# ARTICLES

<table>
<thead>
<tr>
<th>Title</th>
<th>Author</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A New Socialist President In France</td>
<td>Kanwal Sibal</td>
<td>3</td>
</tr>
<tr>
<td>India-Pakistan Relations: A Misplaced Euphoria</td>
<td>Satish Chandra</td>
<td>10</td>
</tr>
<tr>
<td>President Putin Redux</td>
<td>PP Shukla</td>
<td>15</td>
</tr>
<tr>
<td>India-China Relations Are Marked By Strategic Stability, Tactical Aggressiveness</td>
<td>Gurmeet Kanwal</td>
<td>25</td>
</tr>
<tr>
<td>Iran, Israel And India’s Interests</td>
<td>Barry Bharathan</td>
<td>29</td>
</tr>
<tr>
<td>China’s Footprints In Sri Lanka And India’s Concerns</td>
<td>Dr. N. Manoharan</td>
<td>38</td>
</tr>
<tr>
<td>Carry Forward The Legacy Of Agni-5</td>
<td>Radhakrishna Rao</td>
<td>44</td>
</tr>
<tr>
<td>Is Federalism In Danger Through Central Activism?</td>
<td>Dr. M.N. Buch</td>
<td>52</td>
</tr>
<tr>
<td>Parliament @ 60 – A Balance Sheet</td>
<td>A. Surya Prakash</td>
<td>61</td>
</tr>
</tbody>
</table>

# APPENDIX

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why Dilute The Vision Of The University At Nalanda?</td>
<td>65</td>
</tr>
<tr>
<td>Text Of Agreement On Strategic Partnership Between The Republic Of India And The Islamic Republic Of Afghanistan</td>
<td>77</td>
</tr>
<tr>
<td>Enduring Strategic Partnership Agreement Between The United States Of America And The Islamic Republic Of Afghanistan</td>
<td>84</td>
</tr>
</tbody>
</table>

# EVENTS

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vif - Heritage Foundation Bilateral Conference On Perspectives On 'Cooperation In The Asia Pacific Region'</td>
<td>96</td>
</tr>
<tr>
<td>Round Table Discussion On 'Indo-Us Military Cooperation In The Context Of South Asian Security Perspectives And The Way Ahead</td>
<td>98</td>
</tr>
<tr>
<td>Round Table Discussion On “Implications Of The Likely Leadership Change(S) In The Prc And Pla Strategy On The South China Sea Issue”</td>
<td>100</td>
</tr>
<tr>
<td>Round Table Discussion With An American Delegation Led By Dr. Peter R. Lavoy</td>
<td>103</td>
</tr>
</tbody>
</table>
A New Socialist President In France

- Kanwal Sibal

The French presidential election is not as much an international event as the US presidential election is. This is a reflection of the status of the US as a global power and Europe’s diminished international role. In countries with liberal political systems the US presidential election is treated as if it were a domestic election of sorts, with even trivialities getting covered. On the other hand, elections in major European countries get limited attention in countries like India.

In the case of France the extent of coverage and the nature of commentary in the Indian media are heavily influenced by the treatment that the US and British media give to elections there.

There is little independent reporting because only an odd Indian journalist is based in Paris and the language barrier results in a reliance on English language sources for information and interpretation. The slant in the Anglo-saxon media gets reflected in media reporting in India on developments in France.

The absence of a sizable Indian community in France, contrasted with the situation in the US, limits the degree of popular interest in India in political developments in France.

From our perspective, the most important aspect of Francois Hollande’s victory in the French presidential election would be its meaning for India, directly or indirectly.

Relations between India and France have reached a level of maturity that would insulate them from changes in political leadership in France, or for that matter in India.

There is a bipartisan consensus in both countries on the importance of the relationship and the mutualities of interests involved. Hollande’s mentor, Francois

*Kanwal Sibal - Member Advisory Board, VIF*
Mitterand, the first socialist President of France after WW2, visited India two times as President, in 1982 and 1989. The aim was to consolidate relations in the political, military, space, nuclear, economic and cultural fields.

The defence relationship with France began in the 50s. Numerous Indian nuclear scientists got trained in French establishments since those early years. In the area of space the French have launched our satellites and technologically assisted in our space programme.

De Gaulle and the spirit of resistance to Anglo-Saxon global domination and attachment to independent French decision making that he represented has always been viewed with admiration in India. It resonated politically with India’s own independent-mindedness in international affairs.

At the cultural level France has always had a significant hold on the minds of Indians and others with its films, plastic arts, literature, fashion and cuisine. With Chirac’s presidency relations further deepened at the strategic level, especially after the 1998 nuclear tests by India.

Chirac resisted US attempts to isolate India through sanctions, declaring it would be business as usual with India and was the first to propose a strategic dialogue, culminating in the first western country with which India established a strategic partnership. India’s already very productive relationship in the defence, nuclear and space domains with France was sought to be deepened through the strategic partnership.

Shared support for a multi-polar world, especially during the period when Chirac was President and the socialist Lionel Jospin was Prime Minister and Hubert Vedrine—a great intellectual proponent of multi-polarity—was Foreign Minister—is an important marker in terms of how we should look at Hollande’s electoral
victory in its foreign policy dimension.

Reservations about US domination of global affairs is not unique to Gaullist thinking- Sarkozy, however, had a softer posture towards the US and NATO- it is shared by socialists too.

France has had significant strategic successes with India in the recent period. The French Rafale has been selected for final negotiations for the acquisition of 126 multi-role combat aircraft. In the nuclear domain the French signed a framework agreement in December 2010 to set up two EPR reactors at Jaitapur in India.

In a recent visit former French Foreign Minister Juppe declared France’s willingness to transfer enrichment and reprocessing technologies to India, the first country to say so publicly.

India and France have also agreed to refit 52 Mirages for about $2 billion, in another milestone in terms of consolidating France’s position as defence supplier to India.

In space India will be launching France’s Spot 6 satellite later this year.

After the commencement of economic reforms in India and India’s emergence on the global scene, French commercial and economic interest in India has greatly expanded, with numerous top level French companies investing in India.

The popular belief that the Gaullists are better for India-France relations than the Socialists is not borne out by reality, as much as a similar belief that the Democrats in the US are better for India than the Republicans.

It is true that Francois Hollande is not known in India. But then he was little known abroad, including in German political circles, before he became President. Obama did not know him either.

Hollande has been a political organizer essentially, having been
the head of the French socialist party from 1997 to 2008. He has never held a government position. In democratic countries leaders are important but it is not personalized power beyond a point. It is unimaginable that as a party politician with the ambition to become President he has not developed an external vision.

In any mental survey of the external world by a world leader Asia cannot be ignored, and within Asia, China and India are in the foreground.

In any case, the India-France relationship is well structured. A Strategic Dialogue at the level of National Security Advisors or an equivalent position, a High Defence Committee at the level of Defence Secretaries, an annual Foreign Secretary dialogue, a Joint Economic Committee at the level of Commerce Ministers, as well as a CEO Forum, exist to underpin the relationship.

The two countries cooperate in the fight against terrorism.

Nicolas Sarkozy, with no known interest in India before becoming President, contributed very positively to India-France relations.

He expressed in even more emphatic terms French support for India’s membership of the UNSC and strongly backed international civilian nuclear cooperation with India.

He did this on the assumption that boosting India’s role served to further French interests in the larger international context. These are not short term considerations to be set aside with change in occupancy at the Elysee.

Hollande as President will be obliged to take close interest in foreign affairs even if his expertise and interests have lain elsewhere all these years. But were he to operate differently from his predecessor and give more freedom to his Ministers, India will not lose.

Foreign Minister Fabius, who has been Prime Minister and President of the French National Assembly, knows India very well, having visited India in the past and interacted with its leaders on numerous occasions over the years.

Fabius has a sophisticated understanding of our country.
Hollande will no doubt reach out to India, though India may not be his priority destination at present. There are no outstanding issues between the two countries that need resolution, but there are major projects that need high level attention to bring to fruition. France could begin to lose ground in India if after the attention India received from Chirac and Sarkozy, Hollande appeared less forthcoming.

On nuclear issues one can count on Hollande’s support even if he wants to reduce France’s own dependence on nuclear energy. He has supported the EPR programme, the kind of nuclear reactors France wants to sell to India.

Europe’s financial woes, including economic pressures on France, may dictate inward looking policies, part of which may be questioning of the beneficial consequences of globalisation and resentment against so-called unfair competition from abroad, as Hollande has done during his campaign.

But attempts to cordon off Europe and France from the rest of the world is not an answer. Already the trans-Atlantic relationship is yielding ground to the US pivot towards Asia. China is the biggest trading partner of the US.

No trans-Atlantic island of prosperity can be built in a world where both the US and Europe are declining in relative political and economic power.

It is the emerging and developing countries that are asking for a restructuring of global institutions because they are heavily weighted in the favour of the West. This will occur not according to the recipe of western countries that want to protect their own circle of prosperity but as a joint enterprise on the basis of constantly enlarging this circle.

Hollande’s immediate concerns relate to Europe’s future and that
of the Eurozone. The Greek crisis threatens to unravel the Eurozone and destroy the great achievement of the single currency.

Europe, driven by a powerful political and economic momentum, has expanded into an unwieldy entity. At the heart of it has been French-German collaboration as well as rivalry in the eastern and south-eastern expansion of the Union. France has tried to dominate the politics of Europe while the Germans have dominated the economy. Both politics and economics seem to be in disarray for the present.

Europe has been too self-confident for its own good, projecting its political, economic and social achievements, its concern for the environment, its commitment to human rights etc as a model for others to emulate.

The current European crisis tests the Franco-German conduct of the affairs of the Union. Sarkozy and Merkel worked hard to develop a joint strategy to deal with the Eurozone crisis based on the German austerity prescriptions.

Hollande’s election has upset the equation as he wants to have both growth and austerity. Growth is needed to manage politics and austerity is needed to manage the economics. How to reconcile the two?

He wants the European Central Bank to play a more growth oriented role.

The protagonists of growth in Italy and Spain and even in parts of Germany controlled by the Social Democrats have gained strength from Hollande’s election and the change in the terms of the debate that has resulted. Obama, across the Atlantic, favours a growth strategy too.

The British may mock at some of Hollande’s tax and spend propositions but have little credibility because of the poor management of their own finances and the meagre results so far of their own policies of austerity.
At the end, Holland and Merkel as well as others will find a compromise solution.

The sooner the better as the European Union is collectively the largest economy in the world with a combined GDP of over $17.5 trillion, and is the largest exporter and importer of goods and services. India is already feeling the effect of the Eurozone crisis. There is concern about the strengthening of protectionist tendencies in Europe.

In foreign affairs, whereas Sarkozy has integrated the French armed forces with Nato’s military command structure, Hollande’s position on this seems to differ, but he is unlikely to undo his predecessor’s decision as that would open up a political front against the US prematurely.

As it is, by deciding to withdraw all French troops from Afghanistan by the end of this year he has put a wrench in NATO’s withdrawal plans.

If this presages a less interventionist role in the Arab world, India can only be glad as Sarkozy’s activism in Libya and Syria seemed excessive even in the context of France’s vocation as a defender of human rights.

This was not a point of contention between India and France bilaterally but did reflect differences in policy on humanitarian affairs.

All in all, India does not have to work out any new equation with Hollande’s France, but in the face of the Eurozone crisis, Germany must. The laissez faire Anglo-Saxons have never liked the highly regulated French economic model and have little reason to wish Hollande success.

Prime Minister Manmohan Singh and President Hollande would have a chance to exchange views when they meet at the G-20 summit in Mexico in June.
India-Pakistan Relations: A Misplaced Euphoria

- Satish Chandra

It is ironical that at a time when Pakistan’s standing in the international community is down in the dumps its relationship with India is on the mend. While the rationale for the former is clear there is no such explanation for the latter.

The downward spiral in Pakistan’s standing in the international community is due to numerous factors notably its having been exposed as a source of terrorism, its role as a spoiler in finding a satisfactory resolution to the Afghan problem, its unsavoury record as a proliferator, and finally its emergence as a nation whose democratic credentials are suspect and where the observance of the rule of law is more the exception than the norm.

In contrast, there is no such linear logic to explain the upward trend in Pakistan’s relations with India as would seem to be case from the near euphoric statements being made in this regard from many sections, official and non official, in the latter. Have the perpetrators of the Mumbai attacks been brought to book by Pakistan? No. Instead terrorists like Hafiz Saeed are allowed to function freely and openly spew venom against India. Has Pakistan wound down the infrastructure of terror created by it for use against India? No. Indeed, after the Mumbai attacks of November 2008 there have been at least three other major Pakistani inspired terrorist attacks against India. Has Pakistan handed over to India any of the 50 or so terrorists elements like Dawood Ibrahim whose extradition had been requested by the latter? No. Has Pakistan stopped trying to push infiltrators into Kashmir? No. Has Pakistan shown any indication of genuinely seeking reconciliation with India by giving up its opposition to India’s quest

*Satish Chandra - Distinguished Fellow, VIF
for a permanent seat on the UN Security Council, by curbing the pumping in of fake currency into India or by desisting from pursuing an India centric nuclear policy? No. On the contrary it has encouraged the formation of the Defence of Pakistan Council led by extremists like Hafiz Saeed who revel in making aggressive anti Indian statements.

In the light of the foregoing it would be obvious to all objective analysts that there is no basic change of heart in Pakistan about India and that a new dawn in the relationship between the two countries is not on the cards in the foreseeable future. Indeed, given Pakistan’s continued involvement in terrorism directed against India another major terrorist incident in India is just waiting to happen.

Notwithstanding the foregoing many in India still insist on projecting a new found positivity in Pakistan’s attitude towards India on the basis of the very fact of Zardari’s April 8th visit to India, his call for “better relations”, Kayani’s subsequent assertion about the need for peaceful coexistence between the two countries and resolution of all issues, and Pakistan’s move towards according India MFN treatment. In this context, one may caution that it would be imprudent to be swayed by sweet nothings which is the sum and substance of Zardari’s India visit and the assertions made by Kayani and him. They by no means represent any tangible positivity on Pakistan’s stance vis a vis India and have merely been induced by the desire to ensure a peaceful eastern front at a time when Pakistan is under considerable pressure from the USA and has a troubled western front. It is, of course, true that on trade Pakistan has made some forward movement by progressing from a positive list to a negative list though one should note that it is yet to accord MFN status to India. It must also be clearly understood that the halting moves taken by Pakistan in this regard are in part in response to our accord of MFN treatment to Pakistan way back in the 1990’s, and in part in response to our not having opposed the EU move to provide Pakistani textiles duty free access to the Eurozone even though this adversely affected our own textile exports. Finally, it should be kept in mind that by deciding to give India MFN treatment Pakistan is only doing itself a favour as its failure to do
so all these years has denied it access to cheaper Indian goods—something which is particularly painful at a time when its economy is in dire straits.

Clearly, projections of a change of heart in Pakistan vis a vis India are untenable. They are also unfortunate as they have created a totally misplaced euphoria about the possible upward trajectory of India-Pakistan relations and induced all manner of ill considered calls for further concessions by India to woo Pakistan even in disregard of all security implications. Such calls are gathering traction as our Prime Minister is all set to visit Pakistan within the next few months and a “successful” visit would demand the conclusion of some agreements.

Some of the agreements being touted are an easing of the visa regime, removal of existing restrictions on Pakistani investments in India, and settlement of the Sir Creek and Siachen issues. It is submitted that no such agreements should even be contemplated until and unless there is clear evidence that Pakistan is prepared to bring to book the perpetrators of the Mumbai attacks, shut down its India centric terrorist infrastructure and give up its inimical attitude towards India. Conclusion of such agreements in the absence of such evidence would not only amount to dishonouring the memories of the countless Indians who have been the victims of Pakistani inspired terror but would also embolden Pakistan to continue to involve itself in terrorist actions directed against India confident that the latter will never penalize it. Furthermore, it needs to borne in mind that even relatively innocuous measures like an easing of visa restrictions or removal of constraints on Pakistani investments in India will exponentially enhance Pakistan’s capabilities to destabilize India and should not, therefore, be considered as long as the former does not give up its inimical approach towards India.
the former does not give up its inimical approach towards India. In this context, one need only refer to recent reports to the effect that Pakistan has been using the eased travel opportunities across the LOC for smuggling large amounts of fake currency into India.

Finally, as regards the proposed agreements on Sir Creek and Siachen the same will only be reached if India makes all the concessions. Historically, on no issue has Pakistan made any major concession and agreements between it and India have only been arrived at on when the latter has done all the running. Though the differences between the two countries on both issues are relatively small there is no reason for India to make any special gestures as long as Pakistan continues to give us no satisfaction on the issue of terrorism and retains its inimical mindset vis a vis India. This is all the more so as the special gestures made by India in the past as in the Indus Waters Treaty and in the Simla Agreement have earned it no gratitude or appreciation from Pakistan.

Both on Sir Creek and Siachen, though the differences between the two countries are relatively small they embody important issues of principle and there is no reason why India should make concessions and give in to the utterly unreasonable demands made by Pakistan.

Specifically, in respect of Sir Creek while India has taken the internationally accepted position that the boundary between the two counties should be the mid channel of the Creek, Pakistan demands that it should be the eastern shore line of the Creek. While acceptance by India of the Pakistani position would entail a marginal loss of territory on land it will have a much greater adverse impact in the determination of our maritime boundary and Extended Economic Zone.
it will have a much greater adverse impact in the determination of our maritime boundary and Extended Economic Zone. Accordingly, it would not be appropriate for us to give up our principled position on the issue. This is all the more so as the region is believed to be rich in hydrocarbons.

