

# **INDIA'S FOREIGN POLICY**

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## Reviewer

**Dr Biswaranjan Mohanty**

Assistant Professor, Department of Political Science, SGTB Khalsa College, University of Delhi

### Authors

**Dr M D Tarique Anwer:** Units (1-2, 3.3.3) © Dr M D Tarique Anwer, 2017

**Biswanath Ghosh:** Unit (3.0-3.2, 3.6-3.10) © Biswanath Ghosh, 2017

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**Dr Vijaya Katti:** Unit (3.4) © Dr Vijaya Katti, 2017

**Neeru Sood, :** Units (3.5, 4) © Freelance Author, 2017

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Phone: 0120-4078900 • Fax: 0120-4078999

Regd. Office: 7361, Ravindra Mansion, Ram Nagar, New Delhi 110 055

• Website: [www.vikaspublishing.com](http://www.vikaspublishing.com) • Email: [helpline@vikaspublishing.com](mailto:helpline@vikaspublishing.com)

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# SYLLABI-BOOK MAPPING TABLE

## India's Foreign Policy

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<b>Unit 1:</b> Approaches to the Study of India's Foreign Policy, Domestic and International Determinants of India's Foreign Policy, Evolution of India's Foreign Policy.	<b>Unit 1:</b> India's Foreign Policy: An Overview (Pages 3-59)
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# INTRODUCTION

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No mature nation allows its foreign policy to be radically altered whenever there is change of government or political leadership. India has clearly proved its maturity in this respect. Nehru's policy of non-alignment, peaceful co-existence and pacific settlement of international disputes remains the cornerstone of its policy even seventy years after its independence. India's foreign policy supports world peace and peaceful settlement of international disputes. India is opposed to all forms of violence, war and aggression. India has full faith in the ideals of the United Nations. It has cooperated with the UN in all its socio-economic and political activities. It supports disarmaments and advocates a nuclear-weapon free world. It is aware of its security concerns and wants to protect its national interests. Within the parameters of international peace and security, India seeks reduction in conventional weapons, and total ban on nuclear weapons.

This book, *India's Foreign Policy*, discusses the meaning, objectives, principles and goals of India's foreign policy. It also describes the various approaches to the study of India's foreign policy. Moreover, it analyses India's relations with the great powers and the SAARC countries; analyses India's foreign economic policy and the role played by the UN, ASEAN and EU in India's diplomacy; and explains the various players and trends in India's foreign policy.

This book is written in a self-instructional format and is divided into four units. Each unit begins with an 'Introduction' to the topic followed by an outline of the 'Unit Objectives'. The content is then presented in a simple and easy-to-understand manner, and is interspersed with 'Check Your Progress' questions to test the reader's understanding of the topic. A list of 'Questions and Exercises' is also provided at the end of each unit, and includes short-answer as well as long-answer questions. The 'Summary' and 'Key Terms' section are useful tools for students and are meant for effective recapitulation of the text.

## NOTES





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# UNIT 1 INDIA'S FOREIGN POLICY: AN OVERVIEW

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*India's Foreign Policy:  
An Overview*

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### Structure

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 Meaning and Objectives of Foreign Policy
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## 1.0 INTRODUCTION

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The foreign policy of a country, often referred to as the foreign relations policy, comprises self-interest strategies adopted by the state to protect its national interests and achieve its goals in the international scenario. These approaches are strategically used to interact with other countries. The world is getting increasingly interconnected or 'globalized'. We are not merely a handful of individual states any more. We rely on each other for economic as well as military support.

Due to the increasing level of globalization and transnational activities, states may also have to interact with non-state actors in order to maximize benefits of multilateral international cooperation. Since national interest is most important, foreign policies are designed by the governments of various countries using high-level decision-making processes.

How the rest of the world views one state is of great significance. Harsh foreign policies are often coupled with military action or economic embargoes.

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Dealing with the complications of other countries may lead to countries becoming isolationists. However, foreign policy cannot be prevented from becoming isolationist either.

The essence of India's foreign policy can be traced back to the freedom movement. The freedom fighters, while fighting for independence, were also involved in other important causes. The fundamentals that emerged at that time are still relevant today. India's foreign policy primarily focusses on having cordial relations, equality of all the states, emphasis on the principles of non-alignment and conducting international relations with equality.

Foreign policy is, therefore, nothing but a policy that governs international relations. Foreign policy is important for understanding the behaviour of other states. A foreign policy involves various objectives. There are also certain goals that are to be achieved through foreign policy.

This unit will introduce you to the concept of foreign policy, its meaning and objectives as well as various approaches. The unit will also deal with the domestic and international determinants of India's foreign policy, and the evolution of India's foreign policy.

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### 1.1 UNIT OBJECTIVES

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After going through this unit, you will be able to:

- Explain the meaning, objectives and importance of foreign policy
- Assess the various approaches to foreign policy
- Analyse the factors essential in the making of a foreign policy
- Describe the domestic and international determinants of India's foreign policy
- Discuss the foundation and evolution of India's foreign policy
- Describe the principles and objectives of India's foreign policy

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### 1.2 MEANING AND OBJECTIVES OF FOREIGN POLICY

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The meaning of foreign policy has caused many debates among scholars. In easy and general terms, it is the relation among countries concerning all issues of international relevance like disarmament, peace, climate change, decolonization, justice, etc. In specific terms, foreign policy is the policy of a country in pursuing its national interests in global affairs, for example, the country's refusal or acceptance of international agreements like the Non-Proliferation Treaty (NPT) and Comprehensive Test Ban Treaty (CTBT) or seeking a permanent seat in the United Nations Security Council (UNSC). Through its foreign policy, a state tries to control the behaviour of other states. In this process, a state and its statesmen are generally guided by national interest. Originally, it was believed

that the foreign policy of a country grew out of national interest only and no other matters of interest were involved in dealing with other countries.

There are a variety of views on what constitutes national interest. On one hand, extreme realists compare national interest with national power and on the other, the extreme idealists specify national interest with some universal moral aspiration, such as eternal peace or human brotherhood. However, a statesman always tries to find out a concept that considers security, national development and world order as components of national interest. In the context of individual countries, particularly the national interest of one country may vary from another country, depending upon the social and economic environment of that country. National interest of a rich or developed country would be preserved in the present state and seek further improvement. In case of a poor or developing country, the national interest would be preserved on its political sovereignty and its want to increase the pace of economic development for improving the standard of living of its people in the globalized era.

It must be remembered that in the era of globalization, it has become very difficult to isolate national interest of one country from its geo-political or geo-strategic location and international environment. Therefore, the foreign policy of a country is more than the sum total of its foreign policies, it also includes its commitment, its interests and objectives in the current form and the principles of right conduct that it professes. Therefore, the foreign policy of India is determined not only by domestic factors but also by international factors. Some of these factors are dynamic, which go on changing in the course of time, while some other basic factors make a long-term impact or influence on foreign policy. Thus, continuity and change among these factors is a common phenomenon in determining the foreign policy of a country. It is really interesting to know how the foreign policy of a country emerges over time to undertake its present complex form. It is an ongoing process where various factors interact with one another in different ways and in different situations.

In modern times, it can be said that no state can avoid involvement in international relations. This involvement can definitely be improved and systematized if it is based on certain defined lines. This provides a rational urge for the formulation of foreign policies. Again, the term foreign policy suggests a greater degree of rational procedure and a step-by-step planning process towards a known and defined goal. It is a rational response to the existing and fairly perceived external conditions. Though there are national and international limitations to any such well-knit planning, yet an effort is constantly made and will continue to be made for it.

Foreign policy is an important key to the rational explanation of international behaviours. It is impossible to understand inter-state relations without understanding foreign policies of states. The study of foreign policies, therefore, is one of the most important aspects of the study of international politics.

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Foreign policy deals with a country's external environment. It represents the substance of foreign relations of a state. A foreign policy is to be analysed from actual behaviour patterns of states rather than exclusively from declared objectives or policy plans. Its object is to influence events or situations that are beyond the state boundary. The behaviour of each state affects the behaviour of others. Every state, with its national interests, tries to take maximum advantage of the actions of other states. Thus, the primary purpose of foreign policy is to seek adjustments in the behaviour of other states in favour of oneself.

The meaning of 'foreign policy' is to decide on certain goals and make efforts to regulate the behaviour of others to achieve these goals. These goals can be achieved with the help of power. Thus, national interest and power are the most important components of a foreign policy. All states have some kind of relations with one another, they have to behave with one another in a particular manner. The framing of the foreign policy is, therefore, an essential activity of modern states. Foreign policy consists of the external behaviour of states.

In the words of Prof. Mahendra Kumar, scholar and author of *Theoretical Aspects of International Politics*, the meaning of foreign policy is incomplete and imperfect. A change in the behaviour of other states or countries may not always be desirable. At times, it may be advisable to ensure continuation of the same behaviour of others. At another time, it may become essential to make certain adjustments in one's own behaviour. According to Prof. Mahendra Kumar, 'The aim of foreign policy should be to regulate and not merely to change the behaviour of other states. Regulation means adjusting the behaviour of other states to suit one's own interest as best as possible.'

During the Cold War period, the superpowers, the United States and the former Soviet Union, tried to change the behaviour of other states to get maximum number of bloc followers, and India sought to regulate the behaviour of maximum number of countries to build a strong Non-Aligned Movement (NAM). The US policy of containment of communism was to change the course of events in its favour. The United States had also unsuccessfully tried to persuade India to sign the Nuclear Non-Proliferation Treaty (NPT).

According to George Modelski, foreign policy is defined as 'the system of activities evolved by communities for changing the behaviour of other states and for adjusting their own activities to the international environment'.

Joseph Frankel's definition of national interest is as follows:

National interest is the key concept in foreign policy. In essence it amounts to the sum total of all the national values—national in both meanings of the word—both pertaining to the nation and to the state... National interest can describe the aspirations of the state; it can be used also operationally, in application to the actual policies and programmes pursued; it can be used polemically in political argument, to explain, rationalize or criticize. The recurrent controversies on foreign policy often stem from these ambiguities and not only from the different ideal about the substance of the national interest.

Again Modelski says that the most important task of foreign policy must be to 'throw light on the ways in which states attempt to change, and succeed in changing, the behaviour of other states'. According to Hugh Gibson, foreign policy is defined as 'a well-rounded, comprehensive plan, based on knowledge and experience, for conducting the business of government with the rest of the world. It is aimed at promoting and protecting the interests of the nation'.

According to Northedge, 'foreign policy is an interaction between forces originating outside the country's border and those working within them'. Hartman defines foreign policy as 'a systematic statement of deliberately selected national interest'. Thus, every definition gives the emphasis on behaviour of states to regulate their own actions and, if possible, change or regulate the behaviour of other states, with the view of serving their national interests.

In the words of C. C. Rodee, foreign policy involves the formulation and implementation of a group of principles which shape the behaviour pattern of a state while negotiating with other states to protect or further its vital interests. The idea of Crab Jr. explains that foreign policy-makers identify the national goals to be achieved and the means to achieve them. The interaction between the objectives and the means is foreign policy. Coulombis and Wolfes expressed the similar opinion that, '... Foreign policies are syntheses of the ends (national interests) and means (power and capabilities) of nations-states.' To understand this definition, it will be necessary to examine the meaning of national interest and power, which as mentioned, are important ingredients of foreign policy. Therefore, foreign policy means deciding on certain goals and making efforts to regulate behaviour of others to achieve those goals. The goals are sought to be achieved with the help of power.

