

**Monograph  
July 2019**

# **India's Relations with its SAARC Neighbours**

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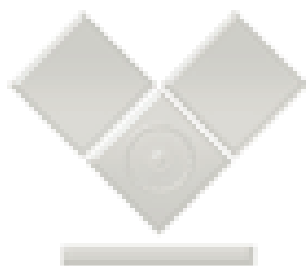
**Satish Chandra, IFS (Retd.)**

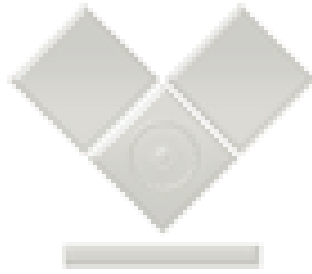


**Vivekananda International Foundation**

# **India's Relations with its SAARC Neighbours**

Satish Chandra, IFS (Retd)  
Vice Chairman, VIF





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3, San Martin Marg | Chanakyapuri | New Delhi - 110021

Tel: 011-24121764 | Fax: 011-66173415

E-mail: [info@vifindia.org](mailto:info@vifindia.org)

Website: [www.vifindia.org](http://www.vifindia.org)

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## **List of Abbreviations**

ADD	Annual Defence Dialogue
ASEAN	The Association of Southeast Asian Nations
BC-NEIA	Buyer's Credit Agreements-National Export Insurance Account
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BNP	Bangladesh Nationalist Party
BPDB	Bangladesh Power Development Board
BRI	Belt and Road Initiative
BRO	Border Roads Organisation
BSF	Border Security Force
CBM	Conflict Building Measures
CBMP	Coordinated Border Management Plan
CPN-UML	Communist Party of Nepal-Unified Marxist-Leninist
DCD	Defence Cooperation Dialogue
DNT	Druk Nyamrup Tshogpa
EEZ	Exclusive Economic Zone
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
EXIM	Export-Import Bank of India
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GMR	Grandhi Mallikarjuna Rao
IAEA	International Atomic Energy Agency
IAF	Indian Air Force
ICCR	Indian Council for Cultural Relations
IMA	Indian Military Academy
IMTRAT	Indian Military Training Team
INR	Indian Rupee
IPCs	Integrated Check Posts
IPKF	Indian Peace Keeping Force
IT	Information Technology
ITEC	Indian Technical and Economic Cooperation

ITEC	Indian Technical and Economic Cooperation
JCC	Joint Consultative Commission
JRC	Joint Rivers Commission
JVP	Janatha Vimukthi Peramuna
KKS	Kankasanturi
KV	Kilovolt
LCSs	Land Customs Stations
LTTE	The Liberation Tigers for Tamil Eelam
MFN	Most Favoured Nation
MNDF	Maldives National Defence Force
MOU	Memorandum of Understanding
MW	Megawatt
NAM	Non-Alignment Movement
NDA	National Defence Academy
NDA	National Democratic Alliance
NDRF	National Disaster Response Force
NRC	National Register of Citizens
NSA	National Security Advisor
NTPC	National Thermal Power Corporation
NUG	National Unity Government
NWSDB	National Water Supply and Drainage Board
PCFD	Professional Course for Foreign Diplomats
PDP	People's Democratic Party
PoK	Pakistan-occupied Kashmir
R&AW	Research and Analysis Wing
SAARC	South Asia Association of Regional Cooperation
SCO	Shanghai Cooperation Organisation
SJVN	Satluj Jal Vidyut Nigam
SLINEX	Sri Lanka-India Exercise
TAPI	Turkmenistan-Afghanistan-Pakistan-India
ULFA	United Liberation Front of Assam
UNCLOS	United Nations Convention on the Law of the Sea
UPA	United Progressive Alliance

# Foreword

Neighbours have traditionally enjoyed high priority in India's foreign policy. Yet, relations have not always been trouble-free. Prime Minister Narendra Modi's "Neighbourhood First" policy is the latest effort towards rejuvenating bilateral ties with the neighbours and building durable partnerships on the basis of mutual benefit.

India has a complicated neighbourhood. By dividing the Indian Sub-continent on an arbitrary basis, the British left behind a complex legacy and numerous problems. We are still grappling to resolve them.

Ties with each neighbour are conducted in a unique, historical, geographical and cultural context. While India would like to have stable, good relations with all its neighbours, structural factors have their own dynamic. The neighbours also have a distinct and unique view of India, which is influenced by their own experience. The lack of connectivity, low level of regional integration, the growing Chinese footprint and volatile internal political dynamic make the task of crafting a neighbourhood policy that much more difficult for India.

Ambassador Satish Chandra, in this monograph, reviews India's ties with Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka, examining the structural factors which are at play. A veteran diplomat, he has been India's High Commissioner in Pakistan and also served in Bangladesh. As India's first Deputy National Security Advisor, he looked at the security dimension of India's relations with her neighbours in detail. He concludes that India cannot have one-size-fit-all approach to the neighbourhood. It will need to calibrate its policies keeping in view the prevailing circumstances. A good policy requires an in-depth knowledge about the neighbouring countries, which unfortunately is lacking in India.

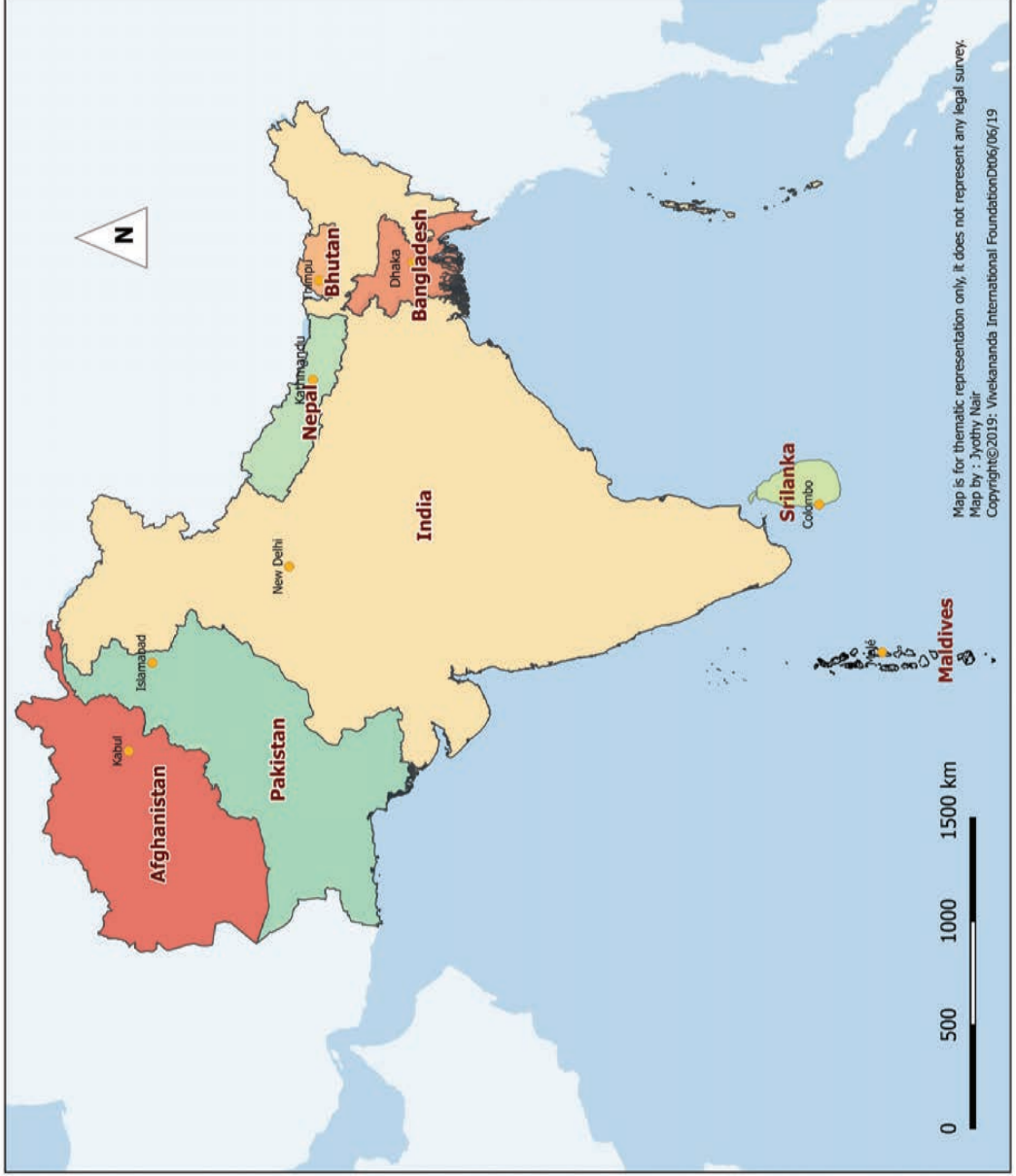
I am confident that Amb Satish Chandra's insights will be useful for the readers to understand the nuances of India's ties with her neighbours. We hope that the monograph will generate healthy debate on how India should deal with its complex neighbourhood.

New Delhi  
12 July 2019

Dr Arvind Gupta  
Director, VIF



# South Asia



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## Introduction

India's relations with its SAARC neighbours have, over the decades, oscillated from very good to stressed barring Pakistan and Bhutan. With the former they have generally been very bad and with the latter very good. With the rest, notably Afghanistan, Maldives, Sri Lanka, Bangladesh and Nepal, they have seen many ups and downs.

The volatility in India's relations with its SAARC neighbours, notwithstanding their multifaceted ethnic, cultural, linguistic, religious etc. links which go back to antiquity, can to an extent be attributed to the huge power differential between the former and each of the latter. Whether it is size, population, GDP, foreign trade, foreign exchange reserves, or defence spending, India towers over its SAARC neighbours as brought out in the tabular statement below. However, in terms of per capita GDP, the Maldives, Sri Lanka and Bhutan do much better than India. The human development indicators of the Maldives and Sri Lanka are also substantially better than India's, while those of Bhutan and Bangladesh are only marginally worse.

### Asymmetries between India & Its SAARC Neighbours

#### South Asia: A statistical profile

Country	Area (Sq. Km) [1]	Population [2]	GDP [2]	Def. Exp. [4]	Total Reserves [3]	Foreign Trade [6]	HDI [5]	GDP (PC) [2]
India	3,287,263	1,353,000,000	\$ 2,726.323 bn	\$ 52.5 bn	\$ 399.167 bn	\$ 618,181.97 mn	0.64	\$ 2,015
Afghanistan	652,230	37,172,386	\$ 19.363 bn	\$ 2.17 bn	\$ 8.206 bn	\$ 15,810.32 mn	0.498	\$ 520.9
Pakistan	796,095	212,215,030	\$ 312.570 bn	\$ 9.19 bn	\$ 11.837 bn	\$ 67,545.41 mn	0.562	\$ 1,472.9
Maldives	298	515,696	\$ 5.272 bn	NA	\$ 0.722 bn	\$ 2,227.18 mn	0.717	\$ 10,223.6
Sri Lanka	65,610	21,670,000	\$ 88.901 bn	\$ 1.70 bn	\$ 7.959*	\$ 29,284.53 mn	0.7	\$ 4,102.5
Bangladesh	148,460	161,356,039	\$ 274.025 bn	\$ 2.78 bn	\$ 32.028 bn	\$ 71,443.48 mn	0.608	\$ 1,698.3
Nepal	147,181	28,087,871	\$ 28.812bn	\$ 0.33 bn	\$ 8.335 bn	\$ 9,655.55 mn	0.558	\$ 1,025.8
Bhutan	38,394	754,394	\$ 2.535 bn	NA	\$ 0.99 bn	\$ 11,472.36 mn	0.612	\$ 3,360.3

Sources: [1] Area- CIA Factfile (2019), [2] Population (2018); GDP (2018); GDP(PC) (2018): <https://data.worldbank.org/country>, [3] Total Reserves (Including Gold at Current US \$(2018) : <https://data.worldbank.org/country>, [4] Defence Expenditure: IISS military Balance 2018, [5] HDI: <http://hdr.undp.org/en/composite/trends>, [6] Foreign Trade (2016) US \$ at Current Prices: <http://data.imf.org> |\* 2017 Figure | Base Year for GDP- 2010

Such asymmetries in favour of India have often bred vastly exaggerated fears and suspicions amongst its smaller neighbours, which in the absence of frequent high level exchanges and the existence of disputes and differences, have tended to create trust deficits and adversely colour relations. These negativities have been reinforced by perceptions of Indian arrogance and interference some real and some imagined.

Moreover, most of India's neighbours, are at best fragile democracies where poverty, under development, rampant corruption, divisive politics and serious institutional shortcomings make them inherently unstable. Nearly all are plagued by severe governance deficits which, inevitably, have a spill over impact on India. For instance, the political instability and governance deficit in Nepal fuelled the Maoist insurgency and more recently Madhesi discontent, in Afghanistan it led to war lordism, the rise of the Taliban and drug trafficking, in Bangladesh it fostered illegal migration, gun running and Islamic fundamentalism, in Pakistan it bred terrorism and the radicalisation of society, and in Sri Lanka it led to Tamil separatism. All these have impacted negatively on India's security situation.

Additionally, India's relations with these countries have been bedevilled with a host of issues common to neighbours the world over, such as disputes and differences over land and maritime borders, water sharing, connectivity, illegal migration, smuggling and drug trafficking, border management, terrorism etc. The close civilisational connect between elements of the populace in neighbouring states and that across the borders in India, far from being a bridge, has on occasion become a source of friction on account of the near inevitable Indian interventions on their behalf when they have been ill treated by the governing majority. Cases in point are intercessions by India in Nepal on behalf of the Madhesis, or in Sri Lanka on behalf of the Tamils. India often has little room to manoeuvre in such matters since what is normally a foreign policy issue also assumes a domestic dimension.

India's relations with its SAARC neighbours have also often taken a hit due to their insensitivity to New Delhi's core interests. Some have gone so far as to involve themselves in terrorist activities against India. Nearly all have used the

China card against it. This has taken many forms, ranging from according China basing facilities to enthusiastically welcoming the Belt and Road Initiative (BRI) which, in its CPEC avatar, infringes on India's sovereignty and which is a thinly veiled exercise to advance China's hegemonic interests in the region and beyond.

Most objective analysts will not find it difficult to conclude that India has been much more sinned against than it has sinned and is to be commended for having taken important initiatives to improve ties with these countries and for playing a constructive role in the region as a whole. While India has on some occasions caused angst in Nepal for its efforts in support of democratisation or in support of the Madhesi cause and in Sri Lanka for pressing for the legitimate rights of the Tamils, never once has it encouraged secessionism in any of its neighbouring countries barring the special circumstances under which it supported Bangladesh's breakaway from Pakistan. On the contrary, it has always stood for their sovereignty and territorial integrity. Moreover, it has not been shy of making major concessions in an effort to improve ties. Thus, in 1960, it concluded the extraordinarily generous Indus Waters Treaty under which, while having 40% of the catchment area, it agreed to the allocation of 80% of the Indus Waters to Pakistan and in addition, paid the latter over 62 million pound sterling to build replacement irrigation works. Similarly, in the interest of better relations with Sri Lanka, India in 1974 ceded to it the Katchatheevu island which historically was a part of the Madras Presidency during British rule. Furthermore, India has usually been the first responder to disasters in the neighbourhood, like the April 2015 earthquake in Nepal, or the December 2004 tsunami which inter alia hit the Maldives and Sri Lanka. India has also readily provided timely military support to neighbouring governments when threatened by coups as in the case of the Srimavo Bandaranaike government in Sri Lanka in April 1971, or the Gayoom government in the Maldives in 1988. Finally, though itself a developing country with its own resource constraints, India has readily involved itself in economic cooperation programmes in the neighbourhood and done its utmost to promote development.

It has been argued that good relations with neighbours are a sine qua non for a country's rise and that accordingly India should do much more than it has done to create a harmonious South Asia. There is a fundamental flaw in this line

of argument as many countries despite tensions with neighbours have gone on to become great powers. Britain, France and China are prime examples of this.<sup>1</sup> Of course, there can be no denying the fact that a harmonious neighbourhood would facilitate a country's rise and, therefore, there is merit in examining what India should do for a better relationship with its neighbours. Any such analysis must, however, bear in mind that good relations are a two-way street and until and unless the other player is also desirous of better ties the same cannot be achieved.

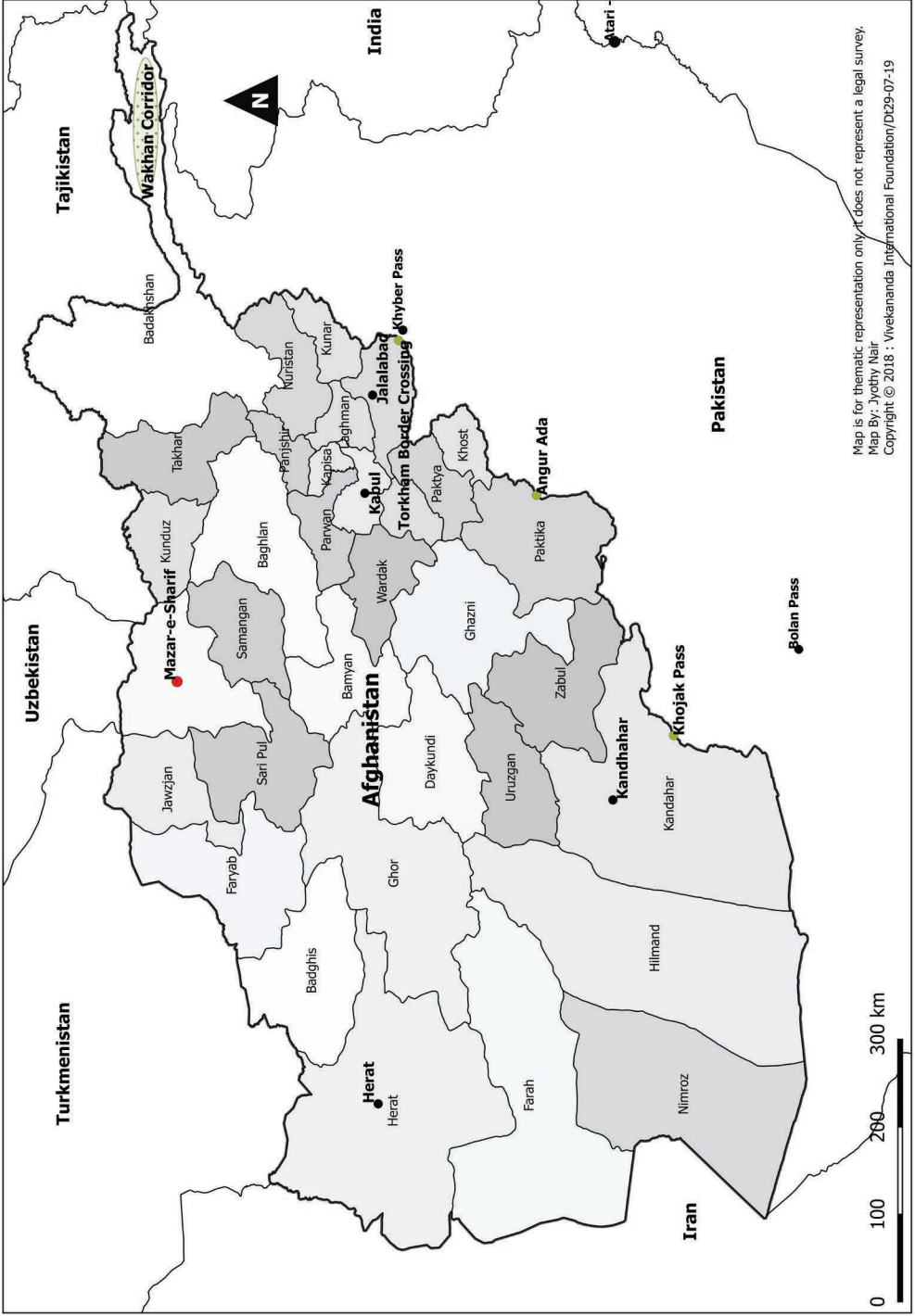
At the beginning of 2019, it would be fair to suggest that India's ties with Afghanistan, Bangladesh, Bhutan and the Maldives are excellent, those with Sri Lanka are good, those with Nepal are prickly and those with Pakistan are hostile.

An effort has been made in the succeeding paragraphs to examine each of these relationships, evaluate the prospects and suggest moves that can be made by India to best promote its interests.

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<sup>1</sup> "India and the South Asian Neighbourhood" by Kanwal Sibal  
<https://www.vifindia.org/article/2012/november/19/india-and-the-south-asian-neighbourhood>

# Afghanistan and its Provinces



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# Afghanistan

India and Afghanistan are neighbours by virtue of the fact that the Wakhan Corridor in Afghanistan has a 106km border<sup>2</sup> with Gilgit Baltistan, currently under Pakistan's illegal occupation, which forms part of the Indian state of Jammu and Kashmir.

India's links with Afghanistan go back to antiquity as well as to India's freedom struggle and are founded on deep cultural, ethnic and linguistic affinities together with historic commercial and people-to-people exchanges. Recognising the importance of building upon these longstanding and friendly ties, both countries concluded a Treaty of Friendship on January 4, 1950, which was signed by then Prime Minister Nehru and then Afghan Ambassador in India, Najibullah. It, inter alia, provided that there "shall be everlasting peace and friendship"<sup>3</sup> between the two countries and that they would not only maintain the existing diplomatic representation, but would also establish consulates as required.

It may be mentioned that the Indian Embassy in Kabul was established in 1947 itself and consulates in Jalalabad and Kandahar were set up in the fifties. From 1992-1996, the civil war in Afghanistan led to our missions being closed from time to time with the final shut down taking place in September 1996, hours before the Taliban takeover of Kabul. It was only in September 2001, with the advent of the Karzai government, that diplomatic ties with Afghanistan were re-established and a liaison office was set up in Kabul which in March 2002 was upgraded to a full-fledged Embassy. Through 2002, not only were the consulates in Jalalabad and Kandahar reopened, but new consulates were also set up in Herat and Mazar-e--Sharif.

Post independent India and Afghanistan have all along enjoyed excellent ties barring the nearly 10-year-long interlude of the Rabbani regime (1992-1996)

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<sup>2</sup> "How India Manages its National Security" by Arvind Gupta published by Penguin Random House India 2018.

<sup>3</sup>[mea.gov.in/bilateral-documents.htm?dtl/6584/Treaty+of+Friendship](http://mea.gov.in/bilateral-documents.htm?dtl/6584/Treaty+of+Friendship)

and subsequent Taliban rule (1996-2001). The down tick in relations during this period resulted from the transformation of Afghanistan into a nursery of terrorism with Pakistan's connivance and the export of terror to India from its soil.

In these circumstances, India from its independence till 1992, when the Najibullah regime was overthrown, actively sought to promote Afghanistan's development in diverse sectors. Accordingly, it set up the Indira Gandhi Children's Hospital in Kabul, the only hospital of its kind in the country at the time of its construction, in 1966, several mini hydel projects, and programmes designed to help small and medium-scale enterprises etc. By the 1970s, Afghanistan also became an important beneficiary of the Indian Technical and Economic Cooperation (ITEC) program which was geared to skilling Afghanistan.

It is significant that India's friendly ties with Afghanistan remained unaffected by the establishment of Soviet-backed regimes there from 1978 to 1992. Since these regimes had a popularity deficit, some of this negativity rubbed off on India. However, India's people-friendly policies by way of its economic cooperation programmes, particularly in areas like health and education and liberal grant of asylum to those fleeing from Afghanistan mitigated this negativity to a large extent. It is estimated that during the Soviet presence in Afghanistan, India sheltered around 20000 Afghan refugees, and even today, the Afghan presence in India is about 10000-15000.