In respect of Siachen both sides have been calling for a demilitarization of the area and withdrawal of forces to specified points. It has, however, not been possible to arrive at an agreement as Pakistan has been unwilling to authenticate the existing location of the forces of the two sides. This is essential in order to be able to establish breach of faith by either side. Given Pakistan’s proclivity to violate such understandings with India, as most recently demonstrated by their breach of the LOC in 1999 which led to the Kargil conflict, it would be imprudent for us to give up our insistence on Pakistan’s authentication of the Actual Ground Position Line. Indeed, some may argue and rightly so that we should not pursue an agreement at all on this issue because when it was originally mooted in the 1980’s we were taking many casualties in the area which is not the case today due to vastly improved logistics. Furthermore, while we could, in the 1980’s and 1990’s, have addressed Pakistan’s stealthy occupation of the area, through a breach of faith, by bringing to bear our superiority in conventional arms this is much more difficult in the current nuclearised environment. Above all we should not lose sight of the fact that demilitarization of Siachen will enhance the possibility of Sino-Pak collusive activity in the area.
President Putin Redux

- P.P. Shula

Even with the North Atlantic orientation of today’s European policy, we cannot forget that NATO and Europe are not one and the same thing. And I’ve already said that Russia is a country of European culture, not NATO culture.

On 7 May, as has been happening every four years since 2000, a President was sworn into office on the Kremlin in Moscow. Vladimir Putin took the oath of office for the third time – actually for the fourth time, since he had been acting President since late 1999. It must have been quite a contrast for him. When he took office duly elected in May 2000, he told the Russian people that his predecessor, Boris Yeltsin, had handed over power to him with one plea: “Save Russia”. And at that time, it was a big ask. Russia was going through fresh convulsions, economic and political, and the ailing Yeltsin was demonstrably unequal to the task.

It is to the credit of Putin that he did indeed save Russia. He did more: he restored it to the level of a great power. He brought stability, he ended the free-for-all that Russia, including even its capital city had been reduced to. And he oversaw a revival of the country’s economy as well. As a result, by the early 2000’s, Goldman Sachs had identified it as part of the BRIC economies whose future was to become one of the major economies in the world.

True, not all of this was Putin’s doing, but in large measure it was, and he had created the

* PP Shukla – Joint Director, VIF
stability that was so essential for the economy to take advantage of the commodity boom that was to follow. And a grateful populace indicated its recognition of his role by giving him a degree of support that - even after discounting for some exaggeration in the opinion polls – most democratic leaders can only dream of.

But time marches on, new events occur, the stability and other basics begin to be taken for granted. Memories fade, and new ideas emerge. Above all, a new President had to be elected as the Russian Constitution allows only two consecutive terms to an incumbent. Medvedev held the job for four years, starting in 2008, and in both tone and substance, his approach to governance was markedly different. Some degree of popular impatience with the “sovereign democracy” that was the flavour of the Putin-Medvedev era was clearly manifest, especially on the streets of Moscow and St Petersburg. The irony was that these were the cities that had gained the most from the policies of Putin, and he himself is a native of St Petersburg.

This would explain why the return of Putin as President has not been welcomed with the enthusiasm that he certainly feels entitled to. Public opinion has clearly shifted in the four years of the Medvedev Presidency, and this has targeted both the leaders, as well as their Party, the United Russia Party [URP]. This would also explain why there have been street demonstrations against both the Parliamentary elections that were held last December [won by URP of course, though with a diminished mandate], and the Presidential elections in March.

Anyway, Putin is in power now for six years – the term of the Presidency was increased to six years by Medvedev in one of his early acts as President, and it is important to try and understand his [Putin’s] persona and current strategic views. It would be important to recognise that the

A look at his views as they have been since his first term as President suggests that he sees Russian interests best served in a strong European tie-up. This is coupled with an understanding [right or wrong] that Europe and America are distinct cultures, as the quote given at the opening of this article indicates.
situation in Russia – indeed all of Europe – is fluid, and there are few certainties, including of politics in the continent.

A look at his views as they have been since his first term as President suggests that he sees Russian interests best served in a strong European tie-up. This is coupled with an understanding [right or wrong] that Europe and America are distinct cultures, as the quote given at the opening of this article indicates. This is coupled with a strong personal German exposure during his career in the KGB, with the result that he speaks fluent German, and is well acquainted with the culture. In his early book – a long interview actually – “First Person”, he describes with feeling how he was impressed by Helmut Kohl of Germany, and observes: “And it was especially gratifying to hear him [Kohl] say that he couldn’t imagine a Europe without Russia”. This view has been only reinforced over the years, and German Chancellors like Schroeder have been particularly close to Russia and to Putin. [It would be fair to say that Medvedev is more exposed, and sympathetic, to the Anglo-Saxon world and culture.]

Putin has revealed his attitude very early in his new stint as President. He blamed the street disturbances on the Americans even before he took office; and he has declined to attend the G8 Summit in America. The message clearly is that America is not to be his first visit outside the CIS. In fairness, President Obama also did not help matters by declaring that Putin had one leg in the Cold War era, and demonstrating a clear preference for dealing with Medvedev. Nonetheless, the fact that Putin has retained Medvedev as Prime Minister and sent him to the G8 Summit, suggests that he [Putin] is pragmatic enough to see that the American relationship is important enough not to be damaged just in order to make a point. Of course, this move to stay away may also play into the American Presidential elections,

There was early speculation, fed by Russian sources, that the first country Putin was likely to visit outside the CIS will be China. There is to be an SCO [Shanghai Cooperation Organisation] Summit in June in China, and he will be going for that. In turn, China has welcomed Putin’s return to the Presidency.
and Putin would not mind that either, for he is not one to forget a slight.

There was early speculation, fed by Russian sources, that the first country Putin was likely to visit outside the CIS will be China. There is to be an SCO [Shanghai Cooperation Organisation] Summit in June in China, and he will be going for that. In turn, China has welcomed Putin’s return to the Presidency. An article in the People’s Daily, under the title “A stable prosperous Russia under Putin is good for China” hailed his electoral success, adding that he rode “a wave of popularity for his no-nonsense incorruptible image” – just the sort of message that would please him. While it is true that he will be going to China for the SCO meet, he will, it turns out first visit Europe [Germany and France] and that will be in early June.

It is also instructive to examine Putin’s inaugural speech. It is a short speech, as all his inaugural speeches have been, but there is this significant passage: “We must all understand that the life of our future generations and our prospects as a country and nation depend on us today and on our real achievements in building a new economy and developing modern living standards, on our efforts to look after our people and support our families, on our determination in developing our vast expanses from the Baltic to the Pacific, and on our ability to become a leader and centre of gravity for the whole of Eurasia.” [Emphasis added].

This idea of Eurasia is very much part of Putin’s persona, and embraces both a strong tie-up with Europe and Germany as its anchor, and with China at the other end of the Eurasian land-mass. In the same speech, Putin also praised Medvedev for the work he did as President. The latter also spoke at the inaugural ceremony and hinted that the civil and social changes he introduced need to be preserved. This could contain the seeds of future trouble between the two men.
need to be preserved. This could contain the seeds of future trouble between the two men.

On the same day that he took office, Putin signed a number of Executive Orders, some five in number; of these, three are of immediate interest, as they also tell us something about the priorities that he will follow. They concern Demographics, the Economy, and Foreign Policy. Each of them is worth considering in some detail. The Russian population has been in steady decline for some decades now, particularly the Slavic part. Despite Governmental efforts, this trend has not been arrested. There is not only the question of maintaining the population growth at a level that would be enough to replenish the labour force, important though that is, there is also the problem of depopulation – over time – of the Siberian region. A very small part of the population lives in these regions, no more than 7 million in the Far East. Facing them across the border is a Chinese population that is some 120 million, if not more. At the moment, the problem has been contained, despite scare stories to the contrary in Russian lore, and the number of Chinese settlers, registered and unregistered, in the area are not more than half a million at the most. But the potential imbalance is too serious to be ignored. The Order issued by Putin calls for more incentives to all families that have three or more babies; nothing really new here. The important element is the suggestion that migration is to become a serious effort to address the labour shortage. Again, this is not entirely new, and there are migrants from the CIS in large numbers. But the intent here appears to be to cast a wider net, something that has been bubbling under the surface for some years now. The document is short on substance, but this is a thought that has found high-level expression, and will need to be followed carefully.

On the foreign policy side, there are a number of important indications of what we may expect. The order in which issues are taken up may be taken to reflect their importance. The list of tasks begins with international issues like terrorism, proliferation, drug-trafficking, etc. Then comes the regional prioritisation, and the first area listed is the CIS. Next comes the European Union, where the most
important subject is Energy cooperation and the need to develop a common space in this sector. Asia-Pacific is the next and there is the following formulation used to define priority tasks: “deepening equal, trust-based partnership and strategic cooperation with China, strategic partnership with India and Vietnam, and developing mutually beneficial cooperation with Japan, South Korea, Australia, New Zealand and other key nations in the Asia-Pacific region.”

Until recently, India and China were mentioned on par with each other, but here the standing of China is clearly enhanced. There is a suggestion that the two countries are not only trusted partners, but that they also cooperate at the strategic level. This is a trend in Russian thinking and action that needs to be watched carefully. China is the only major power that has shown some understanding of Russian concerns over Western policies towards it, notably Ballistic Missile Defence deployments in East Europe, and NATO expansion, and this has been well-received in the Russian elite policy circles.

The US is the next to be mentioned, and has the distinction of being only one of four countries mentioned in a stand-alone formulation. There is nothing unexpected in the details of policy priorities but it is important to note that there is an explicit reference to the threat Russia perceives from the American plans for a global missile defence system. This is one of the major Russian concerns, as mentioned above, and will continue to bedevil relations. Obama was overheard asking Medvedev to ask Putin to give him some time to work through this issue after the election, but Russia will clearly not cut any slack on this one.
The other countries that get a stand-alone mention are Afghanistan, Iran, and North Korea – all problem areas that concern Russia deeply. There is nothing remarkable in the formulations, though it is worth noting that on Afghanistan, the Order mentions the importance of SCO and of CSTO [Collective Security Treaty Organisation – a grouping of some former Soviet states], and of the Russia-NATO Council. But there is no direct mention of NATO itself, which is odd considering that the Russians at various times have indicated their desire for ISAF not to pull out prematurely from the country.

The economic policy contains some of the expected targets, such as on ease of doing business. But the most significant hint is that concerning the main State monopolies on aircraft manufacturing and ship building. There is a hint that the monopolies have not performed as expected, and they are to be audited for their performance. These were monopolies from the Soviet times, which were broken up in the 1990’s, then re-consolidated under Putin himself. They have clearly not performed up to the mark, and it is not surprising that their functioning is to be examined. But the approach is still decidedly statist, and it would be fair to say that this is not the thinking that guided Medvedev in his policies as President.

An important aspect that deserves close attention going forward is the nature of the Defence cooperation between Russia and China. After some serious problems in the mid-2000’s, things appear to have got better lately. A recent statement by one of China’s Deputy Ministers emphasised the importance of this in the bilateral strategic partnership between the two countries. And the financial problems of the Russian Defence industry would make China an
attractive partner. There are continuing problems over IPR issues, no doubt, but this is where the dynamic between the financial problems and the overall relationship on the one hand, and the IPR issue on the other will bear watching.

The early personnel changes have also been announced. There are some changes in the Government Ministers though the Ministers for Foreign Affairs, Finance and Defence remain unchanged. The most intriguing aspect of the change is the dropping of the powerful Deputy Prime Minister, Igor Sechin, who controlled the Energy and Fuel complex. It has now been announced that he is to become CEO of the State oil company Rosneft – a clear demotion. There were suspected differences between him and President Medvedev, but this looks like a concerted move by both the leaders in the new tandem, Putin and Medvedev.

The removal of Sechin from the post of Deputy Prime Minister opens the way for a Medvedev protégé – Arkady Dvorkovich – to take his place as the overall in-charge of the Energy and Fuel Complex. The retention of Igor Shuvalov as First Deputy Prime Minister, and the only such [there were two First DPM’s in the outgoing arrangement] is another indicator of a willingness to reach out to the West for deeper economic engagement. It is also worth noting that Vladislav Surkov seems to have been forgiven for the disappointing performance of the United Russia Party at the Parliamentary elections and is now to be the Head of the Government Staff, a powerful post. None of the three has any exposure to India, and this would suggest that we would have to continue to work at the top leadership levels in order to keep the economic relationship healthy.

Many of the Ministers who were in charge of economic and social portfolios in the outgoing Government have been moved to the Kremlin as advisers to Putin. This suggests that he will run the Government with tight control over decision-making, and with the help of the team that he had with him as Prime Minister. But perhaps the most important move from the old Government team is the complete rehabilitation and return to power and trust of Sergei Ivanov, who was earlier the Deputy Prime Minister. He was a candidate for the Presidency and very close to Putin.
in 2008, but Putin chose Medvedev over him then. Ivanov was brought in as the Head of the Presidential Administration in December last year, while Medvedev was still President. However, it was clearly a preparation for the new President, namely, Putin. The position of Head of the Presidential Administration is effectively the most important position after that of the President himself in the Kremlin. Ivanov, who speaks fluent English, knows India well and will be an important channel for developing ties between the two countries.

For India, it is important to take note of the changing overall outlook in the Russian establishment. Nothing drastic is expected in our bilateral ties, and the relationship is strong and stable, as is shown by the quality of the Defence and Hi-tech cooperation between the two countries. The importance of India is also reflected in the positive reference in the foreign policy priorities, even though it comes below China and the description is of a lesser order.

However, of late, our high-level dialogue has been losing the quality it had during Soviet times, or even early in the 2000’s, and is becoming formal and transactional. There is also the changing Russian attitude towards Pakistan. It is not as yet a cause of concern, but the pace of development of the relationship will bear careful scrutiny in the coming months and years. This is almost a Russian reflex: whenever they fear that India is getting too close to America, they reach out to Pakistan. While it may have been a viable approach in the 1960’s and 1980’s, it would be serious mistake in the current context, and it is to be hoped that those in Moscow who understand South Asia well will see the pitfalls of this policy.
All in all, this adds up to a very ambitious approach to Russian policy and ambitions. The big question is whether this is feasible. The Russian system has atrophied quite a bit since the days of the USSR. The kind of capabilities it had in science and technology, in defence, in space – all this has suffered attrition. Above all, their long-standing weakness in economic thinking and management, especially in the context of a market economy, and a probable slowdown in the commodity boom, is going to prove to be a serious challenge. There is also going to be unprecedented resistance to Putin’s vision and programme – it does not take much to see that. The street demonstrations after the Parliamentary and Presidential elections were among the largest since the fall of the USSR. The public mood is changing, and the media are reflecting a desire for more changes – once again in a liberal direction, after the control they accepted in the early period of this century. If the leadership is up to the challenge of adapting to the new circumstances, economic and social, Russia can look forward to another period of stability and economic growth. As a major power on the global scene, Russia will be an important factor in the emerging shape of the world, one way or another.
India-China Relations Are Marked By Strategic Stability, Tactical Aggressiveness

- Gurmeet Kanwal

Relations between India and China have been fairly stable at the strategic level. Economic relations are much better now than these have been in the past. Mutual economic dependence is growing rapidly even though the balance of trade is skewed in China’s favour. The two countries have been cooperating in international fora like WTO talks and climate change negotiations. There has even been some cooperation in energy security. However, at the tactical level, China has been exhibiting a markedly assertive political, diplomatic and military attitude. Instability in the security relationship, in particular, has the potential to act as a spoiler; and, it is this relationship that will ultimately determine whether the two Asian giants will clash or cooperate for mutual gains. The major cause for instability in the India-China relationship is the half-century old territorial and boundary dispute over which the two countries fought a border war in 1962. The pointers to the future are not particularly positive. China continues to be in physical occupation of large areas of Indian territory in Jammu and Kashmir. On the Aksai Chin plateau in Ladakh in J&K, China is in possession of approximately 38,000 square kilometres of territory since the mid-1950s. In addition, Pakistan illegally ceded 5,180 sq km of Indian territory to China in 1963 in the Shaksgam Valley of Pakistan Occupied Kashmir under a bilateral boundary agreement that India does not recognise. Close to this area, the Chinese built the Karakoram highway that now provides a strategic land link between Xinjiang, Tibet and Pakistan. China continues to stake its claim to about 96,000 sq km of Indian territory in the eastern state of Arunachal...

* Gurmeet Kanwal – Visiting Fellow, VIF
Pradesh, which it calls Southern Tibet.

Chinese interlocutors have repeatedly claimed that the Tawang Tract, in particular, is part of Tibet and that the merger of this area with Tibet is non-negotiable. In 2005, India and China had agreed on “guiding principles and parameters” for a political solution to the territorial dispute. One important parameter was that “settled populations will not be disturbed”. In the case of Tawang, the Chinese have gone back on their commitment. If such erratic behavior continues, India will find it difficult to accept Chinese assurances of peaceful resolution of the territorial dispute at face value.

The Line of Actual Control (LAC) between India and China is yet to be physically demarcated on the ground and delineated on military maps. In fact, despite the Border Peace and Tranquility Agreement (BPTA) signed with the Chinese in 1993 and the agreement on Confidence Building Measures in the Military Field signed in 1996, border guards of the People’s Liberation Army (PLA) have transgressed the LAC repeatedly to intrude into Arunachal Pradesh and Ladakh. They have even objected to Indian road construction efforts and the presence of Indian graziers at their traditional grazing grounds. To be fair to the Chinese, they too claim similar transgressions by Indian patrols.