Foreign policy, as we have seen, is concerned both with change and status quo. There is another dimension too. As stated by Feliks Gross, even a decision not to have any relations with a state is also considered foreign policy. Each individual state has to decide the degree of its involvement in its relations with another country that would protect its interests. In 1949, India took a decision not to have any relations with the racist regime of South Africa, which was a definite foreign policy. Similarly, after Bolshevik Revolution, the American decision of not recognizing the Soviet Union, till 1934 was clearly the US Policy towards USSR. The foreign policy may either be positive or negative. It is positive when it aims at regulating the behaviour of other states by changing it, and negative when it seeks such a regulation by not changing that behaviour. Thus, we have to conclude that, every state adopts certain principles to guide its relations with other states. These principles are based on interaction between national interests and means (power) to achieve them. As Bandopadhyaya opines, 'The formulation of foreign policy is essentially an exercise in the choice of ends and means on the part of a nation-state in an international setting.'

In formulating the foreign policy, the role of policy-makers is indeed most important. It is mostly depended on the perceptions and ideology of the foreign minister who guides the officials and who identifies the aims of foreign policy and determines the principles to be followed. Today, an important role is being

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played by the people and media. The flow of action from the community towards the policy-makers is known as the 'input' and the decisions of the policy-makers are known as the 'output', as stated by Modelski. Prof. Mahendra Kumar defines the foreign policy as 'a thought-out course of action for achieving objectives in foreign relation as dictated by the ideology of national interest'. He further includes foreign policy as the following:

- The policy-makers
- Interests and objectives
- Principles of foreign policy
- Means of foreign policy

### 1.2.1 Objectives of Foreign Policy

The five main objectives of a foreign policy of any country are as follows:

- (i) The first objective of a foreign policy is to protect the territorial integrity of the country and the interests of its citizens from both within and outside the country. For this purpose, generally, the states prefer to follow the policy of status quo. If a state pursues a policy which seeks to upset the status quo, it is branded as revisionist and suspicion is aroused by other members of the international community. For the maintenance of its prestige, it has to protect the interests of its citizens both inside and outside the state.
- (ii) The second objective of a foreign policy is maintenance of links with other members of the international community and adoption of policy of conflict or cooperation towards them with a view to promote its own interests. It is well-known that India has diplomatic relations with the Jewish state, Israel, at the same time relations with the Arab countries do not get strained, primarily because of close trade relations with the Arab countries.
- (iii) The third objective of a foreign policy of a country is sought to promote and further its national interests. The primary interest of each state is self-preservation, security and well-being of its citizens. Various different interests often clash and the states have to protect their interests, bearing in mind in this regard.
- (iv) The fourth objective of the foreign policy aims at promoting the economic interests of the country. The status of a state in international arena is largely determined by its economic status. The states try to pursue a foreign policy, which can contribute to their economic prosperity and enable it to play a more effective role in international politics. Most of the treaties and agreements of the states, which other members of international community have concluded, are essentially designed to protect and promote the economic interest of these countries. This is an important factor being evident from the fact that India adopted the policy of non-alignment chiefly because it had to concentrate on economic development. Further, India hoped to get every possible help and assistance to accelerate the process



of economic development from both the superpowers during the Cold War. Similarly, the US and China, despite their ideological differences, were obliged to patch up their differences due to economic considerations.

- (v) The last and fifth objective of foreign policy aims at enhancing the influence of the state either by expanding its area of influence or reducing the other states to the position of dependency. In the post-Second World War period, the policy of United States and former Soviet Union had been largely motivated by these considerations.

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### 1.2.2 Goals of Foreign Policy

The objectives of foreign policy can be summed up in one term that is national interest. However, national interest is open to a variety of meanings. In the words of Paul Seabury, 'the national interest is what foreign policy-makers say it is.' Security, national development and world order are the essential components of national interest of any state. In other words, it embraces such matters as security against aggression, development of higher standard of living and maintenance of conditions of national and international stability. Notwithstanding, to avoid any ambiguity and confusion, Holsti has substituted the concept of objectives, which is essentially 'an image of a future state of affairs and future set of conditions that governments through individual policy-makers aspire to bring about by wielding influence abroad and by changing or sustaining the behaviour of other states.'

However, objectives can be derived from national interest only. Objectives are of a more specific nature than interests. Hence, objectives are conditioned by the advantages of accommodating the interest of other states. An objective, therefore, comes into existence when a particular type of national interest becomes important for a state to seek. George Modelski considers both interests as well as objectives under the category of aims or purpose.

The acts of any state on certain norms or principles represent more or less clearly formulated patterns of behaviour which guide national action or policies. The ideology of foreign policy was together constituted by these principles. Every action and policy involves the application of means. A foreign policy is therefore a thought out course of action for achieving objectives in foreign relation as dictated by the ideology of national interest. The objectives of foreign policy can be classified into many pairs of contrasting objectives or goals. Arnold Wolfers has defined, for instance, the difference between 'possession goals' and 'milieu goals'. In the context of the former, it means those goals which a foreign policy seeks to achieve in order to preserve its possessions, like a stretch of territory or membership of some world organizations. In the context of the latter, it understands those goals which nations pursue in order to shape favourable conditions beyond their national boundaries. Achievements of peace, promotion of international law and growth of international organization can be considered as 'milieu goals'. In practice, milieu goals may only be the means for the pursuit of possession goals.

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Hence, some objectives may be direct national goals, such as preservation of national independence and security, and some are indirect goals which are of primary benefit to the people. Therefore, another contrasting set of goals may be ideological or revolutionary goals and traditional goals.

The objectives of foreign policy further can be classified into the following three categories:

(i) **Core values and interests:** The core values and interests are the types of goals for which more people are willing to make ultimate sacrifices. The existence of a state is related to them. They are:

- Self-preservation, defence of strategically vital areas, ethnic, religious or linguistic unity and protection of cultural and political institutions and beliefs and values
- Economic development and prosperity can lead to the adoption of a course of policy that ignores the core values and interest and yet survive

(ii) **Middle range objectives:** Middle range objectives include:

- Trade, foreign aid, access to communication facilities, sources of supplies and foreign markets and are for most states, necessary for increasing social welfare.
- Increase of state prestige by expansion of military capacity, distribution of foreign aid and diplomatic ceremonies including such exhibitions and status symbols as development of nuclear weapons, outer space exploration, many forms of imperialism or self-extension, such as creating colonies, satellite and sphere of influence. Ideological self-extension is also prevalent in many forms to promote socio-economic political values of a state abroad.

(iii) **Universal long range objectives:** Universal long range objectives are those plans, dreams, visions and grand designs concerning the ultimate political or ideological organization of the international system. These objectives aim at restructuring the international system. Hitler's concept of Thousand Year Reich, the European New Order, Japan's dream of Greater East Asia, the Soviet Union's idea of World Soviet Federation, the American dream of making the world safe for democracy, De Gaulle's image of Federation of Fatherlands, are some of the illustrations of long-range objectives.

It, however, should be noted here that the first and second categories of objectives require immediate pursuit, but the third category goals are meant for long-term pursuit.

### Foreign Policy Orientation

The general policies, strategies and obligations of a state are termed as orientation. Generally, the foreign policy can be observed to have three types of orientation:



- Isolation and non-involvement, adopted by the US until the Second World War under the influence of the Monroe Doctrine.
- Non-alignment, adopted by most of the Third World countries, particularly India.
- Coalition making or alliances, adopted by the states having common economic problems and common enemies, e.g., NATO, CENTO, WTO, OAS, OAU, EU, ASEAN, SAARC, etc.

## NOTES

### CHECK YOUR PROGRESS

1. What is the primary focus of India's foreign policy?
2. State the primary purpose of foreign policy.
3. List the essential components of national interest of any state.

## 1.3 APPROACHES TO THE STUDY OF INDIA'S FOREIGN POLICY

International relations is a study of international behaviour in the model of states. Its central interest is to analyse the action and interaction of states in relation to one another. International behaviour of states is really a reflection of the ends and means followed by them in regarding the outside world. The foreign policy of a state describes collectively with these ends and means and methods. The study of foreign policy, therefore, has naturally emerged as the core study of international relations everywhere.

Most of the studies of foreign policy have not focussed on the comparison of policies of different states. They have concentrated on understanding in a more general way, the kinds of processes used in various states to implement foreign policies. Various scholars have tried to probe the effects of these processes on the resulting outcomes. The study of foreign policy processes runs counter to realism's assumption of a unitary state actor, therefore realists tend to reject these approaches.

Approaches to the study of foreign policy have taken different forms. According to professors Black and Thompson, historical, legalistic and descriptive methods have dominated this study for a considerable period of time. In the initial phase, the study of foreign policy has developed along with diplomatic history. It has been the most traditional approach. Black and Thompson made an effort to reconstruct 'the diplomacy of a particular period with accuracy, precision and due attention to the major events'. It did not lead to any formulation of a general law or a theory or a conceptual framework. The object consisted of a detailed and systematic study of selected powers, mainly great, at a given time. It sought to enlighten the present by a reference to the past.

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In comparison to the historical approach, the legalistic approach seeks to analyse the legal background and framework of international relations. It is broadly popular and its focus of interest is the present background. An extensive study of international law has been led by this approach. It also analyses the external relations of states and internal problems of government, including constitutional provisions, laws, treaties and regulations. An investigation into techniques and procedures for the improvement of the stability of the world order has also been led by this approach.

Descriptive approach is also known as the general approach. Descriptive approach describes, in some detail, the foreign policy of selected powers. Sometimes, this policy is described in the background of some current events or institutions. However, the selection is obviously influenced partly by the personal interest and bias of the analyst and partly by the country represented. At times, attempts to formulate theories and establish a conceptual framework have been led by this study.

The most important of all approaches has however been broadly classified as ideological and analytical. According to professors Thompson and Macridis, these two basic approaches literally compete with one another in Western thought at least since the time of the French Revolution.

The ideological approach has the broadest appeal. It analyses the foreign policy as expressions of prevailing political, social and religious beliefs. The classification of foreign policies as democratic or totalitarian, libertarian or socialist and peace-loving or aggressive are led by this approach. Ideological justification for their policies is used by all states. It is preferably essential and useful to study foreign policy in ideological terms. In this view, a foreign policy is appreciated or condemned in terms of its consistency or inconsistency with the declared ideology.

In the international relations, ideology does not always present a correct criterion of actions of a state. Very often, it is used as a mask to serve other interests. Whenever there has been a conflict between ideology and national interest, ideology has always given the way. All inconsistencies of foreign policies of all states can be explained by this common experience. In fact, no state has so far been able to maintain a consistency in policy and ideology in its career. Contradictions between the declared anti-imperialism of the United States with special claim to hemispheric influence in Latin America, anti-imperialism of China with almost religious tolerance of the Portuguese enclave in Macao, principle of territorial integrity of the Soviet Union with the Brest-Litovsk Treaty, British pocket of Hong Kong and peaceful approach of India with Goa Liberation, are some examples of this. Foreign policies of most states, in fact, display unities that surpass individual beliefs or ideologies. Therefore, any study of foreign policy exclusively in ideological terms is bound to be narrow and ultimately misleading. At any cost, to present a complete picture of the reality of the situation will never be possible.

