution,” having made India the world’s largest producer of milk products.

The European Commissions’ Humanitarian Office (ECHO) is in the forefront to provide aid for natural calamities and disastrous. ECHO has been present in India since 1995 and has responded to all major emergencies since, including the Orissa cyclone in 1999, the Gujarat earthquake in 2001, the Tsunami in 2004 and the Jammu & Kashmir earthquake in 2005.

Since 2002, ECHO has been continuously providing healthcare, protection, and livelihood support to the people directly or indirectly affected by the violence in Jammu & Kashmir. ECHO-funded projects also help provide healthcare, nutrition support and protection to civilians affected by the insurgency in Chhattisgarh since 2007. Between 2002 and 2012, humanitarian assistance was also funded for the 100,000 Sri Lankan refugees living in Tamil Nadu. ECHO’s total humanitarian assistance to India till now exceeds €120 million.

India is highly vulnerable to natural disasters including cyclones, floods, earthquakes and drought; strengthening people’s resilience to natural disasters is

an essential part of humanitarian action. Between 2001 and 2014, ECHO's Disaster Preparedness programme (DIPECHO), invested over €8 million in projects dedicated to reducing the impact of floods, cyclones and other natural hazards on local communities across the country.

In 2013, the European Commission has provided over € 6 million to address humanitarian needs in India. The funding is used to provide psychosocial support and livelihood means to people in Jammu & Kashmir, health services to people in remote settlements in Chhattisgarh and Andhra Pradesh, and food assistance and livelihood support to people in the North-East. Besides, almost one-third of the 2013 allocation has been set aside to address acute malnutrition in children and short-term food insecurity in the worst- affected districts of Madhya Pradesh, Orissa and West Bengal.

Based on the 1994 EU-India Cooperation Agreement and its overall development goal of poverty reduction, EU assistance has increasingly shifted to a sector-oriented approach and to direct budgetary support, with the main focus on rural health and primary education. This approach, complemented by independently funded nongovernmental organization (NGO) projects, is reflected in the EU's 2007–2013 Country Strategy Paper for India and forms the basis for the union's current interventions. The end of this programming cycle, however, will mark the phasing-out of all EU development cooperation with India. As in the case of other major emerging economies among the nineteen Asian and Latin American nations that will no longer qualify for EU aid—including China and Brazil—Brussels intends to replace current programs with so-called “partnership instruments” to reflect the EU's specific interests and objectives vis-à-vis these countries. The exact nature, financial scope, and implementation mechanism of these instruments, however, are yet to be defined.

3.3.8 INDIA AND EU ON CLIMATE CHANGE

According to Bernd Von, Gathering support from among the major emerging economies for its ambitious climate policy agenda has become a key element in developing the EU's strategic partners network. In a way, it also represents the

best example of how the EU believes it can effectively address global security threats through fostering a rule-based international order and disseminating its own norms. As a country particularly vulnerable to global warming because of its reliance on the annual monsoon and the Himalayan glaciers watering its densely populated great riparian basins, India has been considered a crucial partner and potential ally in this effort.

The EU's hopes of Indian support for a comprehensive new climate agreement received a severe blow in Copenhagen. In the final phase of the nearly collapsed conference, New Delhi settled instead for the vague and nonbinding "Copenhagen Accord" negotiated between the United States and the four BASIC countries. This sobering experience led to much soul-searching in European capitals and a less ambitious EU approach to the follow-up conference in Cancun. The 2011 Durban conference, however, with the end of the first commitment period of the Kyoto protocol looming and no replacement in sight, saw a major realignment of position, which brought the EU back into the driver's seat. With the arrival of new government in India, the GOI is very keen that India is not isolated at the international level on issue of Climate Change and it has been preparing well to join the mainstreams on the issue during Paris Summit. Hopefully, the irritant between India and EU would end soon.

3.3.9 LATEST DEVELOPMENTS

The 14th India-EU summit was held in New Delhi on 6 October 2017. The Leaders held wide ranging discussions on foreign and security policy, migration, trade, climate, research and innovation. A Joint Statement was adopted by the Leaders which reflected common understanding on these areas and reaffirmed commitment to strengthen the India-EU Strategic Partnership. The Leaders showed their satisfaction at the progress made towards implementing the India-EU Agenda for action 2020.

The EU is India's largest regional trading partner while India was the EU's 9th largest trading partner in 2018. India's bilateral trade in goods with the EU in 2018 (Jan-Dec) stood at €91.5 billion (\$107.97 billion) comprising India's exports

to the EU valued at €45.8 billion (\$54.0 billion) and India's imports at €45.7 billion (53.9 billion). Trade in services between the EU and India in 2018 was €36 billion (42.5 billion) comprising India's exports in services of €19.3 billion (\$22.7 billion) and India's imports of €16.7 billion (\$19.7 billion). The EU continued to be the largest source of Foreign Direct Investment (FDI) for India with investment inflows of 24.38% of the total FDI from April 2000 to June 2018 valued at €90.7 billion.

3.3.10 LET US SUM UP

Overall it can be said that India has been very keen to reinforce its relationships with EU as part of its multi-prong approach towards the world. India knows it well that it cannot grow effectively unless its participation in the international market grows. In the light of this fact India's stronger relations with 28 member EU is very important opportunity which it cannot think to miss at all.

The driving force behind India-EU relationship for the most part has been, is, and will continue to be, trade and commerce. Their mutual long-term interest is going to be in areas like scientific and technological co-operation, movement of skilled persons, etc. With India becoming a key destination for research and development, outsourcing of segments of the manufacturing process and its pool of scientific talent to foster innovation, there is great potential for partnership in cutting-edge technologies in a manner that combines India's strengths with European capabilities.

3.3.10 SOURCES AND FURTHER READINGS

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3.3.11 EXERCISES

1. Trace the historical evolution of Indo-EU relations.
2. How post-Cold War context facilitated to India-EU relations?
3. Analyse the form and content of India-EU strategic relationship.
4. Write a note on India-EU trade cooperation and the issues that have become hurdles for further progress in economic cooperation.
5. Briefly outline the humanitarian aid extended by EU to India.

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy

UNIT – III: INDIA AND MAJOR POWERS

3.4 INDIA AND ASIAN POWERS : CHINA AND JAPAN

–V. Nagendra Rao & Rajesh Kumar

STRUCTURE

3.4.0 Objectives

3.4.1 Introduction

3.4.2 India-China Relations: Historical Context

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3.4.11 Trade and Economic Cooperation

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3.4.13 Energy Security

3.4.14 Let us Sum Up

3.4.15 Sources & Suggested Readings

3.4.16 Exercises

3.4.0 OBJECTIVES

This lesson explains Sino-Indian, India-Japan relations from the 1950s to contemporary times. After going through this lesson, you should be able to know:

- the historical background to India-China relations;
- from the deterioration of relations in 1960s to normalisation from late 1980s;
- the evolving relationship in post-Cold War period;
- the areas of cooperation and conflict in India-China relations.
- the historical background to India-Japan relations;
- the growth in trade and economic cooperation between India and Japan;
- the India-Japan cooperation on issues such as nuclear, defence and energy security.

3.4.1 INTRODUCTION

According to most political observers, the global political architecture is undergoing a transformation, with power increasingly shifting from the West to the East, in what has been called the ‘Asian Century’. The three most important countries in Asia are China, India and Japan. The two most populous nations on the earth, the People’s Republic of China and India, are on their way to becoming economic powerhouses and are shedding their reticence in asserting their global profiles, all of which makes their relationship of still greater importance to the international system. The future of this Asian Century will to a large extent depend upon the relationship between the regional giants, China, India, and Japan. More precisely, the bilateral relationship between China and India will define the contours of the new international political architecture in Asia and the world at large. In this

lesson, you will study the relationship between Indian and China on the one hand, and India and Japan on the other hand.

At present, the relationship between India and china is blurred with conflict and cooperation. After a brief spell of cordial relationship in the beginning, the relations between the two countries have been bedevilled for long by three factors, viz. the relentless suppression of the Tibetan autonomy by the Chinese, its obdurate claims on the border issue and its deliberate policy of encouraging Pakistan to undercut India's stature in regional and world politics.

However, there is positive element in India-China relations from 1990s onwards. Both find new areas of cooperation, especially in economic and trade relations, as India's economic reforms led to the high growth rate and India's improved status as one of the emerging economies attracted lot much attention globally.

3.4.2 INDIA-CHINA RELATIONS : HISTORICAL CONTEXT

Sino-Indian relations had seen many ups and downs during 1955-1975. Initially, India had shown extra gestures to strengthen its relations with newly emerged communist regime but all the calculations of Indian foreign policy makers particularly Nehru went down as the China started behaving in a different manner, by taking the controversy of not recognizing the traditional border line between the two countries. The issue which kept India and China divided over the years is mainly the border issue. The Chinese Prime Minister Zhou-en-Lai and Indian Prime Minister Jawahar Lal Nehru exchanged visits on a number of occasions and contacts between the people of the two countries were frequent. However, even during the period of Panchsheel Agreement and slogan of "Hindi-Chini Bhai-Bhai", the relations between the two countries were strained and Indian leaders were apprehensive of Chinese policies. There were differences over Tibet and there was a continuous fear with regard to Chinese expansionism later on the emergence of big differences in respect of boundary between India and China and subsequently emergence of border dispute leading to October 1962 Sino-Indian border war made Sino-Indian relations highly strained.

China further got involved in not only increasing her pressure against India but also in encouraging India's major opponent, namely Pakistan. China did not hesitate to support Pakistan during the 1965 Indo-Pak war and tried to demoralise the Indian Armed Forces by giving an ultimatum to the Indian Government. Chinese support for Pakistan during 1971 Indo-Pak war and strong Chinese denunciation of Indo-Soviet Treaty of peace-friendship and co-operation further blocked the possibility of the emergence of move for repairing the damage that Sino-Indian relations had suffered because of border dispute. Chinese interference in India's internal affairs through her help to Naga's and Mizo's separatists, hostility under the cover of "revolutions" and "freedom struggle" etc. were viewed with great alarm by the government and people of India. All these factors were responsible for keeping the Sino-Indian relations strained throughout the 1960s.

However, the normalization process to the Sino-Indian relationship began in the middle of 1970s. This was evident from the large number of public statements and speeches made by Indian and Chinese leaders. The study of Sino-Indian relations reveals that since 1976 (i.e. from the date of restoration of full Ambassadorial level diplomatic relations) there is slow but quite steady process of normalisation going on between them.

The improvement and development of relations between the two countries also related to the realization on the part of both India and China that they, being developing countries, need more cooperation and peace to improve the living standard of their respective people. It has become a pressing issue for both countries to build up their economic capabilities, and to raise the quality of life of their peoples. To achieve this objective both the countries need to develop neighbourly relations and strive for a peaceful international environment.

3.4.3 NORMALISATION OF INDIA-CHINA RELATIONS

The normalisation of relations between India and China started with the Indian Prime Minister Rajiv Gandhi's visit to China in 1988. He signed an agreement that aimed to achieve a 'fair and reasonable settlement while seeking a mutually

acceptable solution to the border dispute'. The visit saw a Joint Working Group (JWG) set up to explore the boundary issue and examine probable solutions to the problem. After Prime Minister Narasimha Rao visited China in September 1993 it became possible to assert without exaggeration that a “normalization” of relations between the two countries has been brought about by the efforts of both governments. The term normalization is used here to mean: exchanges of visits at the highest political level; openings and opportunities for economic cooperation; and, it must be emphasized, an institutionalized mechanism in the Joint Working Group for working out confidence building measures and demarcation of the Line of Actual Control (LAC) on the Himalayan border, along which the governments have agreed to maintain “peace and tranquillity” without prejudice to their respective territorial claims on the disputed boundary.

However, bilateral relations between India and China once again strained in the immediate aftermath of India's nuclear tests in May 1998. China had been singled out as the ‘number one’ security threat for India by India's defence minister just before the nuclear tests. After the tests the Indian Prime Minister wrote to the US President justifying Indian nuclear tests as a response to the threat posed by China. Not surprisingly, China reacted strongly with all these developments.

The visit of the Indian Minister of External Affairs to China in 1999 marked the resumption of high-level dialogue, as the two sides declared that they were not a threat to each other. Both China and India continue to emphasize that neither side should let differences act as an impediment to the growth of functional co-operation elsewhere between the two states. To resolve the border problem, both the countries exchanged border maps on the least controversial Middle Sector of the LAC. They agreed “Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question” (2005), broad principles to govern the parameters of any dispute settlement. China has expressed its desire to seek a ‘fair’ resolution to the vexed boundary issue on the basis of ‘mutual accommodation, respect for history, and accommodation of reality’.

3.4.4 IMPROVING RELATIONS WITH HIGH LEVEL VISITS

Former Indian Prime Minister Atal Bihari Vajpayee visited China in June 2003, the first visit by an Indian premier in a decade. The Joint Declaration signed during this visit expressed the view that China was not a threat to India. The two states appointed Special Representatives in order to impart momentum to border negotiations with the Prime Minister's principal secretary becoming India's political-level negotiator, replacing the India-China JWG. India and China also decided to hold their first joint naval and air exercises. More significantly, India acknowledged China's sovereignty over Tibet and pledged not to allow 'anti-China' political activities in India. For its part, China seemed to have finally acknowledged India's 1975 incorporation of the former monarchy of Sikkim, by agreeing to open a trading post along the border with the former kingdom and later by rectifying its official maps to include Sikkim as part of India. After being closed for 60 years, the Nathu La pass, a traditional trading post between Tibet and Sikkim, was reopened in 2006. The two states have set up institutionalized defence consultation mechanisms to reduce suspicion and identify areas of co-operation on security issues.

When the then India's Prime Minister Manmohan Singh visited China in 2008, the two states signed a Shared Visions on the 21st Century declaration, 'to promote the building of a harmonious world of durable peace and common prosperity through developing the Strategic and Cooperative Partnership for Peace and Prosperity between the two countries'. The two sides have decided to elevate the boundary negotiations to the level of a strategic dialogue, with plans for a hotline between the Indian Prime Minister and the Chinese Premier as a means to remove misunderstanding and reduce tensions at the earliest. Their public vision suggested that this relationship would have 'a positive influence on the future of the international system'.

Indian and China institutionalised the Special Representatives Dialogue on the boundary question in 2010. They have also institutionalised the strategic dialogue at the level of Foreign Secretaries. Both the countries declared the year

2011 as India-China Exchange year where there were series of exchanges, bilateral official consultations, defence exchanges, and people-to-people contacts.

Notwithstanding the progress, Sino-Indian relations are marred with the many ups and downs. There is a conflict of interest on some of the issues that is somewhat undermining the coming together of these two Asian giants. As Subraminan Swamy in his book, *Economic Development and Reforms in India and China : A Comparative Perspective* argues, cooperation and competition coexist in Sino-Indian relations, advancing in tandem on parallel tracks. Hence, the following sections analyses these dimensions of cooperation and conflict in Sino-Indian relations.

3.4.5 INDIA-CHINA RELATIONS: AREAS OF COOPERATION

India and China, recently, have resolved to improve communications with each other and identified West Asia, Central Asia and Africa as areas where they would hold a regular dialogue. The visit of Chinese Premier to India in June 2013 and Indian Prime Minister Manmohan Singh's return visit to China in October 2013 led to the signing of important Border Security Agreement between India and China which brought a thaw between both the countries after the April 2013 incursions into Indian Territory. Both the countries have shown enough restraint towards each other so as to ensure that they avoid direct confrontation and rather remain engaged through dialogues.

3.4.5.1 COOPERATION ON GLOBAL ISSUES

At this international system level, India and China have found some real convergence of interests. Both share similar concerns about the international dominance of the USA, the threat of fundamentalist religious and ethnic movements in the form of terrorism, and the need to accord primacy to economic development. India and China have both expressed concern about the USA's use of military power around the world, and both were publicly opposed to the war in Iraq.

Both China and India favour a multipolar world order. China and India zealously guard their national sovereignty and have been wary of US attempts to

interfere in what they see as domestic affairs of other states, be it Serbia, Kosovo or Iraq. Both took strong exception to the US air strikes on Iraq in 1998, the US-led air campaign against Yugoslavia in 1999, the US campaign against Saddam Hussain; its involvement in Libya, Syria and Ukraine. Both India and China argued that these violated the sovereignty of both countries and undermined the authority of the UN system. China and India share an interest in resisting interventionist foreign policy doctrines emanating from the West, particularly the USA, and display conservative attitudes on the prerogatives of sovereignty. Similarly, both China and India expressed reservations about the embargo imposed on the Iran by the US and European Union on nuclear issue.

China and India have co-ordinated their efforts on issues as wide ranging as climate change, trade negotiations, energy security and the global financial crisis. Both nations favour more democratic international economic regimes. It is being argued that the forces of globalization have led to a certain convergence of Sino-Indian interests in the economic realm, as the two nations become even more deeply engaged in the international trading economy and more integrated in global financial networks. They have strongly resisted efforts by the USA and other developed nations to link global trade to labour and environmental standards, realizing clearly that this would put them at a huge disadvantage vis-à-vis the developed world, thereby hampering their drive towards economic development

3.4.5.2 INSTITUTIONALISED COOPERATION

India and China along with Russia initiated a triangle dialogue in the early years of 2000 to come to a common understanding about global issues. The first ever foreign ministers' level meeting of the three countries held in June 2005 in Vladivostok, Russia, had aroused considerable interest among observers, with analysts believing that the dialogue may be acquiring a strategic dimension. Since then, the foreign ministers of the three countries have met more than ten times on different occasions including exclusively for meetings of the trilateral and exchanged views on issues of common concern. The importance of the trilateral initiative can be attributed to the fact that India, Russia and China, as countries

with growing international influence, can make substantive contributions to global peace, security and stability. It is increasingly felt that cooperation rather than confrontation should govern approaches to regional and global affairs. The triangle dialogue upgraded when BRICS group was established by incorporating initially Brazil later on South Africa.

The BRICS grouping can best be understood as a platform to express dissatisfaction with shortcomings in the system of global governance, not a vehicle to overturn the system itself. In 2001, Goldman Sachs analyst Jim O'Neill coined the term "BRICs" to encapsulate what he predicted would be the four most dynamic emerging market economies of the new century. (South Africa joined their ranks in 2011.) That momentum is manifested in the new BRICS financial institutions formally launched in July 2015 Ufa Summit in Russia. These are the New Development Bank (NDB), a \$100 billion lending platform that will finance infrastructure projects in the BRICS and other developing countries, and a \$100 billion currency pool known as the Contingency Reserve Arrangement (CRA), which will aim to cushion the BRICS economies from global financial pressures. A common desire to reform global economic governance was the issue that drove the BRICS together and gave them legitimacy in the aftermath of the global financial crisis. For years, the BRICS have demanded an overhaul of the Bretton Woods institutions, where Western powers remain overrepresented at the expense of emerging economies.

Similarly, India along with Pakistan admitted to Shanghai Cooperation Organisation (SCO) as full-fledged member in the SCO Summit of July 2015. Till now India and Pakistan are associated members. SCO is an organisation established by China, Russia and five Central Asian republics to establish cooperation on a variety of issues such as economic cooperation, infrastructure development, establishing transport corridors, anti-terrorism activities, etc.

3.4.5.3 BILATERAL COOPERATION

India and China have strengthened their bilateral relationship in areas as distinct as cultural and educational exchanges, military exchanges, and science and

technology co-operation. Some military co-operation, something unthinkable a few years back, now takes place, with Indian and Chinese militaries conducting joint exercises. China and India are more politically and economically engaged presently than at any time in recent history. Bilateral trade expanded sixty-seven-fold from 1998 to 2012, and the Chinese and Indian armies held their first-ever joint military exercise in 2007, followed by two more in 2008 and 2013. When crises do arise—as was the case when a Chinese border patrol intruded across the LAC for three weeks in April 2013—the leadership of both the countries responded with calm and patience to dissolve the crisis diplomatically. At the government-to-government level relations are, in a word, civil. In March 2015, India starts the 18th round of talks with China over the land boundary issue. National security advisor Doval and China’s special representative Yang Jiechi meet in Delhi.

In 2018, the two sides engineered a badly-needed thaw during the informal summit at Wuhan between Chinese President Xi Jinping and Indian Prime Minister Narendra Modi. The summit established a mechanism of informal meetings between the leaders of the two sides, helped them understand and partly assuage each other’s concerns on a number of issues, and refocused relations on cooperation.

Though, in 2019 tensions over issues such as Kashmir led to disillusionment with the “Wuhan spirit,” China and India have not given up on their improved post-Wuhan relationship, aware that the alternative is the costly and dangerous deterioration of relations. The commitment to improved relations was embodied in the informal Mamallapuram summit, a follow-up to the Wuhan summit, which demonstrated that the informal summit mechanism between the countries’ leaders and their personal relationship will play a central role in managing relations. China and India have also sought to build confidence and expand cooperation by joint international projects. For instance, in June China and India made a tentative attempt to revive the long-planned Bangladesh-China-India-Myanmar (BCIM) corridor, while in November they presided over the second edition of a joint training program for Afghan diplomats agreed during the Wuhan summit.

For his part, the Modi government clearly concerned with the Chinese sensitivities when it did not invite the political head of the Tibetan government-in-exile and a Taiwan representative to Modi's second inauguration in 2019 as it did to the first one in 2014. Moreover, the Indian government consistently sought to sideline the "Tibet issue" in the past year and remained completely silent of the 60th anniversary of the Dalai Lama's flight to India.

In 2019 China and India worked hard to manage various bilateral points of tensions. Fearful that the many issues on which their interests clash would produce tensions or even a crisis that would disrupt their post-Wuhan thaw, the two sides tried to manage these issues. India's change of Kashmir's status in August was the most important point of tension that shook China-India relations in 2019, as Beijing brought the Kashmir issue to the UN Security Council and leaned toward Pakistan's position as India postponed regular talks on the border dispute. However, both sides ensured that tensions would not go out of hand and moderated their positions prior to the Mamallapuram summit. China suggested that Kashmir is a bilateral China-India issue and gradually toned down its position, while India insisted that Kashmir's status and the formation of an union territory in Ladakh has no impact on the China-India territorial dispute, with which Kashmir is connected.

The two sides have made efforts to manage the issue of India's large trade deficit with China, which has consistently caused indignation in India. Following the Mamallapuram summit a new mechanism under the Indian finance minister and Chinese vice premier was set up to address the deficit and promote Indian exports and investment to China.

3.4.5.4 EMERGENCE OF CHINA AS LARGEST TRADING PARTNER TO INDIA

Economic relations between the two have been burgeoning with China now India's largest trading partner. It was former Chinese Premier Zhu Rongji who suggested that the combination of Chinese hardware and Indian software would be irresistible to the global market. Bilateral trade has recorded rapid growth from a trade volume of US \$265m. in 1991 to \$42,440m. in 2009/10,

or 9.1% of India's overall trade, with \$45,950m. and an 11.8% share if Hong Kong is included.

The bilateral trade between India and China has grown four-fold in the past decade. But the trade was tilted more in favour of China. India had unfavorable balance of trade with China. India's foreign trade rose over 18 times since the launch of economic liberalisation programme in 1991 while the trade deficit widened by more than 22 times. However, the positive sign in recent period is that the trade deficit has reduced in 2018-19 financial year. As per the data provided by DGCIS, India's trade with China decreased from USD 89.71 billion in 2017-18 to USD 87.07 billion in 2018-19. During this period, India's imports from China declined from USD 76.38 billion in 2017-18 to USD 70.32 billion in 2018-19, and our exports grew from USD 13.33 billion in 2017-18 to USD 16.75 billion in 2018-19. As a result, India's trade deficit with China reduced from USD 63.05 billion to USD 53.57 billion in the said period.

However, investment flows between India and china had not kept pace with trade. Indian investment in China worth a total of US\$ 433 million is spread over 676 projects, while Chinese investment in India is worth nearly US\$ 300 million. There are several opportunities for cooperation in developing infrastructure. India is already one of China's most important markets for project exports, with a cumulative value of contracted projects at US\$ 53.5 billion and turnover realized at US\$ 24.6 billion.