During any future conflict with either China or Pakistan – even though the probability is low, India will have to contend with a two-front situation as each is likely to collude militarily with the other – a situation for which the Indian armed forces are not prepared. Patrol face-offs are commonplace and usually end with both the sides warning each other to go back to their own territory. While no such incident has resulted in a violent clash so far, the probability of such an occurrence is high. Demarcation of the LAC without prejudice to each other’s position on the territorial dispute would be an excellent confidence building measure but little progress has been made in 15 rounds of talks between the two Special Representatives, including the January 2012 meeting at New Delhi. Under the circumstances, China’s intransigence in exchanging maps...
showing the alignment of the LAC in the western and the eastern sectors is difficult to understand. The military gap between Indian and China is growing steadily as the PLA is modernising at a rapid pace due to the double-digit annual growth in the Chinese defence budget while India’s military modernisation plans continue to remain mired in red tape. China’s negotiating strategy is to stall resolution of the dispute till the Chinese are in a much stronger position in terms of comprehensive national strength so that they can then dictate terms. The rapidly blossoming strategic partnership between China and Pakistan is also a major cause for concern. Chinese leaders have proclaimed that their friendship with Pakistan is “higher than the mountains and deeper than the oceans.” China has also guaranteed Pakistan’s territorial integrity. During any future conflict with either China or Pakistan – even though the probability is low, India will have to contend with a two-front situation as each is likely to collude militarily with the other – a situation for which the Indian armed forces are not prepared. Hence, it is in India’s interest to strive for the early resolution of the territorial dispute with China so that India has only one major military adversary to contend with.
Iran, Israel And India's Interests

- Barry Bharathan

Geo Politics of Civilisations and Culture

Two civilisations, India and Iran and a very ancient culture consecrated in the creation of Israel are in an enigmatic triangle. India is involuntarily at the apex with inimical, Iran and Israel at the two distanced points of this triangle.

India has managed relations on an “Iran & Israel” approach. Iran supplies nearly 12% of oil and the promise of gas supplies in the future. Many also believe that India and Iran enjoy a civilisational relationship that endures periodic differences. Israel and India cooperation that began in the early 90's has progressively evolved into a robust engagement across the span of defense, agriculture, science, technology and research. In many ways, over the last two decades India has successfully responded to “Shalom and Salaam aleikum” of both Israel and Iran. The 13th February attack on an Israeli diplomat's car, the American led Western isolation of Iran has triggered of a reaction asking for India to choose a Iran or Israel approach. The house is divided on this as is expected in our democracy. Pressure from USA too is a significant factor. The media, information highway is full of articles assuming polarised positions. Whatever be the views, India's Interests come first and foremost.

Never a Zero Sum Game

International relationship is never a zero sum game. This self evident truth shows up in all the Geo Political and Military happenings in the South Asian, Central Asia and the, Gulf; land and ocean Mass over the last two decades. Most critically, this entire swathe has been subject to cross currents of international interests, inter and intra country upheavals. Artificial divisions of the region by the British also

* Barry Bharathan – Distinguished Fellow, VIF & Former Vice Chief, Indian Navy
spawned regional tensions. Israeli - Arab animosity, the Iran - Iraq war, the Cold War between the super powers, the then unique Iraq- Soviet Union engagement and the incessant quest for energy has scarred this swathe into being a land of constant violence, conflict, radical ethnicity and geo-political instability. In effect whatever path India chooses, would be irrelevant in the background of a much larger and simmering volcano of visceral distrust and misperceptions. Even on this single factor India would perhaps do well to maintain status quo in its Iran and Israel relationships.

USA and China

USA and China too are intrinsic to this construct. The former has binding, ties with the Jewish state. It is at present in the politics of confrontation with the Persians on a host of well known issues. Iran's nuclear posturing and anti American stand off, rattles the West. It is also an avowed enemy of Israel with openly declared intentions of completely destroying the latter. The probability of a pre emptive Israeli strike on Iran with attendant ramifications cannot be ruled out. Its attack on Iraq, years ago cannot be forgotten. China has a unique Iran relationship. It is a silent, covert supplier of nuclear and missile material to Iran. Maraging steel for centrifuges, that since have been destroyed by Israel, and the silk worm missiles are but a few glaring examples of Chinese complicity. This is in line with a China policy of pursuing a path of setting up a long term presence in the Middle East and Africa. An important and ignored aspect is Beijing's plans to influence affairs in Afghanistan and Central Asia. In more ways than one, the wake of an American led NATO withdrawal is waiting to be filled in by China supported by Pakistan. Iran is a proxy Ocean guarantor along with Pakistan. The port of Gwadar and Mir
Quasim are already being readied for China.

**Cross Domino Effects**

There are also some cross domino effects that need to be in the calculus of Gulf geo politics. A few of them are:

**Shia- Sunni Schism**

The historic Shia- Sunni schism is a silent strategic divider in the region. This divide constantly simmers between tension and violent confrontation. Arab spring happenings do involve this divide in its own dynamic. This Islamic schism is violent, visceral and unrelenting over the last several centuries.

**Saudi Arabian - American Appliqué**

Applique virtually means external application or superimposition. Appliqué is indeed apt in describing the American- Saudi Arabian connection in the context of a democracy dealing with a theocratic monarchy. The USA, the lone super power, is committed to the free World and the idealism of democracy. Yet it has an open and also closed long lasting relationship with the Saudis. In more ways than one, this borders on invidiousness. Saudi Arabia is distinctly a totalitarian theocracy. It is also a strident sponsor of International terrorism. The horrific 9/11 World Trade Centre attack had many Saudi nationals. Al Qaeda was spawned there and and remanants remain in that kingdom. Saudi Arabian relationship with China and Pakistan is also unique and close. While USA is its prime arms and military training ally, it is repotted to have missiles from China. Terrorism in Pakistan flourishes with Saudi Arabian money. Closer home, in India too, its efforts in engaging many madrassas is motivated by a bigoted obsession to aggressively spread Islam at the cost of everything else. The porous polity of India is passive on this too. The USA is also impervious to a similar successful attempt in its own continent.
Wahabism

In the Gulf region this oil-rich kingdom follows Wahabi Islam alongside a closed society. Saudi Royalty with tacit American support has kept a stranglehold on its people. There is neither freedom nor fairness in that society in the name of Islam. Islamic views on the "infidel" (kafir) are perpetuated in Saudi Arabia. Wahabi ways condone many wrongdoings in the name of religion. The Arab spring uprisings are only a symptom of the disease of unrest with no real end in sight. Egypt, Libya and now Syria are examples of failed and failing leadership.

Western influence was the genesis and is now the ironic, iron force behind the people movement who aspire for freedom from autocratic regimes. It is no more a question of whether the Saudi royalty will cave in but when. This too is bound to trigger a tsunami of uncertainty and chaos! It would be a deja vu repeat of the collapse of the American- Iranian honeymoon post the overthrow of Shah Reza Pahlavi.

Energy Security and Security of Energy

Global Energy needs are on exponential rise. Oil is black gold. It controls the pulse of International trade. Keeping sea lanes open and providing security to this energy are onerous tasks. The Persian Gulf, Red Sea, the Indian Ocean and the concerned choke points are all vulnerable, but vital and valuable to ensure the flow of oil and gas from the Middle East to the East and Far East. Any conflict in the region is bound to have a catastrophic impact on energy availability.

Arms Bazaar

The region spreading from the Gulf to the Far East is an arms bazaar. There is a plethora of lethal conventional weapons of intense concentration in the Gulf. The western countries headed by
USA, and China along with some eastern bloc countries led by Russia are part of the military vendors club. The famous book titled Arms Bazaar by Anthony Sampson clearly illustrates that the military supplies have been ongoing since the last four decades. More telling is the simple fact of backward and volatile nations having easy and ready access to fierce fire power. Wild West syndrome echoes in the deserts, dunes and the waters of the land. The West is futilely trying to put out the fires that it had started decades ago!

**Indian Ocean**

The Indian Ocean is the “Life line” between West and East. Over 1000 million tons of oil pass through close to Indian shores every year. India is dependent on the seas for 95% of its trade and 80% for oil. It cannot simply afford to allow closure of sea lanes for more than 10 days. This Ocean being every one’s lake is the reality today. As the largest stake holder in the region we at least ought to know what is happening in our waters and be able to rightfully secure ourselves as a sovereign democracy. Others may sail away but we cannot. This subtle difference has gross, telling implications in effect, impact and consequences for the Sub-continent. What happens in the Persian Gulf will have a lasting, and long-term impact on all Indian Ocean rim countries. The Indian Ocean is a floating home to about 35 to 40 warships from different nations, not to speak about the Indian, Pakistan, Bangladesh, Sri Lankan navies and task Force 150 led by USA. At any given time there are at least 10 to 15 submarines transiting underwater. Nearly 2000 to 3000 merchant ships ranging from super tankers, gas carriers, cargo ships, container vessels, traverse these waterways every day. Fishing fleets, dhows, trawlers, exploratory vessels, big oil rigs also cross the sea lanes. In peace time alone the Arabian Sea, the Bay of Bengal, the important straits from east to west are all subject to threats of:

- Mutual interference among submarines
- Environmental degradation due to discharge of dirty oil by empty oil tankers in violation of UNCLOS(United Nations Convention on laws of the Seas) agreed upon rules of behavior.
- Major oil Pollution disasters due to collisions between tankers.
- Tsunamis and cyclones.
- Low intensity threats of piracy, smuggling and hijacking.
- Strangulation of traffic, in choke points, due to any of the above.

In these circumstances to ask India to choose between Iran and Israel is hypothetically and geo-politically anathema.

**Indian Interests**

Indian interests do not need great debate and discussion. We are a benign power, a secular stable democracy and an ancient civilisation. The international arena flocks to us, despite our weaknesses. Therein lies our intrinsic strength. Today, the world needs us. We never need to be in a position to choose but let others want us. Our Interests can be realised by being what we are. Let greater or lesser powers do the asking of India to be what it can be for their sake!

**Iran**

We need Iran for counter balancing the Gulf security calculus. Western influence while being of immense use has inherent limitations of distanced and obtuse alien content. India has historic, cultural, commerce and trade foot prints that are etched in the DNA of the Mediterranean, Maghreb, Malacca, Near and Far East long before the influx of the Europeans. We simply cannot abdicate this even if we are tempted to unwittingly attempt this exercise. 12% of oil is also critical. Constructive engagement with Iran would give India some leverage towards resolution of pending contentious issues in the region. Equally important is the Chinese dragon that is breathing fire to an agenda of its own. Countering this
without confrontation requires an amalgamated, calming, Indian presence with tacit support of the other players in the region.

**Israel**

Many Israelis, specially from their Political, Military, diplomatic corps believe that their population is 1.2 billion by simply adding their 7.8 million. They have a fervent belief that the Jews and Indians have a destiny together for the common good of the World. This small State adds great value to India and brings surgical precision to our diplomatic, military, and government matrices. India-Israel cooperation focuses on space, water management, non-conventional energy sources, nanotechnology, biotechnology and self reliance in military technology. There are also agrarian thrusts between both countries. Israel is our sixth largest trading partner. With trade value of nearly $10 billion and increasing, a bi-lateral free trade agreement is also in the offing. Israelis have also learned to live with our pro-Palestine Posture.

**Gulf Countries**

India enjoys a unique stature in the Arab World. In many ways, Pakistani attempt to discredit India has not found much favour. Over the years the number of Indians who work in the Gulf, has gone up significantly across various disciplines. This is indeed a major factor that brings in valuable foreign exchange, contributing to our economy. The Iraqi Air Force and Navy have at one time, been trained by us very well on Military basics. Oman and India have also a special relationship that has prospered over the years. Saudi Arabia and India too have now entered into a positive arrangement, highlighting a tectonic shift in perceptions. These have taken place despite our ongoing Israeli connection. India's decision not to join USA in Operation Iraqi Freedom in 2003 was perhaps most prudent and
strategically sensible. This has stood us in good stead and earned the appreciation of the regional leadership. Iran-India relationship is also perceived by the Middle East as a salutary influence in the region. India-GCC trade stands around $120 billion. Approximately 6 million Indian nationals work in the Gulf with yearly remittances of $30 billion. 70 to 75% of India’s energy imports are from the Gulf countries, including Iran. These are irrevocable links that have to be further strengthened.

**Indian Sovereignty**

We are a Sovereign system, with a track record of sound law and order in the national and international arena. Justice and prosecuting terrorist activities are part of our jurisprudence. It goes beyond consideration of our relationships. There is need for objectivity in our dealing with the attack on the Israeli diplomat with the heavy hand of the law. We also need to preempt any Israeli retaliation in our soil. On no account should we be seen as a vacillating system that is indecisive. Our handling of Kasab caught red handed in the 26/11 Mumbai attack, though frustrating, does vindicate our full commitment to the letter of the law.

**India's Signature Tune**

India is an enigmatic miracle. The last 25 years has seen us grow as one of the leading economies starting with our liberalised economic strategy. 1998 saw us become a nuclear power. We are now recognised by the USA through the aegis of defense cooperation and Indo-US civil nuclear cooperation agreements. Several significant partnerships have also emerged with a host of G-8 and G-20 countries. Prospects of us being elected into the UN Security Council also appear bright.

India at home appears diffident and disjointed. Nation Management, Political leadership apathy and lack of accountability are all part of our evolution. Nevertheless the intrinsic strength of India resting with our seasoned office establishment has always ensured that we muddle through, without too much mud on our face. The international image of India is yet another positive paradigm. India is predictable, staid, stable, secular and restrained. Our protests are loud but our violence is subdued.
Our elections are peaceful, with our laws mostly enforced. We have come off age without too much trauma of a colonial dominion. Our eclectic absorption, adaptability and the phenomenal success of Indians abroad are all noticed by others.

We are no more in a position of having to choose or measure our march. On the way we may falter at times but would not fall down. Let India continue with Iran and Israel triad and not consider this a triage. This would be our rightful and rational call.
China’s Footprints In Sri Lanka And India’s Concerns

- Dr. N. Manoharan

China’s footprints in Sri Lanka go beyond the so-called “String of Pearls” framework. Being a “time-tested friend” of Sri Lanka, China is one of the major players in the island in many fields. The diplomatic engagement goes to 1950s though the intensity of it has picked up tremendously in the recent years. In the present context, the bilateral relations between the two countries are cast within the broad structure of the ‘China-Sri Lanka All-round Cooperation Partnership of Sincere Mutual Support and Ever-lasting Friendship’ proclaimed in 2005. The Chinese involvement ranges from infrastructure development, economic aid, oil exploration, investments, trade and a strong diplomatic support to the island state when in need, especially in the wake of human rights accountability issue that emerged after the end of ‘Eelam War IV’.

Infrastructure development having wider strategic ramifications is the main Chinese footprint in Sri Lanka that has attracted considerable attention of India. Some of the important infrastructure projects developed by China in the island state include Hambantota port, Katunayake-Colombo Expressway, the Norochcholai Coal Power Project, Maththala Airport, Colombo South Harbour Expansion Project, 661-room Shangri La hotel and the Center for Performing Arts in Colombo. Statistically speaking, funding from China accounts for more than half of Sri Lanka’s construction and development loans. In value terms, it is estimated at over USD six billion; more than any other country.

The most talked about project is Hambantota port. The first phase of the port was completed in 2010 by the China Harbour Engineering Co. Ltd at a cost of $360 million. It includes a high-
quality passenger terminal, cargo handling, warehousing, bunkering, provisioning, maintenance and repair, medical supplies and customs clearing facilities. The harbour is strategically located not only for the Chinese merchant vessels and cargo carriers sailing to and from Africa and the Middle East to make a stopover, but can also be used by any military fleet. A strong foothold for the Chinese in Hambantota would allow them to have dominance over a vast area of the Indian Ocean extending from Australia in the east, Africa in the west and up to Antarctica in the south. It may not be difficult for China to closely monitor all ships – military and non-military – that shuttle between east and west coasts of India encircling Sri Lanka. Ironically, Colombo had proposed building the Hambantota port as a joint venture with India, but New Delhi had let the offer pass.

When it comes to infrastructure development, India’s involvement in Sri Lanka is less, if not insignificant, in comparison to China. Sri Lankans rate the Chinese better in terms of timely completion of projects, cost effectiveness and quality of infrastructure. Indian companies have certain inherent disadvantages compared to their Chinese counterparts. While most Indian companies are privately owned, Chinese ones are state-owned and supported by state financial institutions like China Development Bank Corporation, and Exim Bank. Profit motive comes last for the Chinese companies. Their priority is to look towards aspects like strategic advantages, diplomatic mileage and good will gained through projects. Most importantly, in the Indian case, the private sector and the government do not seem to complement each other’s efforts and gains. Risk-averse Indian companies care less about projection of Indian ‘soft power’ without much state support and motivation. This point should be taken into consideration by the...
government of India in its economic diplomacy.

Sri Lanka is not alone where China’s presence is increasingly seen. Beijing has for long been building maritime and other linkages with, apart from Sri Lanka, countries of eastern Africa, Seychelles, Mauritius, West Asia, Pakistan, Maldives, Bangladesh, Myanmar and Southeast Asian countries. The main objective behind is to ensure the security of its sea lanes, especially unhindered flow of critically-needed energy supplies from Africa and West Asia. At the same time, these linkages have doubled up as virtual encircling of India, which some experts call the “String of Pearls” construct.

Although India’s presence in reconstruction of post-war Sri Lanka is huge, China’s involvement is also notable. It has already provided one million dollars for the humanitarian needs. This apart, it gave tents meant for IDPs worth 20 million Yuan. As far as economic engagement is concerned, the volume of trade between China and Sri Lanka reached nearly 2.1 billion US dollars in 2010 and grew further to USD 3.14 bn in 2011. The balance of trade is hugely in favour of China (ratio of 1:19 compared to 1:10 with India in 2011); yet Sri Lankans are not complaining. China is Sri Lanka’s largest foreign investor and lender. To cite recent figures, China gave USD 1.2 billion and USD 821 million respectively in 2009 and 2010; this accounted for 54 percent of total foreign loans in 2009 and 25 percent in 2010. Sri Lanka’s Central Bank announced in June 2011 that China’s national currency, the Yuan (renminbi), would be allowed to be used in international transactions. On the other hand, the Indian rupee does not enjoy the same privilege, despite India remaining as Sri Lanka’s largest trading partner and one of the largest donors and investors.

What the Sri Lankans appreciate, even more is China’s diplomatic support to Colombo against West-led call for international investigations on war crimes committed during ‘Eelam War IV’. China, along with India and Russia, was instrumental in defeating the UN resolution in May 2009 censuring Sri Lanka. China once again supported Sri Lanka when US-sponsored resolution was passed in March 2012. When India insisted on providing only “non-lethal
“Weapons” to Colombo during the ‘Eelam War IV’ considering domestic political implications especially in Tamil Nadu, China liberally supplied requisite arms and ammunition to Sri Lankan troops to defeat the LTTE. These fetched China tremendous good will from the Sri Lankan government and the Sinhalese in general.