The analytical approach has developed as a sharp reaction to the ideological approach. It seeks to meet the inadequacies of the latter and construct

a realistic picture of the situation. Not only has it differed from others in the method of viewing problems, but also in general orientation to the field of international politics. Therefore, on this belief, the analytical approach has been developed. According to professors Kenneth W. Thompson and Roy C. Macridis, 'policy rests on multiple determinants, including the state's historic tradition, geographical location, national interest and purposes and security needs'. Hence, we can say that the study of foreign policy involves the accounting and analysis of a host of factors. According to it, each state has certain permanent interests or obligations. More than ideology, these interests dominate the foreign policy of a state, and were pretty well-known even in the 18th and 19th centuries. These are permanent, but arranged in a hierarchy of greater and lesser interests. Some interests are defended at any cost, while others under suitable circumstances and some others may never be defended at all. The 'national interest' of a state can currently be described by these approaches. The analytical approach is particularly designed to analyse and interpret such interests.

The analytical approach is sought to explore the basic determinants of foreign policy together with the multiple factors usually considered by every foreign policy-maker. It focusses on various dimensions as well as pays attention on the concept which competes interests, the power of nations to achieve their interest, the process through which policies are adopted and implemented and the international environment within which such policies interact with one another. This modern approach in history has particularly widened the appreciation and knowledge of foreign policies of state.

In addition to the above discussed approaches, there are various other approaches as well regarding international politics and foreign policy. They are discussed as follows:

- **The psychological approach:** According to the psychological approach, the dimension of cognition affects the foreign policy of a country. As per the definition provided by Oxford's Advanced Learner's Dictionary, cognition is 'the process by which knowledge and understanding is developed in the mind'. It is the process by which humans select and process information from the world around them. Due to cognition, important problems are introduced to the decision-making process. Therefore, a policy-maker's decision is influenced by cognition. The policy-maker will formulate the foreign policy based on his understanding and perception of the world. Various studies conducted in the past show that the perception and understanding of the policy-makers have indeed affected their decision making process. When looking at the cognitive approach of foreign policy the belief system of the decision makers has to be understood. The foreign policy of a country may remain the same for years, however, as the policy-makers change, each according to his or her understanding contribute to the formulation of the policy in a certain way.

The psychological approach is a contrast to rationality. While there are those who debate that the policy-makers are rational and they rationally

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take all the decisions, yet the supporters of the psychological approach feel otherwise. They assert that each policy-maker has a different psychology and the decisions of policy making are affected by it. However, according to Jervis, one ultimately seeks to downplay the significance of psychological factors in foreign policy by stressing the importance of the operational environment as a determinant of foreign policy, independent of the psychological environment. He further says that foreign policy cannot be usefully explained if one does not take into account several levels of analysis in addition to the individual level. At the individual level, considerations of perception, cognition and personality do matter, namely bureaucratic constraints, domestic influences and the external environment. Moreover, images, perceptions and ideology are not the products of individuals but rather emerge out of society, i.e., they are 'socially constructed', and therefore it is not especially relevant to focus on individuals alone. It would be more meaningful to focus on the social context within which they operate.

- **Psycho-analytic approach:** According to the psycho-analytic approach, an individual's personality is influenced by childhood experiences. Every individual has different goals and the way in which they pursue those goals is also different. Individual decision-makers not only have differing values and beliefs, but also have unique personalities—their personal experiences, intellectual capabilities and personal styles of making decisions will differ. Many scholars study individual psychology and are of the opinion that it affects a person's decision making ability. For example, the 42<sup>nd</sup> President of the United States of America, Bill Clinton, was often criticized for his foreign policy. A notable personality trait of Clinton was his readiness to compromise. Clinton himself has noted that his experience of growing up with a violent, alcoholic step-father shaped him into a 'peacemaker, always trying to minimize the disruption.'
- **Decision-making approach:** This approach and theory falls within the sub-field of foreign policy analysis and within the larger field of international relations. Foreign policy analysis is distinguished from other theoretical approaches in international relations by its insistence that the explanatory focal point must be the foreign policy decision-makers themselves and not larger structural or systematic phenomena. Explanatory variables from all levels of analysis, from macro to micro, are of interest to the analyst to some extent that they affect the decision-making process. Foreign policy analysis, thus, of all subfields in international relations, is the most radically integrative theoretical enterprise. Investigations into the roles that personality variables, perception and construction of meaning, organizational process, domestic politics, group dynamics, bureaucratic politics, culture and system structure play an important role in foreign policy decision-making and are the core research agenda of Foreign Policy Analysis (FPA). Richard Snyder and his colleagues

Henry Bruck and Burton Sapin, one of the founders of FPA, believed that these are important as they have an impact on the only true agents in international affairs—human decision-makers. They choose the focus of decision-making for the study of the processes of policy formulation. How and why do national actors behave as they do, is the basis of inquiry in decision-making analysis. This approach focusses inquiry on actors called decision-makers and on the state defined as decisional units. The actions of the state are seen through the actions of decision-makers. The setting in which foreign policy decisions are made is the one which is perceived by the decision-maker. The setting is conceived as consisting of internal and external parts. The internal setting includes personalities, roles, the governmental structures within which the decision-maker functions, organizations in the decisional units, the physical and technological conditions, the basic values and goals and the various influences operating in the society. The external setting includes all the relevant factors in the total situation of the international system existing at a particular time. James Robin concluded that the organization and internal process of the legislature determine the actual nature of a foreign policy. However, such studies have value where legislature and public opinion are consulted in the formulation of a foreign policy.

Let us take a more process-oriented approach towards understanding what foreign policy is. One could use the policy positions of various actors as the dependent variable, tracing how a particular position becomes dominant within a decision-making group over time. One could take a step back and examine how such policy stances crystallize in the first place from basic cognitive processes such as perceptions, problem representation and construction of meaning. To ask how the decision-making group comes to be in the first place, another back-step would be required within society, how structures and processes of groups are created and changed over time. Role conceptions concerning the nation-state, and concerning various institutions and groups within the nation-state, could also be the focus of inquiry.

Generally, foreign policy approaches fall into two general categories, namely idealist and realist. While the realist approach is based on state security, extends its national interest through pragmatic and rational means and can be security-oriented, the idealist approach, on the other hand, is based on values and norms, and tends to be collaborative in nature. Thus, Iran's foreign policy can be characterized as 'realist idealism'; it can be further defined as reformist, as it expresses dissatisfaction with the existing international system.

Realist approach in foreign policy emphasizes the concept of power. It can be compared to the atom energy in physics or to silver value in the economy. According to Morgenthau, the aims of foreign policies force politicians to use ideology in order to mask the short-term goal of their action, i.e., to gain power. For realists, the fundamentally anarchic condition of the international system is the most important guide to decision-making in foreign policy making. Realists believe that all the state's foreign policies conform to basic parameters set by the

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anarchic international system and that scholars need to investigate the influences of the structure of international system and the relative power of states in order to understand the outcome of foreign policy decisions. Calculations of national interest are self-evident and can be rationally arrived at through a careful analysis of material conditions of states as well as the particulars of a given foreign policy dilemma confronting states. The classical realism formulation of balance of power provides a crude but effective tool for analysing state action in international affairs.

The idealist approach to foreign policy regards power politics as a passing phase of history and presents the picture of a future international society based on the nation of reformed international system, free from power politics, immorality and violence. This approach aims at bringing about a better world with the help of education and international organization. This approach is quite old and found its faint echoes in the Declaration of the American War of Independence of 1776 and the French Revolution of 1789. It visualized a world order free from war, inequality and tyranny. This new order would be marked by constant progress in human welfare brought about by the use of reason, education and science.

### CHECK YOUR PROGRESS

4. What, according to professors Black and Thompson, are the methods that have dominated the study of foreign policy?
5. What is cognition?
6. How is foreign policy analysis distinguished from other theoretical approaches in international relations?

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## 1.4 DOMESTIC AND INTERNATIONAL DETERMINANTS OF INDIA'S FOREIGN POLICY

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National interests are of various kinds. Thomas W. Robinson classifies national interest into the following six categories:

- (i) Primary interests
- (ii) Secondary interests
- (iii) Permanent interests
- (iv) Variable interests
- (v) General interests
- (vi) Specific interests

Robinson also refers to three other types which are collectively called international interest. A state also needs to promote its international interest. In order to do so, a state may take coercive measures, make alliances or diplomatic negotiations.



### 1.4.1 Factors Essential in the Making of Foreign Policy

Formulating a foreign policy is a dynamic process. Normally, a change of government does not mean a change in the fundamentals of foreign policy of a state, although a revolutionary change in the political set-up may result in drastic changes in a state.

The foreign policy normally remains unchanged because the foreign policy of a state is determined by a number of factors, many of which remain static or unchanged. Some factors may be changed, but their influence or impact in shaping the foreign policy of a country is usually secondary. The foreign policy of a country is 'compounded out of many factors and forces'. All of them interact as well as determine the foreign policy. Some of them are permanent, some are temporary, some are obvious, others obscure. In devising its foreign policy, a nation must consider certain basic facts of existence. This frame of reference includes:

- Geo-strategic (geographic strategic) situations
- Population potential
- Economic endowments
- Ideological environment

According to Norman Judson Padelford and George Arthur Lincoln, authors of *The Dynamics of International Politics*, 'Fundamentally, foreign policy has its roots in the unique historical background, political institutions, traditions, economic needs, power factors, aspirations, peculiar geographical circumstances and basic set of values held by a nation.' According to J. Bandopadhyay, author of *The Making of India's Foreign Policy*, the basic determinants of foreign policy include geography, economic development, political traditions, domestic milieu, international milieu, military strength and national character. The foreign policy of a country is influenced by so many elements that it is not possible to enumerate all of them here. However, some of them are discussed in this section.

#### (i) Historical factors

History determines the boundaries of states and also a legacy which furnishes the guidelines for the foreign policy at the present time. It determines the prevailing tradition and the self-image of a society and therefore, the specific national style. The French concern with security, honour and glory, the Russian addiction to secrecy, and the American habit to interpret international issues as moral issues have, definite and specific historical roots. Such a national style, in every case has expressed itself in the formulation and pursuit of foreign policy.

The cultural and historical traditions of a country also deeply influence the foreign policy. A country generally possessing a unified common culture and historical experience can pursue an effective foreign policy because of the support of all sections of society who share the same values and memories. On the other hand, a country which is culturally and historically fragmented cannot

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pursue an equally effective foreign policy. Commenting on France in particular, Duroselle, a French historian, has remarked, 'France... is much more a "product of history" than a "geographic entity".' History has determined the French quest for natural frontier as well as security against Germany. National history has been one of the most important in the development of the Chinese foreign policy. It has been the case in every state.

Therefore, British imperialism in India and our struggle for freedom against colonialism and imperialism has had direct impact on the foreign policy of India. It was the outcome of our history that led India to give its complete support to freedom struggles in Afro-Asian countries and fight against racial discrimination.