3.4.6 INDIA-CHINA RELATIONS: AREAS OF COMPETITION

While at global level India-China relations are marked with cooperation and coordination, however, the relations at bilateral level are not that great. There are many issues on which both the countries differ with other's position.

3.4.6.1 BOUNDARY DISPUTE AND BORDER SKIRMISHES

In 2009 China took its territorial dispute with India all the way to the Asian Development Bank, where it blocked an application by India for a loan that included development projects in the Indian state of Arunachal Pradesh, which

China continues to claim as part of its own territory. There is rising alarm in India because of frequent and strident claims being made by China along the LAC in Arunachal Pradesh, Sikkim and Ladakh areas of Jammu and Kashmir. There has been a dramatic rise in Chinese cross-border 'intrusions' into the Indian territory over the past few years, most of them along the border in the region of Arunachal Pradesh and Ladakh areas of Jammu and Kashmir. China has upped the ante on the border issue. It protested against the Indian Prime Minister's visit to Arunachal Pradesh in 2009, asserting its claims over the territory. What has caught most observers of Sino-Indian ties by surprise is the vehemence with which Beijing has contested every single recent Indian administrative and political action in the state, even denying visas to Indian citizens of Arunachal Pradesh.

Even though China has solved most of its border disputes with other countries, it is reluctant to move ahead with India on border issues. No results of any substance have been forthcoming from the Sino-Indian border negotiations even as the talks continue endlessly and the momentum of the talks itself seems to have flagged. China has adopted shifting positions on the border issue, which might be a well-thought out position to keep India in a perpetual state of uncertainty. In the Indian context, China is ready for an early settlement of the border dispute if India concedes strategic territory. China's claims along the LAC also seem to be growing and may, therefore, indicate the reluctance so far to exchange maps on the western (Aksai Chin) and eastern (Arunachal Pradesh) sectors. With China controlling about 35,000 sq km of territory in Aksai Chin in the western sector and laying claim to almost all the 90,000 sq km of Arunachal Pradesh in the eastern sector, no early resolution of the boundary dispute is in sight.

In 2017, the 73-day Doklam standoff between Chinese and Indian soldiers rocked China-India relations amid fears of military conflict. The greatest bilateral crisis in decades, Doklam erupted amid escalating competition between the two giants in Asia and the Himalayan belt, more assertive Indian policy on the "Tibet issue," an increasing security dilemma partly fuelled by closer U.S.-India relations, and the advancement of China's Belt and Road Initiative (BRI) in South Asia, as well as tensions over the two sides' territorial dispute. The concerted negotiations

between both sides of military somewhat resolved the standoff and both the armies returned their original positions. The Doklam crisis served as a warning to both sides that the tensions caused by their competition and by their unresolved border can easily escalate and derail their relationship.

3.4.6.2 CHINA'S GROWING MILITARY POWER

China's rapid economic growth in the last decade has given it the capability to transform itself into a military power. Its rapidly modernizing military is a cause of great concern for India. China's military may or may not be able to take on the USA in the next few years, but it will surely become the most dominant force in Asia. The consistent increases in defence budgets over the last several years have put China on track to become a major military power and the power most capable of challenging US predominance in the Asia-Pacific. While China's near-term focus remains on preparations for potential problems in the Taiwan Strait, its nuclear force modernization, its growing arsenal of advanced missiles, and its development of space and cyberspace technologies are changing the military balance in Asia and beyond.

China in recent past surprised the world by destroying a satellite in space by its newly developed missiles/rockets capability. It has also shown to world of its new technological capabilities by developing J-20 Stealth Bomber. China also has successfully developed Deng Fong ICBM having capability to cover a distance of 5000 Kms. It has also acquired an Aircraft Carrier and is also making three more aircraft carriers which would help it in acquiring a capability of true 'Blue Water Navy'. China has begun laying claim on entire Yellow Sea, East China Sea and South China Sea as areas of its core interests, thus, raising serious differences with countries like Japan, Vietnam, Thailand and Philippines over demarcation of maritime boundaries. It has also been opposing the presence of US Navy in areas of its core interest. In past, it has also tried to increase its presence in Bay of Bengal, Arabian Sea and disputed India's presence in Indian Ocean region by openly stating that China has valid interests in this region too for the sake of keeping all the 'sea lanes' opened round the year. It is this new strategic approach

on part of China that has raised serious doubts within minds of all neighbours including India.

3.4.6.3 CHINA'S INVOLVEMENT IN SOUTH ASIAN STATES

South Asia has always been an area of importance for India from security point of view. Security concerns have often guided India's relations with its South Asian neighbours. At the same time, asymmetrical relationship between India and her neighbours has made South Asian countries to involve China as a counterweight to India, thereby, complicating the security scenario and often resulting in strained relations with India. As a result, South Asian geo-strategy and geo-politics constantly gets influenced because of the presence of external powers like China and the USA in the region.

However, from Beijing's perspective, 'whether China and Nepal, Sri Lanka, Bangladesh, or Pakistan wishes any particular relations is exclusively for them to decide. For India to attempt to dictate or limit those relations is unacceptable.' In their meetings with these countries, the Chinese continue to bemoan India's 'big brotherly' and 'hegemonic attitude'. Emphasizing that 'all countries, big or small, should be treated equally', Beijing has long been critical of the use of coercive strategies and always reiterated that New Delhi's security interests are not compromised by their ties with China.

According to many experts, China's deeper involvement in Nepal, Sri Lanka, Maldives, Myanmar and Bangladesh has certainly raised alarm in India. Extending of its Rail network right up to Kathmandu from Tibet's Lhasa would bring it very close to Indian borders. Chinese help in developing Hambantota Port in Sri-Lanka has raised serious concern in India as it is consider as intrusion into India's backyard. Recent political developments and coups in Maldives also made India suspicious of Chinese hand.

China's forward movement in the name of Belt and Road Initiative (BRI) also brought considerable strain in Sino-Indian relations. The expansion increases the tensions between India, which regards the region as its strategic sphere of pre-eminence, and China, which seems interested in integrating some or all of South

Asia in its orbit to establish an economic and strategic presence in the Indian Ocean. The BRI's continued expansion into South Asia and toward the Indian Ocean has also pushed China closer to Pakistan, through which the crucial China-Pakistan Economic Corridor passes, at the inevitable expense of its relations with India.

3.4.6.4 THE PAKISTAN FACTOR

China has tried hard to maintain a rough 'balance of power' in South Asia by preventing India from gaining an upper hand over Pakistan. China has consistently assisted Pakistan's nuclear weapons and ballistic missile programmes to counterbalance India's development of new weapons systems. India's preoccupation with Pakistan reduces India to the level of a regional power, while China can claim the status of an Asian and world power. It is instructive to note that even as India and China share similar concerns regarding Islamist terrorism in Kashmir and Xinjiang, respectively, China has been rather unwilling to make a common cause with India against Pakistan.

From China's perspective, Pakistan serves many of its vital geo-strategic objectives in the region. First, friendship with Pakistan provides a useful counterbalance to India's pre-eminence in South Asia, helping to check India's growing presence and clout in the region. Second, Pakistan serves as an important gateway to the Muslim world. It also provides China an access to energy rich countries in Western Asia, helping China meet its growing energy requirements. Both countries are started constructing an 'Economic Corridor' that would connect Kashgar in China and Gwadar Port of Pakistan in Arabian Sea. Pakistan also provides a quick physical channel to China's relatively less developed Western parts, particularly spurring development in the restive province of Xinjiang, which is crucial to China's internal security. Third, it helps China in its long-term strategy of keeping US preponderant influence in the region at bay. From Pakistan's perspective, China is an indispensable ally in helping Pakistan counter India with which it has had an acrimonious and unequal relationship for the last six decades. Pakistan is also heavily dependent on China for its vital defence supplies and critical help in augmenting its technological and nuclear capabilities. Last, but not

the least, China provides it crucial moral and diplomatic support in the international arena in its time of need. For instance, when India introduced a resolution in 2015 against Pakistan for releasing the mastermind of Mumbai terrorist attack, Lakhvi, China opposed the resolution to save Pakistan from international embarrassment.

3.4.6.5 CHINESE PRESENCE IN INDIAN OCEAN

Sino-Indian geo-political rivalry has acquired a maritime dimension, as Beijing is laying the groundwork for a naval presence along maritime chokepoints in the South China Sea, the Malacca Straits, the Indian Ocean and the Straits of Hormuz in the Persian Gulf through acquisition of or access to naval bases in Cambodia, Burma, Bangladesh, Sri Lanka and Pakistan. China's assistance to Myanmar in constructing and improving port facilities on two Cocos islands in the Bay of Bengal and the Andaman Sea has seen by many as the first step to securing military base privileges in the Indian Ocean, potential listening posts for gathering intelligence on Indian naval operations and as a forward base for future Chinese naval operations in the Indian Ocean. This could have great strategic consequences due to India's traditional geographic advantages in the Indian Ocean are increasingly at risk with any deepening Chinese involvement in Myanmar.

For its part, India has countered the Chinese efforts by promoting defence cooperation with the US, Japan, Vietnam, Australia, Taiwan, Philippines, Singapore, Australia and Israel. As part of its 'Look East' strategy, India has concluded over a dozen defence cooperation agreements over the last decade and the Indian Navy has been holding joint naval exercises with East and Southeast Asian countries to signal to the Chinese navy that its future presence will not go unchallenged.

3.4.6.6 CHINA'S STRING OF PEARLS POLICY

The emergence of the String of Pearls is indicative of China's growing geopolitical influence through concerted efforts to increase access to ports and airfields, expand and modernize military forces, and foster stronger diplomatic relationships with trading partners. However, this theory of string of pearl is to surround India from its three sides. The String of Pearls refers to the network of Chinese military and commercial facilities and relationships along its sea lines of communication, which

extend from the Chinese mainland to Port Sudan. The sea lines run through several major maritime choke points such as the Strait of Mandeb, the Strait of Malacca, the Strait of Hormuz and the Lombok Strait, as well as other strategic maritime centres in Pakistan, Sri Lanka, Bangladesh, the Maldives and Somalia. China's influence in South Asia, encircling India, forays into Indian Ocean continue to loom large and creates mistrust. However, China view all these efforts to safeguard its interest in the evolving strategic relationship between the US, India, Japan and South-East Asian Countries and Australia.

For its part, China sees a close Indo-US relationship as an attempt by the USA to encircle China, especially as it comes along with increasing US military presence and influence in Central and South Asia after the terrorist attacks on the USA on 11 September 2001. China has reacted strongly against the idea of a 'democratic quad' consisting of India, Japan, Australia and the USA, as manifested in their joint military exercises in the Bay of Bengal in September 2007.

3.4.7 SINO-INDIAN RELATIONS : CONTEMPORARY SCENARIO

The India-China relationship today is marked by low levels of mutual trust, pervading ambivalence in each country's approach to the other, and the lack of knowledge of the other among the people of either country. Though conflict and cooperation are always present in relations of two powerful countries, however, the historical baggage and contemporary strategic context is impeding the relations. As countries representing such a huge population, both countries needs to reorient their policies to lift the living standards of their respective populations.

What Deng Xiaoping once said for China, "Development is the hard truth" is equally applies to India. It is only a strong, secure, economically developed India that can successfully achieve the goal of being a leader on the global stage. A partnership for development between India and China is a win-win partnership and neither side can lose in such a transaction. India, which has distances to cover in its development marathon, aims well to draw in investment and infrastructure-creating expertise from China.

Knowing this fully, Indian leadership is making efforts to improve its relations with China. When the new government was formed under the Prime Minister Narinder Modi, the first important dignitary who visited India is Chinese President Xi Jinping. It was the first time an Indian PM was receiving a foreign head of the state outside Delhi, in Gujarat, the home state of the Prime Minister. There was also a departure from the tradition of signing international agreements in the national capital. Not only that, Xi became the first Chinese leader since Zhou Enlai to be feted at a civic reception. Relations, which nosedived after the 1962 war, improved in later years but not to extent where an Indian leader would make a public show of engagement with a neighbour of which people remain wary.

During this visit of President Xi, many agreements signed between India and China. The most important one is opening of another route to Kailash yatra, from Nathula Pass in Sikkim. Similarly, agreements worth \$20bn signed that include infrastructure projects, railways and power generation.

Similarly, during Prime Minister Modi's visit to the China in May 2015, almost 24 agreements signed between both the countries. Some of the important ones are:

1. For enhanced border defence cooperation, a "hotline" to work between the Military Headquarters
2. ISRO and China space agency to sign Space Cooperation Outline for Deep Space Exploration
3. Sisterhood between Karnataka & Sichuan; Aurangabad & Dunhuang, Chennai & Chongqing, Hyderabad & Qingdao
4. Extend electronic tourist visas to Chinese nationals. India will celebrate the "Year of China" next year
5. Agreement on climate change later this year, will address mitigation, adaptation, finance, technology development and transfer
6. China will open a new Consulate General in Chennai, India will open one in Chengdu

7. Tackle growing trade deficit by expanding economic relations in Infrastructure, IT, Pharma, Agriculture and Manufacturing

However, China must have been disappointed with India's reluctance to be a partner in China's Maritime Silk Road (MSR) amid the repositioning of American forces in the Asia-Pacific and an emerging trade deal between Washington and its traditional regional allies. China's 'One Belt One Road' initiative bearing the stamp of the Chinese President, Xi Jinping, himself, is a clever way of redrawing the map of the region on a Chinese-driven projection. The Maritime Silk Road provides a catchy name to China's 21st century foray into the waters of the Indian Ocean, building ports and staging points in key stations along the way, including Sri Lanka, the Maldives, northern Kenya, and Gwadar in Pakistan. The benefits to India are difficult to assess, as it legitimately seeks to consolidate time-tested ties and create its own organic connectivity with the islands and coastal lands of the Indian Ocean.

However, India has shown its keenness to the Bangladesh-China-India-Myanmar (BCIM) corridor. For China, the project is significant, because it would carve out a route that would bypass the Malacca Straits — a vulnerable chokepoint that the Americans dominate. The BCIM would also be the key for fostering integrated development of India's North-East, with Myanmar, Bangladesh and China as partners.

India's "part containment and part engagement" approach towards China has nevertheless led to the emergence of the Asian Infrastructure Investment Bank (AIIB), where both countries are founding members. The AIIB is expected to play a major role in the development of infrastructure in Asia, and contribute in the growth of the "one belt one road". India and China are also central to the emergence of the New Development Bank, steered by the BRICS, and which would have K.V. Kamath as its first head. India and China's partnership in redefining the global financial architecture can consolidate if India becomes a member in a future bank that will be formed by countries belonging to the Shanghai Cooperation Organisation (SCO) — an institution in which New Delhi joined as a full-fledged member in July 2015..

To sum up, both India and China have shown maturity in handling contradictions and conflict of interests in their bilateral relations while cooperating extensively on multilateral forums. This cooperation in multilateral forums yielded constructive results whether on trade relations or climate change. Similarly, both the countries are attempting to redraw and redefine the global financial architecture by establishing new banks that cater to the interests of the developing countries. Both of them are founding members of New Development Bank (under BRICS) and Asian Infrastructure Investment Bank (AIIB). Hence, both the countries are moving, in the words of Prime Minister Modi, from INCH (India and China) towards MILES (Millennium of Exceptional Synergy).

However, many developments in 2019 caused considerable tension between India-China. The relations are marked by the persistence of deep mistrust between the two sides, mistrust that severely limits cooperation and generates competition. Much of this mistrust is rooted in the inability of the two sides to resolve the numerous contentious issues that divide them. Such issues include competition in the Indo-Pacific and especially in South Asia, Beijing's entente cordiale with Islamabad, India's expanding rapprochement with the United States and Japan, the "Tibet issue," the unresolved territorial dispute, the deeply unequal economic relationship between the two sides, China's opposition to India's accession to the Nuclear Suppliers' Group (NSG), and the development of the BRI around India. Tellingly, none of these issues has seen much progress in the last year. Instead they either produced tensions between the two Asian giants, such as those over Kashmir, or served as a subtext of their foreign policies.

For example, New Delhi's deep unease over China's gradual construction of a China-centred economic order in Asia and its economic penetration in India played a major role in Modi's decision to pull out of the Regional Comprehensive Economic Partnership (RCEP) negotiations in November. This unease also explains India's continued opposition to the BRI, which was exemplified in New Delhi's nonattendance at the second BRI meeting in April. India's concern about China's rise in Asia in 2019 also pushed New Delhi to pursue further development of the Quad as a hedge against China, as signalled by its agreement to upgrade cooperation

in the grouping to ministerial level. Similarly, China continued in the last year to undermine India's position in South Asia. In another episode of its quiet competition with India in the Himalayas, China agreed to build a railway from Tibet to Nepal's Kathmandu, potentially a game changer for its position in the Himalayan country, and made a new push to establish diplomatic relations with Bhutan.

3.4.8 INDIA-JAPAN RELATIONS

The relationship between Japan and India has been influenced by the international power configuration over time. In the early post-War period, both countries embraced idealistic mooring about how the world should be. In due course of time, the United States (US) alliance system put Japan in the western camp of Cold War power politics while India followed a policy of non-alignment. However, with the end of the Cold War and the transformation of Asia into a composite power playground, India and Japan have developed a much closer relationship. The relative decline of America's strategic interest towards the East Asian region and the changing dynamics of security in Asia have forced Japan to search for new partners in Asia, culminating in the present strategic partnership with India. Prime Minister Mori Yoshiro's visit to India in 2000 signalled an upward swing in the relationship. The 'China factor' and improvements in US relations with India spurred a new peak in the relationship in 2006–07 as Japanese Prime Minister Abe Shinzo oversaw the design of a new roadmap for Japan–India relations, with much stronger concern for its strategic as well as economic dimensions.

3.4.9 INDIA-JAPAN RELATIONS : HISTORICAL BACKGROUND

During early decades of Post WW-II period, India-Japan relations did not witness much movement on each other's part. Japan was still in the process of recuperating from the use of two atom bombs by the US against their two cities, Hiroshima and Nagasaki, on 6th and 9th August 1945. The first peak in the post-war bilateral relationship resulted from a bank of goodwill emanating from India's stance on a newly defeated Japan. During the military tribunal after World War II, Indian judge Radha Binod Pal disclaimed the notion of persecuting Japan's wartime leaders. As a member of the Far Eastern Commission, India also tried to convince

allied powers to end their occupation of Japan. Later India refused to participate at the San Francisco conference on the grounds that peace could not last if China and the Soviet Union were not party to the peace treaty. India instead signed a separate treaty with Japan soon after the conference and renounced war reparations from Japan.

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

3.4.9.1 COLD WAR AND DETERIORATION IN INDIA-JAPAN RELATIONS

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

Domestic factors were at work, too. Unlike many other Asian countries in East and Southeast Asia, Japan saw no economic attractions in India. It was not just that India's economic growth remained very low. India's highly regulated economy and lack of both resources and markets that would complement Japan's needs as an international trader left little place for India in Japan's international economic

mission. There was also no multilateral forum where Japan and India could engage with each other to compensate for their weak bilateral ties. Further fuelling bilateral disengagement was mutual ignorance. India's image in Japan highlighted India's sporadic ethnic violence, periodic political turmoil and continuing war and conflict with neighbouring states, especially its vexed relationship with Pakistan. Hirose calls this period the 'dark age' of India–Japan relations.

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

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

3.4.10 POST-2000 : IMPROVEMENTS IN INDIA-JAPAN RELATIONS

The negative impact of India's nuclear tests did not prolong too long. Due to changing post- Cold War dynamics and important strategic developments prevailed upon the leadership of both the countries. Internationally, Japan's chief ally, the

United States, had begun to claim better understanding of India's strategic environment, and the US move to develop closer relations with India forced Japan to rethink its own position on India. With its mighty neighbour China looming ever larger, Japan recognised India's potential for helping to balance power vis-a'-vis China as a mainland Asian giant and for stretching Japan's ties with Asia westward. Furthermore, India's economy was on the upswing, especially through its IT revolution, and Japanese businesses recognised increasing economic opportunities in India. India too was keen to restore relations, recognising Japan's motivations as serving its own interests strategically and economically.

3.4.10.1 GROWING PARTNERSHIP WITH HIGH LEVEL VISITS

Following US President Bill Clinton's visit to India in early 2000, Prime Minister Mori Yoshiro visited India in August 2000, signalling Japan's desire to mend fences and regenerate the relationship almost broken only two years previously. Mori's meeting with Prime Minister Vajpayee produced agreement to build a 'Global Partnership between Japan and India in the 21st Century', initiating the 'global partnership' concept that all subsequent prime ministerial visits by both sides have sought to develop further and bring to fruition.

Official-level contacts have expanded significantly alongside reciprocal visits by Japanese prime ministers and their Indian counterparts. While visiting India in 2005, Prime Minister Koizumi Junichiro agreed on an eightfold initiative to build the global partnership, particularly reinforcing its strategic orientation. In 2006 during Prime Minister Manmohan Singh's visit to Tokyo, the two nations established a 'Strategic and Global Partnership' with annual summits in 2007 and 2008 in each other's capital alternately; but the highlight of prime ministerial visits was that by Prime Minister Abe Shinzo in August 2007. His visit and the kind of reception he received were reminiscent of the visit of Prime Minister Kishi, Abe's grandfather, 50 years previously. While emphasising historical links and contemporary sharing of interests as two democratic nations with vast populations, Abe signalled his country's intention to engage with India economically as never before by including some 200 business and trade leaders as part of his

entourage. Strategically, both Abe and his successor Aso Taro favoured a quadrilateral framework involving Japan, India, the United States and Australia and building an alliance of democracies described as the ‘arc of freedom and prosperity’, with India as a key player. Whereas Japan had long been reluctant to include India in regional groupings such as the Asia-Pacific Economic Cooperation (APEC) Forum and the ARF, Japan now persuaded other members to accept India as part of the East Asian Summit process, clearly extending the political construct of ‘East Asia’.

The India-Japan summit level meeting held on 25 January 2014 and Prime Minister Shinzo Abe’s presence as the chief guest of India’s Republic Day parade the following day marked the deepening bond between the two countries. There has been a high-level of bilateral exchanges between the two countries from Manmohan Singh’s visit to Tokyo in May 2013 to Abe’s latest visit. Emperor Akihito and Empress Michiko visited India in November 2013 followed by the visit of the Defence Minister Itsunori Onodera in January. Clearly, a push towards strengthening the strategic partnership between India and Japan is ongoing.

When Prime Minister Narinder Modi visited Japan in September 2014, Japan Prime Minister Abe assured of \$33.5 billion public and private investment and financing including ODA, doubling Japanese FDI and the number of companies in India over the coming five years. Even as the footprint of Japanese ODA in India is expanding in the infrastructure sector, the economic content of India-Japan bilateral relation so far is not commensurate with the diplomatic energy. Modi’s visit reflects an attempt to address the concern over low economic profile of the relationship.

In what would have been music to the ears of the Japanese government, Prime Minister Narendra Modi, during the same visit, said the “expansionist” ideas of the 18th century are still visible in the world — some countries “encroach” on others, some “enter the seas”, and some “capture other’s territory”. While he did not name China, the reference to “encroachment” and “entry into the seas” is being interpreted as a reference to China’s spats with Japan over the Senkaku Islands.

3.4.10.2 CHINA FACTOR

One of the main factors bringing India and Japan together is structural and directly linked with the strategic context. The changing international order – including most notably, the rise of China – will see the two countries increasingly thrown together on a variety of issues. The emergence of China as a potential regional hegemon in Asia has compelled India and Japan to adopt a balancing behaviour to prevent a potential threat to their security. Moreover, their common view of Asia's security architecture has created some convergence. Indeed, China seeks a multipolar world but a unipolar Asia centred on Chinese power, whereas India and Japan desire a multipolar Asia and a multipolar world. These converging views have created the momentum for increased cooperation. India and Japan have put their relationship on a firm basis which includes a “2+2 dialogue”, the foreign secretary dialogue, the defence secretary dialogue and the trilateral dialogue between India, US and Japan.