There is no free lunch, however. In return, apart from deeply appreciating China’s help, Sri Lanka has time and again reiterated its strict adherence to ‘one China policy’: “that the Government of the People’s Republic of China is the sole legal government representing the whole of China and that Taiwan is an inalienable part of the Chinese territory.” Colombo does not seem to mind giving more leeway to Beijing in the island to strengthen its economy, which is the top priority at the moment. In the words of President Rajapaksa himself, “Sri Lanka’s economy is currently at an important turning point and it is our country’s strategy to enhance our ports-related economy.” Rajapaksa’s vision is to “reposition Sri Lanka as the ‘pearl of the old Silk Route’.” Colombo is more than happy to be one of the pearls in China’s “String of Pearls”. In turn, India’s interests and concerns are not in Sri Lanka’s radars, although the island state tries its best to maintain a fine balancing act to keep both big powers of Asia in good humour, while at the same time benefitting from both. To distinguish India from other players, President Rajapaksa recently observed, “We are a non-aligned country. Our neighbours are Indians. I always say, Indians are our relations. From the time of Asoka, we have had that culture... but that doesn’t mean we won’t get commercial benefits from others: from China, or Japan, or whoever. They will come here, they will build and they will go back. India comes here, they will build and they will stay. This is the difference...”
stay. This is the difference...” Keeping this in mind, development projects are offered to both India and China from time-to-time. But, China is closer to the heart of present Left-of-the-Centre regime headed by Mahinda Rajapaksa.

India’s involvement in Sri Lanka’s infrastructure development cannot be underestimated. They range from helping fund the Matara-Colombo rail line, the dredging and refurbishment of the Kankesanthurai Harbor, and the renovation of Palaly Airport. India’s line of credit is about USD $1.8 billion, although the figure is roughly half of China’s current line of credit which stands at roughly USD $3.4 billion. Sri Lanka’s preference, therefore, is known. It is now in a position to juggle India and China, but is closer to Beijing, which has “no strings attached”, at least overtly, to any of the projects implemented or aid granted. Sri Lanka knows well that China will never demand to address the grievances of Sri Lankan minorities through a reasonable negotiated political settlement, and will not place restrictions on the involvement of any other country in the island in any manner. Beijing’s interests in Sri Lanka are purely strategic and, to a little extent, commercial.

India is not panicky about China’s footprint, but at the same time concerned about the strategic implications. The main concern is the possibility of use of infrastructure put in place by China against Indian interests. In the Annexure of the India-Sri Lanka Accord of 1987 India and Sri Lanka have agreed that “Trincomalee or any other port in Sri Lanka would not be made available for military use to any country in a manner which is prejudicial to India's interest.” India trusts that Colombo would abide by this provision seriously. But, caution is better, given the fact that Sri Lanka has not fully abided by even the core provisions of the Accord citing various excuses and justifications. To flout this provision in the Annexure will not take much time. The matter of concern for India is the possibility of dual-use mode of certain infrastructure projects. Like for instance, China is allowed to have storage and fuelling facilities at Hambantota, although India has also been offered to enjoy the same facilities. Similarly, the Colombo port that handles about 70 percent of India’s shipping is
being modernised with Chinese assistance. If China’s wishes, it can always turn these projects to India’s disadvantage in a conflict situation.

New Delhi has indeed been taking various steps to address these concerns. In a similar situation in the 1980s, India was assertive in conveying its viewpoint. It in fact made sure that Sri Lanka was not used by forces inimical to India’s interests through the bilateral Accord of July 1987. But, in the present context, India has been dealing the issue in a more subtle manner. India has to balance out between regional peace, its own strategic interests and that of long-term peace, and development of Sri Lanka. The key is to sustain bilateral ties with Sri Lanka in the long run and make up for the lost ground.
Carry Forward The Legacy Of Agni-5

- Radhakrishna Rao

The flawless, twenty minute long maiden flight of India’s most advanced and longest range Agni-V missile capable of hitting targets at a distance of 5,000 kms on April 19 has given a big boost to the nuclear deterrence and long range strategic strike capability of India.

Going beyond the debate whether the three-stage Agni-V really deserves the tag of ICBM (Inter Continental Ballistic Missile) or not, India should carry forward the legacy of this most powerful three-stage, solid fuel driven missile to develop a range of missiles capable of hitting targets beyond 10,000 kms. For such a capability alone can help transform India into a superpower besides providing parity with China to some extent in long-range missile strike capability. Indeed, in the aftermath of the Agni-V launch, an editorial in the pro-Beijing Global Times had observed, “India should stand no chance in an overall arms race with China.”

Going further, it warned New Delhi against relying on its relationship with US and implied the possibility of India joining hands with the West to curb China’s growth. ” India should also not overstate the value of its Western allies and the profits it could gain from participating in a containment of China. If it equated long-range strategic missiles with deterrence of China, and step-up further hostilities, it could be sorely mistaken,” noted the Global Times editorial. There were also reports to suggest that China may pressurize countries to drop exporting critical components used in missile systems to India.

Not surprisingly, the total turnaround of US stance in so far as its muted reaction to Agni-V launch was concerned was on the expected lines. The cryptic response of US which had left no stone unturned to prevent India

* Radhakrishna Rao – Research Fellow, VIF
from testing the Agni-II missile in late 1990s was “all nuclear capable states should exercise restraint regarding nuclear capabilities.” Added to that, following India’s 1998 twin Pokhran nuclear blasts, Washington had blamed India for “proliferation” and brought India under the technology embargo. Obviously, USA which is hard selling its defence hardware to India, cannot afford to offend India at this critical juncture. Indian Prime Minister Manmohan Singh was right in his observation: “The successful Agni-V test launch represents another milestone in our quest to add to the credibility of our security and preparedness to continuously explore the frontiers of science.”

The new generation Agni-V missile with a formidable strike capability and state of the art technological elements marks a massive strategic leap for India as it becomes the sixth nation in the world capable of delivering warhead across the continents. Clearly, Agni-V, which has helped India expand its missile footprint far beyond China and Pakistan, has altered the global geo-political scenario in all its manifestations. “Agni-V gives strategic deterrence parity as it provides the same range and clout as Chinese missiles have,” says Bharat Karnad, Professor at the Centre for Policy Research in New Delhi.

Indeed, the decision to equip Agni-V with MIRV (Multiple Independently Targetable Re-entry Vehicle) would help India strike multiple targets spread across a vast geographical swath at one go. “The versatile capability of this missile will enable India to leapfrog into the area of MIRV, anti-satellite weapons and the capability to launch satellites on demand. This will usher in a new era of missile development in India,” says Avinash Chander, Chief Controller (Research and Development) of missiles and strategic systems at DRDO. Indeed, DRDO would need to build its own launch capability to
take care of the growing space defence needs of the country. For ISRO with its limited infrastructure, a single operational launch vehicle in the form of PSLV (Polar Satellite Launch Vehicle) and a solitary launch complex on India’s eastern coast is clearly not in a position to build and launch satellites – at short intervals and on a regular basis – required by the three wings of the Services. Indeed, it would be in the fitness of things for DRDO to modify the Agni range of ballistic missiles to launch satellites into orbit at a short turnaround time. Moreover, DRDO can position Agni range of missiles as one of the key components of India’s space weaponization programme the need for which the country’s political leadership should recognize without any loss of time. For in the context of China’s highly motivated plans for perfecting the techniques of space warfare, India cannot afford to remain a silent spectator.

As it is, the plan to equip Agni-V with MIRV capability has been hailed by strategic experts. “MIRV is the right way to go,” says Rajaram Nagappa, Professor of Strategic and Security Studies at National Institute of Advanced Studies (NIAS) in Bangalore. Nagappa who had earlier worked on solid fuel driven motor systems at the Thiruvananthapuram-based Vikram Sarabhai Space Centre (VSSC) of ISRO says “Reduction of structural mass and maximising of fuel efficiency was another important area which the defence scientists have solved.” According to DRDO sources, an MIRV payload would be significantly heavier since it would consist of several nuclear warheads, each of them weighing about 400-kg. “The primary modules of MIRV are in an advanced stage of development. Realization and integration of them into a weapon is just a question of threat perception and the need as it arises,” says Chander.
Incidentally, the MIRV capability of Agni-V has its parallel in the multiple launch capability of the four-stage Indian space workhorse PSLV, which in April 2008, had created a sort of record by hoisting as many as ten satellites into space in one go. “The MIRV technology is similar to ISRO’s multiple satellite injection technology. The defence scientists have to miniaturize it and install better guidance systems to ensure that warheads hit the targets,” says Karnad. As pointed out by DRDO, the focus of the new generation Indian missiles is on weight reduction and improvement in velocities with high payload capability.

Agni-V featuring many advanced technology elements including state of the art guidance and navigation, stealth features, canister launch capability and carbon composite rocket motor casing, could very well serve as a platform for a robust Indian ICBM programme. According to Zhang Zhaozang, a Professor with PLA (Peoples Liberation Army) University in China, “the Agni-V range could be further enhanced to become an ICBM.” But then, as stated by Avinash Chander, “As of now, most of India’s perceived and potential strategic threats are localized within 5,500-km range. Agni-V will take care of this concern.”

For India the biggest advantage of Agni-V is that it can be launched from any location within the country, in any direction and at any time. DRDO has already hinted that the range of Agni-V can be enhanced through the use of improved materials and enhanced fuel loading capability. According to V. G. Shekaran, Director of the Hyderabad-based Advanced Systems Laboratory (ASL) of DRDO which designed and developed Agni-V “A great advantage of the configuration of Agni-V is that we can further enhance and expand its range. We would upscale Agni-III with a range of 3,500 km to Agni-V in a short time. On similar lines, we can go beyond Agni-V. That is the
beauty of Agni-V's configuration. Its up-scaling and mobility is high.” Interestingly, among the new technologies used for Agni-V are ring laser gyro-based inertial navigation system, micro inertial navigation system, high speed on-board computer based on power PC design, light weight composite motors and 100% home-grown software. Research Centre Imarat (RCI), a DRDO laboratory based in Hyderabad, has made significant contribution to the development of advanced inertial navigation, guidance and control systems which went into Agni-V.

As envisaged now, Agni-V will help India boost its second strike capability in the context of India’s national policy of the no first use of nuclear capability. The short-range Agni-I equipped to strike a target at a distance of 700-kms and medium range Agni-II designed to hit a target at a distance of 2,500-kms have already been inducted into service. The programme for developing improved performance Agni range of missiles – Agni-III, Agni-IV and Agni-V—owes its origin to Agni-I and Agni-II missiles developed as part of the Integrated Guided Missile Development Programme (IGMDP) spearheaded under the guidance of the former Indian President Dr. A. P. J. Abdul Kalam who as the head of DRDO had consistently striven to put the Indian missile development programme on a sound footing. Incidentally, during his stint with ISRO (Indian Space Research Organisation), Kalam had played a key role in the development of India’s first civilian launch vehicle SLV-3 which had its successful debut flight in 1980. Against this backdrop, US think tank have been alleging that the Agni range of missiles have benefited enormously from the solid fuel technology developed for the four stage, 17-tonne SLV-3.

Two more tests of Agni-V need to be carried out before its induction into services hopefully by the middle of this decade. DRDO has already revealed that the development of the naval variant of Agni-V which can be launched from under sea platforms is on track. This nuclear capable, road mobile missile can reach out to almost entire Asia, East Europe up to the Russian coast in the north and close to the coastline of Australia and South Africa. The target range however, varies depending on the launch site. Agni range of missiles form the mainstay of India’s nuclear
deterrence capability based on the no first use of nuclear weapon policy. With the Indo-Russian supersonic cruise missile BrahMos already inducted into the army and the navy, the Akash surface-to-air area defence system in service with the IAF and the indigenous nuclear powered submarine Arihant boosting the K-15 underwater launched missile, DRDO claims that India has now a complete range of missiles to take care of multifarious threats emanating from a variety of directions.

By all means, the smooth debut flight of Agni-V exemplifies India’s growing technological self-reliance that stands out as a challenge to technology denial and trade sanction regime. As stated by DRDO chief, V. K. Saraswat “Agni-V is a game changer and India is a major missile power now.” Saraswat drives home the point that the biggest advantage of Agni-V is its short reaction time and high mobility. Agni-V can easily be stored in hermetically sealed canister and quickly transported atop launcher trucks by road to the required destination. This would give armed forces tremendous flexibility to pick and choose from where to launch the missile.

“Three major gains from Agni-V are the technology of MIRV, the capability to launch mini satellites and the capability to engage satellites in its orbit,” says Saraswat. According to Saraswat, Agni-V gave the ability to take a “kill vehicle” instead of a payload to high altitude of about 800-km. This kill vehicle can be used to smash a rogue satellite to ensure the safety of Indian space resources. ”Besides the kill vehicle, one should have some guidance to hit the satellite. We can put advance seekers that are built in the country itself. Satellite position will be given to the kill vehicle that will then inflict the desired change,” said Saraswat. Saraswat, who has all along been stressing on the need for the developing the building blocks of Indian space weaponization programme, views Agni-V as a key anti satellite device.
Incidentally, Prithvi, a tactical battlefield system, happens to be the first missiles developed under IGMDP which was initiated in 1983 by DRDO. Following the successful launch of Prithvi-1 liquid fuel driven missile in February 1989, the US and other developing countries imposed technology embargo on India under MTCR (Missile Technology Control Regime) adversely affecting the availability of advanced electronic devices such as computer processor chips, radio frequency devices, electro hydraulic components, maraging steel and composite materials such as carbon fibre. But then unfazed by technology denial regime, DRDO chose to develop the critical components and hardware through consortium approach involving national laboratories, universities and private industries. Thanks to the vision of DRDO India became self sufficient in the development of components including phase shifters, magnesium alloys, servo valves, resins and carbon fibres. Today around 80% of the components and hardware going into the Indian missile systems are produced within the country.

There is no denying the fact that the nuclear capable Agni range of missiles along with the supersonic cruise missile BrahMos developed by India in partnership with Russia makes for a win-win combination in taking care of the possible misadventure from across the Himalayan border. The plan to deploy both these missiles, which are formidable in their own way, in India’s north eastern sector, has the potential to give Indian defence forces a tremendous strategic advantage. Similarly, DRDO’s well conceived plan to put in place a two layered ballistic missile defence shield seeks to protect the Indian skies with two interceptor missiles—Prithvi Air Defence (PAD) missile for high altitude interception and the Advanced Air Defence (AAD) missile for lower altitude interception—assumes significance. With a number of other home grown missile systems—Nirbhay intermediate range subsonic land attack missile now awaiting its debut flight, Prahar quick reaction battlefield missile currently being weaponised for use by the Indian army and Astra air to air beyond the visual range missile awaiting firing from Su-30 MKI combat aircraft—Indian defence forces will have no reason to worry about defending the country.
against the evil design of the potential aggressors.

The unqualified success of Agni-V clearly demonstrates that DRDO means business and it can no longer be considered a laggard in so far as developing a range of advanced missiles of different class is concerned. Indeed, as stated by Saraswat, nowhere else in the world does a single agency has so many on-going programmes. DRDO which not long back was at the receiving end for its shortcomings, now stands transformed into a centre of excellence in state of the art missile technologies. And for the Indian Defence Minister A. K. Antony who has all along been urging DRDO to take a leaf out of the success story of ISRO, the Agni-V successful flight cannot but be the “happiest moment of his life”.

back to content
Is Federalism In Danger Through Central Activism?

- Dr. M.N. Buch

Article One of the Constitution makes India a Union of States. The words of the Article are “India, that is, Bharat, shall be a Union of States”, The key words are, ‘India’, ‘Bharat’, ‘Union’ and ‘States’.

Adi Sankara brought us the philosophy of ‘advaitya’, or indivisible, in contrast with ‘dvaitya’ or dual, duality. The Constitution by calling India that is Bharat perhaps recognises duality in all thing. Of course this is dabbling in the field of the metaphysical, but the fact is that in our polity there are almost always two facets, that which is stated and that which is real.

To return to Article One, in the Union that is India if there are no States there is no Union. In the United States of America thirteen separate British American Colonies came together to jointly fight the war of Independence. For this purpose they formed an Union, a federation in which the Colonies voluntarily surrendered some of their powers to the Union while jealously guarding what they did not surrender. Under the U.S. Constitution that which is not surrendered to the Union belongs to the States. Residuary powers in the U.S. vest in the States. In India the Seventh Schedule of the Constitution has three Lists of legislative competency. List One is the Union List in which Parliament has exclusive legislative jurisdiction; List Two is the State List in which the State Legislature has, exclusive jurisdiction; List Three is the Concurrent List in which both Parliament and the State Legislatures have jurisdiction, with the laws of Parliament taking precedence. Under Article 248 all residuary powers vest in the Union.

The Indian Union really consists of the Provinces of British India, not quite colonies but also not quite States as understood in the present federal context. Their
origin lies in British rule as ultimately codified by the Government of India Act 1935. Many of the features of that Act are carried over to our Constitution --- in fact the Act is the basic frame around which the Constitution is woven. It is not as if the Provinces came together to form a Union, for which purpose they surrendered some of their powers to the federation. The division of powers was already done by the Government of India Act, 1935, in section 95 of which one finds an echo of Article 356. Or is it the other way round, with Article 356 echoing section 95 of the Act? Prior to 1935 India was an Unitary State with several federal features, not because federalism was the ruling philosophy but because India was too large to be governed without a high degree of decentralisation of powers and local autonomy. It is in 1935 that this autonomy was enshrined in the Act which was then our Constitution or Basic Law. This has been carried forward, fine tuned and enshrined in our Constitution which has also accommodated the princely states which merged into the Union.