### **(ii) Population**

Population plays an important part in determining the foreign policy. The foreign policy of a country regarding political, economic and military phases is also conditioned by the size, character and distribution of its population. However, the size of a country's population alone is not an index of its economic and military greatness. The degree of social integration, adequacy of political control and extent of industrialization, characterize the power of a country. Nevertheless, the dynamics of population constitutes an important consideration. Naturally, countries having high birth rates like China and India can count upon a reservoir of manpower. England and France have suffered a setback because the population has been declining in these countries (it is relevant both in quantitative and qualitative terms).

There is a normal expectation that the greater the population, the greater will be its power. Population determines the standard of living, values, and the way of life and even expectations of a nation. Even great powers like the United States and Russia have shown respect to this factor.

Apart from the quantity, the quality of population as revealed in its educational level, skilled labour, technical know-how, health and strong national character is a factor of foreign policy. Ultimately, the quality of population determines the quality of political system, public administration and even leadership.

### **(iii) Factor of quality government**

One of the major influences on the foreign policy of a state is the quality of government and leadership. Government converts a potential power into actual power. Its popularity efficiently organizes the public administration. Even the quality of civil servants is, in the long run, a determinant of foreign policy. Every single state's foreign policy is an integral part of its peculiar system of government.



#### **(iv) Factor of economic development**

The basis for many principles of a foreign policy is also provided by the economic condition of a particular state. No state in the world is economically self-sufficient. Even United States is greatly dependent on world trade for economic prosperity. Most of the problems regarding the economy arise from this mutual interdependence of the economics of states. An agrarian state, primarily like Argentina, must sell its wheat, wool and beef to an industrial state like England and buy industrial products such as tractors, cloth and automobiles in return from such a state. This interdependence leads to international economic activity which is expressed in terms of tariffs, import quotas, trade agreements and other financial arrangements. The practice of economic specialization of production and free trade in goods is not followed by states. They rather follow the practice of 'economic self-sufficiency' which leads to maladjustment in international economic relationship. Economic tension in the world which sometimes takes the form of political and military action is created by this maladjustment. By nature, all the states are not equally endowed with such critical raw materials as iron, coal, oil, rubber, uranium and other products essential to warfare. Such types of differences are further heightened by unequal capacity to utilize the available resources. Therefore, states construct their foreign policies in such a way so that the supply of war materials may not run short and their trade may have a favourable balance. International economic activity also needs facilities and protection of foreign investments. Both Britain and the United States are more interested in the Middle East because they have investments in the oil of this region. A state's capacity to solve such economic problems is reflected in its foreign policy. Most of the states have added to their power and prestige by acquiring control over economic resources. Again, an industrial country is expected to have a higher gross national product (GNP) and can devote greater funds for external purposes, namely, economic aid programme, military ventures and extensive diplomatic commitments. On the other hand, industrially backward countries are not able to actively involve themselves in external affairs. The lack of scientists, engineers and other specialists in the country prevents them from taking advantage of the technological break-through abroad.

#### **(v) Factor of natural resources**

This is another important element for the foreign policy of a state. National resources, including food, minerals, metal and water resources, constitute a vital element of national power and consequently of foreign policy. Abundance of these resources certainly enhances the importance of a country. For example, the international importance of the West Asian Countries has been underlined due to the presence of petroleum. These countries account for 80 per cent of West Europe's oil supplies. Food and energy are equally essential. If they are not locally available, they have to be secured through international cooperation. Availability of strategic and important raw materials will always enhance a country's effectiveness in foreign affairs. Their absence will correspondingly weaken a country's international stature.

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### **(vi) Factor of industrial development**

Industrial development plays a vital role in determining a state's foreign policy. It has already provided the criterion of the classification of states as advanced and underdeveloped or developing. Most of the industrial powers like the United States, Russia, Britain and Japan have enjoyed a powerful status. To use foreign aid as a new instrument of foreign policy has also been granted to such powers. However, the developing and industrially weak countries are fated to a relatively ineffective role in international affairs. This weakness definitely sets certain limits on their policy choices, which leaves little scope for active initiative and leadership.

### **(vii) Ideological factor**

The foreign policy of a nation is mostly influenced by its ideology, which subscribes to certain fundamental beliefs relating to the distribution of power in society. The foreign policy of a nation is conceived in the minds of politicians or political leaders. Policy is expressed in terms of the beliefs and behaviour of these political leaders, although they are conditioned by custom and tradition.

There is considerable reflection as to whether ideology by itself constitutes one of nation's vital interests. At times, a leader makes use of ideology only to justify his policy or behaviour in familiar terms which is acceptable to his countrymen. Yet, occasionally, at other times, a nation is at war not for national defence, but only to force others to accept its ideology. However, ideology alone is not a policy goal for reflecting the realistic view on this matter. The fact is evident that nations professing opposite ideologies live in peace with each other for a number of years. Yet, the contradictory evidence is also available. If we do not take into consideration 'world revolution' as one of its objectives, the foreign policy of the former Soviet Union cannot be fully explained. The expansion of communism was a bona fide goal. Russian empowerment since 1945 aimed to achieve the establishment of communism as much as its political domination. However, the importance of ideology in the constituents of foreign policy should not be aggravated. They are only used simply to conceal the real facts of a situation or real motives of ambitious rulers.

### **(viii) Factor of military strength or capacity**

The military strength or capacity of a country has a direct impact on its foreign policy. Only those states or nations with a strong military have adopted aggressive postures. Possession of large and powerful armed forces equipped with modern sophisticated weapons of warfare is essential for making an effective and aggressive foreign policy. It is the final element of the power status of a state and consequently of its ability to play an effective role in world affairs. A state with a weak military machine will normally be at a disadvantage, even at peaceful negotiations. Ordinarily, a military superior state or nation would try to pursue a bold policy to maximize its gains and a weak state or nation would try to minimize its disadvantages.

**(ix) Geographic strategic (geo-strategic) factor**

Geo-strategy is an important factor in the formation of a foreign policy. Geo-strategy, a subfield of geo-politics, is a type of foreign policy guided principally by geographical factors as they constrict or affect political and military planning. As with all types of strategies, geo-strategy is concerned with matching the means to an end. In this case, matching a country's resources, whether they are limited or extensive with its geopolitical objectives, this can be local, regional or global. Strategy is intertwined with geography, as geography is with nationhood, or as Gray and Solan state it, 'geography is the mother of strategy'. It is generally said that 'pacts may be broken, treaties unilaterally denounced, geography holds its victim fast'. A nation can escape anything but the constraints of geography. In a geographical situation, the characteristics of size, topography, shape and climate are important. A large size is required to support a huge population—a climate which is uniform and conducive to physical vigour, preferably either temperate or tropical highland. It should have a topography that offers boundaries with natural defence barriers such as mountains, forests, swamps, rivers, deserts and oceans. It should have a shape which is compact rather than elongated or disjointed like Pakistan till 1971, and thus easy to defend, provide part of the necessary power potential allowing a state to pursue an independent foreign policy. Before the arrival of modern military and machines, topography and terrain were considered as a great asset in maintaining national security. America isolationism was made possible due to its location between the Atlantic and Pacific oceans. The great African deserts similarly protected Egypt for centuries and the Alps served as the protector barrier between France and Italy, and the Himalayan mountain range protected India.

The character of foreign policy has been influenced by the considerations of shape, mass and geographic configurations. In olden times, landlocked states heavily depended upon infantry and those having extended coastlines depended upon naval forces. The solid land masses of China as well as Russia have more than once served to check the advancing invading armies. The importance of a particular nation's position in the world depends upon the possession of rich resources such as food and minerals, upon the degree of industrialization, and upon the location on or near the major ocean trade routes and world commercial centres.

However, one can say that the geo-strategic factors of foreign policy in relation to the traditional viewpoint were developed much before the demonstration of the importance of air power extended by the invention of nuclear weapons. In the context of new technological developments, this view seems to suffer from much amplification and rhetoricism. We no longer believe in statements phrased in deterministic language such as, 'the geographical position of a nation is the principal factor conditioning its foreign policy' or, 'England was destined by geography to command the seas' or, 'sea routes have beckoned the Japanese abroad'. This effect of geography on the political phenomenon has become the victim of the law of diminishing utility in view of technological revolution and scientific progress.

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We cannot deny that many of the above mentioned geographical characteristics and the resulting political implications will still remain owing to the advent of air power, which has revolutionized these. In the present time, instead of land or sea surface distance, air distance and weather conditions have assumed great military importance. Within 24 hours, any distance can be covered. In 45 hours, heavy bombers can encircle the globe. Atom, hydrogen and cobalt bombs have revolutionized the old concepts of national security. No country today on earth can escape from an attack. There is no defence against nuclear missiles.

### **(x) Factor of public opinion**

Public opinion has become an important factor in shaping the foreign policy. A foreign policy is not formed in the secrecy of an office any more. It is formulated in the open and public opinion can often force a change in the foreign policy and in its implementation. It was the strength of the public opinion in American politics which forced their government to order the withdrawal of American forces from South Vietnam. Again, it was public opinion against the British in the Suez crisis that forced the Eden Government to resign in 1957. It was due to the fear of annoying a minority community that compelled Indian foreign policy-makers not to establish diplomatic ties with Israel for four decades.

### **1.4.2 National Interest as a Determinant of Foreign Policy**

National interest is the 'key concept' in a foreign policy. In fact, it is the starting point in foreign policy-making. If foreign policy is the result of interaction between ends and means, national interest, which is the end, must be clearly understood. National interest indeed is the keynote of international politics. It is generally said that 'self-interest is not only legitimate, but a fundamental cause for national policy'. In the words of Morgenthau, 'as long as the world is politically organized into nations, the national interest is indeed the last word in world politics.' The great realist scholar, who has been described as the 20th century descendant of Kautilya, further stated that all types of politics, is a struggle for power. No government can act contrary to the national interest of the country. No country, whatever its ideals, can afford to base its foreign policy on considerations other than the national interest. Lord Palmerston, before the 20th century, opined that 'we have no eternal allies and we have no eternal enemies. Our interests are eternal and those interests it is our duty to follow.' It is also true that friendship or enmity between states continue to change as environmental changes occur and as every state seeks to promote its self-interests. If the interest of two nations clash, they either make adjustments after negotiations or go in for a policy of confrontation. The first US President, George Washington, emphasizing on this aspect, declared that it is a maxim, founded on the universal experience of mankind that no nation is to be trusted further than it is bound by its interest, and no prudent statesman or politician will venture to depart from it.

The term national interest, no doubt, is used in different senses by different writers. These uses of the concept have been classified by several writers. Joseph Frankel, in his book entitled, *National Interest*, classifies the uses of the term 'national interest' as aspirational, operational, and explanatory and polemical. On the aspirational level, national interest refers to the vision of the good life, to some ideal set of goals which the nation would like to realize if this were possible. On the operational level, national interest refers to the sum total of its interests and policies actually pursued. On the explanatory and polemical level the concept is used to explain, evaluate, rationalize or criticize foreign policy.