The friendly relations between India and Afghanistan since 1947 were clearly facilitated by their civilisational affinities, absence of disputes, India's economic cooperation programmes and, perhaps, at the psychological level, the fact that both countries faced unmitigated hostility from neighbouring Pakistan. However, displaying a remarkable lack of realpolitik, the two countries never ganged up against Pakistan. In contrast, an anti-Indian nexus has been the main animating force of the Sino-Pakistan relationship which ab initio has been directed against India.

With the advent of the Karzai regime in December 2001 and later the Ashraf Ghani government in 2014, India-Afghanistan relations once again reverted to their normal friendly tenor with the reestablishment of Indian missions in Afghanistan and resumption of economic cooperation programmes. India's



reengagement with Afghanistan though largely driven by the traditional friendship between the two countries, was also influenced by the democratic and secular nature of these Afghan governments and by a common desire to prevent the Taliban from returning to power and converting the country once again into a hot bed of terror. Accordingly, despite regime change in both countries, India has been deeply involved in capacity building in Afghanistan in diverse spheres as well as in infrastructure development. Towards this end it has to date pledged \$ 3 billion for economic assistance in Afghanistan. India, while by far the largest regional donor to Afghanistan, was by 2010, rated as the fifth largest donor globally<sup>4</sup>.

Since Indian economic cooperation programmes in Afghanistan are demand driven and not conditioned on any quid pro quo, they have earned much goodwill and it is not surprising that India's popularity in Afghanistan far exceeds that of any other country. According to a BBG-Gallup survey undertaken in Afghanistan in 2015, out of a list of ten countries, India enjoyed a popularity rating of 62%, followed by China at 46%, Russia at 39% and Iran at 37%. Pakistan was adjudged as the least popular with a rating of 3.7%.<sup>5</sup>

Significantly, though there has been a draw down in international aid to Afghanistan since 2014, the Indian commitment to help the former remains undiminished. In this context, it may be recalled that while Dr Manmohan Singh in a 2011 joint press conference with Karzai stated that "India will stand by the people of Afghanistan as they prepare to assume the responsibility for their governance and security after the withdrawal of international forces in 2014," Mr Modi in July 2016, at the inauguration of the Friendship Dam stated that India would be with Afghanistan "every step of the way."<sup>6</sup>

An important milestone in the upward march of India-Afghanistan ties was the 2011 Strategic Partnership Agreement which, while reasserting the "fundamental and lasting spirit" of the Treaty of Friendship, provides an all

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<sup>4</sup> "India in Afghanistan: Understanding Development Assistance by Emerging Donors to Conflict-Affected Countries" by Rani D Mullen, College of William and Mary, Stimson Centre. August 2017.

[https://www.stimson.org/sites/default/files/file-attachments/India%20in%20Afghanistan%20Understanding%20Development%20Assistance%20by%20Emerging%20Donors%20to%20Conflict-Affected%20Countries\\_0.pdf](https://www.stimson.org/sites/default/files/file-attachments/India%20in%20Afghanistan%20Understanding%20Development%20Assistance%20by%20Emerging%20Donors%20to%20Conflict-Affected%20Countries_0.pdf)

<sup>5</sup> <http://www.afghanistantimes.af/two-third-of-afghans-dissatisfied-with-national-leaders/>,

<https://www.voanews.com/east-asia/afghan-poll-shows-deep-dissatisfaction-kabul-leadership>

<sup>6</sup> Supra 4

embracing framework for bilateral cooperation. Thus it envisages Indian assistance to help rebuild Afghanistan's infrastructure and institutions, education and technical assistance to rebuild indigenous Afghan capacity in many fields, investment in Afghanistan's natural resources, duty free access to the Indian market for Afghanistan's exports etc. Additionally, it includes a peace and security component which, amongst other things, not only envisages "close political cooperation" between both countries but also facilitates "training, equipping and capacity building programmes" of Afghan forces by India.<sup>7</sup> It is significant that Afghanistan is the only South Asian country with which India has a Strategic Partnership Agreement. It may, however, be noted that though the biggest non-Western donor in Afghanistan, India is only a marginal player in terms of providing military assistance which is mainly in the form of training.<sup>8</sup>

India's development assistance to Afghanistan since 2001 is fully grant-based and targets multiple sectors. India's humanitarian assistance includes the feeding of vitamin-fortified biscuits to two million Afghan school children daily and the free provision of medicines and medical services monthly to over 30,000 Afghans, in addition to expedited visas for Afghans seeking medical treatment in India. Indian assistance to the Afghan infrastructure sector has included the construction and equipping of Afghanistan's parliament building, the construction of the Delaram-Zaranj Highway which, with the development of Chahbahar port in Iran, will allow India direct land connectivity to Afghanistan, bypassing Pakistan, the construction of the Friendship Dam in Herat province, the upgrading of the Indira Gandhi Children's Hospital, the building of a 400-km power transmission line to Kabul<sup>9</sup> etc. Many other projects are in the works such as the Shahtoot Dam in the Kabul river basin to facilitate irrigation and provide drinking water, low cost housing for returning Afghan refugees in Nangarhar Province, a gypsum board manufacturing plant in Kabul, a polyclinic in Mazar-e-Sharif etc.<sup>10</sup> Among the myriad low-cost Indian development assistance

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<sup>7</sup>[mea.gov.in/bilateral-documents.htm?dtl/5383/](http://mea.gov.in/bilateral-documents.htm?dtl/5383/)

<sup>8</sup> "India's Bilateral Security Relationship in South Asia" by Christian Wagner in Strategic Analysis Vol42. No1 January-February 2018.

<sup>9</sup> "India in Afghanistan: Understanding Development Assistance by Emerging Donors to Conflict-Affected Countries" by Rani D Mullen, College of William and Mary, Stimson Centre. August 2017.

[https://www.stimson.org/sites/default/files/file-attachments/India%20in%20Afghanistan%20Understanding%20Development%20Assistance%20by%20Emerging%20Donors%20to%20Conflict-Affected%20Countries\\_0.pdf](https://www.stimson.org/sites/default/files/file-attachments/India%20in%20Afghanistan%20Understanding%20Development%20Assistance%20by%20Emerging%20Donors%20to%20Conflict-Affected%20Countries_0.pdf)

<sup>10</sup> "India Afghan Relations" [https://www.mea.gov.in/Portal/ForeignRelation/1Afghanistan\\_October\\_2017.pdf](https://www.mea.gov.in/Portal/ForeignRelation/1Afghanistan_October_2017.pdf)

programs to Afghanistan, the program that will likely have the longest lasting impact is the Indian Technical and Economic Cooperation (ITEC) program. This program includes the deputation of Indian experts, delivery of requested feasibility and consultancy services, donations of equipment, study tours and, most importantly, the provision of low-cost training and education in English to Afghan government officials and students. Bolstered by the easily accessible visa program, the ITEC program has trained thousands of Afghan bureaucrats, provided hundreds of vocational education programs and scholarships to hundreds of Afghan students since the early part of this century.<sup>11</sup> Apart from training Afghan security forces India has also gifted some equipment, including most recently, four MI-25 attack helicopters.

### **Commercial Relations**

Bilateral trade for 2016-17 was USD 800 million approximately<sup>12</sup> and has immense potential to be expanded further. It is currently impeded by Pakistan which does not permit India to use the Wagah-Attari route for exports to Afghanistan.

In order to overcome the problems posed to Afghanistan-India trade by Pakistan, both countries inaugurated a Dedicated Air Cargo Corridor in June 2017 between Kabul and Delhi and Kandahar and Delhi. The Corridor has since been extended to Kolkata, Herat and Mazar-e-Sharif. The Air Corridor has ensured free movement of freight despite the transit barriers put in place by Pakistan and resulted in enhancing bilateral trade to US\$ 1.1 billion in 2017-18. It is hoped that bilateral trade would increase to \$2 billion in the next few years. The Afghan government has replicated the success of its air cargo corridor with India with similar corridors to Turkey, the UAE, Kazakhstan and Europe. To further enhance cargo connectivity, the Ministry of Commerce, Government of Afghanistan, and the Afghanistan Chamber of Commerce and Industry signed a Memorandum of Understanding (MoU) with SpiceJet to ferry cargo on its

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<sup>11</sup> "India in Afghanistan: Understanding Development Assistance by Emerging Donors to Conflict-Affected Countries" by Rani D Mullen, College of William and Mary, Stimson Centre. August 2017. [https://www.stimson.org/sites/default/files/file-attachments/India%20in%20Afghanistan%20Understanding%20Development%20Assistance%20by%20Emerging%20Donors%20to%20Conflict-Affected%20Countries\\_0.pdf](https://www.stimson.org/sites/default/files/file-attachments/India%20in%20Afghanistan%20Understanding%20Development%20Assistance%20by%20Emerging%20Donors%20to%20Conflict-Affected%20Countries_0.pdf)

<sup>12</sup> India-Afghanistan Relations. [https://www.mea.gov.in/Portal/ForeignRelation/1Afghanistan\\_October\\_2017.pdf](https://www.mea.gov.in/Portal/ForeignRelation/1Afghanistan_October_2017.pdf)

network to Indian cities. The cargo flights have been delayed due to denial of over-flight clearance by Pakistan since November 2018.

### **Future Prospects**

The future of the current excellent India-Afghanistan ties is uncertain. This is mainly due to the eroding legitimacy of the National Unity Government (NUG) and the declining level of US commitment in Afghanistan, leading to a rapidly deteriorating security situation.

Differences on power sharing between President Ashraf Ghani and Chief Executive Abdullah Abdullah, wrangling with warlords like Atta and Dostum, increasing ethnic differences etc. have inevitably impinged on the efficacy of the Government. The Government's legitimacy has been further impacted by the delay in the declaration of results of parliamentary elections conducted on October 20, 2018 over allegations that more than 25% of the votes cast were rigged<sup>13</sup>. The Presidential elections originally scheduled to be held in April 2019, were first postponed to July 2019 and now more recently to September 2019. This has further eroded the government's credibility. Indeed, with the rapidly deteriorating security situation it remains to be seen whether free and fair elections can be held in the country at all.

The sharp draw down of US forces from a peak of about 140,000 in 2011 to around 14,000 currently has naturally adversely impacted the military situation with the Pakistani-supported Taliban clearly on the ascendant. President Ghani acknowledged as much in January 2018 when he stated that Afghanistan was "under siege" and that the Army would not last more than six months without US support. Afghan security forces are losing 7000 men each month, more than double the losses suffered by coalition forces from 2001 to 2014 an attrition rate which is not sustainable for any length of time<sup>14</sup>. It is estimated that the Taliban control as many as 50 districts, 120 are contested and the balance of over 200 are under government control<sup>15</sup>. Clearly, the military situation is turning against the government and the Taliban smell victory as borne out by their refusal to engage in direct talks with the government and to accept the conditional three month

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<sup>13</sup> "The seats around the Afghan round table" by Rakesh Sood in the Hindu 19 January 2019.

<sup>14</sup> "Afghanistan on a Slow Fuse" by Rakesh Sood in the Hindu 25 January 2018

<sup>15</sup> *ibid*

ceasefire offered to them by it. In this, the latter are aided not only by Pakistani support, but also by the fact that many countries like Russia, China and Iran are not averse to dealing with them and see no problem with their coming to power again in Afghanistan.

The US "desperate"<sup>16</sup> to end the war has, as of mid-March 2019, had five rounds of talks with the Taliban, and is clearly not negotiating peace in Afghanistan but "a managed US exit"<sup>17</sup>. As a former US Defense Secretary J. Mattis reportedly said, "The US doesn't lose wars, it loses interest." According to Zalmay Khalilzad, the US Special Representative on Afghanistan, the talks have focussed on a timeline for withdrawal of US troops from Afghanistan and on preventing Al Qaeda and other terrorist groups from using it as a base for their operations. The Afghan government has been excluded from these discussions, resulting in Afghanistan's National Security Adviser being constrained to assert that the US was "ostracizing and alienating a very trusted ally."<sup>18</sup> Khalilzad further made it known that only after the "agreement in draft" on these two issues is "finalised" would discussions on the other two issues, notably intra Afghan dialogue and comprehensive ceasefire, be taken up. Such an approach by the US severely undermines the standing of the Afghan government and, it is, therefore, not surprising that the Taliban have little incentive to be accommodative and are demanding an end to the "US occupation" of Afghanistan and removal of all Taliban from the US sanctions list. Furthermore, they are not only not engaging in talks with the Afghan government, but have even turned down a scheduled intra Afghan dialogue in Doha because of the presence of Afghan officials. As to the call for a ceasefire, the Taliban have responded with a new spring offensive-al-Fath.

Clearly, the dice are heavily loaded in favour of the Taliban. It is ironical that when the Taliban was heading a government in Afghanistan it only had relations with Saudi Arabia, the UAE, and Pakistan but today it is being courted by many and is even in direct talks inter alia with the US, Russia, Iran, China, Germany etc. On the other hand, as cited earlier the Afghan government is in the throes of a grave legitimacy crisis and there is even a call by the 13 Presidential

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<sup>16</sup> "Pakistan's double game stymies Afghan peace" by Brahma Chellaney Hindustan Times 25 October 2018

<sup>17</sup> "No Good Options in Afghanistan." by Rakesh Sood Hindu 30 April 2019

<sup>18</sup> "The U.S. needs more from the Taliban than a cease-fire and talks" Washington Post 16 March 2019

candidates for establishing a caretaker government pending the Presidential elections as President Ghani's term expired on 22 May 2019.

In these circumstances, it is probable that in the near future the Taliban will either be in power or at the very least be exercising considerable influence over the prevailing dispensation in Kabul. There is also the possibility of Afghanistan being plunged into a savage civil war as many non-Pashtun elements like the Tajiks may not be willing to accept Taliban domination.

### **India's Options**

India's influence on the international community in regard to Afghanistan has for long been marginal and only a fraction of that of Pakistan. For instance, scant regard was paid to the initial Indian view that the Taliban should not be included in the reconciliation process in Afghanistan. It was over time compelled to modify its position and express "support for an Afghan-led, Afghan-owned, broad-based and inclusive process of peace and reconciliation."<sup>19</sup>

The Indian position stands further diluted with its External Affairs Minister stating at the SCO meet at Bishkek on 22<sup>nd</sup> May 2019 that "India stands committed to any process, which can help Afghanistan emerge as a unified, peaceful, secure, stable, inclusive & economically vibrant nation with guaranteed gender & human rights."<sup>20</sup> India was also not consulted by the US in crafting its Afghanistan policy. Pakistan was a major player in this exercise and has had a much greater influence than India at international fora in the evolution of policies pertaining to Afghanistan. To an extent this is natural due to Pakistan's geographical contiguity to Afghanistan which in our case is only theoretical. This is also due to the fact that while India has followed proactive bilateral diplomacy vis a vis the Government of Afghanistan, it has not been so active in reaching out to all shades of opinion in that country and in maintaining close touch with all the key external players. Above all, India has refrained from putting boots on the ground in Afghanistan or from providing major infusions of military hardware. The perception that India has become a US camp follower, after the India-US nuclear deal and its votes against Iran at the IAEA, has also not helped.

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<sup>19</sup>India-Afghanistan Relations. [https://www.mea.gov.in/Portal/ForeignRelation/1Afghanistan\\_October\\_2017.pdf](https://www.mea.gov.in/Portal/ForeignRelation/1Afghanistan_October_2017.pdf)

<sup>20</sup>"New Delhi signals shift: from Afghan – led process to any process for peace", Indian Express 23<sup>rd</sup> May 2019.

Some have advocated that India should consider defending its interests in Afghanistan with boots on the ground. This would be a grave mistake as the success of such a move would be highly uncertain and it would impose an onerous financial burden on the country. We also need to bear in mind that foreign intervention in Afghanistan has historically had a rather sad experience.

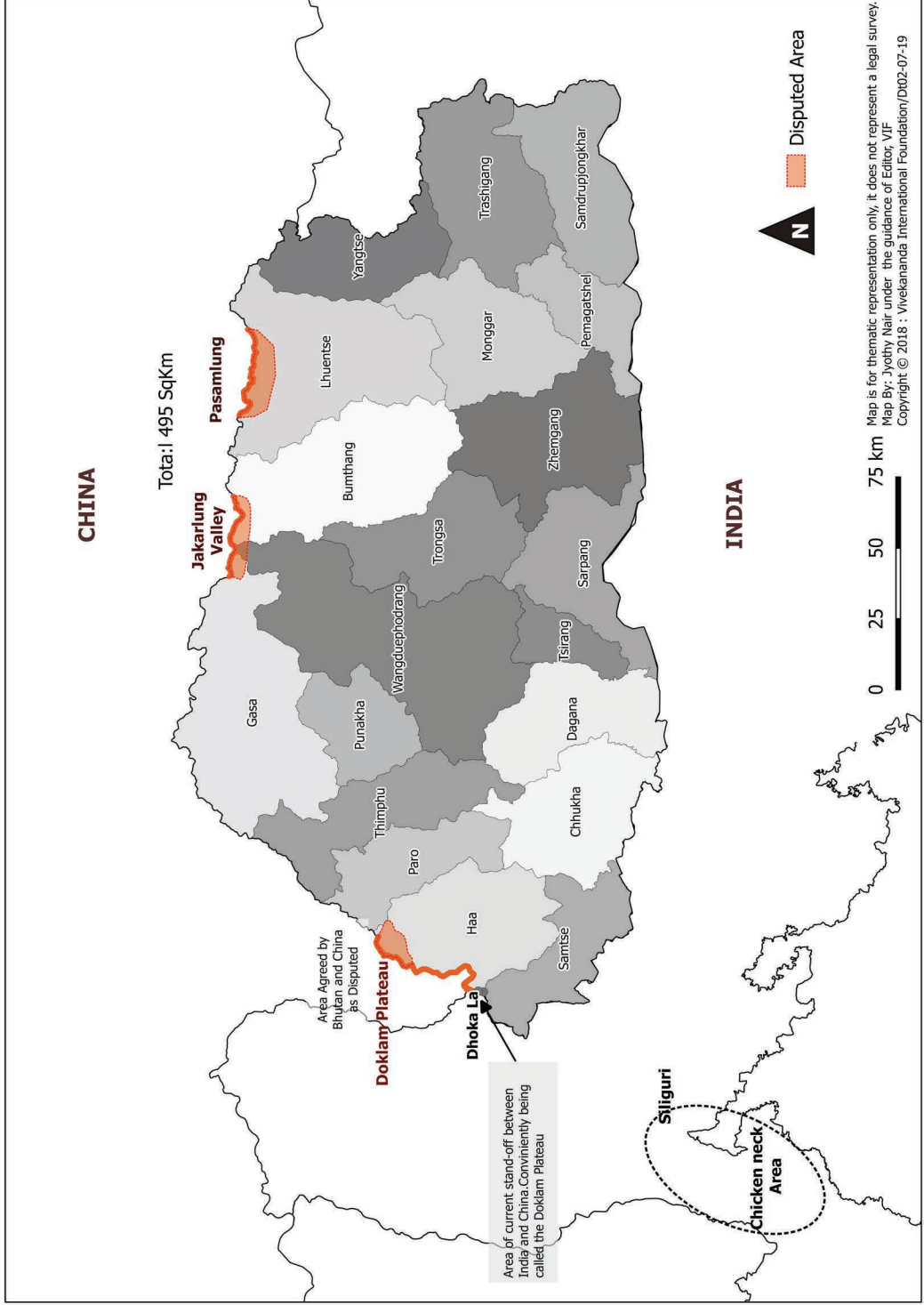
While India's options in Afghanistan are limited this is not to suggest that it should do nothing. While carefully watching the emerging developments, it should:

- a. Strengthen the hand of the NUG to the extent possible with financial and technical support as in the past. It should also not fight shy of helping beef up Afghan security forces through supply of military equipment and training on Indian soil. There is, however, no call to get into joint projects on capacity building in Afghanistan with China as this is an area in which we excel and which has earned us much goodwill. Teaming up with others like China will not add value to what we do and may well dilute the benefits that accrue to us.
- b. Develop and deepen contacts with all sections in Afghanistan, including elements of the Northern Alliance, many of whom feel neglected. Our standing among the Pashtuns is also not as good as it should be and Pakistan has been plugging the line with some success that we are anti-Pashtun. We should rectify this and reach out to influential Pashtun elements.
- c. Intensify coordination with regional players like Russia and Iran on Afghanistan. This has diminished over the years. Specifically, we need to sensitise them to the dangers of legitimising the Taliban.
- d. Discreetly develop contacts with the Taliban. This will be facilitated by our participation in the recently held Moscow Format discussions and the dilution of our stand on Afghanistan as explained earlier. Once in power, national interests will, inevitably, over time lead the Taliban to view us more favourably unless we treat them as untouchables. Most regimes in Afghanistan have recognised the utility of good relations with India and this may well be true of the Taliban if we play our cards right.

- e. We need to consider disavowing the Durand Line. Even a Taliban regime would be won over by such a move and we need to develop upon the Strategic Partnership Agreement concluded with Afghanistan so that over time the two countries come even closer together and can work jointly on the problems posed by Pakistan.



# Bhutan and The Chicken-neck Area



Map is for thematic representation only, it does not represent a legal survey.  
 Map By: Jyothy Nair under the guidance of Editor, VIF  
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# Bhutan

India-Bhutan links go back centuries. A critical connect is Buddhism. Indeed, Padma Sambhava, Bhutan's patron Buddhist saint was from Orissa and his follower Denma Tsemang introduced the written form of the Bhutanese language--- Dzongkha--- into the country.<sup>21</sup>

Bhutan has existed as an independent nation for hundreds of years. The exemplary ties it enjoys with India with which it has a border of 699 km<sup>22</sup> are due to a combination of many factors, most notably a religious and cultural affinity, a long standing treaty relationship based on trust and goodwill, an economic cooperation agenda focused on promoting Bhutan's development and a shared concern about Chinese expansionism.

The treaty relationship between the two countries draws upon the links forged between British India and Bhutan through the treaties of Sinchula and Punakha in 1865 and 1910 respectively. The former was concluded after a five-month conflict. It inter alia provided for "perpetual peace and friendship" between Bhutan and India, cession of the Assam and Bengal Dooars (earlier captured by Bhutan from local rulers) as well as 83 sq km of territory in south east Bhutan, and payment of an annual subsidy of Rs50000 by the British to Bhutan. Under the Treaty of Punakha, the British doubled the annual subsidy to Bhutan to Rs100000 and pledged non interference in its internal affairs, while Bhutan agreed "to be guided by the advice of the British Government in regard to its external relations". Bhutan was impelled to conclude the Treaty of Punakha due to its apprehensions about China's expansionist policies. The Treaty did not, however, define Bhutan's status technically or legally.<sup>23</sup>

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<sup>21</sup> "From Monarchy to Democracy in Bhutan" by Dago Tshering in "Stability and Growth in South Asia" ed by Sumita Kumar

<sup>22</sup> "How India Manages its National Security" by Arvind Gupta published by Penguin Random House India 2018

<sup>23</sup> Indo – Bhutanese Relations: A Historical Perspective By Dr. Lopamudra Bandyopadhyay from <https://www.globalindiafoundation.org/Bhutan%20History.pdf>

Even before India became independent, Nehru's invite to Bhutan to participate in the Asian Relations Conference in March-April 1947 indicated that India intended to treat it as an independent entity.