The word federalism does not find any mention at all in the Constitution, except in the Article containing definitions, Article 366, sub-clause (11) of which refers to the Federal Court as constituted under the Government of India. Act 1935 and Article 374, which provides for judges of the Federal Court to be judges of the Supreme Court and for all cases before that court to stand transferred to the Supreme Court. Everywhere the word used is ‘Union’. Is it, therefore, a question of semantics only and we really are a federation. Or is it that we are a Union with federal features without being a true federation?

The Seventh Schedule of the

* Dr. M.N. Buch – Visiting Fellow, VIF*
Constitution provides in the Union, State and Concurrent Lists the exclusive jurisdiction of Parliament, the exclusive jurisdiction of State Legislatures and the concurrent jurisdiction of both. List Two of the Seventh Schedule gives autonomy, one can argue sovereignty to the States in the subjects enumerated in the list. Under Article 162 the executive power of the State extends to all matters for which the State Legislature is competent to make laws. Exclusive jurisdiction mandated by the Constitution does give India a strong federal character and, therefore, India can be deemed to be a federation. But it is a federation with very strong centripetal force in which the Centre has a larger role than the States. All federations have this to a greater or lesser degree and even in the United States the exigencies of war, the demands of national security, economic considerations, especially at a time of crisis and the striving for equal opportunity and civil rights have led to increasing federal intervention and enlargement of the role of the federal government. As the world becomes more complex, as modern transport and communications, information technology shrink distances the demand for centralised decision making increases. It is here that in a federation collective decision making through consultation and knowledge sharing has to coexist within decentralised implementation of decisions and an increasing partnership between the Centre, the States, Local Government and the people all become virtually important. A successful federation is one where this is achieved.

As already stated India is a highly centripetal federation. Under Article 312 we have All India Services constituted by the Centre, whose officers hold all the senior posts in the Centre and the States. Our judiciary is not divided into State Judges trying...
cases under State laws and Federal Judges trying cases under federal laws. Right from the court of first instance, civil or criminal, right upto the Supreme Court, all magistrates and judges have jurisdiction to try cases under any law in force in India, State or Federal. The judiciary is a unified hierarchy with the Supreme Court at the Apex. The control over and audit of the funds and accounts of the Central, State and Local Government vest in a single Comptroller and Auditor General, just as conduct of Parliamentary and State Legislature elections is the responsibility of the Election Commission.

The Centre has other levers to asset its superiority over the State, of which finance is a very important one. Under the Constitution, List 1 of the Seventh Schedule enumerates the taxation powers of the Centre. Entries 82 to 92B give the taxation powers of the Centre and these include income tax, custom duties, excise duties on tobacco and goods manufactured or produced in India, corporation tax, taxes on capital value on assets, estate duty on property, terminal tax on goods and passengers carried by rail, sea or air, taxes on stock exchange transactions, taxes on advertisements in newspapers, taxes on sale and purchase of goods in the course of interstate trade, etc. By contrast the States have the power to impose land revenue, taxes on agricultural income, taxes and duties relating to agricultural land, property tax, excise duties on alcoholic liquors, opium and narcotic drugs, electricity tax and duties, taxes on entry of goods, taxes on vehicles subject to concurrent powers vested in Parliament under Entry 35 of List 3, entertainment tax, capitation tax and rates and stamp duty. With a new VAT and GST regime in the offing the discretion to levy taxes will be further reduced. No doubt Part XII of the Constitution in Articles 268, 269,270, 271 and 272 does provide for distribution of tax revenue between the Union and the States and under Article 280 it is mandatory to constitute a quinquennial Finance Commission. But how much of central taxes will form part of the divisible pool is limited by Article 271 and, therefore, if income tax rates are not increased and instead surcharges are imposed, the State will get no share of this revenue. In other words, if the Centre decides that some revenue should be withheld from the
States it can do so and the Finance Commission notwithstanding, the States can do nothing about it.

Another financial lever available to the Centre is the Five-Year Plan and the Annual Plan. The size of the State Plan is very largely dependent on what the State can raise by way of resources, but by withholding central grants or downplaying sectoral requirements the Planning Commission can definitely influence the size of the State Plan. When we add to this the huge sums of money available from the Centre under schemes such as the National Rural Employment Guarantee Scheme (NREGS) and the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) one would get some idea of how the Centre can manipulate things in favour of a State whose government is friendly to the Centre and how it can harass a State whose government is unfriendly. Clearly the financial equations are heavily weighted in favour of the Centre. In a federation of equality the financial arrangement would be such that the Centre can neither discriminate against, nor in favour of any State. This is not the position in India, which is a major complaint of the non UPA ruled States in the country at present.

There are large numbers of irritants which now seem to be plaguing Centre-State relations. During Nehru’s time there was homogeneity because the same party ruled both the States and the Centre. In Indira Gandhi’s time, thanks to her basically imperious nature and centralisation of powers in the Prime Minister the Centre was totally supreme, State Governors were changed at will and state governments superseded whenever they were found to be inconvenient and the writ of the Centre was supreme and at no time more than during the Emergency.
virtually reduced to administrative units which had to obey the orders of the superior government, the Government of India. Federalism virtually died under Indira Gandhi, as did a number of other institutions which are vital for the working of a democracy. On the use of Article 356 the Supreme Court did put a number of restrictions in the S.R. Bommai case, but the real problem is that if the Centre does use Article 356 and destablises a State Government, by the time judicial remedy can begin to take effect the damage has already been done. Paradoxically it is only when the Centre is weak and the ruling coalition is unstable that the States are relatively safe from whimsical central intervention. A weak Centre is not good for the country because decision making at the national level virtually ceases. Therefore, safeguarding federalism through a weak Centre is far worse than the disease itself.

In the United States any law which affects the interests of the States must have the support of the Senate, which is the guardian of the rights of the States in the federal set up. Regardless of the size of the State it sends two representatives to the Senate. In India the Council of States has 238 representatives of States and Union Territories but because the number of members from each State is dependent on the size of the State Assembly, the more populous States have more number of members and the less populous States are marginalised. The method of election being indirect and the total electorate for each State being the Legislature of the State, the
decision of the Council of the States is a reflection of the political equation within each State Assembly. The members, therefore, are representatives of political parties rather than of the State from which they are elected. To that extent there is no difference in the working of the House of People and the Council of States because members of both Houses answer to a whip. That is certainly not true of the Congress of the United States of America.

The Council of States has no veto powers in the matter of legislation even if it adversely affects the interests of a State. It is only under Article 249 that Parliament acquires the powers to legislate with respect to a matter in the State List in the national interest, provided that the Council of States so resolves. Because members of the Council of States answer a whip the members of that House will, even in a matter governed by Article 249, vote not in the interest of the State or States but as per the diktat of the ruling party. At the level of Parliament, therefore, the States have no guardians to safeguard their interests and, therefore, there is a growing distrust between State Governments, Central Government and legislation enacted by Parliament.

The result is that many State Governments resolve not to enforce a law of Parliament. For example in the matter of the Food Safety and Standards Act both Madhya Pradesh and West Bengal have said that they would not strictly enforce this law. Only a weak Centre can tolerate this.

When it comes to matters of national security the situation becomes more serious. Every time when a break-down of law and order takes place State Governments do go running to the Centre for help. The Naxalite movement which has seriously affected the administration of about 160 districts in the country is one example where the affected States are clamouring for central assistance and central forces.

When terrorists struck Bombay in 2008 the Maharashtra Government went running for help to the Centre. When natural calamities strike the States want central intervention. At that time no one cries about such intervention weakening federalism. However, when the Centre decides to set up a National Counter Terrorism Centre and tries to arm it with the authority to intervene immediately on receipt of credible information and to neutralise a
terrorist attack which is building up, the States cry foul. It is a fact that police is entirely a State subject and police action is the responsibility of the State Governments. With the police throughout India at senior levels being manned by the very IPS officers who also serve the Central Government it is strange that the Centre obviously does not trust the State police and wants to retain powers of direct intervention. This is strongly resented by the States. By failing to take States into confidence and by trying to push through certain measures which have been initiated at central level the Centre has aggravated the situation and created a bogey of federalism in danger versus national integrity in danger. Under Article 355 it is the duty of the Union to protect the States against external aggression and internal disturbance and to ensure that the government of every State is carried on in accordance with the provisions of the Constitution. Surely the Centre must have the wherewithals to perform its duty under Article 355. We do need a serious dialogue between the Centre and the States on Article 355 versus Entries 1 and 2 of List 2 of the Seventh Schedule of the Constitution (Police) and to see to what extent the power to strike against terrorists on receipt of credible information is available to a Central authority without this being construed as an attack on the rights of the States. It is in this behalf that the Interstate Council must be activated so that all matters relating to Centre-State relationships can be viewed through the prism of public interest and solutions arrived at which would enable the Centre to discharge its constitutional obligations without the States feeling that this is an encroachment on their rights. In other words, what this federation needs is a clear-cut understanding of what federalism means under Indian circumstances and how we can create that machinery which ensures smooth relations between the Centre and States without conflict.

Broadly speaking it is not federalism which is under attack but rather individual State Governments and the Centre itself which are under threat because the two opposing parties will not talk to each other, will not create an environment of trust and will insist on trying to score brownie points against each other.
Broadly speaking it is not federalism which is under attack but rather individual State Governments and the Centre itself which are under threat because the two opposing parties will not talk to each other, will not create an environment of trust and will insist on trying to score brownie points against each other. In case there is no consensus the Centre must use its authority to decide an issue and then ensure that all States fall in line. Here defiance by one or more States should not be tolerated and, if need be, coercive powers be used to call recalcitrant States to account. Right now federalism is not in danger through Central activism. The fact is that the Centre, by failing to assert itself is failing in its duty and this can be fatal because as satraps break away the Centre itself would wither away. What price then this Union of States?
Parliament @ 60 – A Balance Sheet

- A. Surya Prakash

As the two Houses of Parliament celebrate their Sixtieth Birthday on May 13 (they came into being on May 13, 1952), parliamentarians are in a celebratory mood and are preparing for a special sitting on that day, despite it being a Sunday.

However, as all Indians know, the Sixtieth birthday (Shashtaabdi Poorthi) is also a day for some sober reflection on life gone by and on what lies ahead. So, away from the din in the two chambers, there is need for some quite stock-taking on the efficacy, relevance and standing of these two democratic bodies that are at the apex of our democratic structure.

How have these two Houses functioned over the last 60 years? How representative are they? Have they fulfilled their mandate of overseeing the work of the executive, keeping the government on its toes and protecting the interests of the people? Are our MPs still committed to public welfare? Do they take their parliamentary duties seriously? Given the constraints of space, let us attempt to answer at least some of these questions.

Since this is a birthday celebration, it would be in the fitness of things to begin on a positive note. The biggest achievement of the two Houses of Parliament is that they are far more representative of the Indian people now than they were 60 years ago. We can now see the occupational democratization of the Lok Sabha. Almost half the members of the First Lok Sabha comprised of Lawyers (36 per cent), Journalists and Writers (10 per cent) and most of them came from dominant Hindu castes. The political empowerment of hitherto disadvantaged groups has brought about a change over the last two decades and the composition of the Lok Sabha is far more balanced now in terms of occupation, caste and class of members. The First Lok Sabha had 112 non-matriculates. This came down to 19 in the 14 Lok Sabha. Again, the first Lok Sabha had 277 graduates, post
graduates and doctorates. In the 14 Lok Sabha as many as 428 members could boast of such qualifications. The political empowerment of the less privileged has also changed the composition of the state assemblies for the better and this in turn has changed the composition of the Rajya Sabha because the assemblies elected Rajya Sabha Members. The Upper House too has begun to mirror the social, political and economic diversity of Indian society.

A couple of other developments that are of a positive nature are the introduction of the committee system and the televising of parliamentary proceedings by Speaker Shivraj Patil in 1993. The constitution of department-related committees has improved parliament’s oversight functions and has nudged MPs towards specialization. The televising of parliament has lifted the purdah on parliament and enabled people to see it in its true colours. It has also improved the sartorial sense of MPs if nothing else!

However, there are many items of the negative list: The Question Hour has lost its zing. The inquisitorial nature of this hour which one saw in parliament up to the late 1980s when ministers trembled at the thought of being subjected to harsh interrogation by the likes of Bhopesh Gupta, Indrajit Gupta, Atal Behari Vajpayee, Madhu Limaye, Piloo Mody and Madhu Dandavate are over. Today, MPs who are ill-prepared or lack the moral courage to pin down ministers appear uncertain and nervous and ministers like P. Chidambaram, who are wanting in democratic etiquette, talk down to them! Many other parliamentary instruments like Adjournment Motions, Call Attention Motions and Short Duration Questions have become rusted. The government is no longer afraid of the opposition, because the latter is not clothed in
moral authority any more. Compare this to the situation in 1957 when a question put by Feroze Gandhi, an MP belonging to the ruling party led to the unearthing of the LIC-Mundhra Scandal and the eventual resignation of the then Finance Minister Mr.T.T.Krishnamachari.

Yet another troubling statistic is the decline in the number of sittings of parliament per year. In the 1950s, parliament had an average of 123 sittings, in the 1960s it rose to 138 sittings. This had declined drastically to just 78 sittings in the year 2003. In recent years, the total sittings per year is down by about 30 per cent compared to the situation in the 1960s. The irony is that while the work of government is expanding, the work of parliament which has oversight responsibilities is declining. How do MPs keep a watch on the working of government?

While sittings per year and time allocated for budgetary matters is down, there is a sharp rise in the time lost in disruptions and in the cost of parliament. The 11 Lok Sabha lost 5 per cent of its time to disruptions. This rose to over 10 per cent in the 12 Lok Sabha and 22.40 per cent in the 13 Lok Sabha. In the 14 and 15 Lok Sabha, at least 30 per cent of the time has been lost to disruptions in session after session.

As regards individual MPs, the report card is disappointing. The distance between MPs and the electors is growing; the motto in the 1950s was simple living, high thinking. Now it is high living, no thinking. MPs want to flaunt their power and wealth and stay away from the Aam Aadmi. They want red beacons (lal bathis) atop their cars; they are obsessed with their privileges and have a disdain for ethics; they neglect parliamentary duties; attendance is abysmal during passage of bills and there is high absenteeism in committees (50 per cent). The list is endless and all this has taken its toll on the working parliament.

On the issue of maintaining standards in public life, India’s parliament started on the right note when it decided to expel H.G.Mudgal, a member, for advancing the cause of the Bombay Bullion Association in the House for a price. After much negotiation and haggling, he

* A. Surya Prakash – Senior Fellow, VIF
accepted an advance of Rs 2700 and raised questions of behalf bullion merchants. But that was in 1951 in what is known as the Provisional Parliament that existed prior to the constitution of the two Houses in May, 1952. However, after the Lok Sabha and Rajya Sabha came into being, a certain laxity crept in when it came to moral and ethical issues. Parliament watched in silence when a member forged the signatures of 20 MPs on a memorandum submitted to the Union Commerce Minister on behalf of liquor importers from Yanam and Mahe, former French territories. The MP was prosecuted, sentenced and jailed by the court, but there was no admonition or punishment by parliament. Sensing public resentment, Speaker Shivraj Patil proposed a Code of Conduct for legislators in the early 1990s and the Privileges Committee of the Lok Sabha followed this up with a recommendation that parliament adopt the Code of Conduct and establish a committee to look into both privileges and ethics. These developments led to the establishment of ethics committees in the two houses, but the committees have by and large remained dormant.

Parliament therefore needed a major jolt to get it out of its stupor and to understand the growing public concern over the fall in ethical standards among MPs. This happened with two sting operations conducted by television professionals in 2005. The first of these exposed a “Cash for Questions” Scam in our parliament. MPs were willing to raise questions in parliament for a price (Rs 30,000 to Rs 1.10 lakh). The tapes aired on a TV channel came as a shock to the people. Swift action followed. The two Houses referred the matter to committees and on the basis of their reports 11 MPs were expelled from parliament. Around the same time, there was another expose vis-à-vis the MPLAD Scheme. A TV channel showed four MPs or their personal staff demanding money to recommend projects under this scheme. Here again, based a committee’s findings, the MPs were reprimanded and suspended from parliament for a while. But the most shocking case was that of a Lok Sabha Member who was into human trafficking. He was caught smuggling a woman to Canada on his wife’s passport. Action was swift. He was and criminally prosecuted and later expelled from the House.
So, what does the balance sheet look like? As stated earlier, the most positive development over the last 60 years is the political empowerment of disadvantaged groups, introduction of the committee system and better policing of members. However, we still need to address the issue of dysfunctionality of parliament (loss of over 30 per cent of parliamentary time to disruptions), MPs’ disdain for law making and the absence of periodic audit of the working of parliament by independent citizens.

A beginning can be made with a review of the practice and procedure of parliament. This has never been more pressing. Though the two Houses have been in existence for 54 years, we have not had an independent audit of the working of parliament and this has contributed in no small measure to the growing hiatus between this elected body and the people. A look at the quality of debates and the efficacy of parliamentary instruments will give us an idea of how far removed we are from that ideal parliament that we all thought we would have after independence.

Finally, since it’s the 60th birthday of our parliament, let us end our diagnosis on a positive note by borrowing a phrase from Atal Behari Vajpayee. Our parliament is 60, but it will neither tire, nor retire! Instead, it will go on to perpetuity and hopefully become more efficient and more responsive to the aspirations of the people.
Why Dilute The Vision Of The University At Nalanda?

- Anirban Ganguly

In a remarkable speech delivered at Nalanda on November 20, 1951 at the inauguration of the Magadh Research Institute for the study of Pali, Prakrit and research in Buddhist literature and philosophy, Dr. Rajendra Prasad the first President of the Indian Republic dwelt at length on the importance of the ‘aim of reviving the ancient glory of Nalanda in the world of knowledge.’