Before we draw any inference from these contradictory opinions, we should first attempt to understand the implication of 'national interest'. Undoubtedly, national interest is a singularly vague idea. It is an exceptionally nebulous and unclear concept. It assumes a diversity of meaning in the various contexts in which it is used. In fact, no agreement can be reached about its ultimate meaning. As a matter of fact, the concept of national interest has never been objectively or scientifically defined. However, many writers have tried to explain the term. For example, Norman J. Padelford, George A. Lincoln and Lee D. Olvey, authors of *The Dynamics of International Politics*, have rightly observed that 'concept of national interests are centred on core values of the society, which include the welfare of the nation, the security of its political belief, national way of life, territorial integrity and its self-preservation.' According to Morgenthau, the content of national interest is determined by the political traditions and the total cultural contexts within which a nation formulates its foreign policy. He maintains that the main requirement of a nation-state is to protect its physical, political and cultural identity against encroachments by other nation-states.

National interest has been described as 'the general and continuing ends for which a nation acts.' Bandopadhyaya opines that 'every state aims at preserving its political independence and territorial integrity by safeguarding its territorial boundaries. The means may vary... but the national interest in the preservation of territorial integrity is clear.' This idea has been explained in clearer terms by Spykman. He says 'because territory is an inherent part of a state, self-preservation means defending its control over territory; and because independence is the essence of state, self-preservation also means fighting for independent status... the basic objective of the foreign policy of all states is the preservation of territorial integrity and political independence.'

This variety, regarding meaning and contents of national interest, made Raymond Aron completely sceptical about the existence of national interest. James Rosenau also shares his scepticism. There is no doubt that the nature of national interest prevents or avoids the possibility of full rational definition. However, in spite of all the difficulties of definition, foreign policy is usually based upon the concept of national interest. The concept remains centrally important in any attempt to describe, explain, predict or prescribe the international behaviour.

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All nations need an unending search for national security, political independence and territorial integrity. Next to security comes the promotion of economic interest, which includes the preservation or acquisition of favourable conditions and terms of trade. Though security and economic prosperity are core components, the national interest of a country may include other elements also. For example, the maintenance of international peace, the promotion of international law or the establishment of global organization may also be amongst the objectives of foreign policy of some states, especially great powers. As Karl Deutsch opines 'the larger and more powerful a nation is, the more its leaders, elites and population increase their level of aspiration in international affairs.' Such foreign policy goals, such as 'milieu goals', are described by Arnold Wolfers. Finally, some countries believe it to be their national interest to serve some kind of world mission such as 'world revolution,' 'containment of communism', and 'defence of frontiers of freedom'.

Often, it is seen that a particular type of government may have wrong beliefs or misconceptions about the national interest of the country. Policies based on such beliefs are bound to fail, but so long as a leader is in power he tries to pursue the policy based on his perception of national interests. Hence, Napoleon had once said that he was acting in the interest of France when he initiated his campaign against Russia, and later when he announced his violent and lawless battle at Waterloo. Adolf Hitler justified his expansionist policies, including annexation of Austria and break of Czechoslovakia (1938) in Germany's national interest. British Prime Minister Chamberlain was determined to appease the dictators of Germany (Hitler) and Italy (Mussolini) because he assumed that it was in Britain's national interest. The Government of Pakistan tried to convince that it was in its national interest to destabilize the Indian state of Jammu and Kashmir. These exceptions, apart from a well thought-out foreign policy are based on the genuine perception of the country's goals and objectives and, therefore, its national interest.

The primary claim of a nation of its national interest may be a player of interest for other nations as well. In today's world each nation has to accommodate its interest with those of the others. Today, national interest is being challenged by competing interests such as regional, global and even sub-regional interests. Our generation will have to decide whether to give precedence to nations whose strategic, economic and socio-cultural needs are better satisfied in a broader, i.e., regional or global setting or to the state in its existing boundaries. In present times, the foreign policy-makers are forced to define the objectives in such a manner which are acceptable to others and importance has to be given to a sort of international consensus about what is morally permissible in international relations.

In 1947, Jawaharlal Nehru had declared in the Constituent Assembly (Legislative) of India 'whatever policy we may lay down, the art of conducting the foreign affairs of a country lies in finding out what is most advantageous to the country... whether a country is imperialistic or socialist or communist, its foreign minister thinks primarily of the interests of that country.' However, the

overriding role of national interest in foreign policy-making is denied by certain idealist statesmen. The US President, Woodrow Wilson who had led the allies to victory in the First World War, said 'It is perilous to determine the foreign policy of a nation in terms of interest...we dare not turn from the principle that morality and not expediency is the thing that must guide us. We have no selfish ends to serve.' This is considered as an exceptional view which is not generally shared by statesmen. However, Mahatma Gandhi, though he was never in the government, was one of those who insisted on the value of morality. For instance, after independence when he went on a fast unto death to compel the government of India to pay ₹ 55 crores to Pakistan, Gandhi was emphasizing morality even at the cost of national interest. But, what exactly is national interest?

We can say that as a general organizing concept 'national interest' is unlikely to disappear within the foreseeable future although the states will probably be increasingly circumscribed in the freedom of its definition. It is bound in a more liberal and enlightened form to be interpreted. In other words, it will have to accommodate the ideal of international integration and the concern for the survival of mankind in its conceptual framework to become legitimate.

### **Kinds of National Interest**

There are various kinds of national interests which will further help to clear the concept of national interest. The broad classification of national interest is as follows:

- (i) Primary interest
- (ii) Secondary interest
- (iii) Permanent interest
- (iv) Variable interest
- (v) General interest
- (vi) Specific interest

They are described as follows:

- Primary interests of a nation include the preservation of physical, political and cultural identity of the state against possible encroachments from external powers. These interests are permanent and the state is duty-bound to defend them at any cost. There is no question of compromise.
- Secondary interests are not as important as primary interests. They cover the protection of its citizens abroad and enduring of diplomatic immunities for the diplomatic staff.
- Permanent interests are the long-term interests of the state, which are also proportionally constant. There is either no change or very slow change in the permanent interests. An example of this type of national interest is Britain protecting its overseas colonies and flourishing trade by maintaining freedom of navigation during the past few centuries.

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- Variable interests are those interests, by which a nation considers something essential for national good in particular circumstances. Therefore, the variable interest can differ from both primary as well as permanent interests. These interests are determined by 'the cross currents of personalities, public opinion, sectional interests, partisan politics and political and moral folkways'.
- General interests refer to those positive conditions of a nation which apply to a large number of nations or in several specific fields, such as economic, trade and diplomatic intercourse. For instance, maintaining balance of power on the European continent was the general interest of Britain.
- Specific interests refer to the logical outgrowth of general interests defined in terms of time as well as space. For instance, Britain has considered it a specific national interest to let the Low Countries remain independent so that the balance of power in Europe is preserved.

In addition, there are the following other types of interest:

- Identical interests refer to the interests common to several states. For instance, both the US and Britain hope not to see Europe being dominated by any single power.
- Complementary interests of the nations are those that are far from identical and can help form the basis of agreements on some specific issues. For instance, Britain wished Portugal to be independent of Spain so that it could have control over the Atlantic Ocean. Portugal too was in favour of Britain's hegemony because it considered a safe means of defence against Spain.
- Conflicting interests are the interests are not fixed and keep changing according to the course of events and diplomacy. Thus, it may so happen that with time and circumstances, conflicting interests may transform into complementary interests. Similarly, the complementary and identical interest can also transform into conflicting interests.

### Methods for the Promotion of National Interest

Three most important methods which can help promote national interests are coercive measures, alliances and diplomatic negotiations:

- (i) **Coercive measures:** These measures, if adopted by the state, can help in the advancement and enforcement of its national interest. These measures are considered coercive, if they are violent in character, and may lead to international crisis. The measures operating directly upon the state to be influenced or coerced, actually involve the use of physical force. These measures include the actual display of force. For example, to tell the world that America was against terrorism and assert its power, George Bush Jr. declared war against Afghanistan after the World Trade Centre attack of 9/11.



- (ii) **Alliances:** Two or more countries form alliances to protect and promote common interests. Owing to the alliance, the protection of these common interests becomes a legal obligation which the member states are bound to perform as a duty. These types of alliances may be concluded for the protection of a large number of national interests. The nature of the alliance is determined by the type of interest it seeks to protect. Therefore, we can say that the nature and the duration of the alliance will depend on the relative strength of those interests.
- (iii) **Diplomatic negotiations:** These negotiations generally help to reconcile the divergent interests of the state through a process of 'mutual give and take'. Diplomatic negotiations are fruitful only if the interests of the concerned states are complementary or compatible. An agreement in such cases can be reached through mutual bargaining. On the other hand, if interests are incompatible or conflicting, negotiations become virtually impossible.

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### 1.4.3 Power as a Determinant of Foreign Policy

The concept of power is one of the most controversial and crucial concepts in the glossary of international politics as well as foreign policy. It figures prominently in the theory of international politics. Power, undoubtedly, is an essential element of politics. Foreign policy has been referred to as a synthesis of ends and means, and power has been identified as the means. It will be suitable to briefly indicate the meaning and importance of power in foreign policy. Power is a phenomenon of all relationships. Though 'power' has been defined by several scholars, the idea behind all the definitions is the same. According to one scholar, power has been explained 'as the ability or capacity to control others and get them to do what one wants them to do and also to see that they do not do what one does not want them to do.' In international relations 'power' is a central concept. Kautilya discussed this concept as the master of statecraft in ancient India. He interpreted it as 'the possession of strength' derived from three elements namely, knowledge, military might and valour.' In the last century, Hans Morgenthau opined the same feelings. He described all kinds of politics as a struggle for power. Therefore, international politics is the struggle for power among states. According to him, power is one man's control over the minds and actions of other men. In international relations, power is a state's ability to make its will prevail and to enforce respect and command obedience from other states. Professor Mahendra Kumar's definition of power implies that power it is an ability to get things done as Actor A wants Actor B to do. If 'A' succeeds, it has power. This ability, when exercised, enables a state to control the behaviour of other states. Generally, it is said that foreign policy aims at the regulation of behaviour of other states. Power alone enables states to formulate and implement their foreign policies successfully.

Similarly, Robert Dahl also explained power in such ways as, 'A' has power over 'B' to the extent that it can get 'B' to do something that 'B' would not otherwise do. Thus, every state, irrespective of its size, possesses the power to

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secure compliance from some other state. Power as aforesaid, is a vital means of a state. Since every state desires more and more power, it often becomes an end in itself. In the words of political scientist, professor V. V. Dyke, power is both 'the capstone among the objectives which the states pursue and the cornerstone among the methods which they employ'. Power is used by most states as a means of attaining national objectives which are constituents of their foreign policies. Theodore A. Coulombis and James H. Wolfe, authors of *Introduction to International Relations: Power and Justice*, defined power as an umbrella concept that denotes anything that 'establishes and maintains the control of Actor A over B'. According to Coulombis and Wolfe, power has three ingredients:

- (i) Authority
- (ii) Influence
- (iii) Force

Together, these three forces constitute power. Authority means voluntary compliance by Actor B of the wishes of Actor A, out of respect, affection, etc. Influence has been defined as use of instruments of persuasion by Actor A to get his wishes accepted by Actor B, who might be initially reluctant to carry out wishes of Actor A. Finally, force means coercion of Actor B by Actor A in pursuit of its political objectives. Force has many senses. Force may mean use of force, short of war, or threat. Therefore, Actor A may exercise power depending on the availability of authority (voluntary compliance), influence (compliance by persuasion) and force (use of coercive means).