The China factor also led to India became part of the Quadrilateral Security Dialogue (Quad) – an informal strategic dialogue between the United States, India, Japan, and Australia. The dialogue was initiated in 2007 by Prime Minister Shinzo Abe of Japan. Perceived as the league of like-minded democracies converging across the Indian and Pacific Oceans, the Quad is symbiotically linked with the geopolitically ascending region, the Indo- Pacific. The alliance ostensibly has all the key ingredients necessary to underwrite and strengthen multilateral military and strategic cooperation. The threat of China's hegemonic regional aspirations, amplifying offensive military capabilities and aggregate power, as well as its geographical contiguity to India, Japan, and Australia should typically elicit strong balancing behaviour.

While all the member states in the Quad have a robust strengthening network of ties with implications in the maritime domain, including security dialogues and military exercises, the quad as a unit has failed to deliver substantively in terms of achievements and commitments towards laying a bedrock of a strong security arrangement in the Indo-Pacific As such, informal promises,

some members' increasing apprehension apropos China and dithering regional resolve from Washington under Donald Trump have not produced the required joint resolve for concrete deliverables.

3.4.11 TRADE AND ECONOMIC COOPERATION

It was only during the decades of late 1970s, Japan's economy recovered and Japan emerged as an important economic power at the world level and slowly emerged as one of the very important countries who would provide economic aid and assistance to many of the Third World Countries. As a result of Japan's official Overseas Development Aid (ODA) policy India also became the beneficiary of Japan's Annual Aid. The Japanese aid and assistance continues even as on today. India's association with Japan became very important during Rajiv Gandhi's tenure and he even visited Japan in mid 1980s. Prime Minister Rajiv Gandhi's government took the initiative of laying the foundation of liberalisation of Indian economy in mid 1980s itself and Japanese companies like Honda Motors, Suzuki Motors, Sanyo Co., Sony Co., Toshiba Co. and many other electronic companies entered India for setting up of their industries in India. Since then India and Japan both have not looked backwards and today both are strategic partners and share similar concerns with each other. India's famous Delhi Metro Project and several other infrastructure related projects including the setting up of Software Parks in different cities of the country have been some of the finest examples of stronger bilateral relationship between India and Japan in recent decades.

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

94% of items traded between India and Japan over a period of 10 years. The Agreement is expected to give major boost to trade and investment ties between India and Japan.

In 2017-2018 India Japan bilateral trade reached US\$ 15.71 billion. Exports from Japan to India during this period were US\$ 10.97 billion and imports were US\$ 4.74 billion. India is emerging as a favoured destination in Asia for Japanese FDI. India has been ranked as the one of the most attractive investment destination in the latest survey (2018) of Japanese manufacturing companies, conducted by the Japan Bank for International Cooperation (JBIC). From Financial Year (FY) 2015 The statistics show that Japanese companies have made actual investments of \$12.66 billion to India between April 2000 and June 2012. This accounted for 7% of total FDI inflow into India and made Japan the 4th largest investor in India. Japan Bank for International Cooperation (JBIC). From Financial Year 2015-16 to FY 2016-17, Japanese FDI into India increased from US\$ 2.61 billion to US\$ 4.7 billion. However, for FY 2017 18 it was US\$ 1.6 billion. Cumulatively, since 2000 the investments to India have been around US\$ 27.28 billion (Japan ranks third now among the major investors), which is also highest as a single country investment source.

The number of Japanese affiliated companies in India has grown significantly over the last five years during the UPA-I government and nearly 1000 Japanese companies are operating in India. Japanese FDI into India has mainly been in automobile industry, electrical equipment, pharmaceuticals, trading and telecommunications sector. The current level of FDI from Japan reflects neither the potential of Japan to invest nor the capacity of India to absorb. India's growing economy and stable investment climate offer large opportunities for Japanese companies.

On 15 November 2013, India and Japan inked two strategic agreements including one that will enable Tokyo to import rare earth minerals, a move which will help it to reduce its heavy reliance on China for the key material that is vital for producing a range of high-tech products. It has widened the

range of relations between India and Japan. The other is India-Japan agreement on social security.

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

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

PM Modi visited Japan for the 11th Annual Summit from 10-12 November 2016. Following their meeting, 10 Agreements/MoUs/ MoCs were signed/exchanged in a wide range of areas, including cooperation in the peaceful uses of nuclear energy, manufacturing skill transfer programme, outer space, marine, earth and atmospheric science and technology, agriculture and food related industry, transport and urban development, textiles, cultural exchange and sports. Japan Prime Minister Abe visited India (Ahmedabad) for the 12th Annual Summit in September 2017. During the visit, the two Prime Ministers oversaw the groundbreaking ceremony for the Mumbai Ahmedabad High Speed Rail Project. India and Japan concluded 15 MoUs or agreements in panoply of areas ranging from connectivity, investments, civil aviation, Japanese language training, disaster risk management, science and technology, and sports. PM Modi visited Japan for the 13th Annual Summit from 28-29 October 2018. Japan's announcement of joining the International Solar Alliance (ISA), Exchange of Notes concerning the

provision of seven Yen loan projects including the Project for the Construction of MAHSR, Currency Swap Agreement, India Japan Digital Partnership and Implementing Arrangement for deeper cooperation between Japan Maritime Self Defence Force and Indian Navy were among the 32 MoUs/Agreements signed during the Annual Summit.

3.4.12 COOPERATION IN DEFENCE AND NUCLEAR SECTORS

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

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

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

Manmohan Singh visited Japan, Japan agreed in principle to cooperate with India in the civilian nuclear energy sector in accordance with ‘appropriate international safeguards’.

The Japan government has given very positive assurance to Prime Minister Modi when the later visited Japan in September 2014 for early conclusion of an agreement on civil nuclear cooperation. While there was no agreement on the civilian nuclear cooperation, the two sides noted the “significant progress” and asked their officials to “further accelerate” the negotiations with a view to conclude the agreement at an early date.

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

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

3.4.12.1 MARITIME SECURITY

Since 80 per cent of the oil and 20 per cent of the ships bound for Japan pass through the Straits of Malacca, its protection is a matter of concern for Japan. The Straits of Malacca are very prone to piracy, robbery and other forms of maritime terrorism. Since Japan does not have direct access to protect its interests in this region, it cooperates with friendly countries to ensure safety of the shipping route.

In 1999, the Indian Navy and Coast Guard recovered a Japanese merchant ship *MV Alondra Rainbow*, which had been hijacked in the Malacca Straits, off the coast of Goa. Such incidents have led to closer coordination between the naval forces of Japan and India. This rescue operation was appreciated by the Japanese government, which stated that the Indian initiative in this regard underscored the importance of international cooperation to challenge piracy. During the visit of the then Indian Defence Minister George Fernandes to Tokyo in 2000, both countries initiated a security dialogue involving joint naval exercises, search and rescue missions and anti-piracy operations on the high seas. The geostrategic importance of India for Japanese maritime security is critical for the steady and uninterrupted supply of energy from the Middle East. As a major power with considerable naval prowess, Japan understandably expects India to assume a high-profile role in patrolling and safeguarding the busiest sea lane in the Indian Ocean.

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

3.4.13 ENERGY SECURITY

The increasing demand for energy to fuel India and China's economic growth, coupled with the impact of post-9/11 counter-terrorism measures in the Middle East, have forced energy (oil and gas) importing countries in Asia to formulate new long-term energy strategies. Japan is the second largest consumer of oil in Asia after China, its consumption of 5.9 million barrels representing approximately 25 per cent of regional demand in 2005. Increased vulnerability has instigated a

‘paradigm shift’ in Japan’s energy security concept, which in recent times has emerged at the top of the political agenda. Japanese policy makers have now recognised that energy is a strategic good rather than simply a commodity and that Japan’s energy policy should be determined by its long-term national interest rather than short-term economic considerations.

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

Bilaterally, India and Japan institutionalised “India-Japan Energy Dialogue” between the Planning Commission of India and the Ministry of Economy, Trade and Industry of Japan. It has become a platform for sector-specific discussions by experts of both sides to strengthen consumer-producer dialogue on LNG and deepen cooperation in energy conservation and renewable energy sectors. In addition, both sides decided to strengthen programs to further disseminate and expand model business projects that have thus far been implemented by the two sides, and to enhance cooperation in upstream development of petroleum and natural gas. The two sides recognized the need to promote industrial cooperation

to expand bilateral energy cooperation on a commercial basis. From this point of view, they reiterated the importance of India-Japan Energy Forum and regular inputs from the forum to the dialogue. Both sides discussed to explore way forward to showcase Japanese technology in energy sector for wider dissemination in India.

3.4.14 LATEST DEVELOPMENTS

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

3.4.15 LET US SUM UP

The Indian foreign policy has moved in different trajectories with China and Japan over the period. With China, though the improved relations conform to the interests of both peoples with developing economies, however, in practical terms, China's engagement with South Asia shall continue to shape broad contours of Indian foreign policy in the 21st century. China's arms transfers and cooperation with Pakistan continues but at the same time it has been trying to introduce

element of independence in its relations with India. Notwithstanding, resumption of bi-lateral talks between India and Pakistan and India and China, Sino-Pak strategic cooperation and rivalry between India and China would continue in future too. South Asian countries ought to learn managing their relations with China and India both to their advantage without being responsible for pitting China and India against each other. China's role in South Asia cannot be reduced; rather, India and China need to cooperate with each other for turning South Asia as one of the developed regions of the world by emphasizing upon regional cooperation among South Asian countries, thus making China's engagement with South Asia a success story.

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3.4.16 EXERCISES

1. What are the circumstances that led to the deterioration in Sino-India relations?
2. Write a note on about the normalisation process in India-China relations.
3. What are the areas of cooperation on which both India and China collaborated?
4. Critically analyse the issues of conflict in Sino-Indian relations.
5. Write a brief note on contemporary scenario in India-China relations.
6. Write a note on India’s contribution to end Japan’s isolation after Second World War.
7. Critically analyse factors that contributed to deterioration in India-Japan relations during Cold War.
8. Post-Cold War strategic developments significantly contributed to the increasing cooperation between India and Japan. Explain.
9. Write briefly India-Japan cooperation in trade and other economic dimensions.

—x—

4.1 REGIONS IN INDIA'S FOREIGN POLICY : SOUTH ASIA, SOUTHEAST ASIA AND WEST ASIA

—Rajesh Kumar

Whatever the present position of India might be, she is potentially a Great Power. Undoubtedly in the future she will have to play a very great part in security problems of Asia and the Indian Ocean, more especially of the Middle East and South-East Asia. Indeed, India is the pivot around which these problems will have to be considered...India is the centre of security in Asia.

—Jawaharlal Nehru

STRUCTURE

4.1.0 Objectives

4.1.1 Introduction

4.1.2 India and South Asia

4.1.2.1 Challenges Faced by South Asian Countries

4.1.2.2 Forced Migration

4.1.2.3 Factors Affecting Regional Cooperation in South Asia

4.1.2.4 Dynamics of South Asian Security

4.1.2.5 Indo-Centric Characteristics of South Asian sub-Continent

4.1.2.6 South As a Nuclear Flash Point

4.1.2.7 Changing Dynamics of Security in South Asia

4.1.2.8 India's South Asian Concerns in the 21st Century

4.1.3 India and South-East Asia

4.1.3.1 India-ASEAN Relations during 1980s

4.1.3.2 India and South-East Asia in Post-Cold War Period

4.1.3.3 India's Look East Policy

4.1.3.4 Economic Cooperation and Free Trade Agreement

4.1.4 India and West Asia

4.1.4.1 Factors Shaping India's Policy India's Policy towards West Asia

4.1.4.2 Evolution of India's West Asia Policy

4.1.4.3 India and Palestine Issue

4.1.4.4 India and Israel

4.1.4.5 India and Iraq

4.1.4.6 India and Iran

4.1.4.7 India and Gulf Cooperation Council (GCC)

4.1.5 Let us Sum Up

4.1.6 Exercises

4.1.0 OBJECTIVES

In this lesson you will study India's interaction with its neighbourhood and extended neighbourhood, that is South Asia, South-East Asia and West Asia. After going through this lesson, you should be able to know:

- India's challenges in South Asia and dynamics of South Asian security;
- India's relations with South-East Asia and the influence of strategic developments in post-Cold War in determining Indo-ASEAN relations;
- India's policies towards West Asia in general and particular to Palestine, Iran, Iraq, Israel and Gulf Cooperation Council;

4.1.1 INTRODUCTION

On independence in 1947 and even before, it was Jawaharlal Nehru, India's first prime minister and freedom fighter, who was the main architect of her policy on international issues. His vast knowledge of world history, his deep understanding of social, political, and economic forces that guide the destiny of nations, his grasp of contemporary ideologies such as Fascism and Marxism, his first-hand experience of colonialism and imperialism, enabled him to evolve a foreign policy suited to India's needs and the world's. He realized that given her great civilization, India could not but aspire to the right to speak in her own voice. Nehru's understanding of India's place in Asia and of Asia's place in the new world order that emerged in the aftermath of the Second World War has to be understood within the overall context of his approach outlined here. There is no doubt that Asia loomed large in his consciousness. This is testified to by the fact that even before independence, in March 1947, at his instigation, the Asian Relations Conference attended by more than twenty countries was held in Delhi. The issues of the conference were Asian independence and assertion on the world stage. Nehru invited states bordering the Indian Ocean, and most Asian countries as well as Australia came. The countries that Nehru invited were now, in the post-colonial period, largely fallen into three groups, South Asia, South-east Asia and West Asia. These are the three areas spread along with Indian Ocean are critical for India's security; hence, India has to factor – in the past, present or future – these three regions in its foreign and defence policies. The present lesson discusses India's foreign policy vis-à-vis these three regions spread in its neighbourhood or extended neighbourhood.

4.1.2 INDIA AND SOUTH ASIA

Geographically, South Asia is a natural strategic unit surrounded by the great chain of mountains – the Himalayas, Karakorum, Hidukush in the north and by the Indian Ocean in the south, east and west. Historically from the earliest times, the peoples of this region have been intimately linked by race, culture, religion, and sometimes by political allegiance. Political boundaries have not

been constant in South Asia. Empires have grown and fallen. It was British's who drew the political boundaries of the seven countries of the South Asian region. The most conspicuous feature on the face of South Asia is India, a veritable powerhouse in the region. In size, population, natural resources, level of economic development, standard of education, scientific and technological progress, gross national product and evolution of democratic political institutions, India is a relative giant. According to Partho Ghosh, India is a big country surrounded by small South Asian neighbours, with the exception of China. Further, both as a consequence of geography and history, every country in South Asia is intimately connected with India. The same ethnic and religious groups to which their peoples belong are also found in India, which is a vast and heterogeneous country. Social organization and styles of managing the environment are similar between each South Asian country and its adjoining part in India; for example, between Nagaland and northern Burma, West Bengal and Bangladesh, Tamil Nadu and Sri Lanka. Formal boundaries do not, and indeed cannot, contain the cultural overlap. There are matrimonial alliances, family ties and social associations across the borders between India and all of its South Asian neighbours. For better or worse, this intermingling of peoples, cultures, and religions imparts a familial quality to inter-state relations in South Asia. Despite several similarities i.e., all countries in the region are multi-ethnic and multi-religious societies, they also continue to have various sources of conflict, broadly, they can be traced to the colonial legacies, particularly, the drawing of political boundaries on a common cultural landmass and economic space and to the political dynamics in these post-colonial phase. The two geo- political features of the region, Indo-centrism and the asymmetry of power and resources among states have their own national and international dynamic in the region.

According to B M Jain, South Asia is now home to almost one-quarter of the world's population. Consequently, the development trends in South Asian countries have not only regional but also global ramifications. In particular, the spectacular economic growth in India, the largest South Asian country, over the past two decades has made it a global economic power-house. The Indian economy

is currently the third largest economy in the world by purchasing power parity (PPP), after the United States and China. In the next following sections we examine how India is faring in its immediate 'neighbourhood', that is, how it compares with its four larger South Asian neighbours namely, Pakistan, Bangladesh, Nepal and Sri Lanka.

4.1.2.1 CHALLENGES FACED BY SOUTH ASIAN COUNTRIES

In last few decades, SAARC countries have witnessed rise in human mobility and they all have been affected by human security challenges, and such issues continue to remain relevant for these South Asian countries in many respects. First, they represent a subset of the transnational issues as a growing threat to national and regional stability (such as transnational human trafficking and illegal migration). Second, they have, in varying degrees, undermined and distorted institutional state capacity, trade and (legitimate) economic growth in a region that is of geostrategic importance to India. Third, all carry significant implications for the lives, welfare and safety of ordinary citizens of South Asia. Fourth, they have often raised political tension and increased inter-state hostility and rivalry. Finally, because these challenges have not been addressed by established international and regional frameworks, they necessarily require innovative and novel countermeasures—something that none of the South Asian governments including Indian Government is not so well placed to facilitate, both by virtue of its resources and leadership role.

According to Subba Chandran of IPCS, New Delhi, India's neighbourhood has serious ethnic or provincial fault lines, which results in their blaming "foreign hand" (read India) for their internal problems. Violence in Karachi, suicide terrorism in Lanka; failure of nation building processes, due to faulty policies adopted by successive governments and regimes, are routinely blamed on India. Ironically, both the Maoists and non-Maoist political groups in Nepal blame New Delhi for the domestic instability. In Sri Lanka, both the Sinhalese and Tamils are apprehensive regarding the role played by New Delhi; while the Sri Lankan Tamils feel, that they have been "backstabbed" in not being supported by New

Delhi, the Sinhalese fear that New Delhi is secretly supporting the Tamils. Bangladesh is a classic example of how anti-Indian sentiments have become a national pastime, with Bangladeshis believing that India cannot and will never do anything positive vis-a-vis Dhaka. Worse, even if the regimes take any decisions on merits, they will be suspected of being either pro-Indian or worse, an Indian stooge. This hardening of public sentiment prevents governments in Dhaka from pursuing any policy that is even remotely perceived as being pro-Indian. In short, this is the regional problematique which India is facing today and is likely to face in the foreseeable future.

4.1.2.2 FORCED MIGRATION

India's bilateral relations with South Asian neighbours remain strained over the issue of illegal movements of people across its borders. The problems in North-East India have been simmering on for past several years. Census Reports of Government of India substantiate this fact that substantive changes in the demographic profile of north-eastern states have taken place which has led to precipitation of the illegal migrants' crisis. The recent ethnic conflicts in Assam is attributed to the long pending problem of illegal migrants (having entered Assam after 31-03-1971) staying in the state. India's neighbouring country Bhutan is accused of having uprooted several thousand people of Nepalese origin from their country and forcibly evicted them back to Nepal. A very large influx of Indians within Nepal has always been bone of contention between India-Nepal bilateral relations. Influx of large number of people from Pakistan Occupied Kashmir to Indian State of Jammu and Kashmir has complicated the Kashmir problem. Presence of Tamils of Indian origin in Sri Lanka and the demand for a separate Tamil Elam and the victory of Sri Lankan forces against LTTE continue to remain a very contentious issue between India and Sri Lanka. The problem continues even as on today over the issue of rehabilitation of remaining Tamils on Sri Lankan soil guaranteeing human security to them. Undoubtedly, South Asian countries continue to have strained relationship with each other because of the movement of people across each other's borders in search of better livelihood.

Except Sri Lanka, all other South Asian countries have very poor records in terms of human development index report prepared by UNDP annually. They continue to struggle very hard in meeting the targets of Millennium Development Goal (MDGs) as envisaged under UN Millennium Development Goals Declaration in year 2000. Thus, South Asia has more than its fair share of issues with insurgencies, radicalism, terrorism, and extremism. But none of these issues has prevented this from being one of the fastest growing sub-regions in the world in the last decade, and outperforming other sub-regions. But it is an open question whether we in South Asia have the institutions and habits of working together to address the real issues of political instability and the security challenges it faces. Without a peaceful environment security and prosperity to South Asian citizens cannot be ensured.

4.1.2.3 FACTORS AFFECTING REGIONAL COOPERATION IN SOUTH ASIA

According to Ghosh, British colonialism not only acted as a unifying force in South Asia but also as a force creating dissonance and division. While it brought the South Asian countries within the common colonial system, colonialism simultaneously sowed several seeds of discord which continue to plague interstate relations in South Asia even today. The differences between India and Pakistan over the issue of Jammu and Kashmir and between Sri Lanka and India over the issue Tamil Eelam are two examples of South Asian states which can be attributed to British legacy. In the post-colonial phase, the political dynamics in the countries of the region have been different owing to differences in the evolution of the forces of nationalism, the socio-cultural set up and the inherited economic structures. In India and Sri Lanka politics have remained generally stable and evolved smoothly. Other countries of the region have witnessed a cycle of democratic distortions and resurgence. Pakistan, Nepal and Bangladesh witnessed erosion of democratic processes and assertion of authoritarian governments. Bhutan has always remained a monarchy, though 2010 onwards Bhutan also has switched over to democratic processes. There was a democratic resurgence in all these countries in the early 1990s, but forces of regression have again been on the ascendance in Pakistan, Bangladesh and Nepal. Since 2006, people of Nepal have been struggling

hard to complete the process writing a new Constitution for themselves. While such political divergences act as hurdles in strengthening regional cooperation, the emergence of sectarian forces in South Asian countries in the recent past is vitiating the intra-state and inter-state relations.

The rise of sectarian forces in the multiethnic and multi-religious societies of South Asia has alienated the minorities resulting in the rise of ethnic and separatist movements. In Sri Lanka, the Tamil insurgency since the early 1980s that poses a challenge to Sri Lankan unity and integrity has resulted from the politics of ethnic consolidation of the Sinhalese in the political stem. It is only in 2009 that Sri Lankan forces won the war against LTTE forces but now there is complete urgency of resettling and rehabilitating Tamils who were uprooted during the course of war between government forces and LTTE. In Pakistan, the separation of Bangladesh was the consequence of the dominance of Punjabi ethnicity under the grab of the Islamic state. Similarly, the sense of deprivation in North Western Frontier Province, Baluchistan and Sindh as well as the rise of the Shia and Sunni sectarian conflict are the result of alienation caused by over centralisation and sectarianism. In Bangladesh, the Chakrna unrest is a reflection of Bengali and Islamic assertion. In Nepal, the Terai movement of the Maoist insurgency of the late 1990s are manifestations of protest against the dominance of hill people, and against a Hindu state, respectively. In India, the unrest and ethnic turmoil in the northeast, Punjab and Jammu and Kashmir is a clear evidence of the failure of even a secular state to integrate its socially divergent groups.

To Ghosh, nation-building process is still an unfinished task in the region. Almost all the countries in the region face the threat of political disintegration. Given the ethnic and religious overlap in the region, ethnic, religious and linguistic conflicts in one country invariably have an impact in the other country of the region. The contiguous and open boundaries allow easy flow of people, goods and ideas across the borders interfering with economic and political relations. Most of the internal security crises that plague South Asian states have a cross-border dimension, and many are inter-related. Whether it is the Maoist insurgency in Nepal, the persistent ethnic problem in Sri Lanka, the increasing use of Bangladeshi

territory by Islamist extremists, the proliferation of small arms, or the menace of drug trafficking and narco-terrorism, each has significant transnational dimensions. States in the region, often accuse each other of covertly or overtly lending support to separatist and the dissident movements.

4.1.2.4 DYNAMICS OF SOUTH ASIAN SECURITY

With none of the South Asian countries sharing borders with each other, except with and through India, the region is geopolitically Indo-centric in character. One consequence of this is that India's intra-regional interactions are inherently bilateral. India cannot avoid interactions with its neighbours, while none of its neighbours have a similar compulsion to interact with the other South Asian country, except India. It is, therefore, not surprising that India figures prominently in the inter-state problems of the region. Most of the South Asian countries fear India's dominant position in the region. India also has been pursuing foreign policies towards South Asian neighbours expecting compliance with India's wishes that all the neighbours must continue to have obligation towards it by remaining sensitive towards India's security. In case of non-compliance, India shall deal with the situation effectively as it may done so vis-a-vis Pakistan in 1971, Sri Lanka in 1987, Maldives in 1988, and Nepal in 1989.