Prasad referred to Nalanda as the symbol of the most glorious period of Indian history not only because of the quest for knowledge blossoming there ‘into its finest shape but also because it bound together, at that time, the various different parts of Asia with links of knowledge.’ Lyrically describing the symbolism of the ancient Nalanda University the President observed that its ‘message was heard across the mountains and oceans of the Asian mainland and, for nearly six centuries, it continued to be the centre of Asian Consciousness.’ This perhaps unique epithet for that ancient seat of learning – centre of Asian Consciousness – appears to have been overlooked by the Nalanda University project’s mentors today in their hurried quest to forge international linkages and achieve an international profile for the upcoming university. But perhaps it was Prasad’s concluding remarks that have proved to be most portentous for the entire Nalanda project today and for those entrusted with the shaping of its core vision. Commending the aim and effort of reviving this ancient seat of learning, the first citizen had noted then:

We should aim at reviving the educational system of a bygone age and re-establish Nalanda as a centre of art, literature, philosophy, religion and science. Cultural renaissance can come

* Anirban Ganguly – Senior Research Associate, VIF
about in the life of a nation only when a large number of determined scholars devote a life time to a search after truth…”

It is this lack of a group of ‘determined scholars’ resolute on devoting a ‘life time to a search after truth’ and to giving shape to a Nalanda University in our time that appears to be at the root of the failure to elicit positive interest in the entire project and to turn it into a national endeavour with international appeal and ramifications. Interestingly, noting just such an absence of dedication amongst those professing to shoulder the onerous task of this historic revival, the Parliamentary Standing Committee on External Affairs (2011-2012) in its fourteenth report tabled in May 2012 desired that:

The responsibility to develop this institution [Nalanda University] should be given to those who are devoted, genuine and committed to make selfless efforts for the development of this prime institution while sitting at the location of the institution and certainly not in Delhi... (Recommendation No.25)

Asking for reviewing the proposal by the University Governing Board – taken in the fourth meeting of the Nalanda Mentor Group in August, 2008 at New Delhi – of setting up the School of International Relations of the Nalanda University in Delhi, the Committee, presenting an alternate vision framework for the School, recommended instead:

The school of International Studies under the Nalanda University should be set up at the main University Campus and having capacity to carve out a unique identity for itself and focus upon the issues of cultural diplomacy and cultural engagement so as to imbibe, build upon and advocate the diplomatic and cultural traditions of the region and should endeavour to be a unique and one of its kind which
is highly specialized in subjects that are not replicated or stereotyped by other academic institutions or organisation. (Recommendation 25)

The point emphasised by the Committee has been that the proposed School of International Relations must not evolve into just another international studies centres but must, more uniquely, focus on re-examining, reinventing and re-forging, under present international conditions, India’s agelong external cultural linkages with the wider world, especially the Southeast Asian and Central Asian region. In other words, the Committee wished to see the School develop itself into a specialized centre for strategizing India’s cultural diplomacy in a world that is increasingly witness to regional and global actors deftly combining hard and soft power in order to further their respective international goals. Moreover, there already functions well established schools of international relations all over the country – Jawaharlal Nehru University (JNU), Jadavpur University, Pondicherry Central University – which have made their mark in the subject domain. Delhi itself houses one of those well-established schools of international studies at JNU and has again come up now with a post graduate course in international relations at the South Asian University (SAU) in the same city. It is not clear, therefore, as to what purpose it would really serve – except academic duplication – to also have a Nalanda University international studies school in Delhi on similar academic and pedagogical patterns. Why not try and re-create, even if against challenging odds, an international profile for the entire region around the University in Nalanda itself and give those students of the area, who are forced to migrate out of the region, an opportunity to interact with the wider world and develop life skills in their own backyard. The state government from its past records of cooperation in the project will certainly not be wanting in extending support to make such an attempt succeed. Such an approach shall well fit in with its own proactive efforts of turning Bihar and the region around it into a favoured international educational and business destination.
government from its past records of cooperation in the project will certainly not be wanting in extending support to make such an attempt succeed. Such an approach shall well fit in with its own proactive efforts of turning Bihar and the region around it into a favoured international educational and business destination. There has to be a genuine effort at convincing the people of the state of the huge potential and utility of a project of such magnitude. And for it to be seen as truly beneficial for the state a greater involvement of experts, academics and administrators from within the state itself is absolutely imperative.

It has been argued that since the corps diplomatique and the Ministry of External Affairs (MEA), the nodal ministry for the University, function from Delhi it would make ‘sense for Nalanda University to draw upon both these groups for the school’ and thus have the school located there. Such an approach, as it always does, displays a mindset that is incapable of looking beyond the national capital when creating institutions of national importance and planning their long-term sustenance. Such a position almost always ignores the pool of local talent, regional possibilities and refuses to take these into account while discouraging altogether any scope for their growth. The approach instead must be to encourage all stake-holders of the project to regularly travel to the location and initiate interactions on the ground. In its heyday ancient Nalanda attracted a large number of scholars who undertook the perilous journey to the knowledge-centre in search of Indian wisdom and insisted on direct interactions. Video and teleconferencing facilities can hardly be effective substitutes for personal interactions while creating institutions. Surely the near un-motorable route – as per the Governing Board – can be developed into a major state highway with the Central Government and the Planning Commission making special allocations in this matter for the project. Interestingly, the Buddhist monk I-tsing (I Ching, Yijing) who had visited Nalanda and had studied there for a considerable time collecting ‘400 Sanskrit texts’ reports that ‘in the forty years between Hsuan-tsang’s [Xuanzang] departure and his arrival in India fifty-six scholars from China, Japan and
Korea had visited India, keeping in mind the near insurmountable obstacles to intercontinental journeys in that age, such a high influx of scholars into Indian from the region around demonstrates the vibrancy of her ancient knowledge seats. Why reverse this trend in present times of enhanced connectivity and heightened communication? Why not focus on remaking Nalanda an international educational hub once more. This propensity of situating the University’s various schools of studies at different locations in the country will only serve to diffuse the entire physical formation of the project before the core itself has taken shape and deprive it of a palpable academic presence. A network of centres and institutional affiliates must instead now concentrate on developing the core of the University and make it academically viable; too much planning beyond the current region of focus will only serve to dilute the entire vision of the University. The Sections 3c and 4 (5) of the Nalanda University Act which allows the University to have centres at different places can be promulgated at a much later stage when the University has gained a certain standing and repute. The recently constituted (April 2012) Committee by the Planning Commission to suggest amendment in the Nalanda University Act 2010 may well deliberate on these sections in this light.

The other major aspect on concern is international involvement and support. International funding commitments till date have not been very encouraging, as per the MEA’s submission before the Committee, of the pledged contributions to the tune of USD 10 million made by foreign governments and institutions, the ‘actual
contribution materialised so far is USD 1.1 million’ creating a ‘huge shortfall’ which will have to be met and borne by the Government of India. Apart from China the only other country to come up with financial support is Thailand which officially made a donation of a 100,000 USD and a Thai private company supplementing it with another contribution of 5,000 USD early this year. No other major international support has as yet been forthcoming. No international treaty signed nor any official international monitoring committee formed for the university which is being termed international. Singapore, for example, whose Foreign Minister had then played a key role in conceiving the project and who continues as a member of the Governing Board, is yet to come forward with any major contributions for the project.

This only reflects a lack of dynamism on the part of the originators of the project in trying to actively convince and enlist other partners. Instead of arguing over whether Yijing learnt his Sanskrit in Sriwijaya (Sumatra, Indonesia) or in India, as some eminent members of the Governing Board have been recently doing, it would do well if they got into the act of eliciting greater international support for the project and not simply look to China to periodically salvage the effort with its qualified munificence. Diversification of international stakeholders in the project is one of the cardinal demands at this stage, historically Nalanda had several benefactors, across the seas among them was the king of Suvarnadhipa, (Sumatra), named Bālaputradēva whose numerous endowments to Nalanda included one for the copying of scriptures (Dharmaratna) in its imposing library unit. The Nalanda Copper Plates of Dēvapāladēva ‘records the gift of five villages to a vihāra founded at Nalanda’ by Bālaputradēva, whom it calls the
In his ‘History of Śrī Vijaya’ K.A. Nilakanta Sastri refers to Bālaputradēva’s contribution to Nalanda and observes that the king’s munificence demonstrated the existence of a robust link between the kingdom and Nalanda. A devout Buddhist, Bālaputradēva was attracted to the Nalanda University and built a ‘lofty vihāra to serve as the abode of the Bhiksu Sangha’ and with the consent of the king in whose territory Nalanda lay, he further endowed the ‘new foundation with the income of five villages, to be used towards the worship offered in the temples of Buddha ...towards the needs of the Bhiksus in their health and in sickness...and for repair to the buildings.’ Sastri argues that the foundation of the monastery and its endowment are not isolated acts ‘but tangible proof that the numbers of pilgrims, scholars, and the monks going to Nalanda from Śrīvijaya had become so numerous as to justify special provision being made for their material and spiritual needs being met at the great centre.’ This historic fact of Nalanda having numerous benefactors must equally translate itself in the present times in order to confer a civilisational dimension to the whole effort.

Although in another context, it would still be useful, for example, to point to the efforts made by Jawaharlal Nehru in forging such international linkages while forming an international advisory board for the Bodh Gaya Temple Committee in 1955. In a letter (25th May 1955) to the then Chief Minister of Bihar Sri Krishna Sinha (Sri Babu) Nehru dwelt on the necessity of including foreign representatives from Buddhist countries in the board in order to give these countries a sense of partnership.
give these countries a sense of partnership. He called for the inclusion of representatives from principal Buddhist countries such as Burma, Tibet, Laos, Ceylon, Thailand, Japan, Nepal and Cambodia. Interestingly Nehru left out China saying that he did not mind ‘if China (apart from Tibet) was also invited’ to send a representative, but that he would ‘not suggest this to begin with.’

Contrast this with the proponents of the modern day Nalanda who have omitted the Tibetans altogether from the project and who have been instead looking to China for every new direction and idea. Nehru appeared to be quite clear on the issue of forging international partnerships for projects such as these, ‘We must remember’ he continued in his letter to the Bihar Premier, ‘that this advisory body will have larger significance than merely one for the Bodh Gaya temple. It will really bring India into the international picture from another point of view.’ Referring to India’s cultural and civilisational space Nehru displayed an understanding of the need for India to re-explore and recreate this space in her neighbouring region. The Nalanda University project, thus, cannot evolve into a truly multinational effort if it overlooks this vibrant dimension of India’s civilisational space and confines its international activism and outreach to a single imposing regional power by ignoring other potential participants who are eager to be part of the effort. The latest has it that an all-Chinese group of 14 architects have drawn up a master plan for the Nalanda Campus – ‘The Nalanda University: a Mother Plan for the 21st Century Campus’ – at the Nalanda Sriwijaya-Centre at Singapore and plans to promote it for the final competition for the Nalanda campus master plan. One only hopes that there are groups of Indian architects as well who are being encouraged to draw up plans for the Nalanda campus in tune with its ancient design and ambience and that their proposals, when drawn up, will receive the same attention and consideration.

In connection with this issue of its architectural design, it may be relevant to mention that ancient Nalanda had an imposing library superstructure consisting of three buildings, called ‘Ratnasāgara, Ratnagañjaka and Ratnodadhi’ with the last reportedly being nine-storied.’ Today’s vision of the
University must equally seek to recreate that ancient library structure and not be simply satisfied with a USD 1 million donation from China made with the rider that the fund be ‘used for building a Chinese-style library in the future university.’

What is needed is not the physical replica of a foreign university but rather a modern university with a physical structure that shall symbolise and express the Indian civilisational ethos of that age.

The Standing Committee was also not in favour of having the Nalanda office function from Delhi. One of the reasons given for having the office in Delhi was that it would act as the ‘public face of the University, especially for the international community, and for diplomatic missions of other countries.’ The other point made was that the infrastructure in the area was in a bad shape with the ‘office space provided at Rajgir in a very bad condition and in a major state of disrepair’ with no sewage connection or water supply, ‘inadequate and erratic telecommunication facilities’, and narrow and congested roads. It is however rather anomalous that while the University and its Governing Board accept that they are ‘in touch with the Bihar Government on all aspects of infrastructure development, and are receiving full co-operation from them’ they continue to insist – citing lack of infrastructural support – on shifting the University office to the national capital. Has the communication then between the University and the State Government actually broken down or touched an all time low? Is anyone trying to seriously redress this slide?

The question remains as to what prevents the ‘public face’ of the

In connection with this issue of its architectural design, it may be relevant to mention that ancient Nalanda had an imposing library superstructure consisting of three buildings, called ‘Ratnasāgara, Ratnagañjaka and Ratnodadhi with the last reportedly being nine-storied.’ Today’s vision of the University must equally seek to recreate that ancient library structure and not be simply satisfied with a USD 1 million donation from China made with the rider that the fund be ‘used for building a Chinese-style library in the future university.’
University – whatever that may mean in academic terms – from functioning from Nalanda itself; Bihar with its Bodh Gaya has achieved an international profile and the revival of the Nalanda university can in fact be the first step in drawing up a concerted plan to develop through Bihar first, and then the rest of the country, a Buddhist pilgrimage circuit with a great potential to attract international attention. This insistence on having the office at the national capital appears to be in line with a concerted effort to de-link the present University from its ancient spirit and past. The Governing Board members have been seen to be consistently adopting such a stance. Take the case of the ancient Nalanda Seal; in their earlier avatars as part of the Mentor Group these very members had unanimously adopted to ‘use the “Nalanda Seal” in the emblem of the Nalanda University and also as the principal symbol in [its website.’ The Seal, an internationally recognised emblem of ancient Nalanda, was then widely advertised in the publicity brochure of the University, but strangely, once the University Act was passed the ancient Seal was silently discarded in favour of a surrealist rebus that completely fails to symbolise a civilisational link with the past institution and is incapable of effectively expressing the ‘Asian Consciousness.’

It is no one’s case that only metaphysical subjects be taught and contemplated upon in the modern University – in fact, even in the past ‘the goal of at least some of the students’ at ancient Nalanda ‘was not monastic life or missionary activity, but employment by the state’ – but in order to have, at least a semblance of the old spirit that imbued Nalanda, it is essential to
preserve and reactivate some of those dominant physical symbols and intellectual lines that formed an integral part of the ancient seat.

While not entering into the other aspects of the Committee’s report and observations on the entire effort – e.g. the delay in launching the Global Design Competition – it would suffice to note that the Committee was dismayed to observe ‘the lack of progress regarding the Nalanda University Project.’ The Committee also noted that ‘the proposed outlay for the year 2012-13 was Rs.598.50 crores while the actual allocation made under the Plan Head was Rs.15 crores. The Committee ‘desired to know the reasons for seeking such a huge allocation for annual plan 2012-13 at this juncture’ and called for reviewing the entire Detailed Project Report (DPR) ‘in accordance with the ground realities.’

An inability to effectively translate the vision of the university on the ground has plagued the entire effort since its inception; the Standing Committee’s views have only further buttressed that perception. But it is the Committee’s concluding remarks on the Nalanda University project that point towards a deeper confusion in the entire effort and to a directionless approach in evolving its actual vision and in envisaging its future role. Expressing its deep concern ‘about the contents of the curriculum and the standards and quality of the academic course to be introduced’ in the University, the Committee focused on a more fundamental issue that perhaps calls for a wider national debate and introspection regarding the project itself:
The Committee feel that the course-content, academic structure as well as faculty for the Nalanda University should be in consonance with the unique identity and academic character of the University that it is envisaged to be and should be able to live up to the founding philosophy and ideas behind the establishment of this University. The Committee feel that the University should emerge as a valuable resource for promotion of studies and research in oriental cultures, literary tradition and languages and civilisation based on the native knowledge systems and it should act as a living repository of cultural and literary traditions of the region. This University should strengthen and build upon the cultural capital and carry forward the thread of identity and consciousness within the South-East Asian Countries. The Ministry should endeavour to attain the aim of achieving highest intellectual and academic standards of international quality through this University... (Recommendation No.26)

It is issues such as these – the founding philosophy, the emergence of the University as a cultural and civilisational repository of the region, its capacity to be able to carry forward the thread of cultural numbing routine and liable to external manipulations.

identity and consciousness – that need to be reflected and deliberated upon. In absence of a wide-ranging debate the project shall become subservient to the idiosyncrasies of a few minds and eventually forfeit its pan-national potential.

What did the ancient University at Nalanda really symbolise, what did its emergence really signify for the concept and vision of education, it appears that ‘with the evolution of Nalanda, Indian higher education entered a new phase, transcending sectarian and denominational lines and moving into the direction of a true university.’ The fundamental goal of education evolved then, aimed at transforming the pupil into a truly learned and educated man – ‘vidyā-purusa’.

This essential goal of creating beings of wisdom - ‘vidyā-purusa’ – may well turn the Nalanda University into a decisive educational and civilisational experiment of our time. A project divorced from such a deeper driving vision risks degenerating into another stereotype institution tied to a mind

back to content
Text Of Agreement On Strategic Partnership Between The Republic Of India And The Islamic Republic Of Afghanistan

- October 04, 2011

The Islamic Republic of Afghanistan and the Republic of India, hereinafter referred to as "the Sides",

RECOGNISING the time-tested and friendly relationship between the two countries, underpinned by historical and cultural ties;

EMPHASISING the fundamental and lasting importance of the Treaty of Friendship between the Government of India and the Royal Government of Afghanistan of 4 January 1950, and subsequent Agreements and Joint Statements;

PROCEEDING from a desire to further strengthen their traditional and historical ties to mutual benefit;

DRAWING upon their rich and fruitful tradition of cooperation in various fields since the establishment of their diplomatic relations;

CONVINCED that the further comprehensive development of their bilateral ties would promote progress and prosperity in both states and the region as a whole;

APPRECIATING the significant expansion of bilateral ties between the two countries and, in this context, the sincere and generous assistance that the Republic of India has provided to the Islamic Republic of Afghanistan over the past ten years;

SEEKING to impart a long term commitment to their multifaceted bilateral relations and to actively develop them in political, development, economic, trade, scientific, technological, cultural and other fields in the years ahead;

CONFIRMING their adherence to the common ideals of peace, democracy, rule of law, non-violence, human rights and fundamental freedoms;
REAFFIRMING their commitment to international law, including to the purposes and principles of the United Nations Charter;

Hereby proclaim the establishment of relations of Strategic Partnership, as laid out in the following paragraphs:

GENERAL PRINCIPLES

1. This Agreement, based on mutual understanding and long term trust between the Sides, envisages the elevation of the multifaceted ties between the two countries to higher levels, both in the bilateral field and in the international arena.