As a matter of fact, power plays the same role in international politics as money plays in the market economy. Further, power occupies an important place not only as a means but also an end. We can also say that power is neither good nor evil in itself. 'It is socially and morally neutral', defined by Lasswell. What we mean by power in the context of international politics is political power. A nation, therefore, should not be taken as engaged in international politics when it performs activities of legal, economic, cultural or humanitarian nature, because they are undertaken without any consideration of power.

In the context of the present era, power is the means employed by states to change, adjust or regulate the behaviour of other states. Power, thus is the means of foreign policy, whereas national interest is the end or the goal.

### 1.4.4 Domestic Determinants of India's Foreign Policy

India's foreign policy, like that of any other country, is an extension of its domestic policy and reflects the dominant domestic concerns. 'Our Policy' wrote Nehru, 'will ultimately be governed by our internal policy'. Foreign policy is a product of interest, which is governed by a country's political, economic and social structure perceived through its history, culture and tradition. There are broadly two kinds of determinants, i.e., domestic and international. The domestic determinants are enumerated in this section.

## **1. Geography**

Geographically, India is a rather big country. India had to secure its borders on the Himalayan side from countries like Pakistan and China. Apart from that, India shared a common border with a number of countries like Pakistan, Bhutan, Nepal, Burma (Now Myanmar) and Afghanistan. India's border is 15,106.70 km long. The Red-Cliffe Line, which was created in 1947 during the Partition of India, delineates India's borders with Bangladesh and Pakistan. India's western border with Pakistan is 3,323 km along the periphery of the Thar Desert and the Rann of Kutch.

An LOC or Line of Control serves as an informal boundary between India and Pakistan-administered regions of Kashmir. India claims to share a 106 km long border with Afghanistan in north-western Kashmir, an area controlled by Pakistan.

With Bangladesh, India's border runs for a length of 4,096.70 km. Bangladesh used to have 92 enclaves on Indian soil whereas India had 106 enclaves on Bangladesh soil. A strip of land that was once India's possession, Teen Bigha Corridor, on the West Bengal-Bangladesh border, was leased to Bangladesh indefinitely so that it could access the Dehgram-Angal pota enclaves.

The LAC or Line of Actual Control is the effective border between India and China that extends for 4,057 km along Jammu and Kashmir, Uttarakhand, Himachal Pradesh, Sikkim and Arunachal Pradesh.

Control of the Aksai Chin area of north-eastern Kashmir, which was claimed by both nations, was taken over by the Chinese during the Sino-Indian War of 1962. The border with Burma is 1643 km long and extends along the southern periphery of India's north-eastern states. Located amidst the Himalayas, India's border with Bhutan extends for 699 km. Its border with Nepal is 1751 km long and runs along the Himalayan foothills of North India.

The Siliguri Corridor is quite narrow due to the borders of Bhutan. Nepal and Bangladesh connect peninsular India with the north-eastern states.

The Indian Ocean is situated on the eastern part of India and Arabian Sea is located on the western side. Both sides are considered important for trade, transport and defence. India is a gateway for South East Asian countries as well as the Middle Eastern countries. In fact, it is surrounded by waters from three sides. Hence, India had to adopt a policy which could secure its border and keep the region of the Indian Ocean free from the super power rivalry. The politics of Indian Ocean also influenced India's ties with the countries of South East Asia, as most of these countries demanded the creation of a zone of peace in the Indian Ocean region. Any foreign domination of Indian region could be injurious to the national interests of India. The vast coast line of India necessitates not only a powerful navy, but also friendly relations with other naval powers present in the Indian Ocean. The United States as well as Britain has a powerful naval base at Diego Garcia.

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India has been victimized by both China and Pakistan, so its mutual interest lies in resolving all disputes in a peaceful manner. India is always in favour of establishing friendly relations with all neighbouring countries. There are other regional powers in Asia like Iran, Afghanistan, Sri Lanka, Vietnam, Cambodia, Laos, Malaysia and Indonesia, which maintain friendly and conflict-free relations with India. Keeping this view in mind, India tries to avoid disputes with all the neighbouring countries and if anything arises it aims to resolve peacefully.

It is true that the Indian armed forces were trained on the pattern of the British army. Hence, it is required to maintain closer ties with Britain. Also, due to the moral support given by the United States of America during the freedom struggle, India is obliged to it. However, the main obstacle to the foreign policy-makers of India is the hostile attitude of Pakistan. The British government divided India on the basis of the Muslim League's two-nation theory which was never accepted by India.

### 2. History and tradition

India has a long legacy of peace and internationalism. India has never launched an aggression on any other country. It has been a country of tolerance, devotion, mediation, assimilation and compromise. Its philosophy revolves around truth, non-violence, internationalism, peaceful settlement of disputes, justice, mutual love, peaceful co-existence and respect for one another. The traditional values have come down to us from the scriptures like the Vedas and *Dharmashastra* and the writings of great men like Raja Ram Mohan Roy, Swami Vivekanand, Rabindranath Tagore, Mahatma Gandhi, Bal Gangadhar Tilak and others. As Nehru said in the constituent assembly, 'The only possible real objective that we, in common, with other nations, can have is of cooperating in building up some kind of world structure, call it, one world, call it what you may'. This humanistic and internationalist thrust in Indian thought and philosophy is reflected in its foreign policy.

The three values that have helped in shaping India's foreign policy are:

- Tolerance
- The equation of means and ends
- Non-violence

#### (i) Tolerance

Tolerance is the essence of Indian tradition. India, as a country, understands that it is not necessary that the views of the other be the same as one's own views. To respect the views of others is a great virtue. As Y. Raghavan said, 'Tolerance is one of the important, if not the most important, among the concepts which invest the Indian traditional culture with a distinction and distinctness.'

Mahatma Gandhi, based on the teaching of Rig Veda, had said, 'Hinduism tells everyone to worship God according to his own faith or dharma, and so it lives at peace with all the religions'. Inscription of Ashoka, the Great, on his rock pillars also advocated tolerance.

In our domestic policy, India is committed to secularism which is rooted in the above mentioned philosophy of tolerance. In 1954, Jawaharlal Nehru and his Chinese counterpart signed the famous declaration of Panchsheel, in which this was clearly demonstrated. Mutual non-interference as well as peaceful co-existence are the guiding principles of our foreign policy, which is based on tolerance of others' views.

### **(ii) Equation of means and ends**

This is another important Indian tradition. Indeed, Mahatma Gandhi insisted on the purity of means to achieve noble ends. Because he was deeply impressed by Manu's *Dharmashastra*, which says 'one should not do a good thing by following a bad path'. Indian tradition, thus, is 'To seek to further the welfare of the state by enriching it through fraud and falsehood, is like storing water in an unburnt pot and hoping to preserve it'.

While the purity of means is the basic thrust of India's philosophy, there is no dearth of realist approach either. Kautilya, in his book, *Arthashastra*, had explained the view that what produces unfavourable results is bad policy. In the words of Kautilya, diplomacy was an art, not concerned with ideals but with achieving practical results for the state. A very important technique of this statecraft could not be ignored by our foreign policy-makers. Thus, reconciliation between the 'purity of means' and 'reduce the enemy's men' had to be brought about. This is the reason why Jawaharlal Nehru frankly admitted that moral principles could be followed in statecraft only to a limit. The action which India took in Goa in 1961 and in Bangladesh crisis in 1971 were in accordance with the leadership's perception of national interest even if it compromised the principle of purity of means.

### **(iii) The principle of non-violence or ahimsa**

Non-violence or ahimsa was not only an uncompromising faith of Mahatma Gandhi, but it is also deeply rooted in Indian tradition. Ahimsa does not only mean non-killing or abstention from doing harm to others. It indicates harmlessness in thought, word and deed and also promotion of bondless love in the entire universe. Perfect non-violence is not always possible because non-violence is a virtue. It was the view or opinion of Gandhi that the use of force by a democratic state or nation was immoral. Democracy and violence cannot co-exist at the same time. Gandhi would apply non-violence to international relations too. The acceptance of non-violence ensured lasting world peace. Jawaharlal Nehru took inspiration from Gandhi, but followed him only to a certain extent. The application of the tradition of non-violence in India's foreign policy was explained by Appadorai, as 'the deliberate acceptance of a method of approach to foreign policy problems which emphasized reconciliation, and the temper of peace, as opposed to a spirit of revenge and hatred'.

World peace is a commitment made by the Government of India and has also been included in Part IV of the Constitution, a directive to the state to seek peaceful settlement of international disputes. The impact of British rule in

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India and the influence of national movement and freedom struggle are clearly evident in shaping India's foreign policy. Appadorai said that British rule in India had a three-fold impact on India's foreign policy. First, it gave a stimulus to the national movement for freedom, which in turn, led to India's support for the freedom of dependent people. Second, racial inequality that existed during the British Rule made India realize the evils of racial discrimination and, in turn, led to India's emphasis on racial equality in its foreign policy; and third, India voluntarily chose to remain a member of the Commonwealth even after becoming a Republic. Nehru secured India under the name of Commonwealth and redefined the relationship between Britain and other sovereign members of the Commonwealth.

Gandhi directed the Indian people not to hate the sinner but to hate the sin. Most of the leaders of the freedom movement were educated in Britain. In accordance with the Western pattern of education, they valued liberty, equality and democracy. The foreign policy-makers of India gave a lot of importance to these ideals. While cooperating with liberal democratic countries, India did not oppose the socialist countries either. Non-alignment policy is not only the outcome of keeping aloof from bloc politics, but is also the result of adhering to the goals and ideals of freedom struggle cherished by the people.

Through its foreign policy department, headed by Jawaharlal Nehru, the Indian National Congress had clearly opposed dictatorship and racial discrimination. In 1946, Nehru had said, 'We repudiate utterly the Nazi doctrine of racialism wheresoever and in whatever form it may be practised'. Therefore, he declared in 1949 in the constituent assembly, 'One of the pillars of our foreign policy is to fight against racial discrimination'.

### 3. Culture

Culture is the most important factor or element of foreign policy. As far as culture is concerned, India has always enjoyed a very favourable position, even historically. India has cultural links with countries like Iran, Rome and South East Asia. Its riches have merchants and travellers for years. South-east Asian countries have remains of Indian traditions. Proof lies in the presence of temples and pagodas found in Thailand and Myanmar, and the Angkor Wat Temple in Cambodia. Various languages spoken in other countries contain Sanskrit words, such as the Bahasa spoken in Indonesia. India is the country where the Buddha preached. Therefore, Buddhist monks and scholars came to India with great expectations to study at the Indian universities. There was a natural and healthy exchange of ideas. The impact was obviously quite positive and is evident throughout Asia even today. The fact that India is trying to revive the famous Nalanda University in partnership with China, Japan, South Korea and Singapore, is proof of the importance that India gives to its ties with Asia-Pacific.

The initiative is an example of the convergence of cultural as well as relational agendas of five different countries. It is believed that Islamic preachers from India were responsible for spreading the religious and cultural values of Islam in Singapore and Malaysia. Also, India was one of the rare places in the



world where Jews were not prosecuted. India welcomed Jews and as a result still enjoys a softer foreign policy with Israel.