All South Asian states have historic, cultural, linguistic, and religious ethnic links with India and they all share borders with India rather than with each other. The postcolonial geopolitical landscape has created a number of overlapping ethno-religious and linguistic problems in South Asia. For example, Bengalis live in Bangladesh as well as in India; Kashmiris, Sindhis and Punjabis live in both India and Pakistan; more Tamils live in India than in Sri Lanka; Nepalese live in Nepal as well in India and Bhutan; and Tibetans live in China as well as in India, Nepal and Bhutan. Internal security issues in one state inevitably have external security ramifications.

According to Mohan Malik, India's relations with South Asian states have been guided by two major concerns: (1) geostrategic concerns, that is, a desire to insulate the Subcontinent from adverse external forces that might 'fish

in troubled waters' and thus destabilize India's security environment; and (2) geopolitical concerns, that is, a desire to ensure that geographical proximity and ethno-religious affinities do not lead to instability on or near its borders, particularly as they inevitably affect India's domestic, ethnic, religious and political relationships, and could give rise to secessionist demands within India. For India, South Asia has always been an area important from the point of view of its security. Security concerns have often guided India's relations with its South Asian neighbours. At the same time, South Asian countries have always pursued foreign policies which are India centric. Neighbouring countries have always expressed concerns regarding India's domination in the South Asian region. Asymmetrical relationship between India and her neighbours has made South Asian countries to involve China as a counterweight to India, thereby, complicating the security scenario and often resulting in strained relations with India. As a result, South Asian geo-strategy and geo-politics constantly gets influenced because of the presence of external powers like China and the USA in the region.

4.1.2.5 INDO-CENTRIC CHARACTERISTICS OF SOUTH ASIAN SUB-CONTINENT

The subcontinent remains predominantly Indo-Centric because of huge gap between India and her South Asian neighbours in many respects like country's size, population, economy, military power and availability of resources. The predominance of India in the region has had an intimidating impact on its small neighbours. India's neighbours have often perceived India as a big brother seeking to translate its physical domination of the region into a political and economic one. They have often raised concerns over motives of Indian actions. Indira Doctrine and Rajiv Doctrine expected a particular type of restraint on part of South Asian countries while taking decisions regarding their foreign affairs and avoiding any negative security implications for India in their dealings with any third country. However, the Gujral Doctrine was more accommodative and sensitive to the neighbours. Since then, successive governments in India are more accommodative than demanding.

In past decades, an important consequence of the predominance and centrality of India in the region has been the differences in the pursuit of strategic goals. While India has a sub-continental approach to its security, its neighbours have much restricted visions that are coloured by their local views rather than their perception as members of the South Asian region. Indian security concerns are related not just to the conflicts in the region, but to events in Persian Gulf, Central Asia, the Indian Ocean and to the changing world environment. On the other hand, its neighbours have sought to counter balance the regional predominance of India by cultivating extra-regional powers, especially China.

4.1.2.6 SOUTH ASIA AS A NUCLEAR FLASH POINT

Indo-Pakistan relations have taken a nuclear dimension with the nuclear explosions they had undertaken in 1998. Both the countries are overt nuclear power and thereby their behaviour towards each other complicates the security scenario. Several problems like Kashmir problem, Pakistan's waging proxy war and encouraging terrorism in Kashmir, the Siachen glacier etc. are often creating tension between both the countries. It is in this context, that the nuclear issue began to impinge on South Asian security. While the existence of nuclear weapons appears to have diminished the probabilities of large-scale conventional wars between India and Pakistan, a range of 'non-standard', 'irregular' or 'low intensity' wars have become the most prevalent manifestations of confrontation between India and Pakistan. South Asia remains the most dangerous region, a nuclear flash point, as a limited war could escalate into a nuclear conflict or terrorist activities could trigger off a chain of actions leading to the use of nuclear weapons.

Technically, both, India and Pakistan, have the capability to deliver nuclear warheads to big cities with the remotest chances of missile interception. Missiles cut flight-time to just three minutes too meagre for preventive action, and bound, according to former naval chief N. Ramdas, to trigger instant retaliation with devastating consequences. At no point in the Cold War conflict between the two superpowers was lag time less than 30 minutes. There are none between India and Pakistan. The region, therefore, requires dealing the nuclear issues with a sense

of urgency. Finally, in South Asia, a structural asymmetry exists and confronts the region making it less stable in the future than in the past. China is a wild card in South Asian security issues particularly in the context of Indo-Pak nuclear proliferation and regional arms control. Even though China is not a direct threat to India there is a considerable force in China's nuclear presence in the subcontinent as a result of China's military relationship with Pakistan. Despite the thaw in the India-China relations, China is, and is likely to remain the primary security challenge to India in the medium and long terms.

4.1.2.7 CHANGING DYNAMICS OF SECURITY IN SOUTH ASIA

It is sheer coincidence that three nuclear powers India, China, and Pakistan share common land borders with each other in South Asia. Nowhere in the world are three nuclear powers situated so close to each other. Off late, China has to be considered part of South Asia itself as it has over a period of few decades succeeded in connecting or getting access to South Asia through well-built highways and rail-networks which has enabled China to have unrestricted access towards Arabian Sea, Bay of Bengal and Indian Ocean. Thus a very complex security scenario exists within South Asia because of India-China-Pakistan security relations. The close security cooperation between Pakistan and China especially, in aftermath of US-Pak strained relationship over Osama Bin Laden's killing in Abbottabad and the killing of Pakistan's soldiers in Drone attack along with China's increased involvement in development of infrastructure in POK area has been a matter of serious concerns for India. Another issue that warrants India's attention in recent months is discussions over the likely transfer of Gilgit and Baltistan of POK to China on long term lease by Pakistan.

4.1.2.8 INDIA'S SOUTH ASIAN CONCERNS IN THE 21ST CENTURY

China's deeper involvement in Pakistan, Nepal, Sri Lanka, Myanmar, Bangladesh and Maldives certainly raised alarm in India. Extending of its Rail network right up to Kathmandu from Tibet's Lhasa would bring it very close to Indian borders. For India, it would be necessary to help these countries in developing and enabling them to stand on to their own feet. It would go a long way in winning the

trust of its smaller neighbours rather than coercing them on every issue because of its strategic considerations. As on today, both India and China are into competition mode through providing bigger economic aid to Nepal running into billions of dollars. India by remaining constantly engaged with leadership in Nepal has not allowed China-Nepal ties to overshadow its ties with Nepal. It has adopted pragmatic approach by allowing democratic forces to grow stronger in Nepalese politics.

Within the region, China has also established stronger relationship with Bangladesh and Bhutan. However, India continues to have better relationship and has received firm assurances from these countries not to allow their territories' to be used by non-state actors for carrying out illegal activities in India. The recently concluded border settlement agreement (June 2015) resolved a 41 year old irritant between India and Bangladesh and facilitated to lift the relationship between both the countries. No doubt, policy of non-interference in internal politics, greater accommodation over economic and trade relationships with these countries has helped these countries to not see India as their adversary. India has developed the technique of avoiding of over play of China factor in its relationship with South Asian countries; however, Pakistan remains exception to it.

About Sri Lanka also, India's policy has been to keep itself away from its domestic politics. India certainly is very positive about helping Sri Lankan government in rehabilitating Tamil people in millions who badly affected during military versus LTTE war. Regarding Chinese help in developing Hambantota Port on Sri-Lankan coast, it was only after India's reluctance to undertake this project there that China got this contract. In the past Sri Lanka has shown its preference for Chinese FDI. Though, it has also entered into free trade agreement (FTA) with India. For Sri Lanka, victory against LTTE has removed a constant India factor as irritant from their bilateral relationship greatly reducing the chance of seeking balance against India by roping into external powers like US or China. However, changing guard in Sri Lanka, after Rajapakshe lost in recently held elections, considerably improved the relations between both the countries. The new government stated that it reviews all the decisions taken by earlier government, which include the projects undertaken by China.

India has been of the view that emergence of strong democracies in South Asia would bring more stability in the region. Democratization forces the respective governments to pursue people's welfare programme. Due to democratic process and India's accommodative policies, the tendency of overtly seeking Chinese help in undermining India's influence in the region has been reduced considerably in recent period; only exception for this trend is Pakistan.

4.1.3 INDIA AND SOUTH-EAST ASIA

The Association of South East Asian Nations (ASEAN) is one of the most dynamic economic groupings in world economy and have achieved very high economic growth rates and spectacular economic growth through reforms in industry, trade and financial sectors. The region accounts for 77 percent of world production of natural rubber 75 percent of palm oil, 70 percent of copra, 43 percent tin, and 18 percent of bananas and vegetables. ASEAN's combined clout is quite significant—the combined GNP of the ASEAN countries have risen from US\$ 20 billion in 1965 to US \$310 billion in 1992.

Though Bandung Conference and NAM firmly placed India in close contact with ASEAN countries, very soon India's relations with these countries got into rough patch. The border war with China in 1962 put an end of India's expectation and of serious diplomatic role in its near-neighbourhood. From then till the end of the Cold War, India almost disappeared from Pacific Asia. India's interaction with ASEAN in the Cold War era can be described as a tale of missed opportunities. India declined to get associated with ASEAN in the 1960s when full membership was offered due to ASEAN countries' engagement with US under South East Asia Treaty Organisation (SEATO). India as a non-aligned country had strict reservations in being party to any kind of military alliances or in getting associated with those countries that were part to such an arrangement. Despite geographical proximity to Southeast Asia, sharing its maritime boundary with at least three countries, (India's second longest border, land and maritime together, is with Myanmar), the closeness of Andaman and Nicobar Islands in the Bay of Bengal to Southeast Asia than to mainland India, and the fact that Southern Indian tip is astride some of the

crucial and critical sea lanes of communication in the Indian ocean connecting Southeast Asia (and East Asia) with West Asia and Europe through which nearly 40 percent of the world's trade passes, Southeast Asia was hardly a foreign policy priority to New Delhi till the early 1990s.

4.1.3.1 INDIA-ASEAN RELATIONS DURING 1980S

According to Rajan Harshe, while the Cold War environment constrained India's relations with ASEAN nations, by the mid-1980s India had to grapple with unexpectedly strong reactions the expansion of the India Navy elicited. To Sanjib Baruah, from an ASEAN point of view of possible Indian naval role in the waterways that pass through Southeast Asia connecting Bay of Bengal with East Asia was of major concern particularly given the close proximity of India's newly expanded and upgraded base on the Andaman Island, called fortress Andaman (FORTAN). These straits are important international sea lanes of communication that form the main link between the Indian and Pacific oceans. Even while the cold war had decisively wound up by the early 1990s, India was seen by the ASEAN states as one of the strong competitors of project its power into southeast Asia and possibly fill the power vacuum that would inevitably ensue after the superpower withdrawal.

These were the circumstances that compelled policymakers in New Delhi to undertake certain moves firstly, to allay the fears in Southeast Asia and secondly, to wriggle out go the negative image that got built up. A series of events such as the end of the cold war, establishment of a new government in New Delhi under the leadership of P.V. Narsimha Rao, the economic reforms, etc. came in quite useful to introduce a new policy framework. Although Prime Minister Rao has been credited with the Look East policy, one can trace the roots to the initiatives the Indian Navy taken in late 1980's. Thus, economic exigencies and political compulsions later on added incentives to re-look at Southeast Asia refresh.

4.1.3.2 INDIA AND SOUTH-EAST ASIA IN POST-COLD WAR ERA

Since 1991, New Delhi and various Pacific Asian countries had engineered India's gradual re-engagement with the area. India became a Sectoral Dialogue Partner

of ASEAN in 1992 and graduated to a Full Dialogue Partner in 1996. Since 1994, it has been part of the Committee for Security and Cooperation in the Asia Pacific (CSCAP). In 1996, it also joined the ASEAN Regional Forum (ARF). India getting attracted towards ASEAN group of nations could be attributed to changes taking place both at internal as well as external level. Prime Minister Narsimha Rao's Government had unleashed massive economic reforms coupled with strategic considerations that compelled India not to ignore this important region of the world any more. India also has been keen to become full-fledged member of ASEAN subject to expansion in membership of ASEAN taking place any time in future. India's inclusion in ASEAN would not be that easy as long Pakistan is not included in this grouping which increases the apprehensions of the ASEAN members that Indo-Pak rivalry might affect their functioning also and hence any expansion of membership remains frozen. India also has interest not only in joining ASEAN itself but also the Asia Pacific Economic Community (APEC) and, in respect of the latter, has received support from Singapore and Australia.

Presently India's trade with ASEAN countries has reached to the level of 15 billion US Dollars per annum in 2008-09. India since early 1990 had been striving very hard to increase its economic involvement with Pacific Asia. Some of the important reasons for India getting attracted towards ASEAN countries as follows: first of all, the region has been one of the most dynamic trading and financial centres in the global economy and could serve as an engine of growth; second, the transaction and information costs of doing business were lower due to the region's geographic proximity; third, the intermediate level of economic development in most of Pacific Asia meant that Indian manufacturing goods can find a readier market; finally, the Indian communities in ASEAN, though not on the order of the overseas Chinese, could enlarge trade and investment with India.

The ASEAN too was responsive to India's initiatives as the regional organization which is facing a sort of uncertainty about the future. The earlier cold war image of ASEAN and India belonging to different political camps in the superpower dominated global bipolar system is no more valid, hence major obstacles for closer partnership has disappeared. In a changed context, the

ASEAN countries are appreciating, understanding and positively responding to India's overtures. The economic opportunities (a huge market like India) offered was an additional attraction. Equally significantly, the China factor too started weighing in Southeast Asian calculations particularly after the closure of the U.S. bases in the Philippines in 1992 and growing context for control of the South China Sea Island. Although New Delhi has overly loathed the idea of becoming a countervailing power vis-à-vis China, it did not seem to be averse to the idea of using Southeast Asian worries to advance its political and strategic interests.

4.1.3.3 INDIA'S LOOK EAST POLICY

According to P. Suryanarayana, India's Look-East policy was initiated in 1991 after the Cold War when India faced a number of strategic and economic challenges which threatened its political survival. In the first phase, the policy was implemented to revive its economic relations with Southeast Asia so as to divert trade away from its main trading partners in North America and Europe, thus reducing its economic vulnerability. India was accepted as a sectoral dialogue partner of ASEAN in the fields of trade investment, and tourism in 1992 and a full dialogue partner in 1995. In 1996, India formally became a member of the ASEAN Regional Forum. India's Look-East policy saw greater efforts at forging links with CLMV states (Cambodia, Lao, Myanmar and Vietnam) and gaining support for India to have a summit level meeting with the ASEAN. After intensive efforts to achieve parity with China, Japan, and South Korea in the ASEAN scheme of partnerships, India became a summit level partner in 2002. At the Third ASEAN-India Summit held in November 2004 in Lao, India and ASEAN signed an ASEAN-India Partnership for Peace.

4.1.3.4 ECONOMIC COOPERATION AND FREE TRADE AGREEMENT

According to D R Sardesai, though bilateral trade and investment relations have made significant development, the then Indian Finance Minister Yashwant Sinha was concerned that India's bilateral trade with ASEAN were mainly limited to only a few economic sectors and countries, and the balance of trade was in

ASEAN's favour. Thus the issue of bilateral trade was discussed at the first ASEAN-India Summit held in Cambodia in November 2002. The idea was discussed further at the Second India-ASEAN Summit in Bali, Indonesia in October 2003, and the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and India, which envisages FTA in goods, services and investment, was signed. The FTA in goods is targeted for completion by 31 December 2011 for Brunei, Indonesia, Malaysia, Singapore, Thailand, and India, and by 31 December 2016 for the Philippines and the CLMV. However, negotiations ran into difficulties as India insisted on excluding 1,414 items (including textiles, agricultural products) from the FTA. Countries like Malaysia and Indonesia would want agriculture products like edible oil, pepper and rubber to be part of the FTA. India's import duties and sectoral FDI caps in telecommunications and aviation are also impeding investments from ASEAN countries.

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

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

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

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

4.1.4 INDIA AND WEST ASIA

India has a long association with West Asian region. Mughal rulers who invaded India came from West Asia and Persian Gulf region. Spread of Islam across the world can be attributed to West Asia. India's cooperation with the countries in

West Asia and the Gulf region today reveal a contemporary nature and include the peaceful uses of outer space including the use of Indian launch vehicles. India maintained its historical and traditionally cordial relations and cooperation with the countries in the Gulf region. Gulf countries together provide 70% of our total crude oil requirement and about 5 million Indians live and work in the region, remitting more than US\$ 10 billion annually.

Last few year witnessed several high level visits which underlined the importance of the region to India. The most important was Prime Minister Dr. Manmohan Singh's visit to Qatar and Oman in November 2008 which opened new areas for bilateral cooperation. In Qatar, the Prime Minister signed two documents relating to defence cooperation and security as well as law enforcement matters. In Oman, an MoU on manpower and another for establishing India-Oman Joint Investment Fund were signed. India's the then Extremal Affairs Minister Pranab Mukherjee accompanied by MoS Shri E. Ahamed and Secretary (East) paid an official visit to Muscat from 13-14 January 2008. A wide range of bilateral and regional issues, including the revised format for Labour Contract to be signed between the Kuwaiti employer and Indian worker were discussed in meetings with the Deputy PM / Minister and Minister of Social Affairs in Labour. Since last several years, many high-level visits were made and it witnessed strengthened bilateral relations with Saudi Arabia. Saudi Foreign Minister Prince Saud Ali Faisal visited India twice in 2008. India views cooperation with West Asia is important because of its geographical proximity and historical-cultural affinity, as well as present day security concerns and economic interest.

India's engagement with West Asia in last few years was also witnessed many other visits of dignitaries from West Asian region, which include visits of President Bashar Ali- Assad of Syria, President Mohammed Hosny Mubarak of Egypt and President Mahmoud Abbas of the Palestinian National Authority. India's dialogue with Egypt was also taken forward during official visit by India's EAM to that country in July 2008. India's steadfast support for the Palestinian cause was underlined during the State visit of President Mahmoud Abbas of the Palestinian National Authority (PNA) during which, in the presence of the Prime Minister Dr. Manmohan Singh, President Abbas laid the foundation stone of the Palestinian Embassy building in New Delhi. India's

varied relations with the Arab world were institutionalized through a Memorandum of Cooperation with the League of Arab States signed in December 2008 during the visit of the Secretary General H.E. Mr. Amre Moussa to New Delhi. India contributed towards development of Iraq's human resources by providing 100 slots to Iraq under Indian Technical and Economic Cooperation (ITEC) programme to train its officials in various training and professional institutions all over India.

4.1.4.1 FACTORS SHAPING INDIA'S POLICY TOWARDS WEST ASIA

Some of the factors which have been primarily responsible for shaping up of India's foreign policy towards West Asia are:

Muslim Factor: India has the second largest population of the Muslim in the World. As large number of Muslims visits West Asia for pilgrimage purpose, India has the duty to ensure their safe travel to that part of the World. Pakistan has always tried to tarnish the image of India as anti-Muslim country and because of this it becomes the duty of India to allay such fears from their minds through diplomacy and continuous engagement with this part of the World.

Oil Supplies: Uninterrupted supply of oil at reasonable prices is vital for India's economic health in view of its heavy dependence on imports from the West Asian region. India imports more than 70 percent of total oil needs every year. It is only in recent years that India has started importing oil from Africa as well as Latin America. Any conflict in the region, such as the Arab-Israeli war, Iran-Iraq war and Kuwait crisis, is likely to contribute to the disruption of oil supply and/or price hike, imposing additional burden on the Indian economy.

Remittances: India has been receiving approximately \$50 billion every year in the form of remittances from Indians living abroad which is very crucial for overcoming its foreign exchange crisis. There are more than 3.5 million Indian migrant workers in the Gulf region, and they are among the highest foreign exchange earners for the country. Their wellbeing is a major concern for India. Any tension in the region, or in India's relations with these countries, may have negative consequences for these migrant workers and also for the Indian economy.

Religious Extremism: The ascendancy of conservative religious elements in the region is a cause for grave concern to India in view of its large indigenous Muslim population and the militancy in Kashmir. Pakistan, under the slogan of Pan-Islamism, tries to exploit the situation. It is evidenced by the growing sympathy shown by the Organisation of Islamic Conference (OIC) with Pakistan's stand on Kashmir issue. The rise of ISIS in this part of the world is certainly a matter of concern for India. India has been keenly watching the situation that has arisen in aftermath of Arab Spring Revolution that has swept large part of Islamic World.

Commercial Links and Trade Routes: India off late has been trying to redefine its maritime strategy and now it has been developing its capability to defend its interest right from Gulf of Aden in West to Straits of Malacca in East. India has substantial trade with West Asia. The region accounts for more than 20 per cent of our imports, mainly hydrocarbons, and 10 per cent of our exports, which include wheat, non-basmati rice, textiles, and engineering and manufactured goods. The Persian Gulf and Suez Canal are the main waterways through which bulk of India's trade is carried out. Hence, the safety of these routes is vital for the country. Iran is emerging as an important transit route in India's interaction with Central Asia and Afghanistan. India has formalised agreement with Iran for the construction of Chahbar Port on Iranian Coast which is being seen as an attempt to reduce the influence of China which has got its presence increased in Arabian Sea because of having constructed Gwadar Port in Pakistan.

4.1.4.2 EVOLUTION OF INDIA'S WEST ASIA POLICY

According to K.R. Singh, after its independence, India under the policy of Non-Alignment extended a hand of friendship to the countries of West Asia that were resisting the Cold War pressure to join rival military bloc. This led to close relations with Nasser's Egypt and Baathist Iraq (after 1968). Incidentally, Pakistan, along with Britain, Turkey, Iran and Iraq, became a member of the US supported Baghdad Pact in 1955 (renamed as CENTO after Iraq withdrew following the Revolution of 1958). India's

consistent support to the Palestinian cause created a favourable image of the country among the Arab States. This, coupled with the historical ties and the vigorous commercial links, has helped India build vibrant relations with almost all the countries of the area.

4.1.4.3 INDIA AND PALESTINE ISSUE

India has extended moral and political support for the creation of a viable state of Palestine alongside Israel. India shares the perception that the question of Palestine is at the core of the Arab-Israeli conflict. India became the first non-Arab State to recognise the Palestine Liberation Organisation (PLO) as “the sole legitimate representative of the Palestinian people” and allowed it to open its office in New Delhi in January 1975. The PLO Office in New Delhi was accorded full diplomatic recognition in March, 1980. India accorded recognition to the State of Palestine in November 1988 and the PLO Office in New Delhi started functioning as the Embassy of the State of Palestine. In the wake of establishment of the Palestinian National Authority (PNA), India opened its Representative Office in Gaza on June 25, 1996, for ensuring effective co-ordination with the PNA. India has supported the Middle East Peace Process since its launch with the Madrid Conference in 1991. It has also endorsed all the subsequent peace agreements between Israelis and Palestinians. The Palestinian leadership has been frequent visitors to India. President Yasser Arafat was in New Delhi in August 2001. India has extended financial and technical assistance for development works in Palestine areas. India’s steadfast support for the Palestinian cause was underlined during the State visit of President Mahmoud Abbas of the Palestinian National Authority (PNA) during which, in the presence of the Prime Minister, Dr. Manmohan Singh, President Abbas laid the foundation stone of the Palestinian Embassy building in New Delhi, a gift of the Government and people of India, and construction of which is nearing completion. Implementation of PM’s offer of \$10 million as budgetary support to the PNA was completed during the year. India strongly condemned the Israeli incursion into the Gaza strip that began in December 2008.

4.1.4.4 INDIA AND ISRAEL

India’s relations with Israel have entered into a very high trajectory. Israel has turned out to be one of the largest exporters of much needed arms to India. Several joint task

groups have been formed. India and Israel have been cooperating with each other on the issue of terrorism as both of them have been fighting menace of terrorism on their soils. Since the establishment of full diplomatic relations in 1992, there has been an upswing in the relations between the two countries in view of the common concerns about religious extremism and global terrorism. Israel and India have developed close cooperation in intelligence sharing and “counter-insurgency” operations. India has become a major buyer of Israeli armaments. There is a considerable potential for Indo-Israeli cooperation in the field of science and technology, particularly in areas such as dry land farming. There has been a spurt in high level bilateral visits in the recent times.