Independent India's relations with Bhutan have been governed by the India Bhutan Treaty of Friendship concluded in August 1949 and later updated in March 2007. The 1949 Treaty provided for "perpetual peace and friendship" between the two countries, India's non interference in Bhutan's internal affairs and that the latter would "be guided by the advice of the Government of India in regard to its external relations". The Treaty also provided for free trade between the two countries, "equal justice" for each other's nationals residing in the other country and extradition arrangements. Additionally, it enhanced India's annual payment to Bhutan five-fold to Rs 500,000 and required the former to return the territory ceded to it in south east Bhutan under the Treaty of Sinchula. The 1949 Treaty was updated in 2007 essentially to take into account at the new realities of Bhutan notably that it did not require any hand holding in the management of its foreign policy and that it did not require annual subsidies, particularly in the context of the considerable assistance being provided by India. Accordingly, the Treaty has no subsidy clause, and as to foreign policy, it simply states that the two countries "shall cooperate closely with each other on issues relating to their national interests. Neither Government shall allow the use of its territory for activities harmful to the national security and interest of the other".

Following the invite to the 1947 Asian Relations Conference and the 1949 Treaty India was consistently assiduous in its outreach to Bhutan. Thus, it invited the King as the chief guest to the 1954 Republic Day celebrations and in 1958 Nehru himself at the age of 69 undertook an arduous visit to Bhutan through the Chumbi Valley on yak back becoming the first ever head of government to visit that country.<sup>24</sup> During the visit, Nehru explained India's Bhutan policy in the following terms:

“Some may think, India is a great and powerful country and Bhutan is the small one, the former might wish to exercise pressure on Bhutan. It is, therefore,

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<sup>24</sup> Address by Her Majesty the Queen Mother of Bhutan on 18 November 2014 at the International Conference on "Nehru's World View and his Legacy" at Vigyan Bhavan New Delhi from <file:///C:/Users/HP/Documents/bhutan%20queens%20speech%20at%20125th%20Birth%20Anniversary%20of%20Jawaharlal%20Nehru.html>

essential that I make it clear to you that the only wish is that you should remain an independent country, choosing your own way of life and keeping the path of progress according to your will. At the same time, we too should live with mutual goodwill. We are members of the same Himalayan families and should live as friendly neighbours helping each other. Freedom of both, Bhutan and India, should be safeguarded so that none from outside can do harm to us."<sup>25</sup>

Nehru's Bhutan visit was a catalytic factor in influencing the latter to give up its self imposed isolationism and embark on a process of planned development with India's full support and assistance. China's takeover of Tibet in 1950, the presence of its troops on the Bhutan border and its claims on Bhutan were, no doubt, also important factors in causing it to look to India for support. Indeed, the Chinese build up in Tibet also impelled for India to strengthen its ties with Bhutan as the latter abutted on the Chicken's Neck area which links India's heartland to its vulnerable north east.

Formal bilateral relations between the two countries were established in January 1968 with the appointment of a special officer of the Government of India to Bhutan. Hitherto, India-Bhutan ties were looked after by the Indian Political Officer in Sikkim. Ambassadorial level relations began with the upgrading of Residents to Embassies in 1978.<sup>26</sup>

With Indian backing and sponsorship, Bhutan gradually became a member of several regional and international fora such as the Colombo Plan in 1963, the Universal Postal Union in 1969, the United Nations in 1971, ESCAP in 1972, NAM in 1973 and SAARC in 1985. Bhutan, in turn, has always been supportive of India and invariably voted in favour of it on issues of critical concern to it at international and regional fora. It has also shown great sensitivity to Indian security concerns. Thus, in 2003 and 2004, Bhutan carried out military operations against the ULFA insurgents in the country, thereby putting an end to their terrorist actions against India from Bhutanese soil. Even more commendable has been the fact that it has, in deference to our wishes, not accepted China's offer for a settlement of their border differences, whereby the latter would give up some of its territorial claims in northern Bhutan in exchange

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<sup>25</sup> *ibid*

<sup>26</sup> [http://www.mea.gov.in/Portal/ForeignRelation/Bhutan\\_September\\_2017\\_en.pdf](http://www.mea.gov.in/Portal/ForeignRelation/Bhutan_September_2017_en.pdf)

for concessions in the Doklam region overlooking the Chicken Neck's area in India. In these circumstances, it was but natural for India to stand up for Bhutan during the Chinese intrusions in this area in mid-2017.

India Bhutan relations, characterised by mutual trust and understanding, have matured over the years. The special relationship has been sustained by frequent high level visits. In recent times, both the King and the Prime Minister of Bhutan have visited India several times. The King was the chief guest at India's 2013 Republic Day celebrations and has visited India as many as four times between 2014 and 2018<sup>27</sup>.

Prime Minister Modi, on his part, made it a point to ensure that Bhutan was the first country he visited after assuming office in 2014. The President also visited Bhutan later in the year.

While the defeat of Prime Minister Tshering Tobgay's PDP party in the October 2018 general elections was unfortunate as we had excellent relations with him, it has been possible to have equally good ties with his successor Prime Minister Dr Lotay Tshering, a 50 year old urologist and an MBA, who heads the DNT party which was formed only in 2013. Prime Minister Modi did well to send him a warm congratulatory message on his electoral victory. It is also heartening to note that Dr Lotay Tshering made known that his party will be guided by the King, who after all, has a constitutional role in foreign policy and security-related issues. Dr Tshering followed this up with a state visit to India, his first to any country after assuming office, from 27 to 29 December 2018.

Dr Tshering was very warmly received and had in depth discussions with the Indian leadership. The joint press statement issued following the discussions testifies to the success of the visit. While Dr Tshering indicated that he looked forward to working with India to further strengthen bilateral ties, Prime Minister Modi reaffirmed India's commitment to partner Bhutan in its quest for development and economic prosperity based on the latter's priorities. Both leaders underlined their intent "to further strengthen co-operation in all areas of mutual interest and to take the bilateral partnership to newer heights."

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<sup>27</sup> "India Bhutan Relations"

[https://mea.gov.in/Portal/ForeignRelation/Country\\_brief\\_Bhutan\\_December\\_2018.pdf](https://mea.gov.in/Portal/ForeignRelation/Country_brief_Bhutan_December_2018.pdf)

In specific terms, India's contribution for Bhutan's 2018- 2023 twelfth five-year plan remains unchanged at Rs45,000 million from that effected for its 2013-2018 five-year plan. While in the earlier plan period, India provided a Rs5000 million economic stimulus package, in the current plan period, it intends to provide a slightly lower amount of Rs4000 million as a trade support facility.

More significantly, both leaders reiterated their commitment to jointly develop 10,000 MW of hydro power generating capacity in Bhutan and underlined the importance attached by them to expediting the completion of ongoing projects. In this context, it is gratifying to note from the press statement that a "mutually beneficial understanding" has been reached "between the two sides on the tariff for the export of surplus power from Mangdechhu project in Bhutan to India."

Economic cooperation is an important element in India-Bhutan bilateral relations. India is Bhutan's largest development and trading partner. Planned development began in Bhutan in 1961 through regular five-year development plans. The first two five-year plans were entirely financed by India<sup>28</sup>. Currently, Indian financing for the plan is well over 20% and India remains Bhutan's single largest development partner. Its contribution to Bhutan's development plans has gone up from Rs107 million in the first plan to about Rs45,000 million for the 12th plan period (2018-2023).<sup>29</sup>

India's involvement in Bhutan's development has extended to many sectors, ranging from roads to agriculture, from health to human resource development and from industrial plants to hydro power projects.

One of the most important areas of economic cooperation is the hydropower sector which provides a reliable source of inexpensive and clean electricity to India, generates export earnings for Bhutan and cements mutual economic integration. The India government has so far constructed three hydropower plants in Bhutan totalling 1,416 MW which are operational and exporting surplus power to India. About 75% of the power generated by them is exported and rest is used for domestic consumption. Hydropower exports provide

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<sup>28</sup>Indo – Bhutanese Relations: A Historical Perspective By Dr. Lopamudra Bandyopadhyay from <https://www.globalindiafoundation.org/Bhutan%20History.pdf>

<sup>29</sup> joint press statement on state visit of Bhutan PM to India in December 2018

more than 40% of Bhutan's domestic revenues and constitute 25% of its GDP. India is committed to developing a minimum of 10,000MW of hydropower in Bhutan by 2020 and importing the surplus to India.<sup>30</sup> As at the end of 2018, there are three hydro power projects under implementation on an intergovernmental arrangement with a total capacity of nearly 3000 MW of which the 720 MW Mangdecchu project is almost complete. There is also an agreement between the two countries for four additional hydropower projects with a capacity of 2120 MW to be constructed on a joint venture basis. Finally, both sides are also in discussion for the construction of the Sunkosh hydro power plant with a capacity of 2585 MW.<sup>31</sup>

India is also deeply involved in Bhutan's human resource development particularly directed at the upgradation of the administrative and technical skills of its people. For this purpose it allocates on an annual basis 300 slots under its ITEC programme and 60 slots under the Colombo Plan to Bhutan meeting the full level, tuition & training cost of each trainee. While as many as 4000 Bhutanese undergraduate students are in India on a self-financing basis, hundreds of scholarships are also provided to them at the undergraduate and post graduate levels, as well as scholarships in different professional streams.<sup>32</sup>

India-Bhutan trade is governed by the 1972 Trade and Transit Agreement which was last renewed in November 2016. The Agreement inter alia established a free trade regime between the two countries, provided for transaction of trade between them in their respective currencies and for duty free transit of Bhutanese exports to third countries. India is Bhutan's largest trading partner. In 2017, total bilateral trade between them stood at Rs. 8,560 crore. Bhutan's imports amounted to Rs 5398 crore (80.5% of Bhutan's total imports) and exports were Rs 3162 crore, including electricity (84.77% of Bhutan's total exports).<sup>33</sup>

Another important feature of India-Bhutan cooperation is in the realm of security. In 1958, India helped Bhutan set up a national militia which in 1963 was

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<sup>30</sup> "India Bhutan Relations"

[https://mea.gov.in/Portal/ForeignRelation/Country\\_brief\\_Bhutan\\_December\\_2018.pdf](https://mea.gov.in/Portal/ForeignRelation/Country_brief_Bhutan_December_2018.pdf)

[http://www.mea.gov.in/Portal/ForeignRelation/Bhutan\\_September\\_2017\\_en.pdf](http://www.mea.gov.in/Portal/ForeignRelation/Bhutan_September_2017_en.pdf)

<sup>31</sup> [http://www.mea.gov.in/Portal/ForeignRelation/Bhutan\\_September\\_2017\\_en.pdf](http://www.mea.gov.in/Portal/ForeignRelation/Bhutan_September_2017_en.pdf)

<sup>32</sup> *ibid*

<sup>33</sup> "India Bhutan Relations"

[https://mea.gov.in/Portal/ForeignRelation/Country\\_brief\\_Bhutan\\_December\\_2018.pdf](https://mea.gov.in/Portal/ForeignRelation/Country_brief_Bhutan_December_2018.pdf)

transformed into a standing army. In 1962, India also set up the Indian Military Training Team (IMTRAT)<sup>34</sup> headquartered in the Haa district of Bhutan for training the Bhutanese Army which has grown to over 10,000. In addition, training for many Bhutan Army cadets is readily provided at the premier Indian military training institutes like the National Defence Academy (NDA) and the Indian Military Academy (IMA). India has also been involved in the training of the Bhutanese Police by provision of instructors. India has additionally used the Border Roads Organisation (BRO) to undertake a host of infrastructure projects in Bhutan like roads, bridges, hospitals, schools etc.<sup>35</sup>

### **Future Prospects**

While the current exemplary India-Bhutan ties have a bright future, the China factor could rock the boat. China has started making inroads into Bhutan through a soft power offensive. It has extended scholarships to Bhutanese students to study in China and Chinese tourist arrivals in Bhutan have grown significantly from 19 a decade ago to 9,399 (19% of total arrivals) in 2015.<sup>36</sup> China's rapid economic growth has created a desire amongst some in Bhutan to share in its prosperity. Accordingly, there is a growing interest in enhancing economic ties with China accompanied by the idea of allowing China to open an Embassy in Thimphu. Even more worrisome is the possibility that Bhutan may consider accepting the border settlement deal offered by China entailing cession to it of a 269 sq km area in the Doklam region in return for renunciation of Chinese claims on a 495 sq km area encompassing Pasamlung and Jakarlung in northern Bhutan. India needs to address these possibilities by providing appropriate incentives to Bhutan to desist from so doing and sensitising it to China's hegemonic propensities and the dangers that could accrue therefrom. However, this exercise needs to be undertaken with considerable finesse, keeping Bhutan's sensitivities in mind.

In order to ensure that our excellent relationship with Bhutan does not go off the rails, we need to consider the following moves:

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<sup>34</sup> "Indian Military Training Team (IMTRAT) Strengthens India-Bhutan Ties" by Brig. V.K. Atray  
<https://www.aviation-defence-universe.com>

<sup>35</sup> "India's Bilateral Security Relationship in South Asia" by Christian Wagner in Strategic Analysis Vol42 No1  
January-February 2018

<sup>36</sup> Takshashila Strategic Assessment: India-Bhutan Relations - Fostering the Friendship Takshashila Policy  
Advisory May 2018



1. **Maintain frequent contacts and exchanges at all levels, including with the top leadership.** In this context, ties with the Monarchy are the most important as the King is universally revered in Bhutan and has always been well disposed towards India. Another important power centre which must be cultivated is the National Council or the Upper House. This is a 25-member non-political body of which 20 are elected and 5 are nominated by King. This body is mandated to review matters related to "security, sovereignty and the interest of the country" The extent of influence wielded by it is borne out by the fact that in 2016 it rejected the India, Bhutan, Bangladesh, and Nepal Motor Vehicles Agreement, which had earlier been approved by the National Assembly.<sup>37</sup>
2. **Eschew interference in domestic affairs:** There is regrettably a perception in some quarters that in the run up to the 2013 National Assembly elections, India withdrew the oil subsidies accorded by it as punishment for Prime Minister Thinley's meeting the Chinese Prime Minister Wen Jiabao on the sidelines of the Rio Summit in 2012. The fact is that there was no such intent on the part of India and the unfortunate move was a part of an administrative glitch, which was promptly remedied. It is important that care be taken to ensure that such misperceptions do not arise, and if they do, they should be nipped in the bud. While not taking sides in Bhutan's electoral battles, India should build strong ties with parties and politicians across the board so as to minimise the possibility of its being used as whipping boy in their internal squabbles. India must particularly reach out to all parties in the Haa district as their position on Doklam is likely to count if Bhutan is faced with having to decide on whether or not to accept China's border package deal.
3. **Emphasise Doklam's Value to Bhutan:** There is a perception among some Bhutanese that Doklam has little significance for their country, and hence, can be given away to China. However, the Haa district is rich in pasture land and forests. Its value to a country that is largely mountainous is immeasurable. India must spread awareness about this fact<sup>38</sup>.

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<sup>37</sup> "Bhutan Elections 2018: Analysis" by Medha Bisht November 1, 2018 VIF website.

<sup>38</sup> *ibid*

4. Since Bhutan is highly environment conscious, India should only undertake projects adjudged by the former itself as environmentally sound. Such an approach would demonstrate that India is much more environmentally sensitive than China which believes that big is beautiful irrespective of what its projects do to the environment.
5. India's economic cooperation programmes provide a critical underpinning to the bilateral relationship and must, therefore, not only be continued, but also enhanced. They may be restructured to fit in with the priorities of the new government aimed at narrowing the gap between the rich and the poor. While the new government in its manifesto is committed to developing hydropower, its development focus has a clear tilt towards areas like agriculture, education and health<sup>39</sup>. These are areas where India is well placed to help. We may also ensure that there is no decline in the assistance provided and no hardening of the terms on which it is given. Perceptions that we are short changing Bhutan on the terms on which we purchase power from them should be negated and Indian projects should be undertaken with complete transparency. This is an area where we should score over China, which observes much opacity in such matters. Perhaps, some of the development credits provided by us to Bhutan particularly for hydroelectric projects could be converted to outright grants. This would also address concerns in Bhutan that much of their external public debt is owed to India.
6. Finally, as the younger generation in Bhutan lacks the connect that their elders had with India, imaginative measures should be evolved to reach out to them and bridge this gap.

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<sup>39</sup> "New PM, new challenges" by Shubhajit Roy, Indian Express 29 October 2018



# Bangladesh

Bangladesh and India have an enormous shared historical, cultural, linguistic, and ethnic heritage. The syncretic Bengali culture and language, in particular, have always constituted a strong bond between the two. The fact that Rabindranath Tagore authored the national anthems of both countries is testimony to this reality.

Despite these linkages and the huge sacrifices made by India for the liberation of Bangladesh in 1971 in men, materials and resources, relations between the two for much of the latter's history have been uneasy. This may partially be attributed to the many problems which have beset them arising from disputed land and maritime boundaries, issues of water sharing with as many as 54 rivers flowing into Bangladesh from India, illicit migration of about 20 million Bangladeshis into India, Bangladesh's large unfavourable trade balance vis a vis India, its accord of sanctuary to anti-Indian elements, policing the huge 4096 km India-Bangladesh land border, with areas in adverse possession and of enclaves within each other's territories etc. However, none of these issues in themselves pose an insurmountable threat to the relationship as many have been successfully resolved during Prime Minister Sheikh Hasina's three consecutive terms of office and as a result bilateral ties are excellent. The main factor responsible for tensions in India-Bangladesh tensions has been that for much of the latter's history it has been governed by pro-Pakistan and fundamentalist elements averse to good ties with India. There has always been a deep polarisation in Bangladesh between those supportive of the liberation struggle, as represented by Sheikh Mujibur Rahman's Awami League with its more secular and India-friendly outlook, and those opposing it because of their sympathies with Pakistan and their proclivity for a more radical Islam. Whenever the latter have been at the helm of affairs, which has been for most of Bangladesh's history, its relations with India have been rocky. It may be pointed out that the Awami League's support base which initially was very wide became much narrower as Mujib-ur-Rahman became

increasingly authoritarian with his declaration of emergency in December 1974 and introduction of one party rule in February 1975.

Following the liberation struggle until August 1975 when Sheikh Mujib-ur-Rahman was at the helm of affairs, India- Bangladesh relations were cordial. Indeed, in March 1972, the two countries concluded a 25-year agreement pledging lasting peace and friendship between them and providing for all round cooperation in diverse fields. The Agreement further envisaged that neither party would "enter into or participate in any military alliance directed against the other party" and that each party would "refrain from any aggression against the other party and shall not allow the use of its territory for committing any act that may cause military damage to or constitute a threat to the security of the other high contracting party."<sup>40</sup> This was followed up by the Land Boundary Agreement in May 1974 for the demarcation of the India-Bangladesh land boundary. Bangladesh ratified this Agreement in November 1974, but India failed to do so till as late as 2015. As a result, the bilateral relationship remained hostage to problems arising not just from a huge undemarcated border, but also, from as many as 111 Indian enclaves in Bangladesh and 51 Bangladeshi enclaves in India and a total of nearly 5000 acres in adverse possession of one or the other country. Furthermore, stresses in the relationship on account of the Farakka Barrage constructed on the Ganges for the diversion of 40000 cusecs of water to the Hooghly for flushing Calcutta Port had become apparent even while Sheikh Mujib-ur-Rahman was in power.

Following Mujib-ur-Rahman's assassination, Bangladesh was under military or quasi-military rule till around 1990, with either Gen. Zia-ur-Rahman or Gen. H.M. Ershad in power for the bulk of the period. India-Bangladesh relations during this phase were choppy. Bangladesh sought to internationalise the Farakka issue, boundary-related disputes raised their ugly head, border clashes occurred between India's Border Security Force (BSF) and the Bangladesh Rangers, and Dhaka took offence at New Delhi's efforts to fence the border to check illegal migration.

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<sup>40</sup> India Bangladesh Treaty of Peace and Friendship <https://www.mea.gov.in/bilateral-documents.htm?dtl/5621/Treaty+of+Peace+and+Friendship>

The restoration of democracy and civilian rule in Dhaka under a Bangladesh Nationalist Party (BNP) government in 1991 did not see any improvement in ties with India. The return of the Awami League government under Sheikh Hasina in 1996 saw much better atmospherics in the relationship and it was possible to conclude a 30-year Farakka Agreement which put paid to the bickering on the sharing of the Ganga waters. However, most of the issues which bedevilled the relationship remained unsettled.

With Sheikh Hasina's assumption of power in January 2009, her path breaking visit to India in February 2010, and Dr Manmohan Singh's visit to Bangladesh in September 2011, India-Bangladesh relations have been on an upturn. A further fillip was given to this process by Prime Minister Modi's visit to Bangladesh in 2015 and Sheikh Hasina's visit to India in 2017. During these visits and subsequent high level exchanges spread over a span of just three years, more than 60 bilateral agreements have been signed in diverse fields.<sup>41</sup>

The qualitative improvement in ties was triggered by the Awami League government's readiness to meet India's security concerns without seeking any quid pro quo, its secular outlook and an openness to explore wide-ranging cooperation with India. While in the past Bangladesh had provided sanctuary and support to anti-Indian elements, particularly from the north east, the Sheikh Hasina government not only put a stop to this, but handed over scores of ULFA leaders like Rajkhowa and Anup Chetia who had taken to operating against India from Bangladesh. It was also on the same page as India in dealing with Islamic terrorist elements and shed the earlier inhibitions of engaging in mutually beneficial economic and connectivity related cooperative projects with India. In these circumstances, both the UPA and NDA governments enthusiastically seized on the opportunity to dramatically upgrade India-Bangladesh ties. Accordingly, the relationship is today at an all time high with a frequent exchange of visits, including at the highest level and with wide ranging cooperation.

There are over 50 bilateral institutional mechanisms between the two countries to service cooperation in diverse areas ranging from economic assistance to border management, from trade to defence, from power to transport

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<sup>41</sup> "India Bangladesh Relations: An Indian Perspective." by Harsh Vardhan Shringla from Strategic Analysis September October 2018, Vol 42 No5.

and from science and technology to connectivity. A Joint Consultative Commission (JCC) led by the respective Foreign Ministers coordinates and oversees the implementation of initiatives taken by both countries as well as explores newer avenues for cooperation.<sup>42</sup>

### **India's Economic Assistance to Bangladesh**

Since 2010, India has extended three Lines of Credit to Bangladesh amounting to US\$ 8 billion, making it the largest recipient of such funds from the former to date.<sup>43</sup> These funds are earmarked for transportation, telecommunication, health, energy, port, technical education etc. related projects.

### **Bilateral Trade and Investment**

Bilateral trade between India and Bangladesh has grown about nine-fold from 2001-2002 to 2017-2018 when it stood at about US \$9.5 billion. In this period, while Bangladesh exports to India increased about 17-fold to US \$873 million, those from India to Bangladesh increased around 9-fold to around US \$ 9.5 billion.<sup>44</sup>

India has consciously sought to reduce Bangladesh's adverse trade balance with it by reducing tariffs and quota restrictions on imports from Bangladesh. Indeed from 2011, India has provided duty free and quota free access to Bangladeshi goods on all tariff lines except tobacco and alcohol.<sup>45</sup>

Total Indian investment proposals in Bangladesh exceed US\$ 3billion. During Sheikh Hasina's visit in April 2017, 13 agreements worth around US\$ 10 billion of mainly Indian investment in power and energy sectors in Bangladesh were signed<sup>46</sup>.