2. The Strategic Partnership between the Sides is based upon the principles of sovereignty, equality and territorial integrity of States, non-interference in their internal affairs, mutual respect and mutual benefit.

3. The Strategic Partnership between the Sides is not directed against any other State or group of States.

POLITICAL & SECURITY COOPERATION

1. The Sides agree to engage in close political cooperation and, in this respect, establish a mechanism for regular bilateral political and Foreign Office Consultations. Political consultations will be led by Foreign Ministries of both countries and include summit level consultations convened at least once a year.

2. The Sides agree to consult and cooperate at the United Nations and other international, regional and multilateral fora. Such cooperation is to be aimed at influencing decision-making in these fora in the interest of both countries. Cooperation at the UN and multilateral fora would include:

   (a) Joint initiatives on key regional and international issues;
   (b) Support for the reform and expansion of the United Nations Security Council, including a permanent seat for India in the Council.

3. The Sides agree to establish a Strategic Dialogue to provide a framework for cooperation in the area of national security. The Dialogue will be led by NSAs and involve regular consultations with the aim of intensifying mutual efforts towards strengthening regional peace and security.
4. Security cooperation between the Sides is intended to help enhance their respective and mutual efforts in the fight against international terrorism, organized crime, illegal trafficking in narcotics, money laundering and so on.

5. India agrees to assist, as mutually determined, in the training, equipping and capacity building programmes for Afghan National Security Forces.

TRADE & ECONOMIC COOPERATION

1. The Sides commit to strengthening trade, economic, scientific and technological cooperation, as well as cooperation between other bodies of business and industry representatives, with a view to expanding trade and economic relations.

2. In the interest of Afghanistan's sustainable development, and furthering economic interdependence between the two countries, the Sides commit to deepening and diversifying cooperation in sectors such as agriculture, rural development, mining, industry, energy, information technology, communications, transport, including civil aviation, and any other areas that the Sides may agree on.

3. The Sides agree to take effective measures to create a favourable environment to promote trade and investment. The measures shall include, among others:
   (a) Enhancing investment protection;
   (b) Simplifying customs and other procedures and promoting the removal of non-tariff barriers, and gradually lowering tariff barriers;
   (c) Working towards the creation of air-cargo facilities for promotion of commercial exchanges;
   (d) Cooperating in the areas of banking and finance, and improving credit and insurance facilities and;
   (e) Enhancing cooperation and coordination at international trade, economic and financial bodies.

4. To achieve a sustained expansion of bilateral trade and economic ties with a long term perspective, the Sides will establish effective mechanisms for interaction between Indian and
Afghan entities. Specific measures will include:

(a) Encouraging contacts between regions/provinces in both countries with a view to promoting trade, economic and cultural cooperation;

(b) Mandating the relevant bodies of both countries to jointly explore the possibilities of regional trading arrangements with third countries;

(c) Further enhancing the quality and international competitiveness of their goods by promoting cooperation between the institutions of quality assurance and standardization, and on new technologies; and

(d) Encouraging greater cooperation between the Chambers of Commerce and Industries of both countries.

5. Recognizing that regional economic cooperation is vital to the future economic prosperity of individual nations, the Sides agree to cooperate, both bilaterally and through regional organizations in promoting regional economic cooperation. Regional economic cooperation shall:

(a) Envisage assisting Afghanistan emerge as a trade, transportation and energy hub connecting Central and South Asia and enabling free and more unfettered transport and transit linkages;

(b) Focus on development of regional infrastructure projects;

(c) Help facilitate the integration of the Afghan economy within the South Asian and global economies by opening markets for Afghan and Indian products for mutual benefit; and

(d) Strengthen regional cooperation under SAARC, of which both sides are members.

CAPACITY DEVELOPMENT AND EDUCATION

1. In the interest of Afghanistan's long-term, sustainable development, and building on the existing generous aid programme offered by India to Afghanistan, India commits to continue its assistance to the development and capacity building efforts in Afghanistan.

(a) Cooperation will, among other areas of focus, concentrate on the agriculture, mining and health sectors, reflecting Afghanistan's priorities; and
(b) India further commits to expand ongoing Small Development Projects (SDPs) for grass-root level development in the remote and rural areas.

2. The Sides agree to establish institutional linkages between their respective governments by encouraging cooperation between Ministries/agencies of the two sides. India offers the experience of its own institutional, administrative, political and economic systems as references that Afghanistan can study and benefit from in the light of its own needs and realities.

3. As part of its highly successful annual scholarship programme, and the broader strategy of support to higher education for Afghanistan, India will continue to expand education and training opportunities in India through the ICCR and ITEC scholarships, and multilateral-funded programmes.

(a) Responding to the requirements of Afghanistan, India will explore avenues to expand scholarships in medical, engineering and management institutes of India; and

(b) The Sides will also encourage and facilitate annual student exchange programmes at the school and university levels.

4. As part of its capacity building support for the Afghan government, India will continue and expand technical, training and other capacity building support to the various departments in the three branches of government, including the Executive, Judiciary and the Parliament.

5. In response to Afghanistan's need to strengthen its administration and governance at national and sub-national levels, India offers its experience of governance at the national, state, district and local body levels, and technical assistance in setting up a permanent, career-based civil service suitable for Afghan realities.

SOCIAL, CULTURAL, CIVIL SOCIETY & PEOPLE-TO-PEOPLE RELATIONS

1. In pursuit of further expanding the existing people-to-people bonds that exist between the two countries, the Sides envisage greater exchanges between parliament, media, women, youth, sports, academic, cultural, intellectual and religious figures and bodies.
2. Through the India-Afghanistan Foundation, the Sides will seek to promote social and cultural ties, with a focus on arts, literature, poetry and so on, and further expand the exposure to each others' cultural heritage and achievements.

3. The Sides will encourage and promote greater exchanges between media organizations in their respective countries, within the framework of an independent and free media.

4. Both Sides will work for the upliftment of women, their education and rights, and also for the poorer or weaker sections of their societies.

5. To encourage and expand interaction and legitimate movement of people between the two countries, the Sides agree to simplifying rules and procedures for travel by citizens of both countries. The Sides intend to:

   (a) Promote tourist exchanges and cooperation between tourist organizations in both countries; and

   (b) Encourage sister-city agreements between the cities/provinces/states of the two countries.

6. To facilitate legal cases involving nationals of one country in the other, the Sides will work towards agreements on mutual legal assistance in civil and criminal matters.

7. To promote relations between civil societies and, in particular, enable intellectual exchanges, the Sides intend to establish India-Afghanistan Round Table consisting of eminent persons representing different fields.

8. Both Sides agree to promote cooperation and exchanges in the field of sports.

9. Both sides agree to share and learn from each others' experience of the values and institutions of democracy, including the sharing, distribution and devolution of powers, relations between the Centre and States/Provinces, electoral reforms etc.

10. The Sides agree to establish parliament-to-parliament exchanges between the two countries by organizing visits of parliamentary delegations and establishing parliamentary friendship groups in the two countries.

IMPLEMENTATION MECHANISM
1. This Strategic Partnership would be implemented under the framework of a Partnership Council, which will be headed by the Foreign Ministers of both countries. The Council will convene annual meetings.

2. The Council will consist of separate Joint Working Groups on Political & Security Consultations, Trade and Economic Cooperation, Capacity Development & Education, and Social, Cultural and Civil Society, involving high level representatives from concerned Ministries/Authorities.

3. The existing dialogue mechanisms between the two sides will become part of the Council.

CONCLUSION

The Islamic Republic of Afghanistan and the Republic of India go forward in this partnership, re-asserting the fundamental and lasting spirit of the Treaty of Friendship between the Government of India and the Royal Government of Afghanistan of 04 January 1950, which states: "There shall be everlasting peace and friendship between the two Governments who will further strive to maintain and strengthen the cordial relations existing between the people of their respective countries."

Signed on the 4th October 2011 at New Delhi in four originals, each in Hindi, Pashto, Dari and English languages. However, in case of any discrepancy in the text or difference in interpretation, the English text shall prevail.

(Manmohan Singh)
Prime Minister of the Republic of India

(Hamid Karzai)
President of the Islamic Republic of Afghanistan
Enduring Strategic Partnership Agreement Between The United States Of America And The Islamic Republic Of Afghanistan

I. PREAMBLE

The Islamic Republic of Afghanistan ("Afghanistan") and the United States of America ("United States") have partnered closely since 2001 to respond to threats to international peace and security and help the Afghan people chart a secure, democratic, and prosperous future. As a result, Afghanistan is now on a path towards sustainable self-reliance in security, governance, economic and social development, and constructive partnership at the regional level.

The Parties express their appreciation for the November 2011 Traditional Loya Jirga, which declared: "Emphasizing the need to preserve the achievements of the past ten years, respect the Afghan Constitution, women's rights, freedom of speech, and taking into consideration the prevailing situation in the region, strategic cooperation with the United States of America, which is a strategic ally of the people and government of Afghanistan, is considered important in order to ensure political, economic and military security of the country. Signing a strategic cooperation document with the United States conforms with the national interest of Afghanistan and is of significant importance... When signing this document Afghanistan and the United States must be considered as two sovereign and equal countries"., in accordance with the Charter of the United Nations.

Emphasizing their shared determination to further advance the Afghan people's desire for a stable and independent Afghan state, governed on the basis of Afghanistan's Constitution and shared democratic values, including respect for the fundamental rights and freedoms of all men and women, Afghanistan and the United States ("the Parties") commit to strengthen long-term strategic
cooperation in areas of mutual interest, including: advancing peace, security, and reconciliation; strengthening state institutions; supporting Afghanistan's long-term economic and social development; and encouraging regional cooperation. Recognizing the continued relevance of their commitments at the 2010 London and Kabul Conferences, as well as the 2011 Bonn Conference, the Parties affirm their resolve to strengthen Afghanistan's institutions and governance capacity to advance such areas of long-term strategic cooperation.

Cooperation between Afghanistan and the United States is based on mutual respect and shared interests - most notably, a common desire for peace and to strengthen collective efforts to achieve a region that is economically integrated, and no longer a safe haven for al-Qaeda and its affiliates. Afghanistan and the United States go forward in this partnership with confidence because they are committed to seeking a future of justice, peace, security, and opportunity for the Afghan people.

Respect for the sovereignty and equality of states constitutes the foundation of this partnership. Respect for the rule of law, as well as the sound and transparent adherence to Afghanistan's Constitution and all other operative laws, reinforces its foundation. The Parties reaffirm their strong commitment to the sovereignty, independence, territorial integrity and national unity of Afghanistan.

Accordingly, the Parties agree to the following:

II. Protecting and Promoting Shared Democratic Values

1. The Parties agree that a strong commitment to protecting and promoting democratic values and human rights is a fundamental aspect of their long-term partnership and cooperation.

2. Underscoring the central importance of the values and principles of the Afghan Constitution, Afghanistan reaffirms its strong commitment to inclusive and pluralistic democratic governance including free, fair, and transparent elections in which all the people of Afghanistan participate freely without internal or external interference. Reaffirming its commitments made at the 2011 Bonn Conference, Afghanistan
shall strengthen and improve its electoral process.

3. Afghanistan reaffirms its commitment to protecting human and political rights under its Constitution and international obligations, including the International Covenant on Civil and Political Rights. In this regard, Afghanistan shall strengthen the integrity and capacity of its democratic institutions and processes, including by taking tangible steps to further the efficiency and effectiveness of its three branches of state, within its unitary system of government, and supporting development of a vibrant civil society, including a free and open media.

4. Afghanistan reaffirms its commitment to ensuring that any kind of discrimination and distinction between citizens of Afghanistan shall be forbidden, and ensuring the rights and freedoms that are guaranteed to all Afghans under Afghan law and the Afghan Constitution. Consistent with its Constitution and international obligations, Afghanistan shall ensure and advance the essential role of women in society, so that they may fully enjoy their economic, social, political, civil and cultural rights.

Iii. Advancing Long-Term Security

1. The Parties reaffirm that the presence and operations of the U.S. forces in Afghanistan since 2001 are aimed at defeating al-Qaeda and its affiliates. The Parties acknowledge the great sacrifices and suffering that the Afghan people have endured in the struggle against terrorism and the continued threats to their desire for peace, security and prosperity. The Parties also pay tribute to the sacrifices made by the people of the United States in this struggle.

2. In order to strengthen security and stability in Afghanistan, contribute to regional and international peace and stability, combat al-Qaeda and its affiliates, and enhance the ability of Afghanistan to deter threats against its sovereignty, security, and territorial integrity, the Parties shall continue to foster close cooperation concerning defense and security arrangements, as may be mutually determined.

a. The Parties' respective obligations under this Agreement,
and any subsequent arrangements, are without prejudice to Afghan sovereignty over its territory, and each Party's right of self-defense, consistent with international law.

b. The Parties shall, subject to their internal procedures, initiate negotiations on a Bilateral Security Agreement. Negotiations should begin after the signing of this Strategic Partnership Agreement, with the goal of concluding within one year a Bilateral Security Agreement to supersede the Agreement regarding the Status of United States Military and Civilian Personnel of the U.S. Department of Defense Present in Afghanistan in connection with Cooperative Efforts in Response to Terrorism, Humanitarian, and Civic Assistance, Military Training and Exercises, and Other Activities (2003), and other such related agreements and understandings that are mutually determined to be contrary to the provisions of the Bilateral Security Agreement.

c. The conduct of ongoing military operations shall continue under existing frameworks, which include the Memorandum of Understanding on the Transfer of U.S. Detention Facilities (2012) and the Memorandum of Understanding on the Afghanization of Special Operations (2012), until superseded by the Bilateral Security Agreement or other arrangements, as mutually determined. This obligation is without prejudice to the status, commitments, and understandings of those frameworks, until superseded as noted above.

3. To help provide a long-term framework for mutual security and defense cooperation, the United States shall designate Afghanistan a "Major Non-NATO Ally."

4. The Parties underscore their strong support for Afghan efforts towards peace and reconciliation.

a. The necessary outcomes of any peace and reconciliation process are for individuals and entities to: break ties with al-Qaeda; renounce violence; and abide by the Afghan Constitution, including its protections for all Afghan women and men.

b. Afghanistan affirms that in all state actions and understandings with regard to peace and reconciliation, it shall uphold the values of the Afghan Constitution.
5. Beyond 2014, the United States shall seek funds, on a yearly basis, to support the training, equipping, advising, and sustaining of the Afghan National Security Forces (ANSF), so that Afghanistan can independently secure and defend itself against internal and external threats, and help ensure that terrorists never again encroach on Afghan soil and threaten Afghanistan, the region, and the world.

a. Such support should: (1) help build appropriate capabilities reflecting the evolving nature of mutually-recognized threats to Afghan stability; (2) support efforts to help the Afghan State attain a sustainable security structure; and (3) strengthen the capacity of security institutions of Afghanistan.

b. A U.S.-Afghanistan Working Group on Defense and Security, established under the framework of this Agreement, shall undertake regular assessments of the level of threat facing Afghanistan, as well as the country's security and defense requirements, and make specific recommendations about future cooperation in this field to the Bilateral Commission.

c. Assistance to the ANSF should have the goal of being consistent with NATO standards and promote interoperability with NATO forces.

d. The Parties further call on NATO member states to sustain and improve Afghan security capabilities beyond 2014, by taking concrete measures to implement the Declaration by NATO and the Government of the Islamic Republic of Afghanistan on an Enduring Partnership concluded at the November 2010 NATO Lisbon Summit.

6. Afghanistan shall provide U.S. forces continued access to and use of Afghan facilities through 2014, and beyond as may be agreed in the Bilateral Security Agreement, for the purposes of combating al-Qaeda and its affiliates, training the Afghan National Security Forces, and other mutually determined missions to advance shared security interests.

a. The United States emphasizes its full respect for the sovereignty and independence of Afghanistan. It reaffirms its commitment to the Inteqal framework, and a transition to full Afghan security responsibility. It further reaffirms that it does not seek permanent military facilities in Afghanistan, or a presence that is a threat to Afghanistan's neighbors.
b. The United States further pledges not to use Afghan territory or facilities as a launching point for attacks against other countries.

c. The nature and scope of the future presence and operations of U.S. forces in Afghanistan, and the related obligations of Afghanistan and the United States, shall be addressed in the Bilateral Security Agreement.

7. The Parties shall enhance information and intelligence sharing to counter common threats, including terrorism, narcotics trafficking, organized crime, and money laundering.

8. The Parties also underscore their support to improve regional security cooperation and coordination. The Parties affirm that the production, trafficking, and consumption of illicit narcotics poses a major threat to ensuring security and the formation of a licit Afghan economy, as well as to regional security and a healthy world. They are determined to cooperate in Afghanistan, the region, and the world to eliminate this threat.

9. Recognizing that the stability of Afghanistan would contribute to the development and stability of South-Central Asia, the United States affirms that it shall regard with grave concern any external aggression against Afghanistan. Were this to occur, the Parties shall hold consultations on an urgent basis to develop and implement an appropriate response, including, as may be mutually determined, political, diplomatic, economic, or military measures, in accordance with their respective constitutional procedures.

IV. Reinforcing Regional Security And Cooperation

1. The Parties agree on the importance of Afghanistan having cooperative and friendly relations with its neighbors, and emphasize that such relations should be conducted on the basis of mutual respect, non-interference, and equality. They call on all nations to respect Afghanistan's sovereignty and territorial integrity, and to refrain from interfering in Afghanistan's internal affairs and democratic processes.

2. With a view to the importance of regional cooperation for the consolidation of security in the region, the Parties shall undertake earnest cooperation with the
countries of the region, regional organizations, the United Nations, and other international organizations on mutually recognized threats, including: terrorist networks; organized crime; narcotics trafficking; and money laundering.