4.1.4.5 INDIA AND IRAQ

India and Iraq have shared common historical and civilizational links since ages. Both the countries had similar kind of cooperation with former U.S.S.R. India and Iraq have been strongest supporters of NAM. India and Iraq established close political and economic relations during the 1970s and 1980s. Incidentally, both concluded Friendship Treaties with the erstwhile Soviet Union—India in 1971 and Iraq in 1972. At one point of time, Iraq was the source of 30 per cent of India’s oil needs and home to 90,000 Indians working there. It was the only Arab country that consistently supported the Indian position on Kashmir. Indian firms got some of the biggest contracts in the country. Hence, the 1991 Iraqi invasion of Kuwait presented a difficult choice for the Indian foreign policy. India as leader of NAM could not prevent the beginning of war against Iraq in 1991. On the contrary, India suffered a lot because of the increase in international prices of oil as well as it was made to undertake one of the largest evacuations of Indian people from Iraq affecting badly the remittances of foreign exchange. The consequent oil price hike put serious strain on India’s balance of payments position. India favoured a peaceful political settlement, but ultimately went along with the UN Security Council Resolutions 661 and 678—condemning Iraq and authorising the use of force against it. Throughout the decade after 1991 Gulf War, India has maintained that “unwise and unjust” UN sanctions against Iraq should be lifted and has been sensitive to the suffering of the Iraqis. During the 2003 Iraq crisis also, New Delhi expressed its concern about the US military action because of its likely human and

material implications and its possible impact on oil prices. India continues to express its concerns regarding the ever increasing presence of Islamic State in this part of the world. The deteriorating security scenario is certainly a matter of grave concern that this ongoing attempt of ISIS group to radicalise the entire region must be prevented with international cooperation.

4.1.4.6 INDIA AND IRAN

India also shares very important historical and civilizational links with Iran. Like Iraq, Iran also has been member of NAM. The relations between Iraq and Iran were strained in the past due to regional dynamics and involvement of super powers, and also in post 1991 and 9/11 New York attack in U.S.A. Geographically, historically and culturally Iran has been closest to India, among the countries of West Asia. India enjoyed friendly relations with Iran during the Shah rule, which weakened after the Islamic Revolution of 1979. During the 1990s, India and Iran took steps to build a multifaceted relationship. There has emerged a large consensus between the two countries on various global and regional issues. In post 9/11 period, Iran has emerged as India's most viable transit option for trade with Central Asia and even Russia. New Delhi, Moscow and Teheran signed an agreement in St. Petersburg on 12 September 2000 for sending Indian Cargo to Russia via Iran through a 'North-South Corridor'. Once the new corridor becomes fully operational it could boost Indian trade with Central Asia as well as Central Europe.

India and Iran have exchanged regular high level visits. India's prime minister visited Tehran in April 2001 and the Iranian president was in Delhi in January 2003 to enhance their bilateral relations. India relations with Iran did receive setback when India voted against Iran inside United Nations Security Council on the issue of imposition of sanctions against Iran's non-cooperation with Western Powers on issue of its nuclear programme. India always supported Iran that it has the right to pursue its civilian nuclear programme but not the military nuclear programme. India also overcame the U.S. pressure of not having any trade with Iran specially the import of oil from Iran. India continued to import oil from Iran despite the sanctions against Iran. After the culmination of P5+2 Nuclear Deal with Iran, India's stand on Iran's right to pursue civilian nuclear programme has been vindicated. India continues to express its

concerns regarding the ever increasing presence of Islamic State in this part of the world. India and Iran need to work closely so that ever deteriorating security scenario in the region can be controlled. The ongoing attempt of ISIS group to radicalise the entire region must be prevented with international cooperation and country like Iran has very important role to play. Thus, countries like India need to maintain association with Iraqi and Iran both. The Nuclear deal concluded by Iran with Western countries in July 2015 certainly helps India to resume its full-fledged trade relations and economic cooperation with Iran, a trusted friend for a long time.

4.1.4.7 GULF COOPERATION COUNCIL (GCC)

The GCC was formed in May 1981 by the six Gulf monarchies of Saudi Arabia, Kuwait, United Arab Emirates (UAE), Qatar, Bahrain and Oman. It emerged in response to the challenges posed by the 1979 Islamic Revolution in Iran, the Iran-Iraq War (1980-88) and the Soviet intervention in Afghanistan (1979). These states are conservative Islamic monarchies, and have come under increasing pressures from extremist Islamic groups and terrorists. This has created a common ground between these countries and India. The GCC has also been among India's top two trading partners. According to the Reserve Bank of India, exports from the GCC to India have increased from US\$ 1.5 billion in fiscal year 1987/88 to an estimated US\$ 6.0 billion in 1999/2000. India's exports to the GCC rose from US\$ 0.5 billion in 1987/88 to about US\$ 3.0 billion in 1999/2000.

4.1.5 LET US SUM UP

West Asia has close geographical, historical and cultural links with India. India has vital political, strategic and economic stakes in the region. The area has emerged as an arena of intense rivalry among major global and regional powers. It is also witness to an upsurge in religious extremism and international terrorism. These have serious implications for India's security. In economic terms India is heavily dependent upon oil imports from this region. Remittances from Indian migrant workers have been an important source of foreign exchange. High consumption levels in the countries of these regions (particularly the Gulf) and India's growing export in the age of liberalisation and globalisation have

created immense opportunities for Indian business and industry. India's presence and influence in this region would be a crucial step in the direction of becoming a global player. But India also remains worried about ever deteriorating security scenario because of the growing presence of radical groups like ISIS.

4.1.6 EXERCISES

1. Write a note on challenges faced by South Asian countries.
2. How do you understand evolving dynamics in South Asian region?
3. The post-Cold War strategic developments are significantly influenced the growing cooperation between India and South-East Asian states. Do you agree with this view?
4. How West Asia is important to India's Foreign Policy?

—x—

M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy

UNIT – IV: INDIA'S ROLE IN INTERNATIONAL AFFAIRS

4.2 INDIA AND INTERNATIONAL ECONOMIC REGIME: WTO, IMF AND WORLD BANK

–V. Nagendra Rao & Rajesh Kumar

STRUCTURE

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4.2.1 Introduction

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4.2.5 Let us Sum Up

4.2.0 OBJECTIVES

In this lesson you will study India's interaction with international financial regime in general and its relations with WTO, IMF and World Bank in particular. After going through this lesson, you should be able to know:

- India's role in institutionalising WTO and how it is managing the differences with the developed world;
- India's interaction with IMF and from dependence to graduation from the need of any aid; and
- The World Bank's assistance in undertaking development projects in India and its influence in pushing economic reforms ;

4.2.1 INTRODUCTION

Multilateral economic institutions (MEI) play a significant role in shaping contemporary political and economic interactions across the globe. By their very nature, MEIs embody the collective aspirations of sovereign states. They derive their authority and legitimacy from the willingness of states to concede part of their sovereign decision-making power to such multilateral bodies. In the post-World War II period, MEIs had a clear mandate to resurrect the global political economy from the ravages of the war and set up a system of rules, institutions and procedures to regulate the international economic system. Three institutions were created at Bretton Woods conference to manage international trade and financial architecture. The International Monetary Fund (IMF) was created to stabilize the monetary economics (stabilizing the values of currencies), the World Bank was entrusted with the development and reconstruction and the International Trade Organisation (ITO) was envisaged to regulate trade among the states. Since there

is no consensus on nature and functions of the ITO, the institution was never came into existence. A simple agreement on trade was concluded with the nomenclature General Agreement on Trade and Tariffs (GATT). However, the dissolution of the Soviet Union and the world moving towards the US-centric unipolarity, the GATT was replaced with the World Trade Organisation (WTO), replacing the GATT.

4.2.2 INDIA AND WORLD TRADE ORGANISATION

India was one of the 23 founding Contracting Parties to the General Agreements on Tariffs and Trade (GATT) that was concluded in October 1947. India's leaders served as spokesmen for developing country concerns in the discussions that led to the GATT, and India has often led groups of less developed countries in subsequent rounds of multilateral trade negotiations under the auspices of the GATT. India's participation in these international economic negotiations is illustrative of its (and other developing countries') ambivalence towards the importance of trade and of the world trading system in accelerating development. This history provides a broader sense of why India, along with other developing countries, avoided international integration for decades. The legacy of the colonial era as a determinant of India's distrust of the international economy is but one part of the history.

The GATT had pursued trade liberalisation from its inception in 1947. Through successive rounds of multilateral negotiations, it had succeeded in reducing the tariff levels in the developed countries from the average of 40 per cent in 1948 to less than 4 per cent by the end of the Uruguay Round. This was no mean achievement. The Uruguay Round was the most ambitious and the most complex compared with any of the previous Rounds. That is why it took nearly 10 years to complete. Apart from its objective of tariff and trade liberalisation, the principal aim of the Uruguay Round was to strengthen the multilateral trading system to face the needs of the future. It was feared that with tariffs descending to insignificant levels, countries might be tempted to misuse non-tariff measures for purposes of protection. New sectors of trade were developing at a much faster

pace. Because of these reasons the GATT approached the strengthening of the system in the Uruguay Round from four directions. The most important aspect was aimed at improving the functioning of the GATT system as a whole and for increasing the overall effectiveness of the GATT as an institution. This resulted in unconditional application of GATT rules by all members. A new safeguard agreement was developed to govern the introduction of protective actions. A comprehensive dispute settlement mechanism was installed. A new institution was created in succession to the GATT – the World Trade Organization (WTO) – with a wider ambit covering international trade in both goods and services.

4.2.2.1 ESTABLISHMENT OF WTO

As per the Uruguay Round negotiations, the WTO was established on January 1, 1995 and the implementation of the Uruguay Round results began from the same date. Unlike the GATT whose membership was rather limited, the WTO from the beginning appeared to be moving towards becoming a universal organisation like the United Nations. India became an initial member of the WTO, just as it was an original signatory of the General Agreement. It was an active member of the GATT and always voiced the interests of the developing countries.

4.2.2.2 INDIA IN THE URUGUAY ROUND

India was an active and important participant in the Uruguay Round, particularly in the areas that affected its national interests. It had closely negotiated the agreements on services, intellectual property, safeguards, customs valuation, textiles and some others. It had strongly resisted a large number of improper demands from the other GATT members. Most of these agreements contain provisions that had been included or modified on India's insistence. Understandably in such a large venture like the Round, India did not succeed in getting all its views incorporated in the final results. Even a powerful economic power like the US had to compromise, often in the face of the strong position taken by India. Every country had to concede something in one area and make some gains elsewhere. The final results of the Uruguay Round reflected a delicate balance of conflicting national interests of all trading countries. Of course, the final results of the Round

were not entirely faultless. The agreement on the intellectual property rights, for example, is far from satisfactory. India's experience of its implementation has not been very happy. Some unscrupulous enterprises in the US, taking advantage of the ambiguities in the Agreement and in the absence of legal protection provided by India for its indigenous products, have claimed patent rights on the use of certain indigenous products like turmeric ('haldi') that had been in existence for ages. Another American 'bio-pirate' has claimed patent rights for Basmati rice. Because of the closed insulated economy, India had not been very alert in protecting its intellectual properties in the past. For several decades, the shelves of the supermarkets in the west proudly displayed packets of 'Pure Darjeeling Tea' as the products of Sri Lanka! Similarly, some countries were marketing 'Basmati' rice that bore hardly any resemblance to the original product from India. Apparently the offices of the Indian Tea Board and similar organisations abroad imagined that their job was trade promotion and the protection of the country's intellectual property rights was not their concern. The Indian pharmaceutical industry has been in the forefront of the agitation against the WTO deal, particularly the agreement on intellectual property rights. It claims that domestic prices of medicines will rise with the influx of foreign manufacturers.

4.2.2.3 DOHA ROUND

The WTO launched the Doha Development Round of negotiations at the fourth ministerial conference in Doha, Qatar in November 2001. This was to be an ambitious effort to make globalization more inclusive and help the world's poor, particularly by slashing barriers and subsidies in farming. The initial agenda comprised both further trade liberalization and new rule-making, underpinned by commitments to strengthen substantial assistance to developing countries.

The negotiations have been highly contentious. Disagreements still continue over several key areas including agriculture subsidies, which emerged as critical in July 2006. According to a European Union statement, "The 2008 Ministerial meeting broke down over a disagreement between exporters of agricultural bulk commodities and countries with large numbers of subsistence farmers on the

precise terms of a ‘special safeguard measure’ to protect farmers from surges in imports.” The position of the European Commission is that “The successful conclusion of the Doha negotiations would confirm the central role of multilateral liberalisation and rule-making. It would confirm the WTO as a powerful shield against protectionist backsliding.” An impasse remains and, as of August 2013, agreement has not been reached, despite intense negotiations at several ministerial conferences and at other sessions.

4.2.2.4 INDIA’S STAND ON DOHA AGREEMENT

The agricultural sector is India’s most vulnerable sector. With the livelihood of around 650 million people in the country being dependent on agriculture, India’s interests in the negotiations on agriculture are mainly defensive. India’s offensive interests lie in reducing the heavy subsidisation in developed countries.

India’s interests in agriculture have always been dictated by the need to safeguard millions of small farmers who operate the majority of farm holdings in the countryside. Agriculture determines the very social fabric of India and is more a way of life and means of livelihood than a question of commerce. Further, India has 25 agro-climatic zones that, on the one hand, provide diversity to crop cultivation and, on the other, make crop rotation within a farm extremely difficult. Given these complexities in agriculture, India has essentially defensive interests in agriculture. India’s bound rates and applied agricultural tariffs are among the highest in the world.

Further, the government has considerable flexibility to increase customs duties on most agriculture products, as there is a substantial gap between the existing bound rates and applied customs duty. To illustrate, the bound rate on some edible oils is 300%, but the applied customs duty is 100%. Thus, the government has the flexibility to raise customs duty on some edible oils. However, in respect of certain products like olive oil, the bound rate and applied customs duty are the same -- 45% — leaving almost no flexibility for raising customs duty, even if the need were to arise in the future.

Keeping its agrarian crisis in view, India had made a strong pitch for according adequate tariff protection to certain products by designating them special products. The products within agriculture regarding which India is extra sensitive with respect to trade liberalisation — due to their potential for huge employment-generation and livelihood concerns — include cereals, edible oils and oilseeds and dairy products. Other agricultural products produced by small farmers and, therefore, sensitive for India are spices, ginger, cane sugar, etc. These need to be protected against deep tariff reduction.

As part of G33, India has strongly supported the need for developing countries to have a Special Safeguard Mechanism (SSM) which would allow them to impose additional tariffs when faced with cheap imports or when there is a surge in imports. However, developed countries and some developing countries have sought to impose extremely restrictive requirements for invoking SSM, which would render this instrument ineffective.

As far as agriculture is concerned, overall there does not appear to have been any major shift in India's negotiating stand. It has firmly resisted making deep tariff cuts on agricultural products. At the same time, it is aggressively pushing developed countries to reduce their farm support. However, as part of the G20 it has diluted its stand on green box and blue box (subsidies provided for limiting production) subsidies. At the Cancun Ministerial meeting in 2003, the G20 had sought a cap on green box subsidies and rejected any expansion of blue box subsidies. However, by the time the 2004 July Framework was concluded both these demands appear to have been abandoned. India also does not seem to have made any headway in obtaining the right to apply quantitative restrictions on agricultural imports, a demand repeatedly made by stakeholders such as farmers' organisations and NGOs.

While India's negotiating strategy has been defensive, in general, there are several products in which it may have an export interest. These include cereals, meat, dairy products, some horticultural products and sugar, which may see a growth in export opportunities with reductions in tariff. India's negotiating strategy

should also be cognizant of the export opportunity that may be unleashed in the processed food sector, which has seen significant growth over the past few years. It is here that the decision at Hong Kong to eliminate export subsidies by 2013 assumes importance.

4.2.2.5 FOOD SECURITY ISSUE AND DEADLOCK IN WTO

During the December 13, 2013 meeting of the WTO, the assembled trade ministers with some difficulty reached agreement to formally present to the organization's membership an agreement with two principal features. One, the Trade Facilitation Agreement (TFA), considered in Washington to be uncontroversial, would provide for all members to simplify their customs and other procedures that affect goods crossing borders. The other, which was the subject of passionate disagreement, especially between the United States and India, provided for limits on agricultural stockpiles maintained for food security. This provision included a special exception for developing countries: their subsidies would not be challenged for four years, during which WTO members would work out a permanent solution to the problem of food stockpiles and the associated stockpiles. The issue was hugely important for India, given the large number of people dependent on the government's distribution program. India agreed, and ministers approved the agreement, which was to be formally ratified by the members in July. Under WTO rules, it needed consensus to pass.

In late July 2014, India – now under a new government headed by Narendra Modi – said it would not agree. It argued that since insufficient progress had been made toward a permanent solution, it was no longer willing to allow the Trade Facilitation agreement to pass unless its concerns about agricultural stockpiles were addressed. India's domestic compulsions and the danger of breaching the subsidy cap for wheat and rice forced the government to thwart attempts by other World Trade Organization members to push through a new set of customs rules without addressing its concerns. While India has been demanding a review of the food subsidy limit for several years, the developed countries have refused to play ball. In fact, in the run-up to the Bali ministerial last December, the rich countries

had even refused to acknowledge the food security proposal submitted by G-33, which includes countries such as Indonesia, Brazil and China.

Efforts went on behind the scenes at WTO headquarters in Geneva to find a way through the problem. These eventually bore fruit. Agreement came on the margins of a meeting of two East Asia-centred organizations in Myanmar, attended by both President Obama and Prime Minister Modi. It largely restates the original agreement, but with the important change that instead of a four year “peace clause” on agricultural stockpiling, there is no deadline, and the agreement not to challenge India’s subsidies will last until a permanent solution is found. The new proposal still needs to be approved by the full WTO membership.

WTO Director-General Roberto Azevedo said the agreement between India and the US was key to get the multilateral trading system back on track and gave him a basis to intensify his consultations with other WTO members. Now India wants to bring back the long-stalled Doha round on the table. India’s Commerce Secretary Rajeev Kher stated in December 2014 that “Doha agenda will be back on tables (in 2015) and we will push for that”. Hence, some forward movement can be expected in the near future in establishing trade rules that were elusive by now a long history of WTO.

4.2.3 INDIA AND IMF

The International Monetary Fund (IMF) is an international organization headquartered in Washington, DC, of 188 countries working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth around the world. Formed in 1944 at the Bretton Woods Conference, it came into formal existence in 1945 with 29 member countries and the goal of reconstructing the international payment system. Countries contribute funds to a pool through a quota system from which countries with payment imbalances can borrow. As of 2010, the fund had about US\$755.7 billion at then-current exchange rates

India is a founder member of the IMF. Finance Minister is the ex-officio Governor on the Board of Governors of the IMF. RBI Governor is the Alternate

Governor at the IMF. India is represented at the IMF by an Executive Director who also represents three other countries as well, viz. Bangladesh, Sri Lanka and Bhutan.

India's current quota in the IMF is SDR (Special Drawing Rights) 5,821.5 million, making it the 13th largest quota holding country at IMF and giving it shareholdings of 2.44%. However, based on voting share, India (together with its constituency countries Viz. Bangladesh, Bhutan and Sri Lanka) is ranked 17th in the list of 24 constituencies at the Executive Board.

4.2.3.1 IMF AND INDIA'S ECONOMIC REFORMS

The relationship between India and the IMF dates back to the time when India needed economic reform packages to strengthen its international reputation and fiscal policy. IMF provided major loans to India to structure its finances and maintain average economic growth rate. The organization maintains its association by facilitating:

- Policy guidance to administrations and nationalized financial institutions on the basis of the assessment of fiscal trends cross national know-how;
- Providing study data, statistics, predictions and assessments based on the survey of international, local and respective financial systems and markets;
- Providing loans to assist nations to surmount financial difficulties;
- Providing provisional finances to help evade poverty in progressing nations; and
- Providing technological support and training to aid nations enhance the administration of their financial systems.

India is among one of the developing economies that effectively employed various Fund programmes to fortify its fiscal structure. Through productive engagement with the IMF, India formulated a consistent approach to expand domestic and global assistance for economic reforms. Whenever India underwent balance of payments crises, it sought the help of IMF and in turn the internationally

recognized reserve willingly helped India to overcome the difficulties. India purchased IMF gold to lend money to developing countries.

In its latest World Economic Outlook, the International Monetary Fund (IMF) predicted an economic recovery for India starting in 2014-2015. After predicting 4.4 percent growth for the current 2013-2014 fiscal year, the IMF sees the Indian economy growing at 5.4 percent in 2014-2015 and by 6.4 percent the year after. It also expects inflation to cool down to 7.5 percent in the next two years. According to its report, expectations of a resurgent Indian economy come from improving export competitiveness and policies supporting investment.

4.2.3.2 INDIA'S DEMAND FOR IMF REFORM

India on possible international forums has been calling for an acceleration of the substantial work still needed for the IMF to complete the quota reform by the Seoul Summit and in parallel deliver on other governance reforms, in line with commitments made in Pittsburgh. Modernizing the IMF's governance is a core element of India's effort to improve the IMF's credibility, legitimacy, and effectiveness. India recognizes that the IMF should remain a quota-based organization and that the distribution of quotas should reflect the relative weights of its members in the world economy, which have changed substantially in view of the strong growth in dynamic emerging market and developing countries. To this end, India is committed to a shift in quota share to dynamic emerging market and developing countries of at least five percent from overrepresented to under-represented countries using the current IMF quota formula as the basis to work from. India is also committed to protecting the voting share of the poorest in the IMF. As part of this process, India agreed that a number of other critical issues will need to be addressed, including: the size of any increase in IMF quotas, which will have a bearing on the ability to facilitate change in quota shares; the size and composition of the Executive Board; ways of enhancing the Board's effectiveness; and the Fund Governors' involvement in the strategic oversight of the IMF. Staff diversity should be enhanced.

In 2012, the then India's Finance Minister Pranab Mukherjee kept up the pressure on what he described as the "disappointing" pace of reform on quota

and governance issues at the International Monetary Fund and also went to lengths to clarify India's position on certain tax amendments in the 2012-13 budget. Seeking to pin down the timeline for the next steps in the quota and governance reform, Mukherjee said at the G-20 that India would continue to contribute towards a comprehensive review of the IMF quota formula by January 2013 and the completion of the next general review of quotas by January 2014. Together with the International Monetary and Financial Committee we have reached agreement to enhance IMF resources for crisis prevention and resolution," the G20 noted, adding that there were now "firm commitments to increase resources made available to the IMF by over \$430 billion in addition to the quota increase under the 2010 reform."

4.2.3.3 SLIGHT IMPROVEMENT IN IMF GOVERNANCE

Due to concerted efforts from India and other emerging economies, there is a slight improvement in quota systems and governance of IMF. At the 24-member Executive Board of the IMF, currently, the members with the five largest quotas appoint an Executive Director each, while the rest of Executive Directors are elected. However, the reforms of the Executive Board would facilitate a move towards a more representative, all-elected Executive Board, ending the category of appointed Executive Director. To this end, there has been a consensus to reduce the number of Executive Directors representation advanced European countries by 2 in favour of EMDCs (Emerging Market Developing Countries). The amendments are part of a package of reforms on quotas and governance in the IMF. Along with the recent quota reforms in IMF (i.e. Fourteenth General Review of Quotas), these amendments represents a major overhaul of the Fund's quotas and governance, and help in strengthening the Fund's legitimacy and effectiveness.

4.2.4 INDIA AND THE WORLD BANK

India's involvement with the World Bank dates back to its earliest days. India was one of the 17 countries which met in Atlantic City, USA in June 1944 to prepare the agenda for the Bretton Woods Conference, and one of the 44 countries which signed the final Agreement that established the Bank. In fact, the name

“International Bank for Reconstruction and Development” [IBRD] was first suggested by India to the drafting committee.