### **Training and Capacity-Building**

India is heavily engaged in training and capacity building in Bangladesh in diverse fields. Additionally, around 800 participants from Bangladesh avail of training courses under the ITEC programme annually.<sup>47</sup>

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<sup>42</sup> "India Bangladesh Relations" from MEA website

[https://www.mea.gov.in/Portal/ForeignRelation/Bangladesh\\_September\\_2017\\_en.pdf](https://www.mea.gov.in/Portal/ForeignRelation/Bangladesh_September_2017_en.pdf)

<sup>43</sup> *ibid*

<sup>44</sup> trade statistics from website of High Commission of India Dhaka <https://www.hcidhaka.gov.in>

<sup>45</sup> "India Bangladesh Relations" from MEA website

<sup>46</sup> "India Bangladesh Relations" from MEA website

<sup>47</sup> *ibid*



## **Connectivity**

India-Bangladesh connectivity has been rapidly improved. All modes of transport are operational. Accordingly, road movement of goods is undertaken through 36 Land Customs Stations (LCSs) and two Integrated Check Posts (ICPs) along the border. Movement of goods through the river systems of Bangladesh is available to India on eight specific routes. A Coastal Shipping Agreement signed in June 2015 has enabled direct sea movement of containerised/bulk/dry cargo between the two countries. In February 2017, container ship services were started between Kolkata and Pangaon around 20 km from Dhaka.

Out of the erstwhile six rail links that existed, four broad inter-country rail links between the two countries are now operational. Work on the remaining two rail links is ongoing and a seventh one between Agartala and Akhaura is being financed under an Indian grant. A fully air conditioned Maitree Express operates four days a week between Kolkata and Dhaka and another operates between Khulna-Kolkata.

There are regular bus services between Kolkata-Dhaka, Shillong-Dhaka and Agartala-Kolkata via Dhaka. A Dhaka-Khulna-Kolkata bus service is also operational.

There are presently around 100 flights operating weekly between India and Bangladesh connecting various Indian cities like New Delhi, Kolkata, Mumbai and Chennai to Dhaka and Chittagong.<sup>48</sup>

## **Power and Energy Sector Cooperation**

Cooperation in the power sector has become one of the hallmarks of India-Bangladesh relations. Bangladesh is currently importing about 660 MW of power from India. Supply of another 500 MW was expected in September 2018. The 1320 megawatt coal-fired Maitree thermal power plant, a 50:50 joint venture between the National Thermal Power Corporation (NTPC) of India and the Bangladesh Power Development Board (BPDB), is being developed at Rampal. During Sheikh Hasina's visit in April 2017, agreements for the generation/supply/financing of more than 3600 MW of electricity were signed between Indian companies and Bangladesh side.

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<sup>48</sup> *ibid*



Energy sector cooperation between India and Bangladesh has also seen considerable progress in the last two years. Many Indian public sector units such as the Indian Oil Corporation, Numaligarh Refinery Limited and Petronet LNG Ltd are working with their Bangladeshi counterparts in the oil and gas sector. India has agreed to fund the construction of India-Bangladesh Friendship Pipeline from Siliguri to Parbatipur for the supply of diesel to Bangladesh from Numaligarh Refinery Limited. ONGC Videsh Ltd has acquired two shallow water blocks in consortium with Oil India Limited and is currently exploring these blocks. The possibility of gas grid interconnectivity for the mutual benefit of both countries is also being explored.<sup>49</sup>

### **Security & Border Management**

With the exchange of the instruments of ratification pertaining to the India and Bangladesh Land Boundary Agreement in June 2015, followed later by the signing of the strip maps and exchange of enclaves, the 4096.7 km. India-Bangladesh border has finally been rationalised and settled. This has greatly eased the problems of border management in this area, thereby eliminating a major cause of bilateral tensions.

Several agreements related to security cooperation have been signed between both countries. In 2010, agreements were concluded for Mutual Legal Assistance in Criminal Matters, on the Transfer of Sentenced Persons and on Combating International Terrorism. In 2011, a Coordinated Border Management Plan (CBMP) was signed to synergise the efforts of both border guarding forces for checking cross-border illegal activities and crimes, and for maintenance of peace and tranquillity along the India-Bangladesh border. Under this plan, the border guarding forces of both countries identify vulnerable sectors and jointly patrol the border. In 2013, the two countries concluded an extradition treaty to strengthen the fight against terrorism and cross-border crime.<sup>50</sup>

The India Bangladesh maritime boundary was a long disputed issue. Bangladesh took it to the Permanent Court of Arbitration under UNCLOS in 2009. The latter in July 2014 ruled substantially in favour of Bangladesh,

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<sup>49</sup> *ibid*

<sup>50</sup> "India's Bilateral Security Relationship in South Asia " by Christian Wagner in *Strategic Analysis* Vol 42 No1 January-February 2018

awarding it 19,467 sq. km of the 25,602 sq. km in the Bay of Bengal<sup>51</sup>. India accepted the ruling with good grace and this helped facilitate the uptick in bilateral relations.

In the military domain, India and Bangladesh share a historical legacy of jointly fighting and winning the 1971 liberation war. Military cooperation between both countries has been gaining momentum with several high level exchanges between their respective defence establishments. To date, nine rounds of joint counter-terrorism exercises code named "Sampriti" have been held between the armies of the two countries.<sup>52</sup> In 2017, an MOU for defence cooperation was signed to further promote security cooperation. Additionally, US \$500 million was provided as a soft loan for effectuating defence purchases from India, the largest ever provided by India to any country.<sup>53</sup> The navies and the coast guards of both countries have also started bilateral exercises.

### **Sharing of River Waters**

Since as many as 54 rivers flow into Bangladesh from India, the sharing of river waters will always remain an important and emotive issue for the former. A bilateral Joint Rivers Commission (JRC) has been in existence since June 1972 to maintain liaison between the two countries to maximise benefits from common river systems. It inter-alia engages in the regular exchange of hydrological data and in the negotiation of sharing arrangements of the common rivers. Its greatest achievement has been the conclusion of the Ganga Waters Treaty signed in 1996 for the sharing of the Ganga waters and the monitoring of its implementation.

It is, however, unfortunate that both countries have been unable to satisfactorily resolve the issues pertaining to the sharing of the waters of common rivers like the Teesta, Feni, Manu, Muhuri, Khowai, Gumti, Dharla and Dudhkumar. Indeed, it is common knowledge that in regard to the sharing of the Teesta waters, an interim deal had been arrived at between the two governments, allocating 37.5% of the lean season Teesta waters to Bangladesh and reserving

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<sup>51</sup> "Delimitation of Indo Bangladesh Maritime Boundary" by Dr Rupak Bhattacharjee Aug 19 2014 IDSA Website [https://idsa.in/idsacomments/DelimitationofIndo-Bangladesh\\_rbhattacharjee\\_190814](https://idsa.in/idsacomments/DelimitationofIndo-Bangladesh_rbhattacharjee_190814)

<sup>52</sup> "India Bangladesh Relations: An Indian Perspective." by Harsh Vardhan Shringla from Strategic Analysis September-October 2018, Vol 42 No5.

<sup>53</sup> "India's Bilateral Security Relationship in South Asia " by Christian Wagner in Strategic Analysis Vol 42 No1 January-February 2018

42% of the same for India, but on account of a last minute intervention by Mamta Banerjee, the same could not be formalised. This has inevitably caused much heartburn in Bangladesh and over time could be an irritant in an otherwise excellent relationship.

Happily, Bangladesh's reservations on the planned Tipaimukh Dam on the Barak River in Manipur have been seriously taken note of and the project is likely to proceed only after taking on board its views. There has also been an effort to co-opt Bangladesh as a stakeholder in the project.

Bangladesh's proposal for jointly developing the Ganges Barrage on the Padma about 98 km downstream of the Farakka Barrage should be encouraged and India should readily support it. The project envisages the creation of a 165 km long and 12.5 metres deep reservoir in Bangladesh covering 62,500 acres for irrigation purposes and for generating 100 MW of power. Both the Chinese and the Japanese have evinced interest in the US \$4 billion project, but Bangladesh is keen to have India on board as the waters emanate from Farraka.

### **Future Prospects**

India-Bangladesh relations are better today than ever before as the governments of both countries have been genuinely invested in improving ties to the extent possible since 2009. The Awami League's landslide victory for the third consecutive term in the December 2018 elections under Shaikh Hasina bodes well for bilateral ties. However, much still remains to be done by India to decisively overcome the hesitations in Bangladesh to come closer to us, particularly in the context of the overtures being made to it by China. In this context, we need to consider the following moves:

1. We need to resolve our differences on water sharing to mutual satisfaction at the earliest particularly as this is an extremely emotive matter in Bangladesh. For starters, a water sharing arrangement in regard to the Teesta needs to be concretised urgently. This is all the more so as Prime Minister Modi had solemnly assured Sheikh Hasina that this would be done. This should be followed up by financial support for the Ganges Barrage as well as by water sharing arrangements on at least half-a-dozen other rivers.

2. We must ensure rapid implementation of promises made by us and, in particular, the projects to be undertaken by us. The decades-long delay by us in effectuating the Land Boundary Agreement and in implementing the water sharing arrangements on various common rivers has cost us dear. In order to win goodwill it is imperative that we must complete whatever we have undertaken efficiently and in a time bound manner.
3. Reassure the Bangladesh government that we will not allow the issue of illicit Bangladeshi migrants in India in the millions over the decades to come in the way of good bilateral ties. We will, of course, identify them through the process of the NRC but will not push them back. We will allow them to stay in India if they so desire on the basis of work permits. Such permits will also be given to other Bangladeshis who wish to work in India. However, we need to urge Bangladesh to do all it can to stop illicit migration and work out mechanisms to prevent it.
4. While Bangladesh under Sheikh Hasina has taken effective steps against Islamic extremists it has also compromised its secular credentials by concessions to Islamist Organisations.<sup>54</sup> It has been estimated that out of the 70 Islamist parties in Bangladesh more than 60 are close to the Awami League and its ally the Jatiya Party. Even though some see this a marriage of convenience some argue that this is leading to a gradual ideological shift within the Awami League.<sup>55</sup> We would need to keep a close watch on this disturbing trend as the radicalisation of the Awami League could be problematic for us in the long run;
5. With Myanmar stone walling on taking back the around 1 million Rohingya refugees sheltered in Bangladesh the issue will persist in the foreseeable future. Given its stakes in both countries India will have to continue to walk the tight rope on this issue by on the one hand providing development assistance for Rakhine state and on the other hand providing relief assistance to Bangladesh for hosting the Rohingyas;

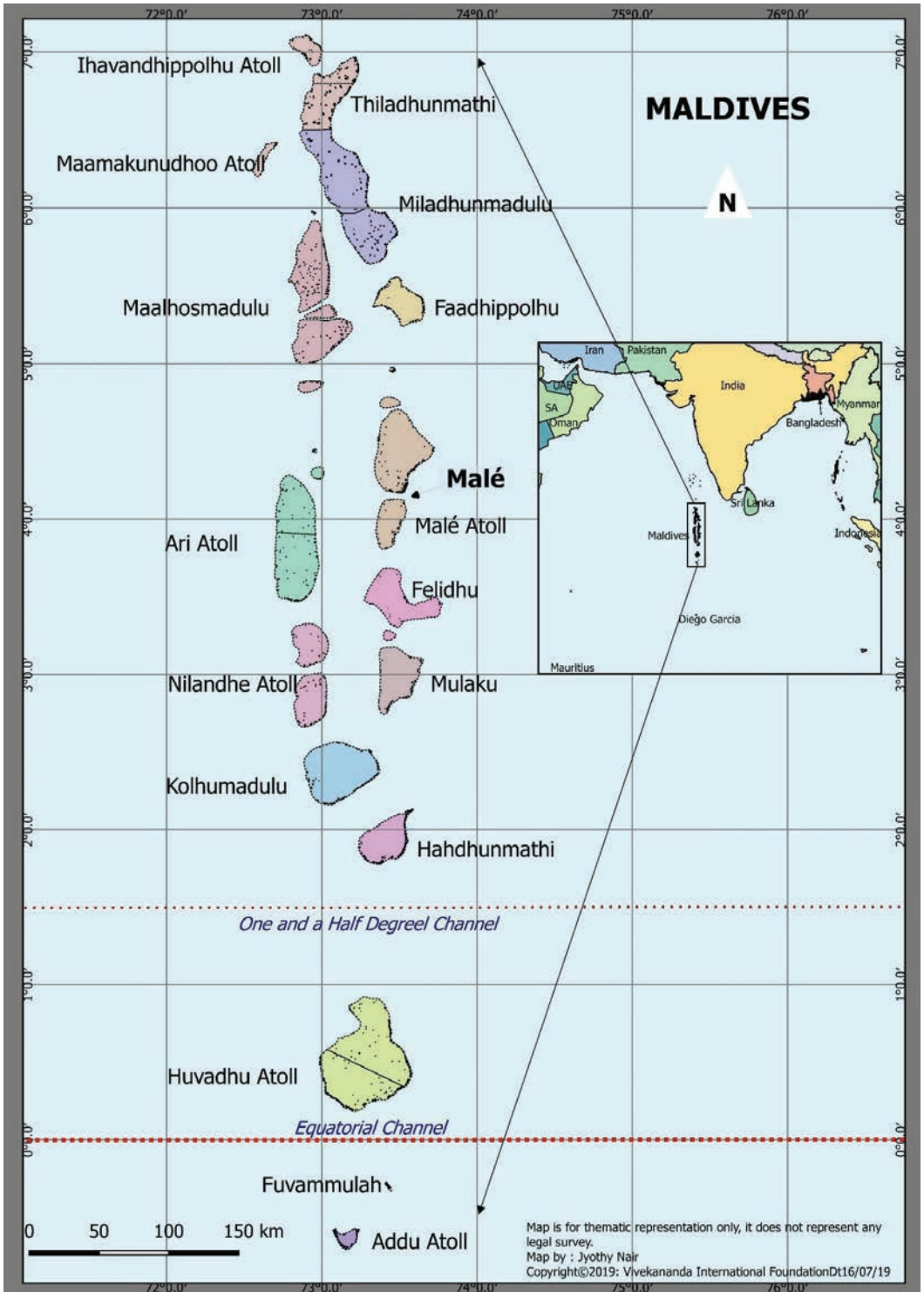
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<sup>54</sup> "Bangladesh India Ties Poised for a Strategic Upgrade" by Pinak Ranjan Chakravarty from Indian Foreign Affairs Journal Vol 13 No4 Oct-Dec 2018

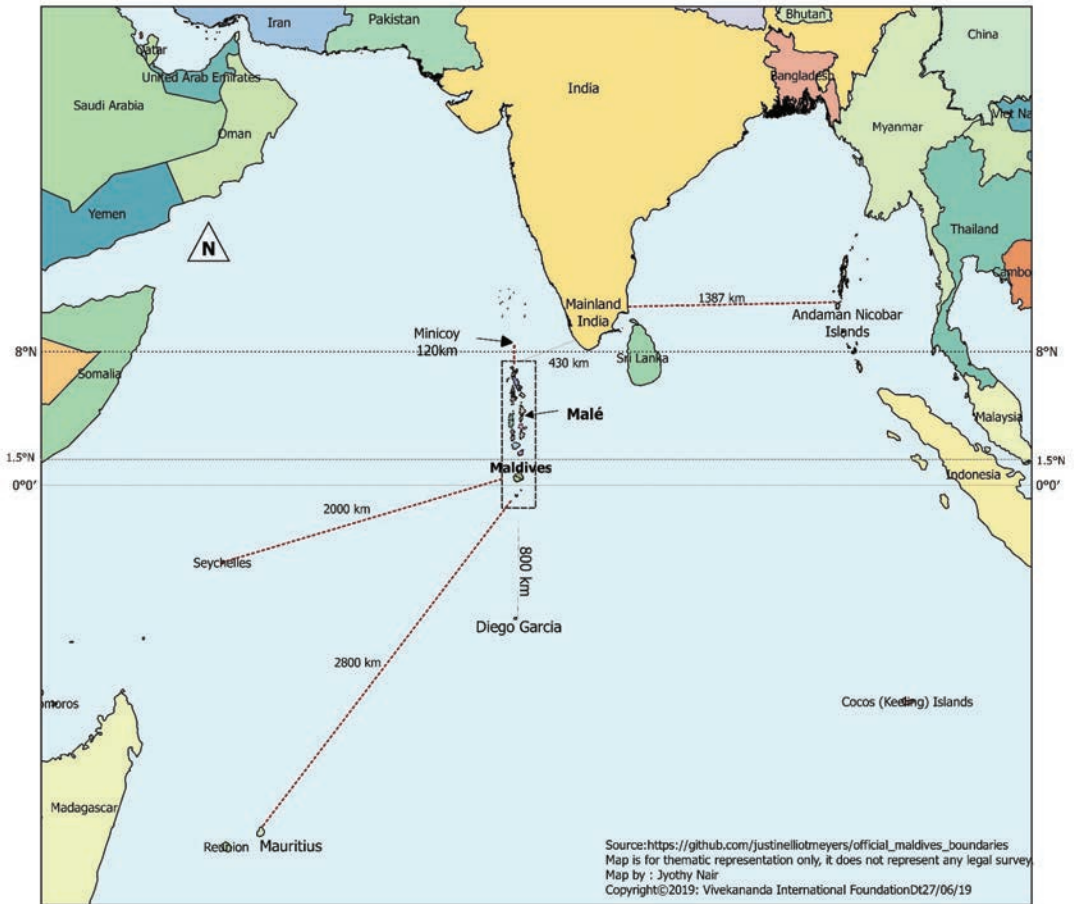
<sup>55</sup> "The Opposition in Bangladesh : Would Need to Reinvent its Politics" by Anand Kumar from Indian Foreign Affairs Journal Vol 13 No4 Oct-Dec 2018

6. Finally, in order to BNP proof our relations with Bangladesh in addition to the above measures, we also need to intermesh it with India through vastly increased transportation, power and telecommunication connectivity. This process can be further strengthened through the joint management of rivers for irrigation, flood control, power generation and transportation. Such connectivity related projects can, where appropriate, be extended to other neighbours in the region, notably Nepal, Bhutan and Myanmar.

# Maldives



## Location of Maldives in Indian Ocean



# Maldives

The Maldives is an archipelago nation extending over roughly 90,000 sq kms in the north central Indian Ocean comprising 1192 small coral islands, of which only about 200 are inhabited.<sup>56</sup> Its northern most atoll is only about 430 kms south-southwest of India. Accordingly, the location of the Maldives with its proximity to the international sea lanes of traffic as well as to India invest it with a substantial strategic importance, particularly for the latter.

With a total population of little over 400,000 (excluding nearly 60,000 foreign workers) and a land area of 298 sq kms<sup>57</sup>, the Maldives is the smallest South Asian country in terms of both population and land area. Virtually the entire population is Sunni Muslim.

Historically, the Maldives has enjoyed substantial self government, though, in the 10th and 11th centuries, it was a part of the Chola Empire<sup>58</sup> and from the 16th to the 20th centuries, it was successively under Portuguese, Dutch and British suzerainty. It attained independence from the latter in 1965.

With India -Maldives links going back centuries, it was only natural for India to be among the first countries to recognise the Maldives after its independence in 1965 and to establish its mission at Malé in 1972.<sup>59</sup> This relationship flowered in the succeeding decades and India played an important role in developing the Maldives and ensuring its political stability. Indeed, it would be true to say that India-Maldives ties were excellent through the successive regimes of Ibrahim Nasir (1968-1978), Abdul Maumoon Gayoom (1978-2008) and Mohammed Nasheed (2008-2012). With the assumption of the Presidency by Waheed and subsequently by Abdulla Yameen in 2013, India-Maldives ties touched rock bottom.

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<sup>56</sup> "Multi Party Democracy in the Maldives and the Emerging Security Environment in the Indian Ocean." by Anand Kumar.

<sup>57</sup> <https://www.britannica.com/place/Maldives>

<sup>58</sup> <https://www.britannica.com/place/India/The-Rajputs#ref485532>

<sup>59</sup> [http://www.mea.gov.in/Portal/ForeignRelation/MALDIVES\\_2015\\_07\\_02.pdf](http://www.mea.gov.in/Portal/ForeignRelation/MALDIVES_2015_07_02.pdf)



Though India, in keeping with its disinclination of meddling in the internal affairs of other countries, was prompt in recognising the controversial succession of Waheed to the Presidency, the latter did not reciprocate the gesture and soon displayed his anti-Indian and pro-Chinese proclivities.

Immediately on taking over, Waheed cancelled the GMR contract granted in 2010 by his predecessor for the upgrading and running of Male International Airport. The decision was the result not just of domestic politics, but also the result of Chinese influence.<sup>60</sup> Waheed as chair of SAARC assiduously sought to induct China into the organisation and was deeply resentful of India's pleas for ensuring free and fair Presidential elections in the country. While visiting China in September 2012, three agreements were signed giving Maldives US \$500 million as assistance and Waheed lauded China for non-interference "unlike other influential countries".

Under Yameen, authoritarianism was taken to a new level. Judicial independence and freedom of the press were severely constrained. Anyone who spoke up was victimised, including former allies. Religious fundamentalism was on an upturn with scores of Maldivians joining the ISIS.

Both the pro-China tilt and the anti-Indian approach shown by Waheed was accentuated under Yameen. Indeed, the threat to sovereignty from external actors along with the threat to Islam and rising extremism were the main factors on which the 2013 elections were fought. Nasheed was projected as an agent of external forces.<sup>61</sup>

This trend was, perhaps, exacerbated by India's expression of concern at the arrest and manhandling of Nasheed in February 2015 on unfounded terrorism charges. India's pleas for a resolution of differences within the constitutional and legal framework were not liked by the Yameen government and the ensuing tension led to the cancellation of Modi's visit to the Maldives scheduled for March 2015.

Tensions between the Maldives and India further escalated when the latter called on the former to abide by its Supreme Court ruling of February 1, 2018,

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<sup>60</sup> Multi Party Democracy in the Maldives and the Emerging Security Environment in the Indian Ocean. "by Anand Kumar

<sup>61</sup> ICWA Issue Brief 26 March 2015

that the nine political prisoners, including former President Nasheed, Jumhoorie party leader Qasim and Adhalat party leader Abdulla should be freed, that the 12 Members of Parliament who had been stripped of their positions by Yameen, should be immediately reinstated and that the new session of Parliament be convened with the participation of these 12 members on 5 February 2018. Yameen responded by dismissing the Police Commissioner and his deputy for asserting that he would implement the Supreme Court order, declaring a 15-day state of emergency (later extended by 30 days), arresting the Chief Justice and strong arming the Supreme Court to reverse its ruling.<sup>62</sup> These moves compelled India to express its deep dismay and assert that "the manner in which the extension of the state of emergency was approved by the Majlis (Maldivian Parliament) in contravention of the Constitution of the Maldives is also a matter of concern."<sup>63</sup>

After the imposition of emergency in early February 2018, an editorial in China's state-run *Global Times*, warned against any military moves by India stating that "India should exercise restraint. China will not interfere in the internal affairs of the Maldives, but that does not mean that Beijing will sit idly by as New Delhi breaks the principle. If India one-sidedly sends troops to the Maldives, China will take action to stop New Delhi. (sic)"<sup>64</sup>

Yameen's tilt towards China and against India is amply illustrated by the following actions taken by his government:

1. Endorsement of China's Maritime Silk Route Project in December 2014.
2. Demand that India take back the two helicopters gifted to it in 2010 and 2011 along with the personnel located there to operate them.<sup>65</sup>
3. Nonrenewal of visas for Indians working in the Maldives and local companies turning Indians away.<sup>66</sup>

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<sup>62</sup> "Maldives on the Boil--Yameen Declares Emergency to Avoid Court Orders" by Dr S Chandrasekharan Feb 2018 from South Asia Analysis Group website. <http://www.southasiaanalysis.org>

<sup>63</sup> [www.firstpost.com/india/maldives-crisis-india-must-intervene-militarily-if-abdulla-yameen-rebuffs-peaceful-mediation-masterly-inactivity-will-embolden-china-4361929.html](http://www.firstpost.com/india/maldives-crisis-india-must-intervene-militarily-if-abdulla-yameen-rebuffs-peaceful-mediation-masterly-inactivity-will-embolden-china-4361929.html)

<sup>64</sup> *ibid*

<sup>65</sup> "India Maldives Ties: Carving the Path to Normalcy" by Vivek Mishra Indian Foreign Affairs Journal Vol 13 No 1 July-September 2018.