3. To enhance regional stability and prosperity, the Parties shall further cooperate in restoring Afghanistan's historic role as a bridge connecting Central and South Asia and the Middle East by:

   a. building on and facilitating implementation of existing and future regional initiatives, including transit and trade agreements;

   b. strengthening border coordination and management between Afghanistan and its neighbors;

   c. expanding linkages to regional transportation, transit, and energy networks through the realization of projects, including infrastructure, throughout Afghanistan;

   d. mobilizing international support for regional investments that facilitate Afghanistan's integration with the region.

V. Social And Economic Development

1. The Parties agree that developing Afghanistan's human and natural resources is crucial to regional stability, sustainable economic growth, and Afghanistan's recovery from more than three decades of war and that Afghanistan will have special, significant and continuing fiscal requirements that cannot be met by domestic revenues in the years following Transition. In this regard, the United States reaffirms its commitment made at the 2011 Bonn Conference to directing financial support, consistent with the Kabul Process, towards Afghanistan's economic development, helping Afghanistan address its continuing budget shortfall to secure the gains of the last decade, make Transition irreversible, and become self-sustaining.

2. In the economic sphere:

   a. The Parties shall pursue consolidation and growth of a market economy, and long-term cooperation for Afghanistan's sustainable economic growth, taking into consideration Afghanistan's Constitution, as
well as its historical and social realities.

b. Noting Afghanistan's priorities, the United States shall help strengthen Afghanistan's economic foundation and support sustainable development and self-sufficiency, particularly in the areas of: licit agricultural production; transportation, trade, transit, water, and energy infrastructure; fostering responsible management of natural resources; and building a strong financial system, which is needed to sustain private investment.

c. To encourage trade and private sector development, the Parties shall undertake common efforts to increasingly use the Generalized System of Preferences. Further, to encourage investment, the United States intends to mobilize the Overseas Private Investment Corporation, U.S. Export-Import Bank, and U.S. Trade and Development Agency to encourage U.S. private sector activity in Afghanistan. Afghanistan shall augment its support for the development of its private sector through the relevant Afghan institutions.

d. The Parties affirm their strong desire that the Afghan people should be the primary beneficiaries of Afghanistan's mineral wealth. The United States shall therefore support Afghanistan's efforts to govern its natural wealth through an accountable, efficient, effective and transparent framework that builds upon and surpasses international best practices.

3. In the social sphere, the Parties shall undertake sustainable joint efforts to help Afghanistan develop its human capacity through:

a. access to and enhancing the quality of education, including higher education and vocational training in key areas for all Afghans; and

b. access to basic health services and specialized care, including for women and children.

4. The Parties underscore the crucial importance of the fight against corruption.

a. The Parties shall fight decisively against all forms of corruption.

b. The Parties shall devise mechanisms to enhance aid effectiveness and avoid corruption through improved procurement practices, transparency, and accountability.
c. Afghanistan shall strengthen its anticorruption institutions, and revise and enforce its laws, as necessary, in accordance with its national and international obligations.

d. Afghanistan further shall safeguard and enhance the Afghan financial system by implementing recommendations from the Financial Action Task Force Asia Pacific Group (FATF/APG) regarding anti-money laundering and combating terrorist financing.

5. The United States and Afghanistan shall continue their cooperation to promote Afghanistan's development, including annual U.S. social and economic assistance to Afghanistan commensurate with the strategic importance of the U.S.-Afghan partnership.

a. To achieve this goal, the United States shall seek on a yearly basis, funding for social and economic assistance to Afghanistan. The United States also supports Afghanistan's efforts to encourage international investment and support for the Afghan private sector, which is crucial to developing a secure, prosperous, peaceful Afghanistan and region.

b. Building on its commitments at the 2010 Kabul and London Conferences ("the Conferences"), the United States reiterates its commitment to channel at least 50 percent of such economic and social assistance to Afghanistan through Afghan government budgetary mechanisms. The Parties shall periodically review this commitment, through the Afghanistan-United States Bilateral Commission, established under this Agreement, with the goal of increasing the percentage of assistance channeled through Afghan Government budgetary mechanisms beyond 2012.

c. The United States also reaffirms its 2010 Kabul Conference commitment to progressively align its development assistance behind Afghan National Priority Programs, as mutually determined by both Parties, with the goal of achieving 80 percent of alignment by the end of 2012. The United States agrees that any development assistance not aligned is to be fully transparent and consulted with the Government of Afghanistan.

d. These commitments are contingent upon the Afghan government establishing mechanisms and demonstrating
agreed-upon progress to ensure financial transparency and accountability, increasing budget expenditures, improving revenue collection, enhancing public financial management systems, and other mutually determined measures of performance and progress, including those committed at the Conferences.

6. The Parties shall strengthen the long-standing relations between their people and civil societies through a range of efforts, including youth and women's initiatives, and cooperation between their universities and institutions of higher education.

7. The United States shall promote exchanges and related activities, which may include initiatives such as the Fulbright Program and International Visitor Leadership Program.

8. The Parties also shall cooperate to support Afghan cultural institutions, and preservation of cultural heritage.

Vi. Strengthening Afghan Institutions And Governance

1. The Parties shall cooperate towards improving the human capacity of Afghanistan's crucial government institutions. U.S. assistance to Afghanistan should be based on the priorities of the Afghan Government and mutually identified needs.

2. Afghanistan shall improve governance by increasing the responsiveness, and transparency of Afghan executive, legislative, and judicial institutions so that they better meet the civil and economic needs of the Afghan people. It shall promote efficiency and accountability at all levels of the government, consistent with Afghan law, and ensure that they provide services according to fair and objectively applied procedures and consistent with national standards for minimum service delivery.

3. The United States shall support the Afghan Government in strengthening the capacity, self-reliance, and effectiveness of Afghan institutions and their ability to deliver basic services.

4. The Parties shall work cooperatively to eliminate "parallel structures," including Provincial Reconstruction Teams and District Stabilization Teams consistent with the Inteqal framework.

VII. Implementing Arrangements And Mechanisms
1. To advance cooperation and monitor progress towards implementing this Agreement, the Parties shall establish an Afghanistan–United States Bilateral Commission and associated implementation mechanisms.

a. The Commission shall be chaired by the respective foreign ministers of Afghanistan and the United States, or their designees, and meet semi-annually in Kabul and Washington on a rotational basis.

i. Preexisting bilateral forums, such as the Afghanistan–United States Bilateral Security Consultative Forum, shall be incorporated into the framework of this new structure.

b. A Joint Steering Committee shall guide and report to Ministers on the work of standing expert working groups formed to implement this Agreement.

i. These working groups shall be chaired by relevant ministers, or their designees, and are to constitute a forum for regular, senior-level consultations on issues of mutual concern. These issues include, but are not limited to, advancing long-term security, promoting social, democratic, and economic development, and strengthening Afghan institutions and governance.

c. The Joint Steering Committee should also convene regularly to assess common threats and discuss regional issues of mutual concern.

2. Through the Bilateral Commission, Parties should establish mutually determined levels of support and assistance.

3. Afghanistan and the United States may enter into further arrangements or agreements, as necessary and appropriate, to implement this Agreement, subject to the relevant laws and regulations of both Parties.

VIII. FINAL PROVISIONS

1. This Agreement shall enter into force when the Parties notify one another, through diplomatic channels, of the completion of their respective internal legal requirements necessary for the entry into force of this Agreement. It shall remain in force until the end of 2024. Upon mutual written agreement of the Parties, six months prior to the expiration of the Agreement, it may be renewed for a mutually agreed period. This Agreement may be amended or terminated by mutual written
agreement of both Parties at any time, and either Party may provide written notice to the other of its intent to terminate this Agreement, which shall be effective one year after the date of such notification.

2. All actions taken under this Agreement shall be consistent with the Parties' respective commitments and obligations under international law. Cooperation under this Agreement is subject to the relevant laws and regulations of the respective Parties, including applicable appropriations laws.

3. Any disputes with respect to implementation of this Agreement shall be settled through diplomatic consultations between the Parties.

Signed in duplicate by the Presidents of the Islamic Republic of Afghanistan and the United States of America on this 2nd day of the month of May, in the year 2012, in the city of Kabul, in the Pashto, Dari and English languages, each text being equally authentic.
A Seminar on 'Perspectives on Cooperation in the Asia Pacific Region' was held between 30th April and 1st May 2012 in New Delhi. The Heritage Foundation was represented by Mr. Walter Lohman, Director, Asian Studies Center, Ms. Lisa Curtis, Senior Research Fellow, Asian Studies Center and Mr. Dean Cheng, Research Fellow, Chinese Political & Security Affairs. The focus of the Seminar centered primarily on the India-U.S., India-China and India-U.S.–China relationships in the 21st Century.

The Director of the Vivekananda International Foundation, Mr. Ajit K. Doval initiated the proceedings and emphasized the global shift in power towards Asia, and India in particular, that could be described as a swing state in global international affairs. Walter Lohman on his part reiterated the status of the U.S. as a resident power in Asia marked by a strategic outplay in the Asia Pacific owing primarily to China’s spectacular rise and Asia’s response to it.

Emerging Global Strategic & Economic Environment in the Asia Pacific was the theme of Session I with presentations made by Ambassador P.P. Shukla, Joint Director, Vivekananda International Foundation, Mr. Walter Lohman, and Ambassador Rajiv Sikri, former Secretary, Ministry of External Affairs. India-China and India-U.S Relations was the theme for Session II that included presentation by Mr. Walter Lohman, Prof. Sujit Dutta, Gandhi Chair, Nelson Mandela Centre for Peace and Conflict Resolution, Jamia Milia Islamia, Ms. Lisa Curtis and Brig. (Retd.) Gurmeet Kanwal, Adjunct Fellow, Center for Strategic and International Studies,
Washington. Session III focussed on the theme of *China’s Military Modernization Programme* that was chaired by General N.C. Vij, former Chief of Army Staff, followed by presentations by Mr. Dean Cheng, Brig. (Retd.) Arun Sahgal, Joint Director, Institute of National Security Studies and also Prof. Srikanth Kondapalli, Center for Chinese Studies, Jawaharlal Nehru University. Session IV dealt with the theme *Maritime Security and Military Space Concerns* chaired by Vice Admiral (Retd.) Raman Puri, former Chief of Integrated Defence Staff and the session was marked by presentations by Vice Admiral (Retd.) Barry Barathan, Distinguished Fellow, Vivekananda Foundation, Mr. Dean Cheng and Brig. (Retd.) Rahul Bhonsle, of Security Risks.com.

The second day of the proceedings focused on the *Salience of Tibet, Af-Pak and Myanmar in Indian and U.S. foreign and strategic policies* and chaired by Ms. Lisa Curtis. Mr. Thubten Samphel, Director, Tibet Policy Institute, Dharamshala, Lt. Gen. (Retd.) Ravi Sawhney, Distinguished Fellow, Vivekananda Foundation, Mr. Dean Cheng, and Mr. Walter Lohman made the presentations on the issues delineated above. The final session of the Seminar was on Indo- *U.S. Relations and the Way Forward* and Chaired by Ambassador P.P. Shukla followed by presentations by Ms. Lisa Curtis and Ambassador Kanwal Sibal, former Foreign Secretary. The concluding remarks were made by Ambassador Satish Chandra, former Deputy National Security Advisor and currently, Distinguished Fellow at the Vivekananda International Foundation.

He noted that the seminar had promoted a better understanding of the situation in the Asia Pacific and also a better appreciation of the U.S. and Indian perspectives in this regard. Hopefully, this initiative would serve as the first of many such bilateral endeavours between the two organizations. The deliberations during the course of the seminar were distinctive by the high level of convergence in the perspectives of the Indian and U.S. proponents with a desire for more effective cooperation.

*Report prepared by Nidhi Bhatnagar*
A Round Table discussion on “Indo-U.S. Military Cooperation in the context of South Asian Security and the Way Ahead” was held on 17 May 2012. The guest speaker, on the occasion was Dr. Amer Latif, currently visiting fellow with the Wadhwani Chair for U.S.-India Policy Studies at CSIS. Previously, he was director for South Asian affairs in the Office of South and Southeast Asian Affairs in the Office of the Undersecretary of Defense for Policy (OSDP).

Dr. Latif noted that the robust engagement with the Indian and U.S. militaries was only deepening, yet there is a need to take this out of the joint-exercises and operability context, to a larger strategic aim. The United States he averred was driven by the pivotal nature of engagement in the Indo-Pacific region arising from trade, energy and security compulsions. Further, U.S. withdrawal in the Afghanistan context is not a definite, rather there is going to be a decisive U.S. engagement, in West Asia too. The U.S. is reviving its old relations with Japan, Singapore, Australia, Philippines and others in the Indo-Pacific, even in the wake of assertive cross-regional engagement between the states.

The United States and India are natural partners and hold common views on the rise of China, aftermath of Afghanistan post-2014 and its stability equally is the issue of stability in Pakistan, concerns over nuclear weapons in Iran, maritime
security and terrorism. The 2012 US Defence Strategic Guidance is significant to the extent of US support to India’s ability in upholding regional stability, even so not mentioning its long-time allies in the region like Japan, South Korea, and Australia etc.

Dr. Latif brought out some key challenges in moving forward in the Indian and U.S relationship from: (i) strategic challenge marked by a parallel set of interests - there is agreement on policy outcomes but disagreement on policy implementations, (ii) Political – a trust deficit by India on issues of technology transfer, drawdown from Afghanistan and U.S as a credible partner. Arms sales to both Pakistan and India seem incongruous in this sense. (iii) There is a significant bureaucratic challenge in attempting to communicate effectively. Some level of transparency and predictability can help produce informed decisions. (iv) The communications challenge in articulating to both the Indian and US constituencies the values of a deepening engagement.

Finally, he noted that there is a semblance of understanding domestic compulsions in shaping the future course of the bilateral engagement ranging from domestic political factors to economic crises and alternate foreign policy concerns.

The discussion was lively and focused on the future course of ties between India and the U.S. The Director, Vivekananda International Foundation, Ajit Doval brought the event to a close remarking that it would be expedient to conduct a joint study on prospective military-industry cooperation in India to include the possibility of joint projects with the US relating to defence production.

Report prepared by Nidhi Bhatnagar
A Taiwanese delegation visited Vivekananda International Foundation on 18 May 2012 to hold a Round Table Discussion on “Implications of the likely Leadership Change(s) in the PRC and PLA Strategy on the South China Sea Issue”. The delegation comprised of Dr. Cheng-kun Ma, Professor and Director of PLA Studies Division, National Defense University (NDU), ROC (Taiwan), Major James Peng, Instructor of National Defense University, Taiwan and Col. Hui-shin Chen, Director, Defence Division of Taipei Economic and Cultural Center (India).

At the outset, a comprehensive presentation was made by Dr. Cheng-kun Ma who started by explaining the dynamics of power structure and power transition in China, as well as the representation and influence of military personnel in the CPC Central Committee. During the course of power transition plenary sessions are held by the CPC Central Committee. The importance of the 7th one was noted as it would be followed by the 18th CPC Party National Assembly. He elaborated on the three important mobilisations that were initiated by the Communist Party during the 6th Plenary Session (that was held last year). They are 1) Ideological/Loyalty Mobilisation during which the cadres are sent to the localities and the local party members are asked to show their loyalty and reach consensus with the Central Party leadership about the power transition arrangement (for the 18th Party National Assembly) 2) Political Mobilisation in which the Prime Ministers produces a report...
for the National Assembly 3) Organisational Mobilisation through which they produce party representatives to participate in the national assembly, it includes people from a) Provincial level Party Organisation, b) Central Financial Institutions c) State owned Enterprises and d) PLA-Military.

He also touched on the issue of representation and influence of military personnel in the political sphere of China. It was stated that the Communist Party has absolute leadership over the military and it has no significant authority in the power transition and political decision making, as the army occupies a small percentage of seats in the Party National assembly (they occupy roughly 1/10th of the seats in the 17th National Assembly).

The presence of different factions namely Communist Youth League, Shanghai Gang and the Prince-lings and their leaders were brought out, as well as the delicate power balance arrangement between them was highlighted. It was also noted by Dr Ma that although the Central Committee makes political decisions about how many members would they have for the next party assembly however the different factions within it exert their influence in the decision making process depending on their power at that time. He also elaborated on the role and power of the nine members of the Standing Committee who form the core leadership in the political hierarchy of China.

He further spoke about the issue of the Crisis in the South China Sea highlighting the Scarborough Shoal Confrontation between China and the Philippines as well as bringing out the PLA strategy on the matter. He pointed out that China was insisting on absolute sovereignty over the shoal and were pushing for bilateral negotiations instead of multilateral dialogue. It was mentioned that while China persisted on a diplomatic solution to the confrontation it was preparing for an armed conflict. But Dr Ma noted that China does not intend to initiate a military confrontation and is just putting pressure on the other side in order to solve the issue before the Typhoon season (June-September) arrives and has to pull back from the region. Finally, he mentioned about the US warning to Philippines to refrain from doing anything provocative.
that could further lead to escalation of tensions between the two as China has made its intentions clear to the US over the crisis in the South China Sea.

Report prepared by Neha Mehta
Round Table Discussion With An American Delegation Led By Dr. Peter R. Lavoy

The Vivekananda International Foundation held a Round Table meeting with a U.S. delegation led by Dr. Peter R. Lavoy, Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs of the U.S Administration on May 18, 2012. Mr. Frank J. Ruggiero, Senior Deputy Special Representative for Afghanistan and Pakistan was a member of the delegation who participated in the deliberations. The interactive dialogue focused on the future of the Af-Pak region and the prospective role that India and U.S. could engage in this part of South Asia.

The U.S withdrawal from Afghanistan in 2014 has drawn the attention worldwide to the challenges that would continue to exist in term of governance and in regional diplomacy for peace and stability to prevail. There was a wide degree of convergence in Indian and American view points on the need for ensuring a stable Afghanistan. There was an intensive question answer session where it was felt that the US and Indian think tanks need to have more substantial exchanges to understand each other in the emerging strategic environment.

Report prepared by Nidhi Bhatnagar