The Bank lending to India started in 1949, when the first loan of \$34 million was approved for the Indian Railways. The first decade of the Bank’s lending to India (1949-1959) saw just about 20 loans for a total amount of \$611 million. During the years 1960-69, overall lending to India from the Bank rose to \$1.8 billion, about three times the level in the previous decade. Between 1970-79, there was a large increase in the absolute volume of IDA lending and the IDA share in total Bank assistance reached a high of 80% in this decade. However, in the 1980s, India’s share in total IDA lending declined to 25% and was updated by the more expensive WB lending. The volume of the WB lending rose to \$14.7 billion during 1980-89, almost 10 times the level of \$1.5 billion in the previous decade.

4.2.4.1 THE ROLE OF WORLD BANK IN INDIA

The aggregate of the Bank’s lending in India in the last 45 years was approximately \$42 billion. India is the single largest borrower of WB and IDA. India has claimed about 15% of total World Bank lending—9% of WB and 28% of IDA commitments.

The 50 years (1944-94) of relationship between the Bank and India clearly shows certain trends. In the early years of relationship, the Bank involvement was not direct and visible as compared to 1980s and 90s. In the initial years, the Bank closely collaborated with the more active USAID to force policy changes. In fact, an unholy alliance of USAID, the Bank, the IMF and Trans-national Corporations (TNCs) worked hand in hand to pursue economic changes. However, after the 80s, the Bank along with the IMF has started a direct and visible role in India’s policy making.

Nevertheless, there has been continuity in the basic philosophy and ideology of the Bank over the past 50 years. The philosophy of diluting the basis of economic planning, dismantling of public sector, encouragement to private sector (both national and foreign), and greater emphasis to market forces has been forcefully articulating by the Bank since 1950s.

The Bank has been proceeding in a methodically manner to force India to accept its philosophy.

The Bank created conditions so that the Planning Commission was relegated to the background in the late 1960s. During the oil shocks of 1973 and 1980, the Bank was able to push forward its ideology of market forces with great impetus. By 1990, the entire economic environment was made conducive for foreign capital to play a leading role in tapping emerging markets of middle class consumers in India. And the foreign exchange crisis of 1991 provided the opportunities to the Bank to clinch this objective through structural adjustment program. The past 50 years of Bank operations in India clearly reveals that the Bank has exploited the foreign exchange crisis periods. So far, India has faced five major foreign exchange crises (1957, 1966, 1973, 1980, and 1991). In each crisis period, the Bank did not miss the opportunity to force its ideology on the government of India.

It is not too farfetched to see the post-1980 period of the Bank's loans and aid was one of preparation for the grand and royal entry of foreign capital. By building up infrastructure—power generation, mining and exploration of new reserves, proper roads and rail facilities, trained technical manpower, etc. In fact, the Bank and the IMF inspired policies have facilitated a new phase of the operation of foreign capital in India. This phase of economic liberalization began in 1980 with the SDR 5 billion loan from the IMF. It weakened the real economy, created the preconditions for export orientation and facilitated the recomposition of the industrial sector in subordination to world capital. This was followed up by another wave of liberalization which included devaluation, lifting of trade barriers and greater impetus to foreign capital and market forces in India.

4.2.4.2 WORLD BANK AND INDIAN AGRICULTURE

Agriculture is the Bank's largest portfolio in any country. 130 agricultural projects have received \$10.2 billion Bank financing so far in India. The current portfolio of about 30 projects under implementation in India includes dairy, rubber, sericulture, fish and shrimp cultivation.

The Bank funding to Indian agriculture began in the 1950s but was limited till the 1966 foreign exchange crisis. Then the Bank started supporting agricultural projects viz., fertilizer industry, ground-water exploitation through pumpsets, introduction of high yielding variety seeds, and setting up of banking institutions to finance capitalist agriculture. From 1977 onwards the Bank introduced training and visit management systems for extension purposes to improve the adoption of new technologies imported from western countries. WB supported agricultural extension services in 17 states of India.

There is a woeful lack of serious discussion and debate among the policy-makers on the adverse impact of liberalization and globalisation policies on agriculture. The policies imposed by the World Bank-IMF have a component directly affecting the agrarian economy. These policies have the following components:

- The gradual abolition of input subsidies on fertilizers, irrigation, electricity, credit etc.
- The removal of trade restrictions on agricultural commodities so that the domestic prices are not out of tune with world prices.
- A unification of prices so that the current system of dual markets in food grains and other agricultural commodities disappears.
- A drastic curtailment of food subsidy confining the Public Distribution System (PDS) only to the deserving poor.
- The removal of all restrictions on the choice of what to produce, where to sell etc.
- Freedom of operations for agri-business corporations.
- Abolition of land ceiling laws.

However, Government of India unlike the World Bank, is not touting these measures as ‘agricultural reform’ but exercises at reducing the fiscal deficit and improving the profitability of the financial sector.

The recent policy changes have affected the agricultural prices. The devaluation and partial convertibility of the rupee (wherein food grain exports and imports are at market rates) have made the international prices of food much higher in rupee terms (by almost 50% since June 1991), fueling expectations of rising domestic food prices. Domestic food prices increased by almost 50% between 1991-93.

4.2.4.3 WORLD BANK AND STRUCTURAL ADJUST PROGRAMMES

The 80s will be remembered as the decade of global impoverishment linked to the Bank and the IMF's infamous medicine: the Structural Adjustment Program (SAP). These programs are being implemented in over 70 Third World and Eastern European countries with devastating results.

The series of policy measures launched by the Indian government are part of structural adjustment program in India. Government has taken up following measures to implement SAP:

- Devaluation of rupee by 23%;
- New Industrial Policy allowing more foreign investments;
- Opening up more areas for private domestic and foreign investment;
- Part disinvestment of government equity in profitable public sector enterprises;
- Sick public sector units to be closed down;
- Reforms of the financial sector by allowing in private banks;
- Liberal import and export policy;
- Cuts in social sector spending to reduce fiscal deficit;
- Amendments to the existing laws and regulations to support reforms;
- Market-friendly approach and less government intervention;
- Liberalization of the banking system;
- Tax reforms leading to greater share of indirect taxes.

Under SAP, WB is not supervising individual sectors of the Indian economy such as agriculture, social sector and energy sector. The Bank now monitors the entire macro-economy such as balance of payments, fiscal deficit, foreign investment, money supply, etc. The public expenditure reviews are a part of the Bank's conditionalities. Under this review, the Bank not only asks for cuts in expenditure but also gives detailed instructions for cuts in specific sectors.

4.2.4.4 INDIA AND WORLD BANK: CONTEMPORARY SCENARIO

There were significant developments in early 2000 with regard to India's borrowing policies or its dependence on international institutions for credit. In 2003, the then Finance Minister, Jaswant Singh stated that India no longer wished to receive bilateral aid from 22 donor countries. India also began to reposition itself in the global pecking order by transitioning from a net recipient to a net contributor of aid. Though the announcement did not apply to multilateral donors such as the World Bank and ADB, it demonstrated a new Indian confidence about its economic strengths and assertiveness about aid terms that continue to this day.

The second development, distinct but related to the first, was a reassurance of central oversight with respect to the state-level operations of external assistance providers. The Government of India, following both bureaucratic and political impulses, began to reconsider its relatively permissive stance on the "focus states" strategies of the World Bank. The Central government issued these directives to stop World Bank's involvement with state governments bypassing the Centre. The World Bank influenced many states to undertake sectoral reforms in many states, particularly in agriculture and service sector. The World Bank policies led to increased tariffs for electricity, water, irrigation, housing, etc.

On the other hand, the Indian government also began to reconsider the very premise behind channelling aid toward the most reform-oriented states. As the Bank's programme came to be perceived as favouring middle-income states in Southern India, concerns about India's "lagging states" – especially UP-

Bihar-Jharkhand-Orissa corridor – led the Centre to put pressure on the Bank and the other agencies to overhaul their approach to working with states. Even if the donors had been inclined to disagree, they would have had little choice but to revise their strategies in line with Indian preferences.

In the case of the World Bank, there was no significant resistance either to the recentralization initiative or to the shift from reforming states to lagging states. The Bank followed a more general impulse on the part of the Bank to be “flexible and opportunistic” – to do whatever was necessary to remain relevant to this large client that has less and less use for aid that does not fully support its own development goals.

The World Bank and India face a critical juncture in their relationship. Right now, India alone among the giants of the developing world is still eligible for IDA assistance – the centrepiece of the Bank’s engagement with poor countries for 50 years. The intersection of two trends in the Bank-India relationship – the coming IDA endgame, and the special emphasis on lagging states in the Bank’s country strategy – poses a fascinating conceptual and practical tension for both sides.

India has already maneuvered to reduce its use of bilateral assistance, sending almost two dozen surprised donor countries packing in 2003. India is keen to gain a more prominent role in global governance, whether in the Bretton Woods institutions or in the UN Security Council and its leaders apparently believe that its relationship to aid should be one of a donor, not recipient. They are especially keen to follow the path that rival China trod over previously moving from recipient of aid to a modest donor.

4.2.5 LET US SUM UP

The post-World War-II institutions of global governance, the United Nations and the Bretton Woods twins, the International Monetary Fund (IMF) and the World Bank, were conceived of, structured and managed by the victors of the war, most prominently by the United States. While the United Nations observed

the principle of universality in its membership, its Security Council of permanent members, each with veto powers, represented a Council of victorious allies, including the then Soviet Union. The Bretton Woods institutions were structured to manage the global market and the financial system. The IMF administered a regime of fixed exchange rates with reference to the US Dollar. The World Bank becomes the channel for funding the reconstruction efforts of the war-ravaged European economies. At a later stage in 1947, the General Agreement on Trade and Tariffs (GATT) was established to manage international trade flows. The Soviet Union as a socialist, planned and non-market economy did not participate in these institutions and remained outside, until the successor state, Russia, became member of the IMF and World Bank in 1992. It has only now been able to join the World Trade Organization (WTO), the successor to GATT.

India is founder member of the all the three Breton Woods Institutions, the GATT (now WTO), the IMF and the World Bank. India's experiences with all these institutions is mixed and nothing special; it has conducted its activities like any other developing country in the world. Most of the period of the Cold War the GATT was not significant in terms of the regulating the trade as the world was divided between two rival camps. However, the dissolution of the Soviet Union increased the role of Western countries under the US patronage which resulted in establishment newer organisation, the WTO to bring the entire global trade a uniform pattern. Similarly, the IMF and World Bank also started playing significant role in terms of pushing the developing countries for Structural Adjustment Programmes (SAP) and economic liberalization. Since these reforms were pushed without factoring the local conditions and unique situations prevailed in in each of these countries, many countries became bankrupt and people have to face dire situations. However, India escaped from that kind of extreme situation, even though it has to undertake some measures to reduce the inflation, deficit budgets, subsidies, etc.

After India's economy underwent liberalisation in the 1990s and moved away from a mixed, state-led economy towards a capitalist and market-oriented

approach, its foreign policy became increasingly influenced by geo-economic considerations accompanied by growing aspirations for a bigger say in the international political sphere. India has made numerous calls for greater representation for emerging and developing countries in a number of multilateral forums, including the World Bank and the International Monetary Fund (IMF). In fact, it declared that it no more need any aid from the any country or institution. Even it is accepting the developments loans from the World Bank under certain conditions. Moreover, it is playing very proactive role to reform these global financial institutions to instil democratic governance in their administration.

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy

UNIT – IV: INDIA'S ROLE IN INTERNATIONAL AFFAIRS

4.3 INDIA AND CLIMATE CHANGE : UN FRAMEWORK AND ONWARD DEVELOPMENTS

–V. Nagendra Rao

STRUCTURE

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4.3.0 OBJECTIVES

This lesson analyses one of the important aspects of contemporary issues, India's role in ongoing climate change negotiations. After going through this lesson, you should be able to know:

- The United Nations efforts to reduced global warming issues with special reference to Kyoto Protocol and other summits and conferences;
- India's position on climate change negotiations and its coordination with other developing countries to safeguard its interests; and
- India's climate change vulnerabilities and its domestic policies to reduce carbon emissions.

4.3.1 INTRODUCTION

Climate change, also called global warming, refers to the rise in average surface temperatures on Earth. An overwhelming scientific consensus maintains that climate change is due primarily to the human use of fossil fuels, which releases carbon dioxide and other greenhouse gases into the air. The gases trap heat within the atmosphere, which can have a range of effects on ecosystems, including rising sea levels, severe weather events, and droughts that render landscapes more susceptible to wildfires.

The primary cause of climate change is the burning of fossil fuels, such as oil and coal, which emits greenhouse gases into the atmosphere—primarily

carbon dioxide. Other human activities, such as agriculture and deforestation, also contribute to the proliferation of greenhouse gases that cause climate change. While some quantities of these gases are a naturally occurring and critical part of Earth's temperature control system, the atmospheric concentration of CO₂ did not rise above 300 parts per million between the advent of human civilization roughly 10,000 years ago and 1900. Today it is at about 400 ppm, a level not reached in more than 400,000 years.

The impact of climate change or global warming are well known and well debated. Even small increases in Earth's temperature caused by climate change can have severe effects. The earth's average temperature has gone up 1.4° F over the past century and is expected to rise as much as 11.5° F over the next. That might not seem like a lot, but the average temperature during the last Ice Age was about 4° F lower than it is today.

Rising sea levels due to the melting of the polar ice caps (again, caused by climate change) contribute to greater storm damage; warming ocean temperatures are associated with stronger and more frequent storms; additional rainfall, particularly during severe weather events, leads to flooding and other damage; an increase in the incidence and severity of wildfires threatens habitats, homes, and lives; and heat waves contribute to human deaths and other consequences.

4.3.2 UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Climate change first gained significant attention in 1988. Not long afterwards, the United Nations Framework Convention on Climate Change (UNFCCC) was adopted by various government representatives in May 1992, and came into force in 1994. Today, the UNFCCC is one of the most widely supported international environmental agreements ratified by 188 states and the European Community (EC).

The ultimate objective of the UNFCCC is to achieve stabilisation of GHG concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved

within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.

4.3.2.1 KYOTO PROTOCOL

The Kyoto Protocol is an international treaty, which extends the 1992 United Nations Framework Convention on Climate Change (UNFCCC) that commits State Parties to reduce greenhouse gases emissions, based on the premise that (a) global warming exists and (b) man-made CO₂ emissions have caused it. The Kyoto Protocol was adopted in Kyoto, Japan, on 11 December 1997 and entered into force on 16 February 2005. There are currently 192 Parties to the Protocol. The Kyoto Protocol implemented the objective of the UNFCCC to fight global warming by reducing greenhouse gas concentrations in the atmosphere to ‘a level that would prevent dangerous anthropogenic interference with the climate system’. The Protocol is based on the principle of “common but differentiated responsibilities”. Recognizing that developed countries are principally responsible for the current high levels of GHG emissions in the atmosphere as a result of more than 150 years of industrial activity, the Protocol places a heavier burden on developed nations.

Under this protocol countries that are parties to the UNFCCC are classified into two categories, giving rise to a third category including those countries that do not belong to the first two categories. They have different commitments imposed on them. These three categories are defined as: 1) the industrialised countries that were members of the OECD in 1992 and the countries with Economies in Transition (EIT); 2) The countries consist of the OECD members excluding the EIT parties. They are required to provide financial resources to developing countries to undertake emission reduction activities as also develop and transfer environment-friendly technologies to the developing countries as well as EIT parties. Many countries that were not listed are mostly developing countries, including India. Some of the countries that are least developed and especially vulnerable to the effects of climate change are given special consideration under the UNFCCC.

According to the Kyoto Protocol, first category countries agreed to control the emissions of the following six sets of GHGs, not controlled by the Montreal Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

In 2009, the United Nations climate change conference was held in Copenhagen, Denmark. There was a widespread hope to the world community about the conference that it would bring a significant policy and commitment to reduce the emission of greenhouse gases. But, the conference couldn't make a consensus decision and thus the accord of the conference was not passed unanimously.

4.3.3 INDIA AND CLIMATE CHANGE

India's position on climate change has been articulated with a conviction and determination probably unmatched in recent years on any other issue. Indian negotiators are known for saying that they did not create the climate problem, emphasizing at every meeting the inequity and injustice of expecting India to cut down its carbon emissions. This underpins India's acceptance of the 1997 Kyoto Protocol. As its government ministers argue, 'India stands by the UN Framework Convention Treaty on Climate Change and the Kyoto Protocol. This mechanism recognizes the "common but differentiated responsibilities" of the countries in the matter of reduction of greenhouse emissions. The Convention also recognizes that as developing countries grow, their emissions are bound to increase'.

4.3.3.1 INDIA'S INSISTENCE ON PRINCIPLE OF EQUALITY

India's argument is that developing countries have contributed much less in terms of historical emissions, including greenhouse gases (GHGs), than developed countries. India along with other developing countries vehemently put forwarded its case on the principles of equity and common but differentiated responsibility (CBDR). Under the principle of equity, developing nations argued that each person in the world has equal rights in the atmosphere, which is a global commons.

Hence, the 'per capita emissions' are central to India's position on carbon emissions reduction. India argued that the developed nations, which have contributed most in terms of emissions, with lesser populations, should reduce their emissions before asking developing nations to reduce theirs.

The crux of argument made by the India along with other developing nations is that carbon emission standards should be based on population. In other words, if one country has say, around 250 million people and another has 1 billion, then the country with 1 billion would be permitted to produce 4 times the carbon emissions as the country with 250 million. There are plenty of statistics out there that show how drastically different the per capita carbon footprint is between developed and developing nations. In this technological and energy hungry age, the per capita carbon footprint of a nation is closely linked to the quality of life of its citizens. India argues that every person in the world has an equal right to engage in activities which result in carbon emissions and benefit from the industries which produce them. Invoking the principle of CBDR, India argued that as the developed nations have more capacity and capability to undertake the task of reducing emissions, they should contribute more to that task and also help developing nations in terms of financial assistance, technology transfer, and capacity building. Thus, India along with other developing nations argued that they will undertake measures to cut emissions, but not at the cost of their socioeconomic development.

Such a position immediately shifts the responsibility on to the shoulders of the developed countries to drastically cut emissions if the world is to meet the target of keeping global warming within the generally agreed 'safe limit' of two degrees Celsius, as determined by the Intergovernmental Panel on Climate Change (IPCC). It also allows India the space and time to grow at a sustained pace and strengthen its poverty alleviation and developmental programmes. However, even more significant for India, particularly when it comes to the international forum, is the assurance that, 'despite our developmental imperatives, our per capita GHG [greenhouse gas] emissions will not exceed the per capita GHG emissions of the developed industrialized countries'.⁸ It reflects, on the one hand, a position of

confidence and self belief in its economic policies and, on the other, a signal to the developed world that it will not be pressurized in the negotiations. This is carried forward in India's adaptation and mitigation policies, which state that, 'the most important adaptation measure is development itself'. On mitigation, India states 'with a share of just 14 per cent of global emissions, any amount of mitigation by India will not affect climate change'.

The equity and per capita argument has become a strong counter-response to the unsustainable consumption patterns of the rich industrialized nations and is in consonance with the UNFCCC, which recognizes the rights of developing countries to economic development and also the 'common but differentiated responsibilities' of different countries. Contrasting calculations have long been made. In 1991 it was the basic point made one of the Indian scholar that, 'only 25 per cent of the global population lives in the rich industrialised countries but they emit more than 70 per cent of the total global CO₂ emissions', and that 'Indian citizens emit less than 0.25 tonnes of carbon per year whereas a citizen of the USA, emits more than 5.5 tonnes'. This has framed India's long-standing argument that emissions by the poor who live on the margins of subsistence should be considered a basic human right and should not be counted when ascribing responsibilities for emissions reduction.

The tenets of India's argument and negotiations on climate change have consistently remained 'equity with social justice'—the right to develop and a need-based living. It draws inspiration from what Mahatma Gandhi, regarded as an apostle of human ecology, is widely cited as having said, that 'the earth provides enough for everyman's needs but not for everyman's greed'. The 'need' and 'greed' add contestation to the 'subsistence emissions' and 'lifestyle emissions' debate. Thus, the right to develop, right to utilize resources and not be penalized by international constraints is held by India. As Manmohan Singh, the then India's Prime Minister, put it:

Our people have a right to economic and social development and to discard the ignominy of widespread poverty. For this we need rapid economic

growth. But I also believe that ecologically sustainable development need not be in contradiction to achieving our growth objectives. In fact, we must have a broader perspective on development. It must include the quality of life, not merely the quantitative accretion of goods and services. Our people want higher standards of living, but they also want clean water to drink, fresh air to breathe and a green earth to walk on.

India clearly feels that it is owed an incalculable ecological, social and economic debt by the industrialized, developed countries. The ecological debt also includes the illegitimate appropriation of the atmosphere and the planet's absorption capacity by the industrialized countries. The climate change debate in India has brought in a new set of dynamics and narratives where on the one side there is the politics of blame and on the other recognition of a shared dilemma and a growing need for action.

4.3.3.2 INDIA'S CONCERN OVER DUPLICITY OF DEVELOPED COUNTRIES

India also expressed its concerns on the direction the global climate regime is taking, which can be categorized into three sections:

- Although the principle of equity was central to the discussions of global climate change and even until the adoption of the UNFCCC, it has not been part of most the discussions ever since, and more specifically since the Kyoto agreement.
- The focus of the regime is heavily weighted on minimizing the burden of implementation of Kyoto reductions on polluting countries (industries), rather than on the vulnerabilities of the communities and countries at greater risk and disadvantage because of climate change.
- The limelight is now the on the global carbon trade and how to manage it, rather than on the reduction of GHGs (which is the main objective of Kyoto Protocol).

Many developed countries, particularly the OECD countries, argue that they have taken enough steps to reduce carbon emissions. But all these proposals, in reality, just compensate the developed countries for their emissions level in

2008. In effect, even if one ignores the huge contribution to the stock of emissions not just until 1990, but until 2008, the OECD countries are not promising much. The targets proposed to reduce the flow of emissions in future suggest that (1) they would not do anything more than what they agreed in Kyoto until 2024, (2) they would repudiate other components agreed to in Kyoto, such as a penalty for non-compliance and further reductions during the second commitment period starting in 2012.

4.3.4 CLIMATE CHANGE: INDIA'S DOMESTIC POLICIES

For a rising economic power like India, the interplay between energy, environment and development policy is complex and challenging. There are issues of eradication of poverty and economic growth, on the one hand, and the sustainability of natural resources and energy choices on the other. India's development path with a projected growth rate of 8%–9% is inextricably dependent upon external fossil fuel supply and, in the absence of sufficient domestic oil resources, its quest for energy security is paramount. While global mitigation strategies are still being deliberated, India's domestic strategy sets forth an approach towards a low-carbon economy, principally to reduce its dependency on fossil fuels without compromising its steady growth rate.

India has undertaken numerous response measures that are contributing to the objectives of the United Nations Framework Convention on Climate Change (UNFCCC). India's development plans balance economic development and environmental concerns. The planning process is guided by the principles of sustainable development. Reforms in the energy and power sector have accelerated economic growth and enhance the efficiency of energy use. These have been complemented by notable initiatives taken by the private sector.

4.3.4.1 INDIA AND THE CLEAN DEVELOPMENT MECHANISM (CDM)

The Clean Development Mechanism (CDM) is one of the Flexible Mechanisms defined in the Kyoto Protocol that provides for emissions reduction projects which generate Certified Emission Reduction units which may be traded in emissions trading schemes.

The Clean Development Mechanism (CDM), provided for under Article 12 of the Kyoto Protocol, enables developing countries to participate in joint greenhouse gas (GHG) mitigation projects. Under this Protocol, Annex I countries (developed countries and economies in transition) are required to reduce GHG emissions to below their 1990 levels.