<sup>66</sup> *ibid*

4. While turning down the Indian invite for the Milan naval exercise in February 2018, the Maldives participated in the Aman exercise with Pakistan.<sup>67</sup> Furthermore, during the visit of the Pakistan Army Chief in March-April 2018 to Male, the Maldives declared that it would undertake joint patrolling with the Pakistan Navy to guard the Maldivian Exclusive Economic Zone.<sup>68</sup>
5. Accord of major infrastructure projects to China, notably a 25-storey apartment complex and hospital, a US \$ 830 million project for the upgradation of Male International Airport earlier given to GMR, construction of the 2km China-Maldives Friendship Bridge linking the airport island to Male and relocation of a major port.<sup>69</sup>
6. In 2015, the constitution was hurriedly amended allowing foreigners to acquire land in the Maldives on long term lease provided they invest over US \$1 billion in a project and agree that 70 percent of the project site would be on reclaimed land. Apart from Saudi Arabia, China was expected to be the main beneficiary as it had the financial capacity to make large investments and had proven dredging capabilities. This law clearly designed to ease the way for China to make such acquisitions in the Maldives for setting up bases. Indeed, Nasheed went so far as to allege that Yameen had leased at least 16 islets to China.<sup>70</sup>
7. On December 8, 2017, Yameen signed a Free Trade Agreement (FTA) with China, making the Maldives the second South Asian country after Pakistan to sign such a deal with the latter. It was also the first such deal concluded by the Maldives. The deal came in for much criticism in the Maldives, as amongst other things, the Parliament was given less than an hour to review the over 1000-page agreement. The FTA covers both goods and services and inter-alia envisages a reduction of tariffs to zero on over 95% of the goods traded. In exchange for China opening up its market to its fish exports, the Maldives agreed to open up its tourism, finance and

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<sup>67</sup> [www.firstpost.com/world/pakistan-army-chief-visits-maldives-india-keeps-watchful-eye-as-islamabad-male-discuss-joint-patrol-of-eez-4418215.html](http://www.firstpost.com/world/pakistan-army-chief-visits-maldives-india-keeps-watchful-eye-as-islamabad-male-discuss-joint-patrol-of-eez-4418215.html)

<sup>68</sup> *ibid*

<sup>69</sup> "India Maldives Ties: Carving the Path to Normalcy" by Vivek Mishra *Indian Foreign Affairs Journal* Vol 13 No 1 July-September 2018

<sup>70</sup> "What Yameen's Exit Signals" by Shubhajit Roy, *Indian Express* 1 October 2018

healthcare sectors to China. This allows Beijing to operate hotels, restaurants, yacht marinas, travel agencies and transport services in the Maldives.<sup>71</sup>

The foregoing should not mislead one into deducing that Gayoom and Nasheed did not also cultivate China or that they were deferential to India. Gayoom visited China in 1984, 2006 and 2007. The Maldives established a mission in China in 2007. From 1985, the latter started undertaking projects in the Maldives and it has successfully completed several important projects in the country. It must be noted, however, that Sino-Maldivian ties gained momentum from the turn of the 21<sup>st</sup> century. Apart from engaging in construction activity, China, by 2010, was sending as many as 120,000 tourists annually to the Maldives. A further boost was given to the relationship with the establishment of the Chinese Embassy in Male in November 2011 and China became the first non-South Asian country to set up a mission in the Maldives. The difference between Gayoom and Nasheed on the one hand and Yameen on the other was that while the former were sensitive to India's security concerns, the latter was not. In fact, Nasheed pulled back from a plan for securing military hardware and training from China and instead went ahead with joint naval exercises and training with the Indian navy as well as the programmed installation of radars on the Maldivian atolls.

Happily for India, the September 23, 2018, Presidential elections though blatantly rigged by the Yameen regime,<sup>72</sup> resulted in a resounding victory for the sole opposition candidate Ibrahim Solih Mohamed, who secured 58.4% of the votes cast. Solih's massive success against all odds is an impressive example of people power in the Maldives which saw a massive voter turnout of over 89%.

India was the first country to welcome the election results and congratulate Solih even before they were officially announced. Prime Minister Modi personally congratulated Solih and was the sole head of government to be present at his inauguration on November 17, 2018. Modi was very warmly received and the joint statement issued after the visit inter-alia indicated that the two were agreed on "the renewal of the close bonds of cooperation and friendship" between

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<sup>71</sup> "China Maldives Connection" by Sudha Ramachandran in the Diplomat 25 January 2018

<sup>72</sup> "Stuffing the Ballot Boxes" Economist September 20, 2018

the two countries as also on "being mindful of each other's concerns and aspirations for the stability of the region".

Fittingly, almost exactly one month after Modi's visit to the Maldives, Solih paid a state visit to India from 16-18 December 2018, the first visit by him to any country after assuming the office of President, symbolising the importance attached by the Maldives to its India relationship. Solih's visit was aimed at restoring India-Maldivian ties to their pristine excellence with the former promising much needed economic and developmental assistance and the latter taking cognisance of the former's security concerns.

During the visit, India inter-alia pledged a US \$1.4 billion package to the Maldives, comprising of budgetary support, currency swap and concessional credits. This will go a long way in alleviating the dire economic situation that the Maldives faces due its debt repayment obligations to China, variously estimated at between US \$1.5 billion and US \$ 3 billion. Additionally, India pledged "all possible support" to the Maldives in its socio-economic development, inclusive of vastly increased help in capacity building, better connectivity, visa facilitation etc.

Solih on his part "reaffirmed his government's "India-First Policy", and commitment to working together closely with India"<sup>73</sup>. The joint statement goes on to assert that in recognition of the fact that the security interests of both countries are interlinked "they reiterated their assurance of being mindful of each other's concerns and aspirations for the stability of the region and not allowing their respective territories to be used for any activity inimical to the other". It, furthermore indicates that both leaders "agreed to strengthen cooperation to enhance maritime security in the Indian Ocean Region through coordinated patrolling and aerial surveillance, exchange of information and capacity building."<sup>74</sup>

The joint statement also has an entire paragraph on "increased cooperation in combating terrorism in all its forms and manifestations, both within the region and elsewhere" and inter-alia envisages intensified cooperation in the areas of

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<sup>73</sup>Joint Statement on the occasion of State Visit of the President of the Republic of Maldives to India (December 17, 2018) <https://www.mea.gov.in>

<sup>74</sup> *ibid*

training and capacity building of Maldives Police Service and Maldives National Defence Force.<sup>75</sup>

Clearly the emergence of the new leadership in the Maldives provides both countries an opportunity to overcome the negativity that had crept into their relationship due to the policies of the previous two Presidents and to take it to a higher level. It is also worth noting that in hindsight India did well not to use of force against Yameen despite severe provocations and also refrained from taking any steps which could hurt the common Maldivian. This explains why India never became an election issue and this no doubt worked in Solih's favour.

There is a sound basis for rebuilding India-Maldives ties as the former had ab initio adopted a constructive and helpful approach with the latter, designed to promote economic cooperation, infrastructure development and capacity building in diverse spheres which led to a mutually beneficial relationship between the two countries right till the advent of the Waheed regime. This was recently confirmed by former President Gayoom, who while describing India as the "closest and most trusted ally" of the Maldives and appreciating its role in the restoration of democracy in the country, asserted that he did not see the events of the last few years as having a lasting impact on bilateral ties.<sup>76</sup>

India has always come to the assistance of the Maldives whenever required. Most significantly in November 1988 on being requested it foiled a coup bid against President Gayoom, by moving 1600 troops at very short notice. India was the first country to rush relief and aid to the Maldives following the December 2004 tsunami and provide budgetary support of Rs100 million. A similar level of support was also provided in July 2007 following the tidal surges of a couple of months earlier<sup>77</sup>. Again in December 2014, when the Maldives ran into a potable water crisis, India rushed hundreds of tons of potable water to it. India's unstinting financial support to the Maldives on the request of the latter in 2018-2019 to the extent of \$1.4 billion at a time when it is in dire economic distress due to onerous debt liabilities should also be seen in this light. Indeed, the strong performance of the Solih's Maldives Democratic Party in the April 2019 Parliamentary elections when it won 65 of the 87 seats is to no small extent due to the stability he has

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<sup>75</sup> *ibid*

<sup>76</sup> "India helped Maldives restore democracy, says Gayoom" Press trust of India, the Hindu October 29, 2018

<sup>77</sup> "India Maldives Relations" MEA website

been able to bestow upon the country on account of India's firm and unqualified support.

The maritime boundaries between the Maldives, Sri Lanka and India were settled in 1976 on the median line principle.<sup>78</sup> Defence and security has been a major area of cooperation between India and Maldives. India provides the largest training program for the Maldives National Defence Force (MNDF), meeting around 60% of the defence training requirements. A comprehensive Action Plan for Defence was signed in April 2016 to further consolidate the defence partnership. The first Defence Cooperation Dialogue (DCD) at the level of Defence Secretary was held in July 2016 in Malé to review implementation of the Action Plan. The second DCD is being planned to be held in December 2019. Indian naval ships and aircrafts undertake monthly visits to Maldives for exclusive economic zone (EEZ) surveillance. India has provided two Advanced Light Helicopters to the Maldives, which are used for Search and Rescue operations and to evacuate medical emergencies from far-flung islands in the Maldives. Platoon-level exercises between the Armies of both countries are regularly held as also exercises between the coastguards of the two countries along with Sri Lanka.

In 1981, both countries concluded a trade agreement which, apart from providing for reciprocal MFN treatment, also stipulated that India would export to the Maldives essential food items like rice, wheat flour, sugar, dal, onion, potato and eggs and construction material such as sand and stone aggregates on the basis of annually determined quotas irrespective of normal export restraints.<sup>79</sup> Bilateral trade standing at about Rs.700 crores annually is modest with the balance of trade tilted heavily in favour of India.

India is a leading development partner of the Maldives and has established many of the prominent institutions in that country, including the Indira Gandhi Memorial Hospital, the Faculty of Engineering Technology, the coastal radar system, and the Faculty of Hospitality & Tourism Studies. It has also constructed the Composite Training Centre for the Maldives National Defence Force (MNDF), the National Police Academy and the Defence Headquarters.

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<sup>78</sup> "Multi Party Democracy in the Maldives and the Emerging Security Environment in the Indian Ocean." by Anand Kumar

<sup>79</sup> [http://www.mea.gov.in/Portal/ForeignRelation/MALDIVES\\_2015\\_07\\_02.pdf](http://www.mea.gov.in/Portal/ForeignRelation/MALDIVES_2015_07_02.pdf)

Capacity building and skills development is one of the key components of India's assistance to Maldives. India offers several scholarships to Maldivian students under the following schemes:

- ICCR scholarships
- SAARC Chair Fellowship
- ITEC training & scholarships
- Technical Cooperation Scheme of Colombo Plan
- Medical scholarships

Several Maldivian diplomats have received training in India under the Indian Foreign Service Institute's Professional Course for Foreign Diplomats (PCFD) program.

### **Indian Business in Maldives**

The State Bank of India has been playing a vital role in the economic development of the Maldives since February 1974 by providing loan assistance for the promotion of island resorts, export of marine products and business enterprises. The Taj Group of India runs two resorts in the Maldives, namely the Taj Exotica Resort & Spa and the Vivanta Coral Reef Resort.<sup>80</sup>

Other commercial projects that are currently being undertaken by Indian companies in the Maldives are as follows:

- Construction of 1000 low-cost housing units in Malé by TATA Housing Development Co. Ltd (February 2010)
- Construction of a resort by Residency Group in Dhaalu atoll

### **People-to-People contacts**

Air India operates daily flights to Malé from Thiruvananthapuram, Bangalore and Chennai; Spice Jet runs daily flights between Male and Cochin. Island Aviation Service (Maldivian Aero) is operating daily flights to Thiruvananthapuram and Chennai (thrice a week).<sup>81</sup>

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<sup>80</sup> ibid

<sup>81</sup> ibid



The proximity of location and improvements in air connectivity in recent years has led to a very substantial increase in the number of Indians visiting Maldives for tourism (around 33,000) and business. India is a preferred destination for Maldivians for education, medical treatment, recreation and business. The number of Maldivians seeking long term visa for pursuing higher studies/medical treatment in India has shown a sharp increase over the last two years.<sup>82</sup>

### **Indian Community**

Indians are the second largest expatriate community in the Maldives with approximate strength of around 22,000. The Indian expatriate community consists of workers as well as professionals like doctors, teachers, accountants, managers, engineers, nurses and technicians etc. spread over several islands. Of the country's approximately 400 doctors, over 125 are Indians. Similarly around 25% of teachers in the Maldives are Indians, mostly at middle and senior levels.<sup>83</sup>

### **Future Prospects**

With Solih having become President and Yameen stepping down, India-Maldivian ties are likely to revert to their earlier excellence. It needs to be noted, however, that though Chinese investments and projects in the country will be under the scanner, the Chinese presence in the country is a reality and its influence cannot be wished away because the Maldives, like many countries, is hungry for investments for which China is a major source. India, therefore, should not entertain any hopes of being able to totally dislodge China from that country. Its main objective should be to develop a mutually beneficial India-Maldivian relationship which caters to the political and security concerns of both countries and promotes close economic and commercial cooperation.

Keeping the foregoing in mind, India should remain focussed on rebuilding ties with the Maldives through economic cooperation programmes, strengthening people-to-people links, enhancing political cooperation, particularly in areas dear to the Maldives like climate change and developing a closer security and defence relationship. In the process, we should not give the impression that we are

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<sup>82</sup> *ibid*

<sup>83</sup> *ibid*

competing with China or in any way interfering in the country. On the contrary, we must stand out as quite different from China, as a benevolent and non-threatening power mainly motivated by a desire to help create a more prosperous, secure and democratic Maldives at peace with itself, which is an important requirement for regional harmony. In the process, we should be willing to engage in capacity building in the Maldives in diverse areas, including particularly the judiciary, bureaucracy, police, media, and security agencies, as this would help in achieving the shared objective of creating a moderate, liberal and well governed country.

Modi's state visit to the Maldives on 8-9 June 2019 constitutes a major step in this direction both in terms of optics and in substantive outcomes. The optics could not have been better as it was Modi's first foreign visit after his re election and he was received with exceptional warmth not only being conferred with the Maldives highest civilian award but also invited to address its parliament.

In substantive terms the visit provided Modi and Solih the opportunity to undertake an in depth review of relations and reiterate their commitment to strengthen the mutually beneficial ties between the two countries. As many as six MOUs were signed notably in the field of hydrography, in the area of health, on the establishment of passenger and cargo services by sea, on training and capacity building for Maldivian civil servants and on sharing white shipping information between the Indian Navy and the Maldives National Defence Force. Additionally, the two leaders inaugurated the Composite Training Facility of the Maldives National Defence Force in Maafilefushi, and the Coastal Surveillance Radar System by remote link.

There was a detailed discussion of the utilisation of Indian economic assistance in diverse areas including inter alia for building a cricket stadium and renovating the Friday Mosque!!.

Special attention may, however, be invited to paragraphs 26 and 27 reproduced below of the joint statement issued during the visit which demonstrates the identity of views which have come to inform the thinking of the two countries on terrorism and regional security which is a most welcome development:

26. The two leaders reaffirmed their unequivocal and uncompromising position against terrorism in all its forms and manifestations, both within the region and elsewhere. In this context, President Solih thanked the Indian side for providing capacity building support to MNDF. In recognition that the security interests of both countries are interlinked in the region, they reiterated their assurance of being mindful of each other's concerns and aspirations for the stability of the region and not allowing their respective territories to be used for any activity inimical to the other.

27. The two leaders agreed on the importance of maintaining peace and security in the Indian Ocean Region, and to strengthen coordination in enhancing maritime security in the region, through coordinated patrolling and aerial surveillance, exchange of information, and capacity building. The two leaders acknowledged the recent joint exercise Ekatha conducted in April 2019. Both sides agreed to enhance bilateral cooperation on issues of common concern including piracy, terrorism, organised crime, drugs and human trafficking. They agreed to set up a Joint Working Group on Counter Terrorism, Countering Violent Extremism and De-radicalisation."<sup>84</sup>

Finally, greater impetus should be given to multifaceted security cooperation which is in the mutual interest of both countries. It is understood that only about 10 atolls in the Maldives have been equipped by us with coastal radars. These should be installed on all 26 atolls at the earliest in order to enhance the security of the Maldives. Similarly, the trilateral maritime security initiative involving Sri Lanka, the Maldives, and India launched in 2011 under an NSA-level meeting in order to enhance maritime domain awareness appears to have languished. Such cooperation needs to be greatly strengthened and should also be extended to other similarly placed Indian Ocean countries like Mauritius and the Seychelles. The scope of such cooperation could also be appropriately enlarged to cover the entire gamut of maritime-related security and economic issues.

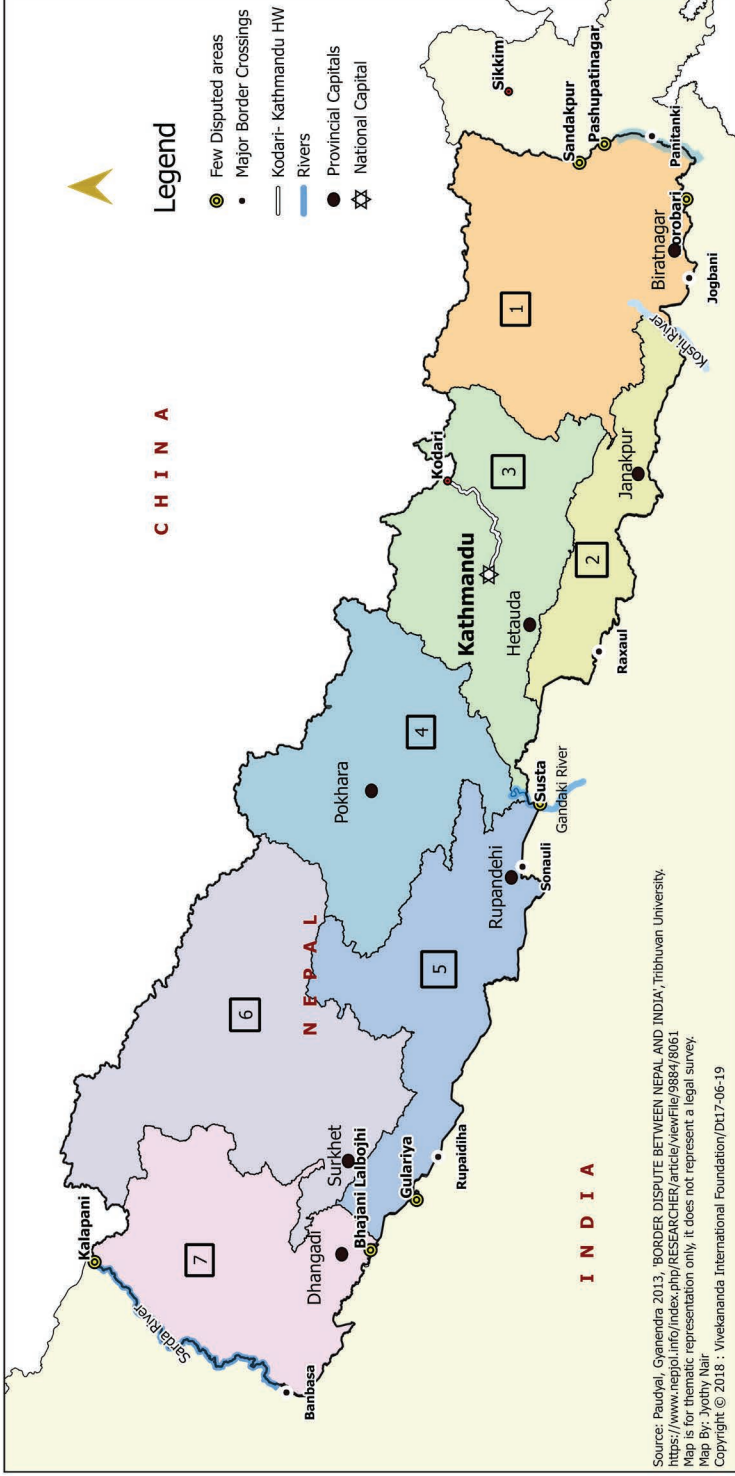
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<sup>84</sup> India-Maldives Joint Statement during the State Visit of Prime Minister to Maldives

[https://mea.gov.in/bilateral-](https://mea.gov.in/bilateral-documents.htm?dtl/31418/IndiaMaldives+Joint+Statement+during+the+State+Visit+of+Prime+Minister+to+Maldives)

[documents.htm?dtl/31418/IndiaMaldives+Joint+Statement+during+the+State+Visit+of+Prime+Minister+to+Maldives](https://mea.gov.in/bilateral-documents.htm?dtl/31418/IndiaMaldives+Joint+Statement+during+the+State+Visit+of+Prime+Minister+to+Maldives)

# Nepal



Source: Paudyal, Gopendra 2013, 'BORDER DISPUTE BETWEEN NEPAL AND INDIA', Tribhuvan University, <https://www.nepjol.info/index.php/RESEARCHER/article/viewFile/9884/8061>  
 Map is for thematic representation only, it does not represent a legal survey.  
 Map By: Jyothy Nair  
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# Nepal

Sandwiched between Tibet in the north and India in the south, Nepal's ethnic, geographic, economic and cultural orientation has been more closely linked to India. Given the 1751 km relatively open India-Nepal border, the latter's internal and external security developments, particularly after China's annexation of Tibet, inevitably impinges on India.<sup>85</sup>

It is important to keep in mind that much before India and Nepal were formally recognised as nation states, they were inhabited by people of the same ethnicity, religion, cultural mores and lifestyle. Hinduism and Buddhism flourished in both countries. In fact, till very recently, Nepal was the sole Hindu state in the world. This oneness of the two countries is accentuated by the fact that while Nepal was a part of several Indian empires, notably the Mauryan, Gupta, and Licchavi empires, for some time at the turn of the 18th century, a part of India extending from the Teesta in the east to Kangra in the west, formed a part of Greater Nepal.<sup>86</sup>

An expansionist British East India Company and an expansionist Nepal inevitably came into conflict and following the defeat of the latter the Treaty of Sugauli was concluded in 1816 between the two whereby the latter had to cede portions of Sikkim, the present day Terai region of Nepal, Darjeeling, Kumaon, Garhwal and Kinnaur to the former. As reward for Nepal's support to the British during India's 1857 war of independence, the Terai region was returned to Nepal in 1860. In 1923, Nepal and Britain signed a Treaty of Friendship which inter alia recognised the former as a sovereign independent country.

The common threat perception posed by China's annexation of Tibet induced both India and Nepal to conclude a Treaty of Peace and Friendship in July 1950. The Ranas, the Monarchy and the Nepali politicians were all in favour of this move. The Treaty was closely modelled on the 1923 Anglo-Nepal Treaty

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<sup>85</sup> "The Unmaking of Nepal" by RSN Singh

<sup>86</sup> *ibid*

of Friendship. It, read together with its accompanying side letter inter-alia provided that there would be "everlasting peace and friendship" between the two countries, that neither country would tolerate any threat to the security of the other by a foreign aggressor, that each country would accord "national treatment" to the other's nationals in participation in any developmental activity, that each country would on a reciprocal basis grant to the nationals of the other the same privileges in the matter of residence, ownership of property, participation in trade and commerce, movement and privileges of a similar nature and that imports of any arms and ammunition effected by Nepal would only be with the assistance and agreement of India.