**Yoga**, which has been one of the most successful and enduring Indian disciplines, is practised by millions across the globe, not merely as a form of exercise but also as a stress-buster. In fact, the discipline has become a global phenomenon, and is rapidly becoming part of the cultural manifestation, particularly in the West.

**Indian cuisine** is quite popular in the West. Countries like UK, where there are a large number of Indians, have several Indian eateries. In fact, it is claimed that in the UK today, Indian restaurants employ more people than other industries such as iron and steel and shipbuilding combined. Indian food has also become popular in other Western countries. There are many Indian restaurants in the larger cities of the US and Canada.

Indian music and films are enjoyed by people in Asia, Europe, Africa and West Asia. The Russians are particularly fond of Hindi films. The fan following for Indian films in Nepal, Bangladesh, Sri Lanka, Pakistan and Afghanistan could be attributed to their proximity to India and similarity in cultures. While there was a time there was a time when Indian television channels and films were banned in Pakistan, of late, the collaboration between the Indian and the Pakistani film industries has been in the news.

The overwhelming success of *Slumdog Millionaire* at the Oscars, where three Indian artists and technicians won individual awards, shows the potential for Indian films and artists to contribute to India's relations. When Indian writers win international awards like the Man-Booker Prize, when it becomes the guest of honour at the International Book Fair like the Frankfurt Book Fair, when Indian movies are screened at International Film Festivals like Cannes or when Indians win awards like the Nobel and Magsaysay, India's policy is strengthened.

When the world thinks of India, it is not the image of a starving peasant that comes to mind any more. Indians are associated with educated and enterprising people. They are seen as skilful, talented, professionals, scientists and IT specialists.

The success of companies like Infosys and Wipro Technologies in the Information Technology (IT) sector, as well as the Tata and Reliance groups have only helped boost this image. Indian Institute of Management (IIMs) and Indian Institute of Technology (IITs) are recognized as centres of excellence for higher training, research and development in science, engineering and technology in India. Indians played a key role in the Silicon Valley revolution.

India's spirituality is also much in demand these days due to a lot of conflict and strife happening in the world. India is tolerant towards different religions and cultures. This is the land which has preached *Vasudhaiva Kutumbakam* (the whole world is one family) and *Loka Samastha Sukhino Bhavanthu* (let there be peace in the whole world). India's message of secularism is a valuable lesson for the world today. Secularism refers to harmonious co-existence of different religions with each other.

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Indian diplomats have also played a role in strengthening India's foreign policy. They have played a significant part in the international arena in the 1960s and 1970s and continue to play significant roles in international negotiations like climate change. Indian diplomats are trained in India's culture and values, have excellent communication skills as well as experience in the media and the Indian Parliament. This helps them connect with governments as well as people of other countries. With increasing globalization in culture as well as in the media, India's influence through its culture, is likely to increase in the future.

### **4. Economic and military factors**

India started with a weak economic base and also without technology or sufficient military strength. Soon after Independence, India's trade and economic ties were limited to Britain and the Commonwealth countries. So, it was natural to have friendly ties with western liberal countries, economically as well as militarily. India was a poor country and its aim was economic development through industrialization and modernization. The precondition of economic development was peace at home and generous economic and technical assistance from developed nations.

Jawaharlal Nehru was quite conscious of the fact that economic progress was and should be the root of foreign policy. Foreign aid was needed by a developing country like India whether in the form of capital or technology. However, for this, India did not want to attach itself with a particular bloc—whether capitalist or socialist. It preferred to keep its doors open to all sources of aid, whether western or Soviet. Even in pursuing the path of economic growth, India neither adopted free trade capitalism nor the communist way but adopted a middle path of democratic socialism.

India decided to follow liberal democracy and evolutionary socialism. India adopted the Soviet pattern of planned economic development but no Soviet type of government. India wanted aid and assistance from both the blocs as well as the World Bank, but without entangling alliances with anyone. India wished for a peaceful world order, because only in that situation could India hope for its rapid development. A developing country could obtain from the developed countries a large number of experts who would import specialized training for development. Most of the developed countries cleverly avoided transfer of technology to the Third World countries. India tried to formulate its foreign policy in such a way that it could obtain foreign economic assistance without strings and loans at reasonable rates of interest. Transfer of technology was made possible and it received assistance both from the West and the East. However, America and its allies were in a better position to provide assistance than the countries of the East.

This factor played an important role in shaping India's foreign policy. In earlier times, non-aligned India was said to be tilted towards the West. Such allegations were indirectly made by the Soviet media. However, once India demonstrated the strength of its will and independence of decision-making during the Korean and Suez crises, the Eastern bloc began appreciating its position.

In 1971, after the war with Pakistan and the Indo-Soviet Treaty of friendship and cooperation was concluded, the West became critical with the non-alignment and alleged pro-Soviet policy of India. However, after the Indo-China war of 1962, Indian foreign and defence policy could not remain complacent. Hence, it was decided that in matters of defence, the country would remain on its own. To purchase weapons, the scope of market was broadened by India so that the defence personnel were trained to meet any situation from any quarter. Within a short period of time, India's defence forces, using tanks and planes made in India successfully handled the Pakistani attack in 1965. Pakistani armed forces were mostly using American and Chinese weapons. India, having become self-sufficient did not seek any military alliances and followed the policy of non-alignment. India's decision to develop nuclear energy provided it an opportunity to conduct a nuclear test in 1971 and told the world that India could soon become a nuclear power, if it chose to do so.

After keeping its nuclear option open (1974–98) for several years, India finally conducted five nuclear tests in 1998. The then Prime Minister, Atal Behari Vajpayee, declared India to be a nuclear weapon state and also assured that India would not conduct any more tests. The Vajpayee government's bold decision surprised the international community, but India exercised its sovereign right. Many countries including the US condemned India. However, soon the world powers came to terms with a nuclear India, irrespective of whether countries formally recognized India as a nuclear weapon state. Even after agreeing in 2005 on a civilian nuclear deal with India, the United States described India as a 'state with advanced nuclear technology'.

### **5. Ideological factor**

Jawaharlal Nehru, who was deeply impressed by the liberal democratic ideology of the western countries, was the founder of India's foreign policy. He was also influenced by the economic policies of the Soviet Union. An incorporation of a synthesis of the virtues of western liberal democracy and Soviet socialism was what Nehru desired. However, he wanted to keep away from the evils of both. Therefore, he decided not to blindly follow the principles of foreign policy of either of the two. The British Labour Party Leader and a professor of Political Science, H. J. Laski had deeply impressed Nehru. Laski believed in an ideology that was a synthesis of Liberalism and Marxism. Nehru tried to follow Laski. The policy of non-alignment was also an indirect result of the synthesis of Liberalism and Marxism. India's policy was only influenced by Nehru's ideology. It was also influenced by the Indian philosophy of humanism and universal brotherhood. During the Cold War era, India was credited for this ideology and its attempts at friendship with both the power blocs. Gandhi's ideals of truth and non-violence were also sought to be incorporated by Nehru while shaping India's foreign policy.

### **6. Pluralistic nature of Indian society**

At the social level, India has been a pluralist society, consisting of different castes, classes, ideologies, languages, religions and races. Socially, economically,

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culturally and politically, it was and continues to be a land of diversity. Hence, in order to consolidate the integrity of the state in unity in diversity, India had to adopt a policy which could satisfy the different nationalities and sub nationalities. So, even internationally, it had to pursue a policy of reconciliation and consensus among the community of nations, keeping its national interest in mind. Similarly, while India was deeply impressed by the liberal democratic tradition of the West, it was equally appreciative of the achievements of Marxist socialism. India did not blindly follow either the West or the Soviet. It adopted a middle path of liberal democratic socialism.

### **1.4.5 International Determinants of India's Foreign Policy**

As soon as India gained Independence, the Cold War began and the world was divided into two hostile power blocs. This had a direct impact on the shaping of India's policy of non-alignment. The process of decolonization began simultaneously with the Independence of India. The main focus of the international milieu was anti-colonialism and anti-imperialism. India went ahead with the efforts to accelerate the process of decolonization and oppose all forms of colonialism, imperialism and racial discrimination. The economies of several countries had been ruined due to the Second World War. Economic reconstruction and development were already being attempted. India took advantage of this and decided on its rapid economic development. For this purpose, after the end of the Second World War, India freely sought help from institutions like the World Bank and the International Monetary Fund. Ideological conflicts were responsible for disputes, aggressions and wars. Conflicts between fascism and communism, between democracies and totalitarian states were replaced by ideological clashes between liberal democracy and Marxism. India opted to remain out of these ideological conflicts of the post-war period.

When the Cold War ended, a new international environment began to emerge which emphasized on liberalization in economies, even in countries like China. India was also inspired to shift emphasis from the public sector and partially controlled economy to the following:

- Liberalization
- Reduction of state control
- Encouragement to foreign investments in private and joint sectors

The process of reconciliation that began after the Cold War in areas such as Israel-Palestine conflict opened the doors for negotiation of bilateral disputes in different parts of the world. India, also tried to resolve its disputes with China, Bangladesh and even Pakistan. Thus, we can say that the international milieu had, and still has, its impact on the shaping of India's foreign policy.

Indeed the events of the 1990s also had a direct impact on India's foreign policy. The disintegration of the Soviet Union into 15 independent republics after the collapse of communism, fall of socialist (communist) governments in East European countries and their transition to democracy, reunification of Germany, emergence of the United States as the sole super power and end of

bipolarity, all these factors influenced India's foreign policy. One of the major developments was India's veto on CTBT (Comprehensive Nuclear Test Ban Treaty) at the Conference on Disarmament (CD) and later refusal to sign the CTBT as adopted by the United Nations General Assembly.

### **CHECK YOUR PROGRESS**

7. What led India to give its complete support to freedom struggles in Afro-Asian countries and fight against racial discrimination?
8. What is geo-strategy?
9. Name the important methods which can help promote national interests.
10. What path did India adopt in pursuing the path of economic growth?
11. What opened the doors for negotiation of bilateral disputes in different parts of the world?

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## **1.5 EVOLUTION OF INDIA'S FOREIGN POLICY**

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India won Independence in 1947 and became the world's largest democratic state after United States of America. India is also the world's second most populous country after China. It consists of people belonging to six major religions and sixteen major languages are spoken here. India, after Independence, did not want to be dominated by either of the military blocs. After the Second World War, the world was divided and dominated by two military blocs led by the capitalist US and communist USSR. The ideological differences between the US and the USSR led to tensions and the rivalry between these two blocs was referred to as the Cold War. India has always believed in a policy of peace and non-violence both in domestic and foreign affairs. India's foreign policy is based on non-alignment, i.e., not aligned to either of the military blocs. India's foreign policy made it possible for her to pursue a policy of peace and take independent action without pressure from either of the military blocs. Having been a colony for so long, India wanted to use its resources for rebuilding and developing the country, rather than spending it on arms. Thus, India adopted the policy of non-alignment.