India is one of the world's largest hosts of such clean development projects. From 2003 to 2011, a total of 2,295 projects – around one-quarter of the global total – had been registered with India's Designated National Authority for the Clean Development Mechanism. Only China hosts more such projects than India. India's approach to governing the CDM is best characterised as a 'laissez faire' system whereby the Indian government neither actively promotes nor discourages CDM project implementation in different states. This stands in stark contrast to China's national policy, which steers CDM investment toward the country's policy priorities, such as renewable energy, and economically backward provinces.

4.3.4.2 ESTABLISHMENT OF INSTITUTIONALISED MECHANISMS

The Government of India has taken many other measures to reduce carbon emissions; various institutions have established to monitor the climate change scenario to suggest recommendations to Government of India. Some of these institutionalised mechanisms are explained below.

The Government of India set up the Expert Committee on Impacts of Climate Change on 7th of May 2007 to study the impacts of anthropogenic climate change on India and to identify the measures to address vulnerability to anthropogenic climate change impacts. Similarly, a coordination committee chaired by Prime Minister called "Prime Minister's Council on Climate Change" was constituted in June 2007 to coordinate national action for assessment, adaptation and mitigation of climate change. One of the important mandates of this Council is to prepare a National Document, called as India's National Report on Climate Change, compiling action taken by India for addressing the challenge of climate change and the action that it proposes to take.

4.3.4.3 CLIMATE CHANGE AND INDIA'S INTEGRATED ENERGY POLICY

India's Integrated Energy Policy, adopted in 2006, is a response to managing the energy agenda through various measures. The broad vision behind the energy policy is to reliably meet the demand for energy services of all sectors at competitive prices. Further, lifeline energy needs of all households must be met even if that entails directed subsidies to vulnerable households. The demand must be met through safe, clean and convenient forms of energy at the least cost in a technically efficient, economically viable and environmentally sustainable manner. The policy document states that:

Concern vis-a-vis the threat of climate change has been an important issue in formulating the energy policy. Even though India is not required to contain its GHG emissions, as a signatory to the UN Framework Convention on Climate Change and a country which has acceded to the Kyoto Protocol, India has been very active in proposing Clean Development Mechanism (CDM) projects.

Since the impact of the climate change on the country's poor very serious, the energy policy has suggested a number of initiatives that will reduce the greenhouse gas intensity of the economy by as much as one third. These are:

- Energy efficiency in all sectors
- Emphasis on mass transport
- Active policy on renewable energy including bio-fuels and fuel plantations
- Accelerated development of nuclear and hydro-electricity Technology Missions for clean coal technologies
- Focussed R&D on many climate friendly technologies

The Integrated Energy Policy is bolstered by other relevant legislation, including the New and Renewable Energy Policy (2005), the Rural Electrification Policy (2006), the National Environment Policy (2006) and the Environment Impact Assessment (2006).

4.3.5 INDIA'S CLIMATE CHANGE VULNERABILITIES

While India is exposed to climate change risks, it has not yet ascertained how vulnerable it is to climate change. Risk is the probability of the event happening. Vulnerability is expressed by the negative effects of climate change and taken as an extreme form. India is vulnerable to the consequences of climate change like food shortages, droughts, flooding, disease outbreaks, alteration in maritime ecosystems, increased frequency of natural disasters, melting of glaciers, degradation of coastal areas, migration leading to demographic shifts, etc. Agriculture will become increasingly sensitive to climate change, while concerns over emissions could lead to protectionism in international trade. As for the more than 70 crore people in rural India who are dependent on the most climate change-sensitive sectors for their livelihoods—agriculture, forests and fisheries—the future will bring declining crop yields, degraded land, water shortages and ill health. The unexpected and extreme weather conditions accompanied by climate change will also render traditional weather knowledge useless.

Climate change and its impact on water resources are likely to emerge as a critical issue in India's relations with its neighbours. Seven of the world's major rivers originate in the Himalayan and Tibetan plateaux and are a source for about 40% of humanity living in China, India, Nepal, Bhutan, Myanmar, Bangladesh, Pakistan and other South-East Asian countries like Laos, Cambodia and Viet Nam. In the Indian neighbourhood, water relations (or water security) will be high on the political agenda. In Pakistan, anti-India propaganda routinely highlights how India is bent upon diverting the Indus waters and converting Pakistan into a desert. Bangladesh has also been critical of India on water-related issues. India's neighbourhood is unstable; fragile states will come under considerable stress and strain due to climate change. Tensions between India and Pakistan are likely to arise over water issues due to reduced flows in the Indus River Basin. Over-fishing could become an issue between India and Sri Lanka. India could face climate refugee inflows from neighbouring countries, particularly Bangladesh and the Maldives. Water issues are likely to assume greater salience in Sino-Indian relations as well, particularly in the context of reports that China is planning to

divert the waters of Yarlung-Tsangpo, which originates from Tibet and flows into India as the Brahmaputra, to its northern territories. On the other hand, water conflicts are increasing among the states of India; many states in recent period are entered into a bitter struggles and sometimes it is leading to deaths of innocent people. The water disputes are frequently heard between Karnataka and Tamil Nadu, Kerala and Tamil Nadu, Karnataka and Andhra Pradesh, Maharashtra and Andhra Pradesh, and now between two states of dived Andhra Pradesh and Telangana.

4.3.6 INDIA AND COPENHAGEN SUMMIT

At the Copenhagen Summit in 2009 India, along with Brazil, South Africa and China (BASIC), emerged as key players in the negotiating process. Though fragmented in outlook, these leading developing countries share a common set of concerns around the developmental impact of climate change itself and, concurrently, a suspicion that the evolving regime on climate change is aimed at shifting an unfair burden of accountability for it onto them. Post- Copenhagen the growing gap between perspectives held by industrialized and emerging economies increased, raising the spectre of a new North–South divide over climate change. While the emerging geopolitical alliance between the four large developing BASIC countries will seek to shape the future contours of negotiations on emission reductions, a counter response can be equally expected, particularly on China and India as global culprits for CO₂ emissions. In fact, the European Union (EU) refers to the two as ‘advanced developing countries’, trying to make a distinction that India and China should not take refuge in the developing world indices, but should have a new set of parameters to evaluate their particular responsibilities. Calculated backlashes from the industrialized countries, such as the use of environmental regulations as barriers to trade, will be likely and the imposition of such penalties could undermine vital developmental gains for the emerging economies.

4.3.7 INDIA AT DURBAN CONFERENCE

The Durban Conference of December 2011 is a turning point in the climate change negotiations as even though developing countries have won victories,

these have come after much acrimony and fight. At Durban the world has agreed to urgent action, but now it is critical that this action to reduce emissions must be based on equity. India's proposal on equity has been included in the work plan for the next conference. It is clear from this conference that the fight to reduce emissions effectively in an unequal world will be even more difficult in the years to come. But it is a conference, which has put the issue of equity back into the negotiations. It is for this reason an important move ahead.

The most contentious issue was if the Conference would agree to fast track work on a legally binding agreement, which would cover all parties. Countries like India were concerned that this move would undermine the principle of equity and differentiation and that they would also be required to take the same level of commitment to reduce emissions as the already industrialized countries. The final decision is carefully crafted to keep in mind these concerns. The Durban Conference agrees to launch "a process to develop a protocol, another legal instrument or an agreed outcome with legal force". It agrees that this work should be completed by 2015, so that this new agreement or outcome can be implemented from 2020. Therefore, countries like India, concerned that a new legal instrument, which would require them to take binding commitments, have won a victory.

The conference also agrees that the process should raise the 'level of ambition' so that the world can close the emission gap and keep below the 2°C or 1.5°C average temperature increase. This would keep the world on track from avoiding catastrophic impacts. The key issue is to ensure that equity will be the basis of deciding the emission reduction targets of the future. It is clear from the Durban conference that the industrialized countries would like to negate the principle of equity and sidestep it so that they can shift the burden of transition to the emerging countries who need their right to development. This issue was articulated strongly by India, but met with resistance. Now the challenge is to ensure that this remains the foundation of future negotiations as well.

India has managed to bring the issue of equity back on the table. The decision on the Long Term Cooperative Action (LCA) accepts that the issue of

equitable access to sustainable development, as demanded by India, must be debated and reported back to the next CoP. The Conference also set a clear target of reductions of 25-40 per cent below 1990 levels by 2020 for the group of countries that are collectively known as Annex 1 parties — listed for their contribution to the stock of greenhouse gases in the atmosphere. This second commitment period under the Kyoto Protocol would begin on January 1, 2013 till December 2017-2020. This is a big victory for the developing countries, which were demanding that this Protocol must continue.

4.3.7.1 DOHA CONFERENCE

In the 2012 climate talks at Doha, Kyoto Protocol was extended till 2020 for a second round where ratifying countries had to reduce emissions by 18 per cent below 1990 levels. However, three of the original signatories, Canada, Russia and Japan did not ratify this time and with US already out, countries contributing 85 per cent of emissions do not come under any obligation in the period 2013-2020.

4.3.8 THE US-CHINA DEAL: A SETBACK FOR INDIA

Till 2009, India never made any commitment to cut or restrict emissions in any manner. But in 2009 during the Copenhagen conference, India declared a voluntary target of reducing its GHG emissions per unit of GDP by 20-25 per cent till 2020 below 2005 emissions levels.

Then comes the November 2014 China-US climate change deal that put pressure on India to move towards setting deadlines for emissions peaking and reductions. But here's a reality check. As per the US-China deal, US will reduce its carbon emissions by 26 to 28 per cent till 2025 from 2005 levels. But if US had signed the Kyoto Protocol, it would have had to reduce its emissions seven per cent below 1990 levels till 2012. Now, since US has chosen 2005 as base year to measure how much it reduces, its 26-28 per cent reduction target by 2025 will achieve same reductions which it would have had to achieve by 2012 under Kyoto.

Similarly the deal says China will ensure its GHG emissions per unit of GDP to reduce 40-45 per cent below 2005 levels by 2025. But in Copenhagen,

China had stated to voluntarily reduce its GHG emissions per unit of GDP by 40-45 percentage till 2020. Then in the deal, China also commits to let its emissions peak by 2030 by which time many economists and experts believe that China would become an industrialised economy with life standards almost close to developed countries.

4.3.9 INDIA AND LIMA UN CLIMATE CHANGE CONFERENCE

The recently (December 01-12, 2014) concluded UN climate change conference in the Peruvian capital Lima eventually ended up repeating its previous versions in style and content with little to achieve on the ground.

The Lima conference had a simple target that countries had to declare their voluntary commitments and actions to tackle climate change called Intended Nationally Determined Contributions (INDCs). These were then to be negotiated and signed into an agreement in the Paris climate conference in 2015. The deal in Paris is to come into force after 2020 but the Peruvian capital saw familiar frustrating scenes.

Developing countries' demand developed nations to provide for the last two elements-finance and technology to meet targets for first two elements of mitigation and adaptation measures to tackle climate change. In Copenhagen, developed countries agreed to create a \$100 billion fund for assisting in transferring technology and developing climate friendly projects in developing countries by 2020. Only \$10 billion were pledged in Lima with no concrete mechanism about how will the funding be arranged and disbursed. A UN Environment Program report released at Lima warned that even if global temperatures are restricted to a two degree Celsius rise, the costs of adaptation to climate change for developing nations could touch \$300 billion by 2050. Currently not even ten per cent of that funding is available for developing nations.

India was steadfast at Lima that it will not commit to a peaking date or reducing absolute emissions in the foreseeable future. The eventual result was a hot air agreement whereby everybody got a say but the real target drifted further away.

Though the outcome at Lima is not on expected lines, it somehow managed to keep red lines for all countries, developed and developing. The agreement — Lima Call for Climate Action — paves the way for all nations to submit their “nationally determined” pledge for emission cuts and adaptation measures by October 2015. These intended nationally-determined contributions (INDCs) will form the foundation for climate action post 2020 when the new agreement is set to come into effect. The Lima Ministerial Declaration on Education and Awareness-raising calls on governments to put climate change into school curricula and climate awareness into national development plans.

4.3.10 LET US SUM UP

The climate change and reducing the emission of gases is the most contentious issue between developed and developing countries, though everyone recognises the dangers the world is going to face if meaningful measures are not taken. Developing countries are concerned that the Developed world which contributing maximum to the global warming is reluctant to equally reduce emissions while demanding the same from the developing countries.

Developing countries such as India have millions living in poverty and require huge investments in infrastructure and social development. The challenge before India hence is how to meet the twin, apparently conflicting goals of rapid economic development and decreasing carbon emissions. In order for the transition to a low carbon society to be quick and effective, India along with other developing countries claimed that they need help from developed countries in terms of technology transfer, financial assistance, and capacity building. India is so far successful in withstanding pressure from developed countries in mitigating any decision that would be against its developmental interests. It joined with other emerging economies – Brazil, South Africa, and China – to form as a BASIC group to coordinate the interests of the developing countries in the negotiations. However, China broken ranks with the group and concluded an agreement with the US in November 2014, which is a major setback for developing countries in general and India in particular.

In this context, India needs to develop its negotiating capabilities as the sheer weight and complexity of climate negotiations will inevitably lead to more slippages in the future. While climate change is a complex issue, and genuine differences of opinion can exist among our politicians and bureaucrats on how best to approach it, it is far too important and strategic a concern for the country in the long run to be weakened by either individual caprice or collective groupthink. A cohesive policy that factors changing circumstances and mood of the international community is need of the hour. A policy that cannot be defended might weaken India's international standing. If the interests of 1.2 billion Indians are to be adequately safeguarded in the coming decade and beyond, it is imperative that India develops both a coherent grand strategy to address climate change that enjoys broad cross-party parliamentary support, and a strong negotiating team to see it through.

4.3.11 SOURCES & SUGGESTED READINGS

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- Daljit Singh, Girish Sant, Ashok Sreenivas, "Climate Change: Separating the Wheat from the Chaff", *Economic and Political Weekly*, January 31, 2009.
- Gautam Dutt, Fabian Gaioli, "Coping with Climate Change", *Economic and Political Weekly*, October 20, 2007.

4.3.12 EXERCISES

1. Write a note on United Nations Framework Convention on Climate Change and Kyoto Protocol.
2. How do you understand India's position on Climate Change and its insistence on equality principle?
3. Critically analyse India's position on various Climate Change Conferences.

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M.A. Political Science, Semester II, Course No. 202, India's Foreign Policy
UNIT – IV: INDIA'S ROLE IN INTERNATIONAL AFFAIRS

4.4 INDIA AND GLOBAL SOUTH: G77, G20 AND BRICS

–Rajesh Kumar

STRUCTURE

4.4.0 Objectives

4.4.1 Introduction

4.4.2 India and G-77

4.4.2.1 G-77 and Multilateral Trade

4.4.2.2 G-77 and Climate Change

4.4.3 G-20

4.4.3.1 India and G-20

4.4.3.2 G-77 and Climate Change

4.4.4 BRICS

4.4.4.1 BRICS Agenda

4.4.4.2 BRICS' New Development Bank

4.4.5 Let us Sum Up

4.4.6 Exercises

4.4.0 OBJECTIVES

In this lesson you will study India's relations with global south with specific reference to G-77, G-20 and BRICS. After going through this lesson, you should be able to know:

- the rise of global south and its impact on contemporary international relations;
- India's relations with G-77 and its contribution to UNCTAD;
- the architecture of G20 and its significance; and
- the evolution of BRICS as institution representing emerging economies of global south.

4.4.1 INTRODUCTION

The 21st century is witnessing a profound shift in global dynamics, driven by the fast-rising new powers of the developing world. China has overtaken Japan as the world's second biggest economy, lifting hundreds of millions of people out of poverty in the process. India is reshaping its future with new entrepreneurial creativity and social policy innovation. Brazil is raising its living standards by expanding international relationships and antipoverty programmes that are emulated worldwide. But the "Rise of the South" is a much larger phenomenon. Indonesia, Mexico, South Africa, Thailand, Turkey and other developing countries are becoming leading actors on the world stage. The 2013 UNDP's Human Development Report identifies more than 40 developing countries that have done better than expected in human development in recent decades, with their progress accelerating markedly over the past 10 years. Thanks to this rise, South-South trade now accounts for 30 per cent of world merchandise trade, and the exponential growth of the middle class is occurring primarily in Asia. Developing countries today hold more than US\$5 trillion in foreign exchange reserves, which is nearly double the amount held by affluent countries. In 2007, no fewer than 85 developing countries recorded per capita income growth faster than the OECD average of 2.75 percent. India and China have sustained average growth four times faster than the OECD countries in the present decade. The rise of the South can be explained by three factors: proactive developmental states; countries' abilities to

tap global markets; and social policies that emphasise human development values such as public investment in education and healthcare.

Cooperation amongst developing countries has risen to unprecedented levels since the decade of the nineties fuelled by the growing prosperity of the developing South. There is a two-fold impact manifested in the increasing number of countries actively engaged in South- South cooperation and the significant scaling up of South-South initiatives by individual countries. Hence, studying the relations among the countries of the South has assumed particular importance. Hence, in this lesson, we study India's relations with countries of the South and important institutions that are expressing the voice and interests of these countries, i.e. G-77, G-20 and BRICS.

4.4.2 INDIA AND G-77

India for several decades has remained leader of the Third World. It remained active at the United Nations level. It always worked for bridging gap between North and South. India remained at the forefront of North-South Dialogue process. India also remained responsible for setting up of UNCTAD and also the Group of 77 (G-77). The G-77 was formed on 15 June 1964 and its ideals and principles contained in the historic Joint Declaration of the Seventy-Seven Developing Countries, signed at the end of the first session of the United Nations Conference on Trade and Development (UNCTAD), held in Geneva. India was also at the forefront for the demand of setting up of New International Economic Order (NIEO). The Group of 77 pledged to promote equality in the international economic and social order and safeguarding the interests of the developing world. The group defined itself as “an instrument for enlarging the area of cooperative endeavour in the international field and for securing mutually beneficent relationships with the rest of the world”. The first Ministerial Meeting of the Group of 77 was held in Algiers from 10 to 25 October 1964, at which the Group adopted the Charter of Algiers, which established the principles of unity, complementarity, cooperation and solidarity of the developing countries and their determination to strive for economic and social development, individually or collectively.

The Group of 77 has provided the means for the countries of the South to articulate and promote their collective social and economic interests and enhance their joint negotiating capacity within the United Nations system. The Group has established a permanent secretariat at United Nations Headquarters in New York and chapters in Geneva, Nairobi, Paris, Rome, Vienna and the Group of 24 in Washington, D.C., and that its membership now stands at 133 member States.

The G-77 held the first South Summit along with China in Havana in April 2000 and the second South Summit in Doha in June 2005, at which the status of the Group of 77 and China was elevated to the level of Heads of State and Government and at which important declarations and plans of action were adopted that have guided the Group and constituted the fundamental basis for the construction of a new world order and an agenda owned by the countries of the South for the establishment of a more just, democratic and equal system. The G-77 pledges to continue the tradition of countries on ensuring national development and uniting at the international level towards the establishment of a just international order in the world economy that supports developing countries achieve their objectives of sustained economic growth, full employment, social equity, provision of basic goods and services to people, protection of the environment and living in harmony with nature.

The Group of 77 and China have succeeded in defending and promoting the interest of the developing countries over the past 50 years, which have contributed gradually to greater strength and influence on economic, social and environmental issues. The G-77 pledges to build on this foundation and continue making progress towards a world order that is just, equitable, stable and peaceful. Major landmarks in this regard have been the adoption by the United Nations General Assembly of the Declaration on the Establishment of a New International Economic Order in 1974, the Declaration on the Right to Development in 1986 and several other historic declarations that recognize and address the needs and interests of developing countries.

The G-77 believes in the peaceful settlement of conflicts through dialogue. It also notes that, despite five decades of achievements, there are still serious shortfalls in fulfilling Group's objectives. The member countries individually and collectively face many challenges, including the slowdown of the global economy and its effects on developing countries and the lack of adequate systemic action and accountability to address the causes and effects of the global financial and economic crises, thus creating the risk of continuing with the pattern of crisis cycles.

It also notes the gaps in many of member countries in meeting the needs of employment, food, water, healthcare, education, housing, physical infrastructure and energy of our people, as well as the looming environmental crisis, including the negative impacts of climate change in developing countries, the increasing shortage of drinking water and the loss of biodiversity.

The G-77 stresses the imbalances in the global economy and the inequitable structures and outcomes in the trading, financial, monetary and technological systems, which led to the establishment of the Group. Nevertheless, these imbalances still prevail today in some ways with even more adverse effects on developing countries. Therefore, the member countries including India pledges to continue and intensify their efforts to strive for a fair, just and equitable international order oriented towards the fulfilment of the development needs of developing countries. India emphasizes that the rationale for the establishment of their Group 50 years ago remains actual and valid, and indeed more valid, than earlier. The G-77, therefore, rededicates to strengthening and expanding the unwavering efforts of the Group and China in all fields towards greater achievement and for the betterment of the lives of the people of these countries.

The G-77 affirms that the twenty-first century belongs to the countries and people of the South to develop their economies and societies in order to fulfil human needs sustainably, in harmony with nature and eco system. It agreed to build on their traditional values and practices of solidarity and collaboration for mutual benefit and on the strength of the people to achieve progress in their

respective countries and in South-South cooperation. The G-77 emphasized that their major priorities are promoting sustained, inclusive and equitable economic growth, creating greater opportunities for all, reducing inequalities, raising basic standards of living, fostering equitable social development and inclusion, and promoting the integrated and sustainable management of natural resources and ecosystems that supports, inter alia, economic, social and human development while facilitating ecosystem conservation, regeneration and restoration and resilience in the face of new and emerging challenges.

The G-77 reaffirm that the main strength of the Group has been and will be its unity and solidarity, its vision of fair, just and equitable multilateral relations, the commitment of its member States to the well-being and prosperity of the peoples of the South as well as their commitment to mutually beneficial cooperation.

The G-77 emphasized that each country has the sovereign right to decide its own development priorities and strategies and consider that there is no “one size fits all” development priorities and strategies. It stresses the need for international rules to allow policy space and policy flexibility for developing countries. It further emphasized the need for policy space to enable the developing countries to formulate development strategies expressing national interests and differing needs which are not always taken into account by international economic policymaking in the process of integration with the global economy.

The G-77 remains concerned about the current state of the global economy and the state of global economic governance and the need for strong recovery. It believes that the world is confronted with the worst financial and economic crisis since the Great Depression, and the G-77 is alarmed by the adverse effects this crisis is having especially on developing countries. It believes the crisis has highlighted long-standing systemic fragilities and imbalances in the global economy, and further exposed the inadequacy and undemocratic nature of global economic governance. New attempts must now be made to establish proper global economic governance, with the full voice, representation and participation of developing

countries in discussions and decision-making. The G-77 recognizes the high importance of sustaining social protection and fostering job creation even in times of economic crisis, and takes note with satisfaction of the encouraging examples of policies that allow countries to reduce poverty, increase social inclusion and create new and better jobs in recent years.

The G-77 concerns with the increased concentration and the asymmetric distribution of wealth and income in the world that has created wide inequalities between developed and developing countries. This level of inequality is unjustifiable and cannot be tolerated in a world where poverty is still prevalent, resources are being depleted and environmental degradation is increasing. It calls for global actions to reduce inequalities at all levels. The G-77 also notes with concern the influence of large corporations, mainly from developed countries, on the global economy, and its negative effects on the social, economic and environmental development of the developing countries, particularly regarding the barriers this may pose for the entry of new enterprises in the global market. In this context, developing countries including India have designed and implemented technical cooperation projects, based on their own capabilities, aimed at the promotion of effective actions and policies for social and economic progress. These include the sharing of knowledge and experiences, training, technology transfer, financial and monetary cooperation and in aid contributions.

4.4.2.1 G-77 AND MULTILATERAL TRADE

The G77's advocacy in trade multilateralism has been focused on two key issues in the formalised negotiations through the World Trade Organisation (WTO) and its predecessor, the General Agreement on Tariffs and Trade (GATT). One is the establishment of a fair and equitable multilateral trade system and the other has been facilitating accession of developing countries to the multilateral organisation. This is informed by the consolidated belief by states and theorists alike that a globalising world relies on mechanisms to manage the growing complexity of interactions and that mechanism has been international organisations, such as the WTO. Significant strides have been made regarding the latter, as developing

countries comprise a significant membership of the WTO today. The contestations at global fora are largely expressed in the common positions of developing countries that are often in contrast to those of developed countries.