In 1950, a trade agreement was concluded between India and Nepal. Along with strengthening trade ties, the treaty streamlined customs regulations between the two nations and provided for transit of Nepalese trade.

India played an important role in ridding Nepal from the century-old corrupt and autocratic rule of the Rana oligarchy and restoring the Monarchy to power under King Tribhuvan in 1951. India-Nepal relations flourished under King Tribhuvan. At his request, in 1952, the Indian Military Mission was set up in Kathmandu for raising, reorganising and modernising the Royal Nepal Army.

The honeymoon in India-Nepal ties did not outlast King Tribhuvan, as after his demise in 1955, all succeeding monarchs and most Nepalese politicians unabashedly played the China card and began to disregard the Treaty of Friendship. King Mahendra himself, soon after assuming power, in a thinly disguised move directed against India and in violation of the Treaty made Nepalese citizenship mandatory for employment in Nepal as teachers and for acquisition of immovable property. In 1958, the Indian Military Mission on Nepal's insistence had to be down sized and redesignated as the Indian Training Advisory Group. It was once again renamed as the Indian Military Liaison Group and after repeated downsizing, finally shut down in 1970.

India-Nepal ties touched another low with India's criticism of King Mahendra's dissolution of Parliament, banning of political parties and introduction of the Panchayati Raj system in 1960. This was accompanied by an upturn in Sino-Nepal ties, which in 1960, witnessed an exchange of prime ministerial visits, the signing of a Peace and Friendship Treaty and a boundary

settlement agreement. The following year an agreement was signed for the construction of the Kodari-Kathmandu Highway which was completed in 1967. The process of increased Sino –Nepal linkages was continued by King Birendra and in the period between 1956 and 1989, grant assistance was provided by China for as many as 42 projects, including roads, canals, mini hydel projects, brick and paper plants, sugar and textile mills.<sup>87</sup>

With democracy an anathema to King Mahendra and to his successor King Birendra, in 1972, many Nepali politicians preferred to remain in India where they had studied and had friends. This gave rise to exaggerated suspicions about India in the Monarchy which whipped up anti-Indianism in order to generate popular support. Over the years, many political parties also found it expedient to whip up anti-Indianism as a means to increase their popularity.

In the mid 70's, King Birendra, with a view to distancing Nepal from India and assuming a non-aligned position between it and China, formally called for the international recognition of Nepal as a zone of peace. While this found much traction in China, Pakistan and Bangladesh it caused irritation in India which flatly rejected it.

Nepal's move was clearly aimed at nullifying the India-Nepal Treaty of Peace and Friendship which was no more than a logical expression of the exceedingly close bonds between the two countries and their importance to each other's security. Under King Mahendra and King Birendra, Nepal had been steadily violating the Treaty by discriminating against Indian nationals and by importing arms and receiving arms training from third countries. What India, however, found unpalatable was the conclusion of an arms deal between Nepal and China in March 1988, of which the first consignment worth an estimated US \$20 million arrived in 500 trucks in June 1988. The total consignment was delivered in 3000 trucks. Additionally the two countries also signed a secret intelligence sharing agreement in 1988.<sup>88</sup>

The aforesaid developments along with Nepal's failure to lift additional customs duties levied on some Indian exports as earlier promised by it, coupled

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<sup>87</sup> "China India Rivalry in Nepal: The Clash over Chinese Arms Sales" by John W. Garver in Asian Survey Vol 31 No10 (Oct 1991)

<sup>88</sup> *ibid*

with the easing of such duties on Chinese exports along with its insistence that there should be separate trade and transit treaties rather than a unified treaty as insisted upon by India, led to these treaties lapsing on March 23, 1989, and an effective blockade being imposed on Nepal. India closed down 13 of the 15 crossing points on its borders with Nepal, leaving only two major ones open<sup>89</sup>. The blockade lasting 13 months caused much economic distress in Nepal and led to anti-Indian sentiment followed by violent demonstrations against the King and a demand for restoration of parliamentary democracy. Efforts to curb these by use of force failed and the King had to agree to the installation of a democratic government under Prime Minister KP Bhattarai of the Nepalese Congress on April 19, 1990. Later, Bhattarai visited India in June 1990 and gave in on most issues, particularly on security-related matters, including arms purchases. However, India agreed to Nepal's demands for separate trade and transit agreements.

The introduction of multi-party democracy in Nepal in 1990 under a constitutional monarchy worked neither in favour of Nepal nor in favour of India-Nepal ties. This was partly because the King used the flawed provisions of the constitution to control the Army and to intervene and take over the administration at will. In the process he failed miserably to effectively address the Maoist insurgency which had spread across the nation like wildfire from 1996. The unseemly bickering for power amongst the political parties and the consequential frequent changes in government also ill served the nation and made it difficult to cultivate meaningful ties with India on a sustained basis. Indeed, from 1990 to 2008, there were as many as 14 changes in the incumbency of the office of the prime minister.<sup>90</sup>

The assassination of King Birendra in June 2001 and his succession by King Gyanendra only aggravated the internal strife in Nepal as he was determined not merely to reign, but to rule. The latter's assumption of direct rule by dismissing the constitutional government of Prime Minister Deuba on February 1, 2005 impelled India to ensure the postponement of the SAARC Summit scheduled to be held in Dhaka on 6-7 February and to impose an arms embargo

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<sup>89</sup> *ibid*

<sup>90</sup> List of Prime Ministers of Nepal from Wikipedia website  
[https://en.wikipedia.org/wiki/List\\_of\\_Prime\\_Ministers\\_of\\_Nepal](https://en.wikipedia.org/wiki/List_of_Prime_Ministers_of_Nepal)



on Nepal. India-Nepal ties plummeted. King Gyanendra turned to other suppliers, including China.

In the succeeding months, Nepal was persistently wracked by unrest. India, despite close linkages with the Monarchy and with the Army, played a constructive role in support of the democratic aspirations of the people and facilitated agreements between the Maoists and the seven party alliance. This compelled led to King Gyanendra to reconvene a constitutional government under Prime Minister GP Koirala on April 24, 2006, and culminated in the abolition of the monarchy and creation of the Federal Republic of Nepal in 2008.

Relations between the Federal Republic of Nepal and India have been no less volatile than under earlier constitutional dispensations. This is partly due to the persistence of bitter party rivalries in Nepal, which from May 2008 to date saw as many as 11 changes of incumbency in the office of the Prime Minister<sup>91</sup>. It is, ofcourse, more importantly due to India's repeated cautioning that the new Constitution, which was in the process of being finalised, should be on the basis of consensus taking on board the demands of the Madhesis, Tharus, and Janjatis, constituting more than half the population who had long been neglected by the hill elite which effectively rules the country. This was ill received by Nepal's leadership. Such Nepalese hypersensitivity to well meaning Indian suggestions has been the bane of the bilateral relationship.

While India's advice was unexceptionable and places it on the right side of history, aware of Nepal's sensitivities, it could perhaps have been tendered more persuasively behind closed doors. In any case, the issue blew up with the Madhesis launching a blockade in the Terai lasting over four months and causing great economic disruption. Many Nepalese squarely blamed India for it. Anti-Indianism and India bashing grew exponentially. Relations between India and Nepal touched a new low with Prime Minister Oli recalling and dismissing the Nepalese Ambassador to India in 2016 for allegedly conniving with India to "topple" his government and abruptly cancelling the visit to India of President Bidya Devi Bhandari.

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<sup>91</sup> *ibid*

Through 2018, much effort was put in by both countries to normalise ties. This inter-alia included two visits to Nepal by Modi in May and August, one by Oli to India in April. These exercises saw some significant bilateral developments such as the inauguration of the Birgunj integrated checkpost, the ground breaking ceremony for the Motihari-Amlekhgunj cross border petroleum product pipeline, commitment for rail connectivity between Raxaul and Kathmandu and new connectivity between the two countries through inland waterways, the foundation stone laying ceremony for the 900 MW Arun III hydro electric project etc. More importantly, the leadership in both countries appeared to have decided that it is in their mutual interest to set aside the bitterness of the past, and, at least, establish a working relationship.

It would, however, be a mistake to imagine that India-Nepal ties are going to be as close as they were even prior to the 2015 blockade. In this context, it is important to note that from May 2018, Oli and Dahal are joint heads of the Nepal Communist Party formed by the merger of the ruling CPN-UML and the CPN-Maoist Centre. The Party with 175 seats in the lower house of 275 members enjoys a huge majority. Accordingly, Oli is now more powerful than most of his predecessors and there will be few checks on which way he wishes to take Nepal. His pro-China inclinations are already well known. In an interview to the South China Morning Post in early 2018, he is reported to have indicated that<sup>92</sup>:

1. He wants to deepen ties with China to explore more options and get more leverage in dealing with India.
2. He favoured a review of all special provisions of the Indo-Nepal relations, including the long established practice of Nepalese soldiers serving in the Indian Army.
3. He does not want to wholly depend on either of Nepal's two neighbours.

Furthermore, during Oli's China visit in June 2018, as many as 14 Memoranda of Understanding (MOU) were signed for a bevy of major projects

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<sup>92</sup> Extracted from article entitled Nepal: Use the China Card for getting more leverage with India- K.P. Oli- Update No. 360 Note No. 796 Dated 23-Feb-2018 By Dr. Chandrasekharan from website of South Asia Analysis Group

such as a trans-Himalayan Railroad connection between Shigatse in Tibet to Kathmandu via Keirung (formerly Kyirong), a 1000 MW hydro power plant, the Keirung-Galchchi transmission line, a major cement plant, speeding up construction of the Pokhara international airport etc. Later, in September, it was reported that the text of a protocol had been agreed upon to allow Nepali traders and businessmen to use Chinese sea and land ports for third country trade. Furthermore, in September, it was decided that the USD \$2.5 billion 1200 MW Buddhi Gandak hydropower project be given to China without competitive bidding.

Finally, Nepal's prickliness vis-a-vis India was on open display in September 2018 with its last minute decision to not participate in the BIMSTEC military exercises hosted by India at Pune and to merely send observers. Clearly, therefore, India-Nepal ties are frosty.

The foregoing is all the more surprising given the range and depth of the economic assistance provided by India to Nepal over the decades and the linkages between the two in diverse areas as detailed in succeeding paragraphs.

### **India's Development Assistance to Nepal**

India has traditionally focused on the creation of infrastructure at the grass-root level in Nepal under which various projects have been implemented in the areas of infrastructure, health, water resources, education and rural development. In recent years, India has been supporting projects for development of infrastructure through upgradation of roads in the Terai areas; development of cross-border rail links and establishment of Integrated Check Posts. More than 559 large, intermediate and small-scale projects at an estimated cost of Nepali Rupee 76 billion have been implemented across Nepal under Indian financial support since 1951. The total economic assistance earmarked under 'Aid to Nepal' budget for financial year 2017-18 was Rs. 375 crore which was enhanced to Rs. 650 crore for financial year 2018-2019.

Apart from grant assistance, the Government of India has also extended four lines of concessional credit to the Government of Nepal for US\$ 100 million, US\$ 250 million, US\$ 550 million and US\$ 750 million inter alia for infrastructure development and post earthquake reconstruction. It may be mentioned that within six hours of the April 2015 earthquake, India rushed in

relief assistance, including 16 NDRF teams, and carried out 39 IAF aircraft sorties with 571 tons of relief material totalling about US\$ 67 million.

### **Trade and Investment**

India is Nepal's largest trade partner and the largest source of foreign investments.

In the past ten years, bilateral trade grew over seven times from Rs. 5,585 crore in 2006-07 to Rs. 39,564 crore (US\$ 5.89 billion) in 2016-17. During the same period, exports from Nepal to India more than doubled from Rs. 1,384 crore in 2006-07 to Rs. 2,985 crore (US\$ 445 million) in 2016-17. Similarly, India's exports to Nepal grew over eight times from Rs. 4,201 crore in 2006-07 to Rs. 36,579 crore (US\$ 5.45 billion) in 2016-17.

India accounts for over two-thirds of Nepal's merchandise trade and about a third of trade in services, 46% of foreign direct investments, and a significant share of inward remittance on account of pensioners and workers.

Indian firms are the leading investors in Nepal, accounting for about 40% of the total approved foreign direct investments. As on May 31, 2017, Indian ventures lead foreign investment with FDI commitments of Indian Rupee (INR). 5,159.86 crore, whereas the total proposed FDI commitments to Nepal from all countries amounts to INR 13,178.15 crore. An additional investment of US\$ 2.5 billion would come to Nepal from the Indian private sector and PSUs for development of two important hydro-electric projects viz. Upper Karnali and Arun III, each 900 MWs. There are about 150 operating Indian ventures in Nepal. They are engaged in manufacturing, services (banking, insurance, dry port, education and telecom), power sector and tourism industries.<sup>93</sup>

### **Water Resources and Energy Cooperation**

Since many rivers flow from Nepal to India, cooperation in water resources is an important area of bilateral relations. A three-tier bilateral mechanism was established in 2008 to discuss issues relating to cooperation in water resources, flood management, inundation and hydropower between the two countries. While in some areas like flood management and irrigation India-Nepal cooperation has

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<sup>93</sup> India Nepal Relations from MEA website

been good, it has not been upto the mark in hydropower generation. This is evident from the fact that Nepal with hydropower generation potential of 80,000 MW has a generation capacity of less than 700 MW and Indian participation in putting up such capacity is miniscule. India was involved in putting up only two major multi-purpose hydro projects, notably the Kosi and the Gandak in the fifties, which had a very small power generation component and were in the main for irrigation projects. Since then, some major projects have been under discussion between India and Nepal for nearly two decades, such as the 5600 MW Pancheshwar multi-purpose project and the 3300 MW Sapt Kosi project. Regrettably, there has so far been no progress on them. Happily, the 900 MW Arun Project seems set to be implemented with its construction being entrusted to SJVN.

There are more than twenty 132 KV, 33KV and 11KV transmission interconnections which are used both for power exchange in the border areas and for power trade. A total of about 350-370 megawatt of power is currently being supplied to Nepal through different transmission lines. A Joint Technical Team has been formed for preparation of a long-term integrated transmission plan covering projects upto 2035<sup>94</sup>.

### **Defence Cooperation**

The Indian and Nepalese Armies have had long-standing cooperation which inter-alia extends to assistance to the latter for its modernisation through provision of equipment and training. About 250 training slots are provided annually for the Nepalese Army in Indian Army training institutions. Battalion-level joint exercises are also undertaken from time to time.<sup>95</sup>

Since British times, Gorkha soldiers have always been a part of the Indian Army and are partly recruited from hill districts of Nepal. Currently, there are about 32,000 Gorkhas from Nepal in the Indian Army. They and the estimated 125,000 retired Gorkha soldiers and civilian pensioners constitute a strong bond between the two countries. The latter are also an important source of revenue for

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<sup>94</sup> *ibid*

<sup>95</sup> *ibid*

Nepal as they receive nearly Rs.3000 crores from India annually by way of pension.<sup>96</sup>

### **People- to-People Links**

With an estimated six million Nepalese living and working in India and around 600,000 Indians living and working in Nepal, ties between the two people are intimate and inter-marriages are the norm rather than the exception. Cultural links are consciously promoted by any number of Indian and Nepalese cultural organisations. India has also engaged in capacity building and accords as many as 3000 scholarships for Nepalese students in its institutes of learning. A close people-to-people connect between the two countries is borne out by the fact that even at the worst of times, leaders from the two sides can always reach out to friends in the other country and get a receptive hearing.

### **Future Prospects**

It would be apparent from the foregoing that notwithstanding the close socio-cultural affinities between the two countries and the considerable economic investments made by India in Nepal over the decades, the 2015 blockade has delivered a body blow to their relationship. The present leadership in Nepal wants to reduce India's influence in it.<sup>97</sup> Addressing this anti-Indian sentiment is a primary challenge to Nepal-India relations.<sup>98</sup> Additionally, Chinese popularity has grown immensely and many Nepalese want a "much closer relationship with China at the cost of traditional ties with India."<sup>99</sup> The Nepal Government's close connect to China was recently evidenced by its refusal to permit the 20000 strong Tibetan community in the country to celebrate the Dalai Lama's 84th birthday on 6 July 2019. Earlier Pradeep Yadav, a senior leader in the ruling coalition was suspended for 6 months merely for attending a meeting organised by the followers of the Dalai Lama.<sup>100</sup> In these circumstances, the following approach

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<sup>96</sup> *ibid*

<sup>97</sup> "Nepal India Relations Gaining Ground" by Hari Bans Jha in *Indian Foreign Affairs Journal* Volume 11, No2. April-June 2016

<sup>98</sup> "Challenges to the Revision of the Nepal-India 1950 Peace and Friendship Treaty" by Rohit Karki and Lekhnath Paudel in *Strategic Analysis* Vol 39 No 4 July-August 2015

<sup>99</sup> "Nepal Today: Bad Politics Trumps Good Economics" by Krishna V Rajan in *Indian Foreign Affairs Journal* Volume 11, No2. April-June 2016

<sup>100</sup> "Nepal govt says no to Dalai Lama birthday" by Yubaraj Ghimire in *Indian Express* 7 July 2019

may be considered in order to improve ties with Nepal and minimise the points of friction with it:

1. Since the India-Nepal Treaty of Friendship is regarded by many Nepalese as an unequal Treaty, India should take the initiative for its renegotiation as already agreed to in the joint press release issued during Modi's Kathmandu visit in August 2014. This is all the more so as Nepal, in any case, does not adhere to many of the provisions of the Treaty. Moreover, the Treaty has also lost some of its *raison d'etre* as Nepal no longer sees a threat from China. As long as the Treaty is not abrogated or renegotiated, it will remain a festering sore which will only further vitiate ties. In revising the Treaty, Nepal is likely to press for elimination of the clauses pertaining to the qualifications on its import of arms, employment of foreigners, and accord of right of first refusal to India for projects in Nepal. While India should not be sticky in acceding to these requests, it should insist that strict reciprocity would have to be observed in the matter of grant of "national treatment" on issues like employment, residence, movement etc. If Nepal does not agree to reciprocity, India should not hesitate in scrapping this provision in toto. Nepal must be made to recognise that if it wishes to walk out of a special relationship with India, it will have to pay a price.
2. Since the evolving closer Sino-Nepal ties will effectively make the Nepal-India border and not the Himalayas as India's first line of defence, we would need to reduce its porosity through better policing and defence. This is all the more so, as even currently, anti-Indian elements like the ISI have taken advantage of the porosity of the border to our detriment. Effective policing of the border *inter-alia* also demands its urgent settlement. While nearly 98% of the boundary strip maps have been agreed upon, according to Nepalese sources, border disputes currently afflict as many as 21 of the 26 districts of Nepal adjoining India.<sup>101</sup>
3. Nepal's moves to curb the recruitment of Gorkhas for the Indian Army is on the cards and should not be challenged. This will in the long term work against

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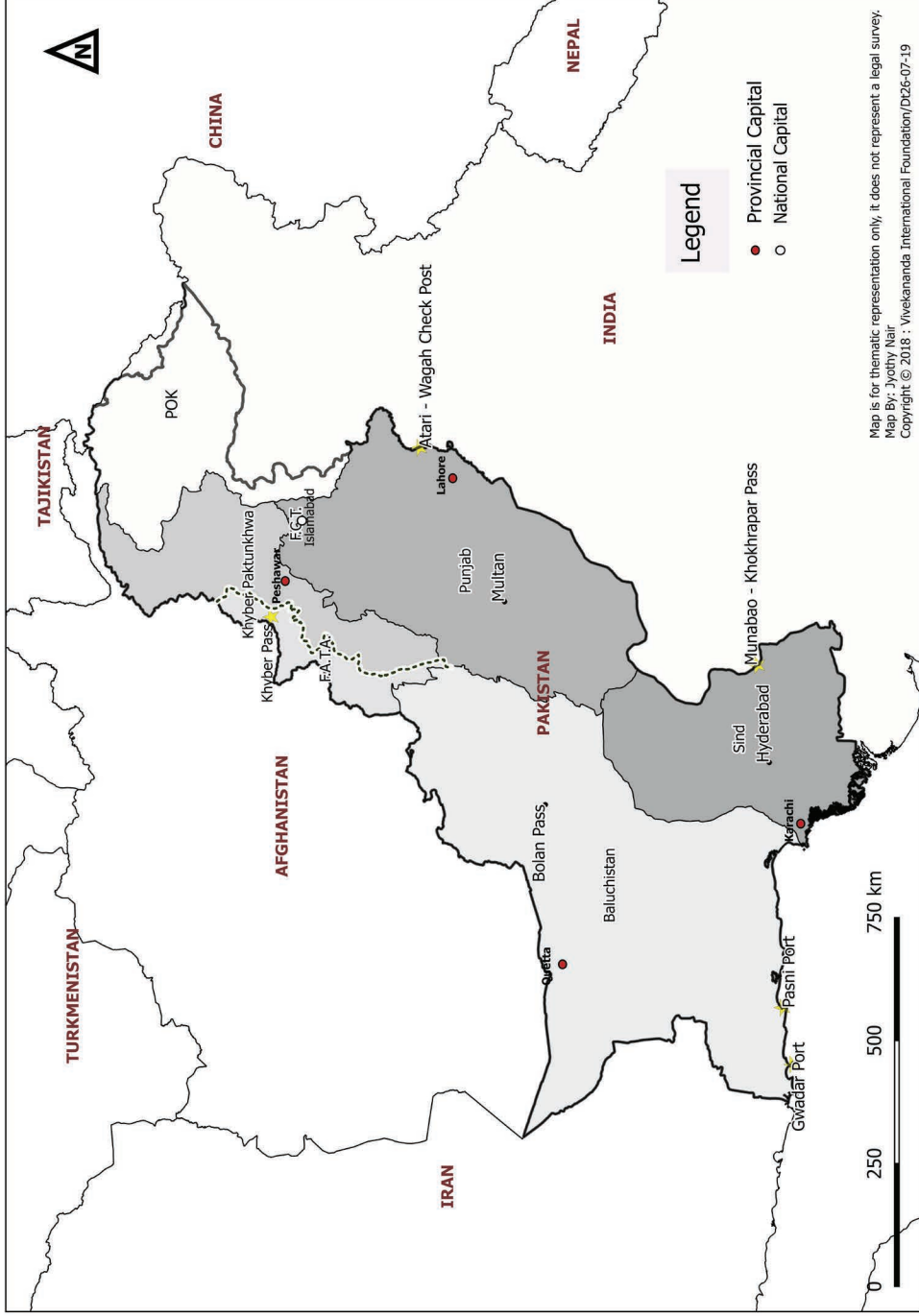
<sup>101</sup> "Challenges to the Revision of the Nepal-India 1950 Peace and Friendship Treaty" by Rohit Karki and Lekhnath Paudel in *Strategic Analysis* Vol 39 No 4 July-August 2015

the Nepalese government and will cause resentment against it in the Gorkha community and lead to a substantial loss of revenue for Nepal.

4. India must desist from bending over backwards in trying to prevent Nepal's cosyng up to China and avoid any competitive economic outreach to the former. For one thing, we cannot compete with China as their pockets are deeper than ours. For another and more importantly, Nepal will sooner rather than later realise that too close a Chinese embrace will prove suffocating and that a strong relationship with India is in its own self interest as the only counter to such an eventuality. Once Nepal realises the critical importance of a good relationship with India, the bilateral relationship will take a turn for the better.
5. India should continue with a modest level of economic cooperation programmes in Nepal directed mainly at capacity building and at such infrastructure projects it is comfortable with, particularly in the areas of connectivity and hydro power generation. The focus of these programmes should be broad-based and should not ignore the long neglected Terai region.
6. India's soft power should be used to project it as non-threatening and non-hegemonic. Contacts must be maintained with all sections of society, including political groups. Special efforts should ofcourse be made to cultivate the Madhesis and ex-servicemen who are already well disposed towards India.
7. The two plus one dialogue format for South Asian countries floated by China and espoused by some Nepalese should be firmly rejected as it is nothing short of an effort to undermine India's role in South Asia for China's benefit..
8. India should not agree to guarantee the off take of power from hydropower generated in Chinese constructed plants in Nepal. Import of such power may only be undertaken at competitive prices.



# Pakistan and its Provinces



Map is for thematic representation only, it does not represent a legal survey.  
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# Pakistan

It is unfortunate that despite their shared heritage and innumerable commonalities, India-Pakistan relations have been troubled since inception. This may, to an extent, be attributed to the trauma of partition which engulfed both countries at birth, the decades of mutual animosity of their respective ruling parties, and the plethora of highly complex issues which confronted them in 1947 such as the accession of princely states, refugee-related matters, sharing of the Indus Waters, division of assets and liabilities, safeguarding of the minorities located in the other country etc. However, a far more important factor is the visceral antipathy towards India which animates Pakistan in all its actions.

The origins of Pakistan's antipathy are rooted in its failure to establish a sense of identity even seven decades after it came into being. Pakistan was established on the basis of religion, but that alone has proved insufficient to hold the country together as borne out by the breakaway of East Pakistan and the fissiparous tendencies and sectarian conflicts which continue to afflict it. Having failed to evolve any firm unifying sense of identity, Pakistan found value in a fierce anti-Indianism as glue for holding the country together. This, from time to time metamorphoses into Pakistan's search for parity with India which eludes it because of the latter's greater comprehensive national power. Pakistan has sought to make up for this power differential by embarking upon a focussed policy of militarisation to the neglect of development, entering into opportunistic linkages with foreign players and creating an infrastructure of terror for use against India.

The situation has been exacerbated by the fact that for much of its history Pakistan has been governed by a military junta—either directly or by remote. Genuine democracy has been unable to take root in such a hostile environment. In order to keep themselves in power and democracy at bay, successive military regimes in Pakistan have also had a vested interest in vigorously promoting the idea of an Indian bogey. It is no surprise, therefore, that

an adversarial mindset vis a vis India is inbuilt into the Pakistani establishment and has become a part of the national psyche.

As argued by C. Christine Fair in her very perceptive book titled "Fighting to the End: The Pakistan Army's Way of War ", the strategic culture of the Pakistan Army is to "resist India's rise; restrict its presence and ability to harm Pakistan; and overturn the territorial status quo at all costs." She further points out that the Army has been able to ensure that civilian institutions and even ordinary Pakistanis share this culture, and accordingly, even if civilians were to seize power from the Army it is unlikely that they would follow different security policies.

Kashmir is merely an excuse for the troubled relationship. Were it to be somehow resolved, other issues would be found to keep the two countries apart. As Christine Fair puts it in her afore mentioned book, "Pakistan's revisionism persists in regard to its efforts not only to undermine the territorial status quo in Kashmir but also to undermine India's position in the region and beyond." She further contends that for the Pakistan Army "resisting India's rise is a necessary condition for the survival of Islamic Pakistan."

Pakistan's inimical mindset towards India finds expression in a host of activities designed to enervate the latter such as exporting terrorism not only to Kashmir and Punjab but indeed all over the country, attempting to exacerbate communal tensions, pumping in fake currency and establishing a nexus with criminal elements for destabilising the country through terrorism, gun running and narco-trafficking. Clearly, it is this mindset which is at the root of the rocky India-Pakistan relationship and not sundry differences between the two countries.

Pakistan's negative mindset which has been the stumbling block to the normalisation of India-Pakistan relations is largely due to the cultivation and propagation of the following myths about India.

**Myth No 1** is that India has never reconciled itself to the creation of Pakistan and that it wants to undo the same. There is no truth in this. While India never subscribed to the two nation religion-based theory, the fact of Partition as an irreversible phenomenon was accepted by it immediately after the event. In this context, it is relevant to recall that while speaking at Aligarh Muslim University on January 24, 1948, Prime Minister Nehru stated: "We have been charged with

desiring to strangle and crush Pakistan and to force it into a reunion with India. That charge, as many others, is based on fear and a complete misunderstanding of our attitude.... Compulsion there can never be and an attempt to disrupt Pakistan will recoil to India's disadvantage.....There is no going back in history. As a matter of fact, it is to India's advantage that Pakistan should be a secure and prosperous state with which we can develop close and friendly relations. If today, by any chance, I was offered a reunion of India and Pakistan, I would decline it for obvious reasons. I do not want to carry the burden of Pakistan's great problems. I have enough of my own."<sup>102</sup> Indeed, subsequent Indian leaders like Mr Vajpayee and Dr Manmohan Singh have echoed Mr Nehru's view that they would like to see a stable and prosperous Pakistan.<sup>103</sup>

**Myth No 2** is that India has hegemonic designs on Pakistan. While the concerns of a smaller country vis-a-vis a larger one can, to an extent, be understood, maturity demands greater objectivity. Indian policies are not Pakistan-centric unlike Pakistan's policies which are India-centric. Any action taken by India is commonly regarded by Pakistan as directed against it. India has never coveted any Pakistani territory nor had any designs on it. It is the harsh reality of geopolitics that India, with its security concerns extending well beyond Pakistan, has had to divert its resources into building up its capabilities so as to be able to safeguard its territorial integrity and sovereignty. This does not signify hegemonic tendencies. Indeed, as pointed out by Air Marshall Asghar Khan in the late eighties all the India-Pakistan wars were started by Pakistan. India did not initiate them.<sup>104</sup> The same is true of the Kargil conflict. It is thus clear that while India has been a status quo state, Pakistan has consistently stopped at nothing to change the status quo against India.

**Myth No 3** is that India is a Hindu State and, therefore, inimically disposed to Pakistan. The assertion is incorrect and the subsequent deduction is unwarranted.

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<sup>102</sup> From Nehru's Convocation Address at the Aligarh Muslim University as cited in the "Selected Works of Jawaharlal Nehru" Second Series Volume 5 on pages 25-26 under the caption "A Common Cultural Inheritance"

<sup>103</sup> Atal Behari Vajpayee's note in the visitors book in Minar-e-Pakistan, Lahore accessed at <http://www.expressindia.com/ie/daily/19990222/ige22062.html>>

Also see <http://www.greaterkashmir.com/news/2009/May/3/deal-that-wasn-t-58.asp> for Dr Manmohan Singh's vision on relations with Pakistan

<sup>104</sup> Air Marshal Asghar Khan interview to Dawn News TV program "An Imagined Enemy" accessed at <http://www.youtube.com/watch?v=98h0Bfhs0mE>

Though the majority of the Indian population is Hindu, India is a secular state. Home to nearly all major religions India accords equality of treatment to all persons both in terms of practicing and propagating their faith and in terms of their participation in all spheres of public life. Muslims, numbering over 172 million as per the 2011 census, constitute the largest minority community in India and are the third largest Muslim conglomeration in any country after Indonesia and Pakistan. According to the Pew Research Centre, India will by 2050 be the country with the largest conglomeration of Muslims.<sup>105</sup> They are active participants in all facets of India's national life and have adorned the highest and most sensitive positions in government. But even if India were a Hindu State to regard it as inimical purely on grounds of religion would be a gross misreading of Hinduism which is not an aggressive proselytizing faith.

**Myth No 4** is that India is averse to good neighbourly ties with Pakistan. This is a travesty of facts. India has always been deeply committed to improved ties with Pakistan. Towards this end, it has over the years made many concessions and gestures to Pakistan. Some of these may be enumerated as follows:

1. Payment of Rs 75 crores to Pakistan on account of division of assets of undivided India: Rs20 crores were paid in August 1947 and the remaining Rs55 crores in January 1948 even as Pakistan was attacking India;
2. Non pursuit of its claims vis-a-vis Pakistan for non payment of the latter's partition debt of Rs300 crores;<sup>106</sup>
3. Conclusion of an enormously generous Indus Waters Treaty in 1960 under which India agreed to accept a mere 20% of the flows of the Indus Basin Rivers though it had 40% of the catchment area. In addition, India paid Pakistan over 62 million pound sterling for building irrigation canals etc. as per Article V of the Indus Waters Treaty;
4. Following the 1971 conflict, India negotiated an agreement with Pakistan at Simla in 1972 for across the board normalisation of relations without imposing any costs even though it was in a position to do so. Moreover, India returned the 5386 square miles of Pakistani territory captured by it in

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<sup>105</sup> Pew Research Centre website [http://www.pewforum.org/2015/04/02/muslims/pf\\_15-04-02\\_projectionstables74/](http://www.pewforum.org/2015/04/02/muslims/pf_15-04-02_projectionstables74/)

<sup>106</sup> Taxindiaonline\_com

Sind (5000 square miles) and Punjab (386 square miles) without exacting a quid pro quo;<sup>107</sup>

5. India obtained “the concurrence of Bangladesh”<sup>108</sup> for the return of the nearly 92,000 Pakistani prisoners of war held in India under the joint India-Bangladesh Command without seeking anything in return;
6. India facilitated Pakistan’s re-entry into the Non-Aligned Movement (NAM) in 1979 and into the Commonwealth in 1989;
7. India unilaterally accorded Most Favoured Nation treatment to Pakistan in 1996 for import of the latter’s goods to India. Pakistan to date has not reciprocated this move. Happily the Modi government has withdrawn this unilateral concession to Pakistan.
8. In 2011, India, by withdrawing its objections to the application of zero duty by the EU on textile exports from Pakistan, facilitated the same at the cost of its own textile exports. The annual loss to the Indian textile industry for this generosity is estimated at US \$1 billion.

Obviously, the jettisoning of myths which demonise India is necessary for changing Pakistan's mindset which comes in the way of any genuine improvement in India-Pakistan ties. Notwithstanding Pakistan’s unrelenting hostility towards India, the latter has traditionally looked for normalisation of relations through dialogue. Even today, India is prepared to engage in such a dialogue provided Pakistan stops its involvement in terrorist activities directed against it. Regrettably, the latter shows no intent of doing so as borne out by the fact that in 2018 it engaged in over 1,962 incidents of unprovoked ceasefire violations.<sup>109</sup>

Pakistan's India policy and India's Pakistan policy have been marked by a remarkable consistency. While the former has been characterised by unmitigated hostility towards India and an unwavering effort to undermine it by all possible means, the latter has been in a defensive mode and shown little inclination, barring in 1971, to impose costs on Pakistan. India's Pakistan policy has only fluctuated between engagement and neglect. Engagement has led more often than

<sup>107</sup> Pg 184 “Indira Gandhi, the ‘Emergency’, and Indian Democracy” by P.N.Dhar

<sup>108</sup> Pg 112 “Pakistan in Perspective 1947-1997” edited by Rafi Raza

<sup>109</sup> “Pak Official Summoned” the Hindu 28 December, 2018

not to India making concessions with Pakistan firmly sticking to its maximalist position.

Such pusillanimity has only emboldened Pakistan in the pursuit of its anti-India policy. India has, accordingly, had to pay a heavy price due to Pakistan's machinations which have inter-alia involved the sustained use of terror against it. This has caused a substantial loss of life and property and has also occasionally disrupted peace and normalcy in the country. It has also forced India to divert scarce resources from development to security and deprived it of a neighbourhood at peace with itself so essential for progress and well being. In addition, India-Pakistan strife has also adversely affected India's stature within the region and internationally.

Clearly, India's default policy of engagement with Pakistan, spiced on occasion with outright appeasement, has neither mitigated the latter's hostility to India nor induced it to desist from the use of terror against India. Accordingly, a reorientation of India's Pakistan policy is called for. It is submitted that a more proactive and sustained approach designed to impose costs on Pakistan for its use of terrorism as an instrument of foreign policy against us would be more appropriate in deterring it from so doing.

The case for persisting with India's soft policy towards Pakistan rests in the main on rather specious arguments. It is, for instance, made out that since we cannot choose our neighbours there is no option but to mend fences with Pakistan. This line of argumentation is intrinsically flawed as it takes two to mend fences and given Pakistan's anti-Indian mindset no amount of accommodation by India will lead to an amelioration in the relationship. If the generosity shown by India at Shimla and in concluding the Indus Waters Treaty did not help, nothing can.

In much the same vein it is argued that dialogue is the instrument of choice in foreign policy and ultimately leads to normalisation of relations, particularly if such dialogue is uninterrupted. This argument cannot be applied to India-Pakistan relations since the latter views the former as an existential enemy.

It is also argued that dialogue redounds to India's benefit as it strengthens the hands of democratic elements and of civil society in Pakistan vis-a-vis the military. This is not valid as the shots on India-Pakistan relations are in the final analysis always called by the Army. Moreover, the perceptions of democratic

forces and of civil society in Pakistan on India largely mirror those of the Army given the extent to which they have been brainwashed over the years. Here, it may be relevant to recall that the Mumbai attacks of 1993 and 2008 took place under the watch of civilian governments in Pakistan as did Kargil.

Some favour the continuance of our present policy as they fear that adoption of policies designed to impose costs on Pakistan may trigger a nuclear conflict. Such fears are unwarranted as adoption of policies designed to impose costs on Pakistan can be tailored to be at levels which would not trigger the use of nuclear weapons by any normal country. In any case, since India is a nuclear-armed state, we can be confident that this will deter Pakistan from using nuclear weapons against us.

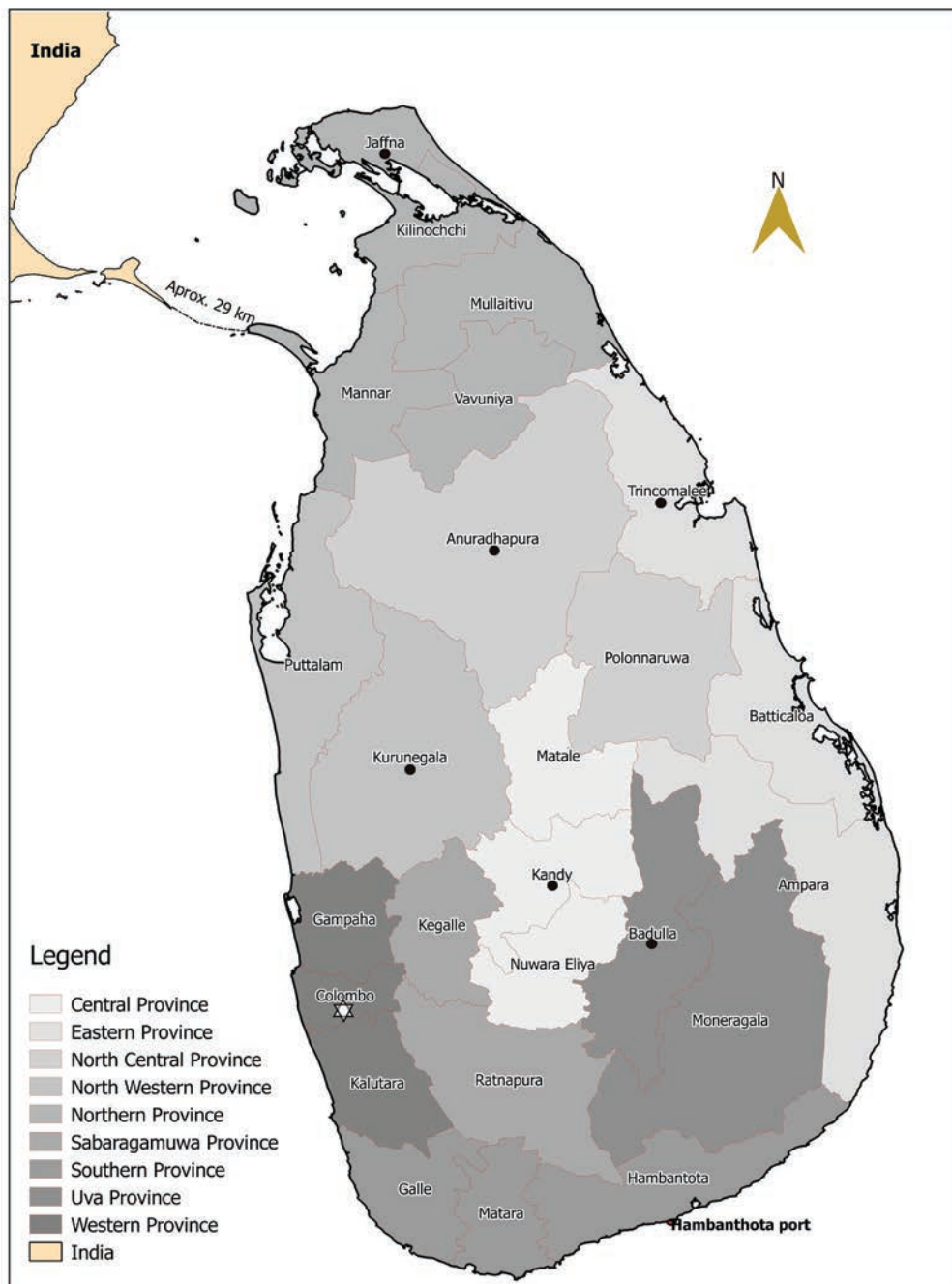
The following could be some elements of a suite of policies calculated to impose costs on Pakistan for its inimical moves against us:

1. A concerted and relentless diplomatic campaign to project Pakistan as a terrorist state and a call for imposition of international sanctions against it, including suspension of military and economic assistance. In order to carry conviction with the international community, this move should be accompanied by an act of Parliament declaring Pakistan as a terrorist state, closing down our mission in Pakistan, abandoning any high-level dialogue or entering into any CBM's with it.
2. India should exercise full rights over the Indus waters as legally permitted under the Indus Waters Treaty. For starters, the release of Indus waters to Pakistan should be minimised by maximizing the use in India of these waters as permitted under the Indus Waters Treaty. Building of storages as permitted under the Treaty should be accelerated in Kashmir. A notice should be served on Pakistan for renegotiation of the Treaty.
3. Pakistan's fault lines must be ruthlessly exploited in Baluchistan, Khyber Pakhtunkwa, and Sindh. The human rights violations committed by Pakistan in these areas as well as in Pakistan-occupied Kashmir (PoK) must be given widespread publicity, including at international fora. We should provide asylum to disaffected elements from Pakistan within the framework of a broader asylum policy to be framed by us.



4. Covert action, and if need be focused strikes, should be undertaken to take out terrorist elements and their supporters in Pakistan. Contingency plans for such action should be developed expeditiously so that following any Pakistan-sponsored terrorist action against us, as in Mumbai or more recently in Gurdaspur, Udhampur, Pathankot and Pulwama, these can be activated within a matter of hours rather than days.
5. Rather than proactively providing comfort to Pakistan's economic development, we should take punitive steps like, for instance, undercutting its rice and textile exports, withdrawing from the TAPI pipeline and ensuring that the EU desists from continuing to allow duty free ingress of Pakistani textile exports.
6. India should disavow the Durand Line and increasingly coordinate its position vis a vis Pakistan with the authorities in Afghanistan.

# Srilanka and its Provinces



## Sri Lanka

India-Sri Lanka ties go back to antiquity and are based on close civilisational, ethnic, religious and linguistic links. Buddhism found its way to Sri Lanka from India over 2300 years ago and the people, whether Sinhalese (74%) or Tamil (19%) are of Dravidian stock originating from India<sup>110</sup>. Being only about 50 kms apart, India also happens to be Sri Lanka's closest neighbour.

Despite many ups and downs, India-Sri Lankan relations have "never been so bad as to reach a level of confrontation."<sup>111</sup> Invariably, before relations reached a critical tipping point one or the other side pulled back.

Even before it became independent, Sri Lanka, nursing apprehensions of India's hegemonic designs, entered into a defence agreement with Britain in February 1948 inter-alia allowing it bases. India took this in its stride and went out of its way to befriend Sri Lanka. The process was facilitated as Sri Lanka's leaders at the time were in the main Indophiles and as Nehru and Mrs Gandhi developed an abiding friendship with the Bandaranaike family.<sup>112</sup>

India's highly accommodative stance vis-a-vis Sri Lanka right until the seventies was reflected in its not over reacting inter-alia to Sri Lanka failing to brand China as the aggressor in the 1962 conflict, entering into a Most Favoured Nation agreement with China in 1963, allowing Pakistani aircraft to refuel in Colombo en route to Dhaka during the Bangladesh struggle for independence, and adopting policies aimed at ensuring Tamil subordination which is what finally led to Tamil separatism. Furthermore, following Sri Lanka's disenfranchisement of the around one million plantation Tamils, whose ancestors had been in Sri Lanka for over a century, India, contrary to established policy, accepted around 600,000 through the 1964 and 1974 agreements on condition

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<sup>110</sup> "When Individuals, States, and Systems Collide *India's Foreign Policy towards Sri Lanka*" by Neil Devotta in *"India's Foreign Policy"* edited by Sumit Ganguly

<sup>111</sup> "India Sri Lanka Relations: Managing the Ups and Downs" by N. Manoharan and Priyama Chakravarty in *India Foreign Affairs Journal* Vol 11 No3 July-September 2016.

<sup>112</sup> "When Individuals, States, and Systems Collide *India's Foreign Policy towards Sri Lanka*" by Neil Devotta in *"India's Foreign Policy"* edited by Sumit Ganguly

that the balance were accorded Sri Lankan citizenship. In 1971, India promptly helped suppress an armed rebellion against the Sri Lanka government by the JVP by despatch of helicopters and warships.<sup>113</sup> Finally, despite Tamil Nadu's demands Mrs Gandhi gave up India's claim to the island of Katchatheevu and ceded it to Sri Lanka in 1974 even though it was a part of Tamil Nadu. This paved the way for the settlement of the maritime boundary between the two countries in 1976.

The rising Tamil-Sinhala ethnic tensions from the late seventies culminating in the anti Tamil pogrom of July 1983, and the consequent civil war in Sri Lanka resulting in the migration of 150,000 Tamils to India, inevitably led to a serious deterioration in India-Sri Lanka ties. This was exacerbated by the pro-West tilt of the Jayewardene government. Indeed, by 1986 not only the US and Israel, but also Pakistan were providing training, intelligence and arms to Sri Lanka<sup>114</sup>. Notwithstanding these provocations, India remained steadfastly opposed to the disintegration of Sri Lanka. This is borne out by its despatch of the Indian Peace Keeping Force (IPKF) to Sri Lanka in 1987 under the aegis of the India-Sri Lanka Peace Accord which was designed to restore harmony in the country by disarming the militant LTTE and providing a modicum of autonomy to the Tamils as later encapsulated in the 13th amendment. Furthermore, the Accord also committed Sri Lanka to ensure that the presence of foreign military and intelligence personnel would not "prejudice Indo-Sri Lanka relations" and that Sri Lankan ports would "not be made available for military use by any country in a manner prejudicial to India's interests".<sup>115</sup>

With the Accord attracting widespread opprobrium in the Sinhala community, with the LTTE resisting disarmament aided and abetted by the Premadasa government, and the latter calling for the withdrawal of the IPKF, it is no surprise that India pulled out the IPKF in March 1990. This move "saved the LTTE from annihilation. The IPKF had already cut it down to size, reducing the overblown self image of Prabhakaran to the realistic proportion of an

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<sup>113</sup> "India's Bilateral Security Relationship in South Asia" by Christian Wagner in *Strategic Analysis* Vol 42 No1 January-February 2018

<sup>114</sup> "When Individuals, States, and Systems Collide *India's Foreign Policy towards Sri Lanka*" by Neil Devotta in *India's Foreign Policy* edited by Sumit Ganguly

<sup>115</sup> Exchange of Letters between President of Sri Lanka and Indian Prime Ministers on signing of Peace Accord from <http://tamilnation.co/conflictresolution/tamilcelam/87peaceaccord.htm>

insurgent leader hiding in the jungle. He knew he was fighting with his back to the wall; he had already lost eight batches of LTTE leadership."<sup>116</sup>

The IPKF imbroglio and Rajiv Gandhi's assassination in May 1991 made India wary of engaging in any direct involvement in the resolution of Sri Lanka's ethnic problem. Sri Lanka has been the major loser in this process as Sinhala-Tamil tensions continue to fester and till the defeat of the LTTE in 2009 it was involved in a costly civil war.