The G-77 now represented by 133 countries, significantly voiced the interests of the developing countries on many occasions of the WTO negotiations. For instance, as the impasse on multilateral trade agreements at the Doha Development Round continued with no significant shifts for developing countries, the G77 once again lent its voice as a means to fully harness the potential of trade. In 2010, the Group appealed for political will from developed countries to resist all protectionist measures and tendencies, particularly agricultural subsidies and nontariff barriers to trade, as well as to resolve existing trade distorting measures. In their September 2013 review of the world economic situation and the development challenges faced by developing countries, Ministers of the G77 further reiterated that trade remained a crucial tool to provide long-term sustainable growth. It was noted that the lingering effects of the global financial crisis that saw declines in trade had had a disadvantaging impact on developing countries as they contended with a fall in exports and loss of export revenues.

The legally binding agreement on trade facilitation was subsequently the central outcome of the last WTO Ministerial in Bali, Indonesia, in December 2013, which also included decisions on agriculture, cotton and development and LDC issues. The agreement is referred to as the milestone Bali Package, it emphasises trade facilitation by resolving ‘a series of decisions aimed at streamlining trade, allowing developing countries more options for providing food security and boosting trade in least developed countries.’ Directly addressing concerns of the G77 regarding the improvement of multilateral rules, the Bali Package is an important success for developing countries in that the more seamless movement of goods should reignite exports. While gains for developing countries at the WTO remain relatively marginal, they are gains for the membership of the G77 and augur well for the position of the G77 as an international actor.

4.4.2.2 G-77 AND CLIMATE CHANGE

The most successful efforts of the G-77 can be seen in climate change negotiations as they succeeded withstanding the pressure from OECD countries to accept proposals that would be incremental to the interests of their respective countries. Due to their efforts the 'equity principle' was incorporated in Kyoto Protocol. The unity of the G-77 countries can be seen in November 2013 Warsaw Conference on climate change. Standing their ground against developed nations, the G77+China group of 133 countries walked out of negotiations on the Loss and Damage mechanism at the United Nations climate change conference. Loss and Damage is to become a mechanism under which rich nations provide financial aid to vulnerable developing countries to compensate for the damages suffered due to high emissions of greenhouse gases by the developed world so far. Hours after G77 coordinator for Loss and Damage talks walked out, the powerful BASIC - group of countries including India, Brazil, China and South Africa - hardened its stand vis-a-vis action by developed nations. BASIC has now demanded the developed world to fulfil their mitigation commitments towards affected nations to deal with the issue of global warming. Indian Union Minister for Environment and Forests Jayanthi Natarajan said India supported the G77 group, of which it is a part. She stated that "We want the draft to be strong. We are with G77. We support very strong steps for loss and damage, and anything that does not fulfil that should be highlighted."

However, in changed scenario of post-Cold War world, the economically reformed India is somewhat moved away from the days of UNCTAD days. The group which used to be cohesive with commonality of interests has developed fissure due to divergence in developmental levels. The erstwhile developing world now fragmented into two groupings, one emerging economies of India, Kenya, Indonesia, etc. and the other one of least developed countries, mostly in the region of Africa. Hence, the interests of the G-77 also fragmented along with these lines. Now, within G-77, more prosperous and economically developed countries formed as a new group to coordinate their activities, called as G-20, on which we study in the following section.

4.4.3 G-20

The G20 has its origins as a forum for finance ministers in the late 1990s in response to the instability in the global financial system. The role of the G20 has continued to grow and formally replaced the G8 as the preeminent site for executive level deliberation in 2009. The G20 has been formally assigned duties for the management of the global economy, although there are those who would like to see it venture into other issues, such as international security.

The G20 includes 19 countries and the European Union (EU). The creation of the G20 was announced by the finance ministers of the 'Group of Seven' (or Eight, if Russia is included, so also called G8) leading industrial nations in Washington on 25 September 1999. The nineteen countries are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States. As earlier stated, the European Union was also included. The Bretton Woods Institutions (BWI), such as the International Monetary Fund and the World Bank sat in as well.

The body did not originate without accompanying birth pangs. The French opposed its creation. They felt it would undermine the International Monetary Fund (IMF) which was then headed by a Frenchman, Michel Camdessus. The Italians lined up with them, also seeking to protect the IMF. The British, too, showed some initial reluctance, apprehending the erosion of authority of the new International Monetary and Financial Committee (IMFC), which the Chancellor of the Exchequer, Gordon Brown, was chairing, but eventually came round. The Canadians were supportive because they did want to see a broader consultative structure in consonance with the subtle Canadian penchant for imposing some kind of control on their mighty southern neighbour, the United States (US). The Japanese, an Asian power, truly saw the need for more Asian participation to respond to the global financial crisis and hence backed it. The US was by far the most enthusiastic. Eventually, Washington, in a successfully executed response to the current politico-economic imperatives, managed to get the detractors round.

George W. Bush, the former U.S. President, hosted the first ever meeting of G20 leaders, creating the summit in Washington on 14-15 November 2008 to coordinate a global response to the recession. Bush felt that the time had surely come to hear out leaders of ‘emerging’ nations or in some cases “re-emerging” ones, as many nations including India, Turkey, Mexico, Brazil and Saudi Arabia would be heirs to great civilizational heritage. Gordon Brown, by this time Prime Minister, hosted the second summit in London on 1-2 April 2009. The new US President Barack Obama, organised the third summit in Pittsburg on 24-25 September 2009. The next event was held in Canada on 26-27 June 2010 and in South Korea on 11-12 November 2010. The G20 has already emerged as the premier forum for international economic cooperation.

G20 is to focus on a variety of concerns, some beyond its immediate *raison d’être*. They pumped, or at least committed that they would, more money into the IMF without any attempt to try reform the International Financial Institutions (IFIs) as they said they would. This generated criticism. Criticism was further generated by the fact that the G20 took upon itself the role to reform the IFIs in the first place, outside the framework of the UN, meaning without the participation of the vast majority of the world’s nations. This was again something many countries disfavoured. Another hornet’s nest it touched was the endorsement of the Organization for Economic Cooperation and Development (OECD) approach of publishing ‘black lists’ and ‘grey lists’ of alleged tax-havens. It aroused the ire of countries like Switzerland, Monaco, Liechtenstein, and Singapore. Apprehensions were expressed as to where the line of intervention to be drawn. At the London meeting (of G20), financial centres became a major issue. There were much stronger negative reactions to the G20.

4.4.3.1 INDIA AND G-20

Communiqué issued at the end of the Rio+ Summit, Los Cabos (Mexico), June 20, 2012 came very close to India’s stand on issues like Climate Change, Food Security, IMF Reforms, Removal of Poverty, Growth, Generation of Employment, and Un-earthling of Black Money etc. All these points were on the agenda of G-

20 Summit that took place in Los Cabos, Mexico. G-20 resolved to promote growth and jobs. They committed to act together to strengthen recovery and address financial market tensions. The G-20 agreed on a coordinated Los Cabos Growth and Jobs Action Plan to achieve those goals. G-20 committed to reduce imbalances by strengthening deficit countries' public finances. For low income countries, G-20 intensifies its efforts to create a more conducive environment for development, including supporting infrastructure investment. It is supporting economic stabilization and the global recovery. Strong, sustainable and balanced growth remained the top priority of the G20.

G-20 firmly committed to open trade and investment, expanding markets and resisting protectionism in all its forms, which are necessary conditions for sustained global economic recovery, jobs and development. It underlined the importance of an open, predictable, rules- based, transparent multilateral trading system and also committed to ensure the centrality of the World Trade Organization (WTO). G-20 reaffirmed their commitment to implement in full the 2010 Quota and Governance Reform by the agreed date of the 2012 IMF/World Bank Annual Meetings. G-20 welcomed the interim progress report and look forward to the joint annual progress report to support the development of local currency bond markets to be prepared by the World Bank, Regional Development Banks, IMF, OECD and the Bank of International Settlements (BIS).

G-20 welcomed the Action Plan and the food security pillar of the Seoul Multi-Year Action Plan on Development with the influence and intense lobbying of India. It supported the G20 Agriculture Vice-Ministers' Report on the progress made on previous commitments and key recommendations on sustainably increasing agricultural productivity, containing inputs from several international organizations coordinated by the Food and Agriculture Organization (FAO) and the OECD. In order to fight hunger, G-20 committed to continue its efforts on its initiatives, including the Tropical Agriculture Platform, the Platform for Agricultural Risk Management, the GEO Global Agriculture Monitoring, research initiatives for wheat, rice and corn, the Rapid Response Forum, regional emergency food reserves, the Global Agriculture and Food Security Program and support for the Principles of Responsible Agriculture Investment.

Eradicating poverty and achieving strong, inclusive, sustainable and balanced growth remain core objectives of the G20 development agenda. G-20 reaffirmed its commitment to work with developing countries, particularly low income countries, and to support them in implementing the nationally driven policies and priorities which are needed to fulfil internationally agreed development goals, particularly the Millennium Development Goals Regarding Climate change, G-20 reiterated its commitment to fight climate change and welcome the outcome of the 17th Conference of the Parties to the UN climate change conferences. It is committed to the full implementation of the outcomes of Cancun and Durban and other conferences. It emphasized the need to structurally transform economies towards a climate friendly path over the medium term. It welcomed the creation of the G20 study group on climate finance, in order to consider ways to effectively mobilize resources taking into account the objectives, provisions and principles of the UNFCCC in line with the Cancun Agreement and ask to provide a progress report to Finance Ministers in November. G20 also supported the operationalization of the Green Climate Fund.

G-20 promised full implementation of the Seoul G20 Anti-Corruption Action Plan, and the commitments made in the Cannes Monitoring Report. It reiterated its commitment to the ratification and full implementation of the United Nations Convention against Corruption (UNCAC), and to more active engagement with the OECD working group on bribery on a voluntary basis. It committed to enforcing anti-corruption legislation that punishes both bribe givers and receivers. To help facilitate international cooperation among G20 and non-G20 governments in their investigation and prosecution of corruption, the G20 publish a guide on Mutual Legal Assistance, as well as information on tracing assets in G20 jurisdictions.

4.4.3.2 INDIA AND G20: A CRITICAL ASSESSMENT

Call it the Power of 20. It's the world's most powerful economic club, bringing together 20 most developed and emerging economies in the world, spread across five continents. The G20 comprises around 90 per cent of the global GDP, 80 per cent of the world trade and more than two-third of the world's population.

With the globalization of production, the phenomenon of ‘factory Asia’ (production flowing away to countries with cheaper labour) became more evident. While the growth reached practically every region of the world and encompassed dozens of developing countries, a handful of large developing countries—led by China, India, and Brazil—accounted for a major share of the global growth. Other emerging economies with large populations, such as Indonesia, Mexico, Russia, Turkey, and Vietnam, also grew at a rapid pace. China, in fact, was fast becoming a leading driver of the world economy. Larger size had economic repercussions in terms of both market and labour force. The balance of international economic power was shifting away from the United States and European powers that had dominated the world economy since the end of World War II to a few dozen developing countries located in Asia, Latin America, and the Middle East.

The long-standing distinction between advanced and developing countries, particularly for rising economic powers, was blurring. The advanced countries were still the richest countries in terms of per capita income, but their economies were no longer the largest, the fastest-growing, or the most dynamic. Rising economic powers were exerting greater influence in global trade and financial policies and in the multilateral institutions that have underpinned the global economy since World War II.

Several landmark reforms of International Financial Institutions were initiated at the behest of the G20 which heightened the expectation for bringing about fundamental changes in the functioning of the global institutions and in the global governance structure. Select mid-level emerging countries have been encouraging the major emerging countries to work within the G20 process, to gradually reshape the system of global economic governance from the inside. The goal of these states is advancing a reform “from the inside” agenda, of moving the world from a US/G7-centered system to one in which the emerging countries have more say in reform proposals, e.g. the proposal of reform in the lending norms of the international financial institutions floated by Indonesia, advocacy for, and implementing, institutional changes that further broaden the number of states that are actually consulted in global summitry, taken up by South Korea and

South Africa etc. India as a member of the G20 has been actively engaged in Global Economic Governance and in shaping the World Order.

India, as an active member of the group, is significantly contributing to the global governance. India has proposed that the G20 group be used as a platform for matchmaking the private sector, including pension funds which are sitting on a huge cash pile, with countries that are in dire need of funds for developing infrastructure. If this plan is implemented, India would be one of the key beneficiaries and be able to attract financing for its massive infrastructure needs from pension funds, global companies, which are looking at attractive investment options that promise a stable and healthy rate of return.

The G20, in its meeting in Brisbane, agreed to set up a Global Infrastructure Hub with a four-year mandate. The hub is expected to contribute to develop a knowledge-sharing platform and network between governments, the private sector, development banks and other international organizations. The hub is expected to foster collaboration among various groups to improve the functioning and financing of infrastructure markets. The latest proposal from India is on similar lines but more focused on matching large investors with countries, which need long-term funds for shoring up infrastructure.

However, many see the rise of G20 with scepticism. Despite broadening of the elite group G-8 to include emerging economies, the exclusivity of the G20 is questioned by some as it permanently excludes 173 countries. With no representation of low income economies and significant under representation of Africa (South Africa is the only African member country), the representational legitimacy is also questioned. Allegations of 'plurilateralism of the big', by which the vast majority of nations lose voice and influence on matters that affect them crucially, is also levelled against the group along with the charges of undermining the existing system of multilateral cooperation in institutions such as IMF, the World Bank and the UN.

Even within inside, the G20 has developed cracks very soon after its emergence as the interests of the developed countries and emerging countries

differed considerably. One example for this is fissure on climate change. China, India, Brazil and other emerging economies of G20 considerably differed with OECD countries. Even in the finance track, where much of the earlier success of G20 has been achieved, the divisions are now sharp. There is an entrenched view the global financial architecture is loaded against emerging markets. Sudden increases in cross-border capital flows affect the exchange rate, credit volumes and asset prices depending upon the openness of a country's capital account. Recently India's Central Bank Governor Raghuram Rajan argued major central banks, particularly the US Federal Reserve, should account for the spillover effects of their ultra loose monetary policies on emerging economies. However, given the circumstances, it appears unlikely emerging economies will have any say in setting the global monetary policy agenda, especially when economic growth is weak and unemployment in OECD economies remains high. Similarly, the creation of New Development Bank under the Chinese umbrella, in which India is a member, also reflecting these countries frustrations with global financial institutions like IMF and World Bank as well as their governance.

Hence, the G20 initiative is indeed at a crossroads. When global recovery is at an uneven pace across countries and some parts of the world seem unable to get out of the possibility of double-dip recession, the G20 needs to segregate immediate concerns from long-term goals. A coordinated fiscal and monetary policy for advanced countries where recovery is weak should ensure that loose monetary policy in these countries does not lead to huge capital inflows to emerging markets, creating problems in exchange rate management and export competitiveness. In the medium term, the longevity of the G20 will be based on its ability to devise a framework for more inclusive global growth and on its ability to constructively move towards it.

4.4.4 BRICS (BRAZIL, RUSSIA, INDIA, CHINA AND SOUTH AFRICA)

BRICS is the acronym for an association of five major emerging national economies: Brazil, Russia, India, China and South Africa. The grouping was

originally known as “BRIC” before the inclusion of South Africa in 2010. The BRICS members are all developing or newly industrialised countries, but they are distinguished by their large, fast-growing economies and significant influence on regional and global affairs; all five are G-20 members. Since 2010, the BRICS nations have met annually at formal summits. Russia currently holds the chair of the BRICS group, and hosted the group’s seventh summit in July 2015.

As of 2014, the five BRICS countries represent almost 3 billion people, or approximately 40% of the world population; as all five members are in the top 25 of the world by population, and four are in the top 10. The five nations have a combined nominal GDP of US\$16.039 trillion, equivalent to approximately 20% of the gross world product, and an estimated US\$4 trillion in combined foreign reserves. It is estimated that the combined GDP (PPP) of BRICS would reach US\$ 50 trillion mark by 2020.

Among the group of emerging economies, BRICS are playing a crucial, if not systemic, role in global economy. Three main aspects are underlining the relevance of BRIC as protagonists in development cooperation: The outstanding size of their economies; Strong growth rates, leading to increasing significance in world economy, and ; the demand for a stronger political voice in international governance structures, which corresponds to their economic status. Goldman Sachs has also identified the “next eleven” (Bangladesh, Egypt, Indonesia, Iran, Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey and Vietnam), who have improved their position in world economy in a similar way.

4.4.4.1 BRICS AGENDA

The BRICS member states come together as sovereign independent nations, and with common purpose to forge a long-term strategy for multilateral and mutual cooperation amongst one another. To this end, BRICS member states pledge to work together in the quest for:

1. promoting cooperation for economic growth and development;
2. peace and security;

3. social justice, sustainable development, and quality of life;
4. political and economic governance; and
5. progress through knowledge and innovative sharing.

The strategy has evolved dynamically from the founding and subsequent Summit meetings of leaders of the BRICS member states. It presents a broad trajectory from the attainment of policy objectives and goals that will address current global challenges facing member states and the world at large. BRICS member states have common ideals in the pursuit of economic and social development in their own countries, BRICS is committed to building an international economic and political order that is just and fair.

As a new multilateral grouping, BRICS acknowledges the differences among its members in terms of history, culture, political systems, economic structures, resource endowment, and levels of development. Members view these as a demonstration of the diversity of the world's civilizations. BRICS countries recognize in this diversity the possibility for deeper cooperation for mutual benefit, drawing on the comparative advantage of each other country to collectively complement and build on one another's strength.

BRICS group, in their first meeting, called for a more democratic and multi-polar world order based on cooperation, coordinated action and collective decision-making of all states. Some analysts are interpreting the emergence of BRICS in a neo-realistic way, assuming that BRICS want to challenge and counterbalance US (and western) hegemony. Scholars are of view that the coherence of BRICS is undermined by a number of aspects. One also has to keep in mind, that BRICS are actually winners of the globalisation process of the last decade (on average GDP) and are opting for participation and influence in multilateral economic and political institutions like G20, IMF and World Bank.

In last few years, Ministerial meetings took place during UN and G20 conferences. Beyond these informal meetings the BRIC(S) dialogue was institutionalized through summit meetings in Russia (2009), Brazil (2010), China

(2011) and India (2012), South Africa (2013) and Brazil (2014). During these meetings, development cooperation was a major issue. The five countries are forming a strategic alliance in order to increase their political weight at the international level and to enforce common political and economic interests. Issues such as food security and the commitment to provide financial and technical assistance in fighting undernourishment in developing countries have been raised during these summits. BRICS have also committed themselves to achievement of Millennium Development Goals (MDG) goals. To them, eradication of extreme poverty and hunger is a moral, social, political and economic imperative of humankind and one of the greatest global challenges facing the world today, particularly in Least Developed Countries in Africa and elsewhere. BRICS nation called on the international community to actively implement and achieve the objectives of the MDGs by 2015 as scheduled during Sanya, China Declaration in 2011.

4.4.4.2 BRICS' NEW DEVELOPMENT BANK

On 15 July 2014, the five BRICS countries formally created a “New Development Bank” at Fortaleza, Brazil, which would be headquartered in Shanghai and would have an Indian as its first president. It would have a capital base of \$50 billion to start with, contributed by the five governments, and would provide development funding to all governments for infrastructure projects. The BRICS proposal also envisages a Contingency Reserve Arrangement, of \$100 billion, which will give loans to governments for tiding over balance of payments problems.

Many economists and commentators have welcomed the BRICS Bank, each of them citing some mix of the following three arguments: first, it will increase the role of the BRICS countries in “global economic governance”. These countries are currently marginalised in the affairs of the main development lending agency, the World Bank, which operates on the principle of votes according to capital share, and not “one country one vote” (the principle that governs the UN); their economic weight will increase if they jointly have a development bank of their own that has the same objectives that the World Bank was originally supposed

to fulfill when it was launched at Bretton Woods. (In another parallel to Bretton Woods, the CRA that is the twin organisation of the BRICS Bank but is yet to take off, is envisioned as fulfilling an IMF-type role). Put differently, the argument is that the BRICS Bank will reduce the clout of the developed countries in “global economic governance” and increase that of the BRICS, which is to be welcomed as it represents a devolution of global economic power.

The second argument is that it will increase the “weight of the South” in “global economic governance”. It is being claimed that the BRICS Bank will operate on the basis not of “votes according to capital share”, but of “one country one vote”, with no veto power given to any country; and in addition to the five countries who own the Bank, there will also be some other countries of the South, on a rotation basis, on the Board of the Bank who will be entitled to vote. Consequently, it will not just be a BRICS Bank but one representing in some ways the entire South.

The third argument is that the BRICS Bank will not be a source of ideological pressure for adopting neo-liberal policies, as the World Bank became. The World Bank put “conditionalities” on its loans. Since the BRICS Bank will be giving project loans, based entirely on the viability of the project itself, it will be unconcerned with the macroeconomic orientation of the government; hence its loans will lack the ideological coercion that the World Bank’s loans bring with them.

A high point in July 2015 summit was further steps for operationalization of the BRICS bank or ‘New Development Bank’ (NDB). The first President of the NDB was decided to be from India in the previous summit and the Indian government was prompt to name veteran banker KV Kamath as NDB’s first president. Before the summit in Ufa, Kamath made a statement about operationalizing the BRICS bank and approving the first loan by April 1, 2016. Kamath also stated that the New Development Bank will consider membership of new countries within six months, with the most probable new candidates being African states. The capital base is used to finance infrastructure and, quote,

sustainable development projects in BRICS countries initially, but other low- and middle-income countries will be able to buy in and apply for funding. BRICS countries have also created a \$100 billion contingency reserve arrangement (CRA), meant to provide additional liquidity protection to member countries during balance-of-payments problems and other financial shocks. The CRA, unlike the pool of contributing capital to the BRICS bank, which is equally shared, is being funded 41 percent by China, 18 percent by Brazil, India, and Russia, and 5 percent from South Africa. The new bank is being described as a challenge to the IMF and the World Bank, that is, a challenge to American global financial power.

4.4.5 LET US SUM UP

The nations of Africa, Central and Latin America, and most of Asia - collectively known as the Global South - face great challenges and offer real opportunities. Political, social, and economic upheaval are prevalent in many of these nations; at the same time, the populations of the global South and their emerging markets offer immense hopes for economic growth, investment, and cultural contribution. The global “South,” emerging and developing economies, is overtaking the global “North,” advanced industrial countries in economic output, largely because of favourable demographic shifts, rising investments and increased productivity. While the developed world ages, the developing world is experiencing a youth boom. Rising education levels and incomes are making developing countries more competitive in the global economy and creating more powerful consumers.

Countries engaged in South-South cooperation do not like to be viewed as donors or recipients. Instead, they describe such cooperation as an expression of solidarity born out of shared experiences and sympathies, and guided by the principles of respect for national sovereignty and ownership.

In spite of the great strides made by developing countries as a group, it is important to recognize the remarkable diversity that prevails between individual countries in terms of their levels of growth. Such heterogeneity is underpinned by the proximity of their historical, cultural, and developmental experiences, lending to South-South partnerships their distinctive quality of solidarity and voluntariness.

It offers a model of development cooperation that is typically demand-driven allowing for greater policy space for the partnering country unburdened by stringent conditionalities and accompanied by lower transaction costs. The challenge in the coming years is to capitalize on the success and growing dynamism of the larger developing countries and transfer them through sharing of expertise, resources, and experiences to other countries where it is needed most.

4.4.6 EXERCISES

1. How rise of global south changed dynamics in international relations?
2. What is the contribution of G-77 in protecting the interests of developing countries?
3. Do you agree with the proposition that the G20 is representing contemporary global reality and changing dynamics of international relations?
4. Write a note on BRICS grouping with reference to BRICS' New Development Bank.

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SEMESTER - II

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INDIAN'S FOREIGN POLICY

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