With Chandrika Bandaranaike's assumption of leadership in Sri Lanka in the mid 90's, the relationship with India started looking up. India studiously kept a low profile on the ethnic issue and remained focussed on bilateral ties in other sectors. Economic and cultural cooperation saw a marked upturn with the conclusion of a Free Trade Agreement in 1998 which took effect in March 2000. Bilateral trade increased from US \$46 million in 1999 to US \$516 million in 2008.<sup>117</sup> Following the 2004 tsunami, India was the first foreign country to undertake relief and rehabilitation operations in Sri Lanka which were much appreciated.

The intensification of the civil war with Rajapakse's assumption of power posed a dilemma for India on whether or not to provide lethal weaponry to Sri Lanka. Its decision to limit its assistance to non-lethal supplies, interdiction of LTTE supply lines, training and intelligence, laid the field open to other powers like China and Pakistan to do so and thereby further strengthen their links with Sri Lanka at the cost of India. The former supplied Jian-7 fighter jets, anti aircraft guns, machine guns, howitzers, rifles etc.<sup>118</sup> Pakistan supplied multi barrel rocket launchers to help the 40,000 Sri Lankan soldiers stranded in the Jaffna Peninsula and stationed some military personnel in the country.<sup>119</sup> Indeed, Pakistan and China are believed to have "created effective intelligence operations" in Sri Lanka.<sup>120</sup>

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<sup>116</sup> "India and Sri Lanka's Internal Conflict : Q & A" by Col Hariharan dt 26/5/18 from South Asia Analysis website

<sup>117</sup> "When Individuals, States, and Systems Collide *India's Foreign Policy towards Sri Lanka*" by Neil Devotta in "*India's Foreign Policy*" edited by Sumit Ganguly

<sup>118</sup> "India Sri Lanka Relations: Managing the Ups and Downs" by N. Manoharan and Priyama Chakravarty in *India Foreign Affairs Journal* Vol 11 No3 July-September 2016.

<sup>119</sup> "When Individuals, States, and Systems Collide *India's Foreign Policy towards Sri Lanka*" by Neil Devotta in "*India's Foreign Policy*" edited by Sumit Ganguly

<sup>120</sup> "When Individuals, States, and Systems Collide *India's Foreign Policy towards Sri Lanka*" by Neil Devotta in "*India's Foreign Policy*" edited by Sumit Ganguly

The military defeat of the LTTE in May 2009 only marginally reduced the salience of the ethnic issue in India Sri Lanka ties as the former continued to press for meaningful autonomy for the Sri Lankan Tamils within a united Sri Lanka which both the Rajapakse and the Sirisena regimes, despite initial favourable indications, failed to deliver upon. Indeed, Sri Lanka's obduracy on this account compelled India to vote in favour of the UN Human Rights Council resolutions critical of Sri Lanka in 2012 and 2013.

In order to address the grave humanitarian crisis facing the Sri Lankan Tamils following the defeat of the LTTE in 2009, India immediately pledged US \$100 million for relief, rehabilitation and reconstruction purposes.<sup>121</sup> Some of the works taken up by India included the construction of 50,000 housing units, rehabilitation of the Northern Railway lines, wreck-removal and rehabilitation of the KKS Harbour, establishment of Vocational Training Centres, construction of a Cultural Centre at Jaffna, restoration of Thiruketheeswaram Temple and establishing an Agricultural Research Institute in the Northern Province.<sup>122</sup>

The Housing Project, with an overall commitment of over Indian Rupees 1,372 crore in grants, is the flagship project of Government of India's assistance to Sri Lanka and has been virtually completed, with around 45,500 houses having been delivered in the Northern and Eastern Provinces and works on another 4,000 houses for plantation Tamils at a very advanced stage.

India's considerable assistance time and again to Sri Lanka, both in respect of man-made and natural disasters, could not prevent the evolution of increasingly closer ties between the latter and China. This was largely because China unlike India was able to provide unequivocal diplomatic and military support to it on the ethnic issue.

Sino-Sri Lanka links are cast in the framework of the China-Sri Lanka All-Round Cooperation Partnership of Sincere Mutual Support and Everlasting Friendship which was established in 2005. This was upgraded in May 2013 into a Strategic Partnership and Sri Lanka came out in enthusiastic support of the Belt and Road Initiative. It is no surprise therefore that China's involvement in Sri

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<sup>121</sup> "India Sri Lanka Relations: Managing the Ups and Downs" by N. Manoharan and Priyama Chakravarty in *India Foreign Affairs Journal* Vol 11 No3 July-September 2016.

<sup>122</sup> "India Sri Lanka Relations " MEA website

Lanka is wide ranging and extends from trade to infrastructure development, from economic aid to oil exploration, and from investment to diplomatic support on the ethnic issue. Some of the important infrastructure projects undertaken by China in Sri Lanka which have strategic implications are the Hambantota port, the Maththala airport and the Colombo South Harbour Expansion Project.<sup>123</sup> Expectations of a major dilution in ties between Sri Lanka and China with the advent of the National Unity Government (NUG) in 2015 have been largely belied. Though the NUG is well aware of the debt trap that China executed projects like Hambantota have led Sri Lanka into it finds it expedient to continue the China connection in a business as usual mode for economic and political reasons.

The Modi government, while maintaining India's traditional stand on the ethnic issue and pressing for the implementation of the 13th amendment, has gone the extra mile in trying to improve ties with Sri Lanka through stepped up economic cooperation, particularly after the establishment of the Sirisena-Wikremasinghe government. He visited Sri Lanka in 2015, 2017, and June 2019. The 2015 visit was the first by an Indian prime minister since 1987, and the June 2019 visit, though brief and the first by any foreign dignitary after the Easter Sunday terrorist attacks in the country. was a masterstroke as a demonstration of India's solidarity with Sri Lanka.

Some of the notable economic initiatives announced by the Modi government inter-alia included a US \$328 million credit line for railways, renovation of 27 schools in the North, supply of medical equipment, a currency swap agreement of US \$1.1 billion with the Reserve Bank of India to stabilise the Sri Lankan currency, and disbursement of US \$73 million for procuring two advanced offshore patrol vessels, restoration of the Northern Railway service, a clutch of railway lines etc.<sup>124</sup> Additionally, India evinced an interest in participating in several projects such as an integrated cement plant, a special economic zone in Trincomalee, operationalisation of the Trincomalee oil tank farm and joint ventures in a host of sectors such as textiles, pharmaceuticals, auto

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<sup>123</sup> "India Sri Lanka Relations: Managing the Ups and Downs" by N. Manoharan and Priyama Chakravarty in *India Foreign Affairs Journal* Vol 11 No3 July-September 2016.

<sup>124</sup> "India-Sri Lanka Relations" by Gulbin Sultana in *Indian Foreign Affairs Journal* Vol 12 No 3 July-September 2017

components etc. Furthermore, support was pledged for constructing another 10000 houses over and above the 4000 houses under construction under the earlier programme for the Plantation Tamils.

In March 2017, to mitigate the drought in Sri Lanka, India rushed lorry mounted water bowsers to Sri Lanka and donated rice. During the flood devastation in May 2017, India responded immediately by sending three ships with relief materials, including food supplies, water, inflatable boats, diving and medical teams for flood relief efforts.<sup>125</sup>

### **Economic and Commercial Cooperation**

Sri Lanka is one of the major recipients of development credit given by the Government of India, with a total commitment of around US\$2.63 billion, including US\$ 458 million as grants.<sup>126</sup>

Export-Import Bank of India (EXIM Bank) on 8 March 2016 signed Buyer's Credit Agreements, under National Export Insurance Account (BC-NEIA), amounting to US\$ 403.01 million with National Water Supply and Drainage Board (NWSDB) of Sri Lanka in Colombo, for financing three water supply projects. Under the Buyer's Credit portfolio, EXIM Bank has already extended credit amounting to nearly US\$ 185 million to Sri Lanka for water supply and other projects.<sup>127</sup>

India also continues to assist a large number of smaller development projects in areas like education, health, transport connectivity, small and medium enterprise development and training in many parts of the country through its grant funding.

Sri Lanka has long been a priority destination for direct investment from India which is among the top four investors in Sri Lanka with cumulative investments of over US\$ 1 billion since 2003. The investments are in diverse areas including petroleum retail, IT, financial services, real estate, telecommunication, hospitality and tourism, banking and food processing (tea and fruit juices), metal industries, tires, cement, glass manufacturing, and infrastructure development (railway, power, water supply).

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<sup>125</sup>[https://www.mea.gov.in/Portal/ForeignRelation/Sri\\_Lanka\\_November\\_2017\\_NEW.pdf](https://www.mea.gov.in/Portal/ForeignRelation/Sri_Lanka_November_2017_NEW.pdf)

<sup>126</sup> *ibid*

<sup>127</sup> *ibid*



Several new investments from Indian companies are in the pipeline or under implementation. On the other hand, the last few years have also witnessed an increasing trend of Sri Lankan investments into India. Significant examples include Brandix (about US\$ 1 billion to set up a garment city in Vishakapatnam), MAS holdings, John Keels, Hayleys, and Aitken Spence (Hotels), apart from other investments in the freight servicing and logistics sector.<sup>128</sup>

Sri Lanka is one of India's largest trading partners in SAARC. India in turn is Sri Lanka's largest trade partner globally. Trade between the two countries grew particularly rapidly after the entry into force of the India-Sri Lanka Free Trade Agreement in March 2000. According to Sri Lankan Customs, bilateral trade in 2016 amounted to US \$ 4.38 billion. Exports from India to Sri Lanka in 2016 were US\$ 3.83 billion, while exports from Sri Lanka to India were US\$ 551 million.<sup>129</sup>

India now offers about 290 scholarship slots annually to Sri Lankan students. In addition, under the Indian Technical and Economic Cooperation Scheme and the Colombo Plan, India offers 370 slots annually to Sri Lankan nationals.<sup>130</sup>

Tourism also forms an important link between India and Sri Lanka. In 2016, of the two million total tourist arrivals to Sri Lanka, 357,000 were from India constituting 14% of the total number of tourist arrival to Sri Lanka. Sri Lankan tourists too are among the top ten sources for the Indian tourism market. In 2016, around 215,000 visas were issued by the High Commission and other posts in Sri Lanka to facilitate travel between Indian and Sri Lanka.<sup>131</sup>

### **Security Cooperation**

Defence cooperation with Sri Lanka encompasses a wide array of activities, including supply of military equipment, training, joint exercises, high level bilateral visits, deployment of Indian instructors and training teams in Sri Lanka, service-to-service staff talks, bilateral goodwill visits by naval and Coast Guard ships, sports exchanges and study tours.

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<sup>128</sup> *ibid*

<sup>129</sup> *ibid*

<sup>130</sup> *ibid*

<sup>131</sup> *ibid*

The Annual Defence Dialogue (ADD) is the apex level defence interaction which is held at the level of Defence Secretaries of the two countries. The inaugural ADD was held at New Delhi in January 2012. In addition, Service-level Staff Talks are also held between the respective Armies, navies and Air Forces. Further, high level visits between the armed forces of the two countries are a regular feature.

Training is the strongest and most enduring pillar of bilateral defence cooperation with Sri Lanka. India is the largest provider of foreign training assistance to the Sri Lankan Armed Forces. Every year, around 1600-1700 personnel from the Sri Lankan Armed Forces undergo training in India at various training institutes. Study tours are regularly undertaken by officers undergoing various courses in both countries. Similarly, since the end of the armed conflict in 2009, Sri Lanka has also been offering training vacancies to Indian Armed Forces.

Several bilateral military exercises are held between both countries on an annual basis. This includes the Army infantry company level exercise Mitra-Shakti and the naval exercise SLINEX. Extensive operational interaction also happens between the Indian and Sri Lankan Coast Guards. The Sri Lanka Navy is also a regular participant in the multilateral MILAN naval exercise conducted by India.

Indian naval ships conduct goodwill visits to Sri Lanka on a regular basis. During the last three years, there have been more than 20 ship visits. Similarly, Sri Lanka Navy ships have also been visiting Indian ports often.

India has been assisting Sri Lankan Armed Forces in various areas, including gifting of two Offshore Patrol Vessels, installation of AIS Chain, setting up of a communication lab and hydrographic survey off the Sri Lankan coast, to enhance their capacity.

### **Future Prospects**

Sri Lanka-India ties may currently be termed as good. Further improvement is likely to be difficult due to four major impediments notably the China factor, a deep rooted anti-Indian mindset, the ethnic issue, and the fishermen problem.

China's increasing influence in Sri Lanka is occurring because the latter does not share our threat perceptions of the former and rather views it as a balancing force vis-a-vis India. Furthermore, it sees China as an abundant source of funding critical to its own development. In these circumstances, there is little option for us but to gracefully accept Sri Lanka's opening out to China. We can at most tactfully sensitise Sri Lanka to the dangers to its sovereignty and fiscal stability from its China dalliance and hope that it will see reason before it is further sucked into the Chinese debt trap!!

The deep rooted anti-Indian mindset prevailing in Sri Lanka since its independence is perhaps the strongest impediment to a smooth relationship between the two countries. Fears of Indian economic and strategic dominance are rampant in Sri Lanka and colour many of its actions. These manifest themselves in a myriad ways such as its reluctance to sign a Comprehensive Economic Partnership Agreement or a Economic and Technological Cooperation Agreement with India, a wariness to award major projects to India and a propensity to see Indian moves to destabilise Sri Lanka where none exist as evidenced in allegations that the Research and Analysis Wing (R &AW) was behind the election loss of President Mahinda Rajapakse, or the so called R&AW assassination plot against Sirisena. Changing such a mindset will be a herculean task, but one that must be attempted. It will require a multi-pronged approach. Firstly, in our dealings we must not be pushy and must project our positions when they are at variance with the Sri Lankan view with extreme tact, making it clear that it is finally upto the latter to decide. Secondly, we must fulfil our commitments in a time bound fashion so that we are seen as a reliable partner. Projects being executed by us should be completed on time and we should certainly not allow the ethnic issue to become a factor in renegeing on undertakings given by us as in the case of disruption of the training of Sri Lankan military officers in Tamil Nadu. Thirdly, we need to project that we are primarily interested in the stability and prosperity of a united and inclusive Sri Lanka which would be a source of strength to India. Fourthly, we would be well advised to maintain a good relationship with all Sri Lankan leaders, both within and outside the Government and make out that we have no favourites so that none is impelled to play the anti-India card to gain popularity. This is all the more necessary as the three cornered struggle underway for some time between Sirisena,

Wickremesinghe and Rajapakse took a new turn with Sirisena's appointment of Rajapakse as Prime Minister in place of Wickremesinghe on October 26, 2018, his dissolution of Parliament on November 9, 2018 and his call for general elections in January 2019. All these moves were challenged and being in violation of constitutional propriety were struck down by the Supreme Court resulting in the reappointment of Wickremesinghe as the Prime Minister on December 16 2018. While this puts an end to the constitutional crisis, political factionalism, particularly between the President and the Prime Minister, will persist till one or the other secures a decisive edge and India will have to walk a tight rope in its dealings with them. It has so far played its cards smartly. While during the constitutional imbroglio, it confined itself to a relatively mild statement expressing "the hope that democratic values and the constitutional process will be respected."<sup>132</sup>, on December 16, it welcomed "the resolution of the political situation in Sri Lanka" as reflective " of the maturity demonstrated by all political forces, and also of the resilience of Sri Lankan democracy and its institutions" and expressed confidence that "India-Sri Lanka relations will continue to move on an upward trajectory."<sup>133</sup> These assertions could still be taken amiss by the Sirisena-Rajapakse combine, but they are appropriate as there is merit in taking positions in keeping with the democratic aspirations of the people as borne out by our role in the Maldives. Finally, we must maximise people-to-people contacts through all possible means as a bridge builder between the two countries.

The ethnic issue has been a major cause of the divide between the two countries. India's handling of the issue has earned it the ire of both the Sinhalese and the Tamils and imposed a huge cost on it in terms of loss of prestige, lives and resources. India would do well to make it known that it has no intention of imposing solutions and that all it is seeking is a stable, peaceful and united Sri Lanka which is inclusive in nature and which resolves the ethnic issue through dialogue and grant of appropriate autonomy to the minority community. Simply put, we should make our stance known with transparency while simultaneously pointing out that we do not intend to use coercion. It is also eminently desirable that India makes a conscious effort to reach out to the Sinhala community and not

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<sup>132</sup> "Respect democracy, Sri Lanka told" by Kallol Bhattacharjee, Meera Srinivasan 29 October the Hindu

<sup>133</sup> Official spokesperson's statement [https://www.mea.gov.in/media-briefings.htm?dtl/30761/Official\\_Spokespersons\\_response\\_to\\_queries\\_regarding\\_the\\_recent\\_political\\_development\\_in\\_Sri\\_Lanka](https://www.mea.gov.in/media-briefings.htm?dtl/30761/Official_Spokespersons_response_to_queries_regarding_the_recent_political_development_in_Sri_Lanka)

remain Tamil centric. Towards this end, we need to explore the possibility of directing more of our assistance and developmental programmes which are of direct benefit to the Sinhala community. Additionally, we need to imaginatively draw upon our common Buddhist heritage to establish closer links and understanding with the Sinhala community.

The fishermen issue has assumed a serious dimension following the defeat of the LTTE in 2009. It essentially entails Indian fishing activity in Sri Lankan territorial waters and the consequent capture or even shooting of Indian fishermen. This did not occur during the civil war as the Sri Lankan Navy was generally absent from these waters and Sri Lankan fishing activity was marginal. With the end of the civil war, Sri Lankan Tamil fishermen have become much more active in these waters which are well patrolled by the Sri Lankan Navy. Fishermen from Tamil Nadu prefer to fish in Sri Lankan territorial waters as these are far richer than Indian waters. What is particularly objectionable is that Indian fishermen engage in bottom trawling which severely depletes marine resources and damages the sea bed. While a joint mechanism is in place to deal with straying fishermen, prevention of their being shot at, their early release etc the crux of the issue is that Indian fishermen need to be prevented from making it a routine to fish in Sri Lankan territorial waters. Clearly they need to be weaned off from fishing in these relatively shallow waters and encouraged through subsidies to switch to deep sea fishing. India must act urgently in the matter in order to remove this unnecessary irritant in bilateral ties.

## **Conclusion**

It would be apparent from the foregoing that though India enjoys deep historical, cultural, and linguistic links with each of its neighbours, the texture of its relationship with each is different. Accordingly, India does not and cannot have a one size fits all policy for its neighbours. The policy towards each neighbour must necessarily be carefully tailored to its evolving political dynamics and circumstances as well as its approach to India. Nevertheless, there are some commonalities which confront India in its neighbourhood such as a major knowledge deficit about the neighbourhood in India, China's increasing footprint, a fairly widespread negativity about India, long festering bilateral issues, and governance deficits which lead to instability and even regime change.

It is surprising, but true, that there is a major knowledge deficit in India about its neighbouring countries. A sine qua non for a successful neighbourhood policy is to have in depth knowledge about all aspects of each neighbour. This can only be achieved if we have a number of think tanks exclusively devoted to studying each country on our periphery. Regrettably, we suffer from a woeful inadequacy in this regard which needs to be rectified urgently.

China's increasing influence in the region is a reality as reflected in the fact that all our neighbours barring Bhutan have endorsed the BRI. This is an inevitability given China's deep pockets. We need to accept this and should not try to compete with it on large capital intensive projects as we do not have the resources to do so. We should instead focus on areas below the Chinese radar which are not capital intensive and where we excel such as capacity building, small and medium enterprises, health, education and agriculture. In the projects undertaken by us we should maximise local participation as a means of minimising costs, creating local stakeholders, and favourably distinguishing our operating style from that of China. Additionally, we should also sensitise all concerned to the dangers of cosyng up unduly to China given its hegemonic tendencies and the fact that its assistance comes on rather onerous terms. Where Chinese activities pose a strategic challenge to us we should not hesitate to make known our concerns.

Nothing can be done about the prevailing anti-Indian sentiment amongst our South Asian neighbours to the extent that it is due to the big country small country syndrome. This happens the world over. However, there are many other factors which have led to anti-Indianism such as arrogance both at the personal and national level which often manifests itself in imposed rather than jointly arrived at outcomes, inability to deliver on our promises in a timely fashion, and a tendency to neglect and even let down friends. Remedial action on these points coupled with carefully crafted policies designed to align our actions and cooperation programmes with popular aspirations will go a long way in mitigating the prevailing anti Indian sentiments. The timely delivery on promises would perhaps be facilitated by the creation of an inter-ministerial committee for neighbourhood projects.

It would also help enormously if our leaders made it a practice to have more frequent exchanges with their counterparts in the neighbourhood as is the case in ASEAN. This would promote personal equations and linkages which create trust & understanding so invaluable in mitigating tensions & resolving problems.

With most of our neighbours, we have many long festering issues which are crying out for early resolution. The longer these remain unresolved, the longer they will vitiate the atmosphere. We must seek their resolution in a time bound manner so as to create a more harmonious environment.

Finally, in order to insulate our ties with our neighbours from the uncertainties arising from regime change, we need to create interdependencies in diverse areas such as transportation and power transmission. This may also be extended to areas such as the joint management of river basins on a regional basis, including countries like Nepal, Bhutan and Bangladesh. Additionally, people-to-people links should be increased exponentially by providing visa on arrival for those from neighbouring countries, providing greater access to our healthcare and education facilities etc. These are areas in which we enjoy an unmatched advantage in South Asia because of our geographical propinquity and shared multifaceted linkages.





## **About The Author**



**Satish Chandra, IFS (Retd)  
Vice Chairman, VIF**

A career diplomat, Satish Chandra served as India's Permanent Representative to the UN Offices in Geneva and later as High Commissioner to Pakistan. He, subsequently, went on to head the National Security Council Secretariat and was Deputy National Security Advisor.

## About the VIVEKANANDA INTERNATIONAL FOUNDATION

The Vivekananda International Foundation is an independent non-partisan institution that conducts research and analysis on domestic and international issues, and offers a platform for dialogue and conflict resolution. Some of India's leading practitioners from the fields of security, military, diplomacy, government, academia and media fields have come together to generate ideas and stimulate action on national security issues.

The defining feature of VIF lies in its provision of core institutional support which enables the organization to be flexible in its approach and proactive in changing circumstances, with a long-term focus on India's strategic, developmental and civilisational interests. The VIF aims to channelize fresh insights and decades of experience harnessed from its faculty into fostering actionable ideas for the nation's stakeholders.

Since its establishment, VIF has successfully embarked on quality research and scholarship in an effort to highlight issues in governance and strengthen national security. This is being actualized through numerous activities like seminars, round tables, interactive-dialogues, Vimarsh (public discourse), conferences and briefings. The publications of the VIF form the lasting deliverables of the organisation's aspiration to impact on the prevailing discourse on issues concerning India's national interest.



3, San Martin Marg, Chanakyapuri, New Delhi – 110021  
Phone: +91-11-24121764, 24106698  
Email: [info@vifindia.org](mailto:info@vifindia.org), Website: <http://www.vifindia.org>  
Follow us on [twitter@vifindia](https://twitter.com/vifindia)