The foreign policy of a country is determined by a number of historical and domestic factors. In case of India also, several such factors have been responsible for shaping the principles and objectives of the foreign policy. Every head of government and his/her foreign minister leaves an impact of his/her personality on the country's foreign policy. Jawaharlal Nehru was not only the Prime Minister but also the Foreign Minister for over 17 years. These were the formative years of independent India. After Independence, Jawaharlal Nehru explained the basic determinants of India's foreign policy in a speech in Lok Sabha, where he

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said 'Foreign policy is a policy inherent in the circumstance of India, inherent in the past thinkers of India, inherent in the whole mental outlook of India, inherent in the conditioning of the Indian mind during our struggle for freedom and inherent in the circumstances of the world today.' This included virtually all the basic determinants of foreign policy whether geographical conditions, economic compulsions, cultural norms, political traditions and ideals, domestic and international milieu.

### **1.5.1 Foundation of India's Foreign Policy**

During the British rule, India was surrounded by states like Afghanistan, Nepal, Sikkim, Bhutan and Tibet in the North and by Ceylon (now Sri Lanka) in the South. The Partition of British India in 1947, created two new states, India and Pakistan. This division was the result of the religious, social, ethnic and linguistic differences. These factors also disrupted the economic and cultural ties of both nations. The western and eastern parts of India were partitioned leading to the formation of West Pakistan (now Pakistan) and East Pakistan (now Bangladesh). After Independence, the leaders of India tried to build a secular state in which national identity would be above regional, religious or cultural identities. The movements for regional autonomy in Punjab, Jammu and Kashmir, Tamil Nadu and Assam were regarded as threats to Indian unity and the neighbours of India like Pakistan and Sri Lanka and later Bangladesh supported these movements. Moreover, despite the commitment of Congress leaders to the idea of secularism, communal tensions and the rising influence of Hindu political parties pushed the Indian government to identify Indian greatness with Hinduism. The inability of Indian leaders to check anti-Muslim communal violence resulted in strained ties with its Muslim neighbours.

During their regime, the British colonial rulers regarded most of South Asia as a strategic unit and they tried to exclude external powers from this region. To defend this strategic region, the British rulers set up a barrier of buffer states which surrounded India and tried to isolate India from Russia and China, as it could be threatened from the north by these nations. In order to protect India from the south, the British rulers used naval power. After Independence, the leaders of India adopted this policy by establishing a position in cultural as well as geographical perspectives. India's foreign relation was affected by this geo-strategic perception in three ways. First, India endeavoured by treaty, alliance, threats of force or economic embargo to overthrow any move by its neighbours that was judged to be harmful to its own security interests. Only Pakistan and China have been able to resist Indian actions. The Indian elite regarded their country as a regional peace-keeper whose efforts were completely defensive, rather than as a regional enforcer who imposed difficult conditions on its neighbours by virtue of its size and military strength. Second, the intervention of extra-regional powers in the region of South Asia threatened the security of India, although it had already created a predominant position in the region. India opposed any attempts by powers external to the region, whether by invitation of New Delhi's neighbours or not, to involve themselves or to establish a presence



in the region. Therefore, India always criticized Pakistan's alliance with China, the Soviet aggression of Afghanistan, the United States' military assistance to Pakistan and US naval presence on Diego Garcia. India never granted Moscow's request of the Soviet navy base in the region despite the 1971 friendship treaty with the Soviet Union.

The programme of India to build the military strength to defend its territory is essential and security interests got intertwined in the foreign policy of India. India's secret nuclear weapons programme and to develop its ballistic missile strained ties with Pakistan, China and the United States. India's refusal to sign the 1968 Treaty on the Non-Proliferation of Nuclear Weapons stemmed as much from Pakistan's similar stance as from India's belief that the treaty discriminated against the development of peaceful nuclear technology by non-nuclear weapons states and failed to prevent the qualitative and quantitative vertical proliferation of nuclear weapons among the nations already possessing nuclear arms. In 1995, 174 other states gave their approval for an indefinite extension of the treaty though India continued to refuse to sign and condemned the same as 'perpetuating nuclear discrimination'.

### **Historical Background**

British India nurtured semi-autonomous diplomatic relations before Independence. After gaining independence from the British government in 1947, India became part of the Commonwealth of Nations, lending support to independence movements such as the Indonesian National Revolution.

The Partition and disputes over territories such as Kashmir kept India's relations with Pakistan strained for many years. During the Cold War, India adhered to the foreign policy of non-alignment. In other words, it remained unaligned with any major power bloc. However, it not only maintained friendly ties with the Soviet Union but also received sizeable military support from it.

With the end of the Cold War, India's foreign policy was also affected. The country sought to make its relations—both diplomatic and economic—with the US, China, the European Union, Israel, Japan, Mexico and Brazil, very strong. India maintains close ties with the members of the Association of South East Asian Nations (ASEAN), the African Union, the Arab League and Iran. India nurtures military ties with Russia. Its second largest military partner is Israel. It also builds a strong strategic partnership with the US.

The Indo-US civilian nuclear agreement, which was signed and implemented in 2008, reflected the positive progress in Indo-American relations.

### **1.5.2 Formulation of India's Foreign Policy**

India's foreign policy, according to Jawaharlal Nehru, ought to achieve peace and secure emancipation of the oppressed nations, elimination of racial discrimination and non-intervention in the internal affairs of other countries. He also spoke about defence of freedom both national and personal, about combating such maladies, which affects a large part of humanity as disease, poverty and ignorance. But

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he invariably emphasized that peace was the goal of India's foreign policy. One very important feature of India's foreign policy is that of the principle of non-alignment. From the very beginning Nehru strongly felt that it was not in India's interest to join any one power bloc. He said that nothing was more injurious for India than joining any power bloc. This policy implies refusal to accept a particular policy of a power bloc or to join a particular system of pacts or alliances committing India on one side or the other. It means judging every issue on its merits alone. This policy does mean policy of neutrality in the accepted sense of the term. It also does not mean sitting on the fence. It is a rather positive and dynamic neutrality. It means pursuing an independent policy. In this policy, there is no commitment to support any power bloc nation on each and every issue. In this policy, Asia occupies a very important position.

### **Role of the Prime Minister**

The new pattern for formulating the foreign policy of India set by Jawaharlal Nehru required the Prime Minister to play a strong personal role while the institutional structure itself was weak. Nehru himself was the Prime Minister as well as the Minister of External Affairs. All important foreign policy matters were handled and decided by him in consultation with his trusted advisers. The conduct of international affairs was then entrusted to senior members of the Indian Foreign Service. This tradition continued and the successive prime ministers kept on exercising control over the country's dealings at an international level. However, separate ministers of external affairs were appointed.

During the period 1964-66, Prime Minister Lal Bahadur Shastri bestowed more powers on the office of the PM. In fact, it was frequently referred to as the Prime Minister's Secretariat. By 1970, the office came to be the *de facto* coordinator of the Government of India. This enhanced and strengthened the role of the PM's office and gave it more control over foreign policy-related decision-making. However, all this happened at the expense of the Ministry of External Affairs. Advisers in the PM's office provided information and recommended actions over and above what was suggested by the Ministry of External Affairs.

The Research and Analysis Wing (RAW) functioned in several ways that expanded the information available to the Prime Minister and his advisers. RAW conducted secret operations abroad and collected information that was analysed at the Prime Minister's office. The trusted personal adviser in the Prime Minister's Office (PMO) was strongly controlled by Indira Gandhi during her two tenures, 1966-77 and 1980-84. Rajiv Gandhi, her son, who succeeded her also had strong control over PMO during 1984-89. Unfortunately, after Congress (I) lost in the general elections and the successive coalition governments of Morarji Desai, during 1977-79, V. P. Singh from 1989-90, Chandra Shekhar from 1990-91 and then P. V. Narasimha Rao's, there was lesser control of PMO. The position of the decision-making authority on any specific issue retained the dominance of the Prime Ministers in the conduct of foreign relations in the 1990s.



## **Ministry of External Affairs**

The Ministry of External Affairs is a body of the Central Government of India. The main task of this body is to look after foreign affairs. It performs duties like foreign policy-making, actual implementation of policy, and daily conduct of international relations. The foreign ministry has a few special duties such as to provide information and evaluation on time to the Prime Minister as well as the Minister of External Affairs. Another task of the Ministry is to maintain communications with the foreign mission in New Delhi, charting out a plan of policy for the future and recommending specific measures when necessary. In 1994, this ministry established its mission abroad in nearly 149 countries and maintained its institution by providing staff from the Indian Foreign Service. This ministry is headed by the Minister of External Affairs, who holds a rank of Cabinet minister as well as member of the Council of Ministers and is assisted by a deputy minister and a foreign secretary and secretaries of state from the Indian Foreign Service.

The Ministry of External Affairs comprises thirteen territorial divisions covering a large area of the world including Eastern Europe, post-Soviet states, smaller areas on India's periphery, such as Afghanistan, Iran and Pakistan. There are also functional divisions within the ministry that deal with external publicity, consular affairs, protocol, the UN and other international organizations and conferences.

The division increases activities to reflect changes in the government's economic policies and the international economic environment. In 1990, the ministry established the economic coordination unit for the assessment of the effect of the crisis of the Persian Gulf on India. It also studied the changes in Eastern Europe and the Soviet Union and the formation of a single market in the European Economic Community. The Ministry also runs the ICCR, that is, the Indian Council for Cultural Relations, which organizes exhibitions, cultural festivals, visits and other forms of cultural exchanges with other countries. ICCR also oversees the activities of foreign cultural centres in India.

## **Other Government Organizations**

Besides the Prime Minister's office and the Ministry of External Affairs, there are other government agencies that have some foreign policy-making roles. In theory, the ministers of defence, commerce and finance also discuss issues in cabinet meetings regarding foreign policy decisions.

The Parliament of India is a bicameral legislature. A limited role is played in foreign policy-making by the Parliament. The negotiated treaties and international agreements are bound on the state in a legal manner, but the domestic law is passed by an act of Parliament. The other government representatives and diplomats in the office of High Commissions and Embassies located abroad, which deal with foreign affairs, are appointed by the Foreign Ministry. The Parliament has approved government actions or sought information. The Committee on External Affairs, of the Lok Sabha (Lower Chamber) had the most

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important official link between the Parliament and the Executive in the mid-1990s. The Committee used to meet regularly and drew its membership from many parties. It usually served either as a forum for government instructions or as a deliberative body.

### **The role of political parties and interest groups**

In the mid-1990s, institutional connections between public opinion and foreign policy-making were weak or slight, as they had been since Independence. Although, international issues have received considerable attention in the media and academic circles, the views expressed by journalists and scholars in these publications do little to influence foreign policy-making. Interest groups, which are concerned with foreign relations are found inside as well as outside the Parliament, for example, Federation of Indian Chamber of Commerce International. There are other groups such as friendship or cultural societies, which promote closer ties with specific states.

Some opposition parties have often played a more effective role in foreign policy-making. However, their opinion regarding foreign policy have been found different or against the ruling party. Towards the end of the 1990s, their views had little impact on foreign policy-making in India. Besides the Congress (I), only a few parties such as the Communist Parties, the Janata Party and the Jana Sang had any influence in the formulation of foreign policy-making. One of its successors, the Bharatiya Janata Party (BJP), developed orderly or consistent platforms on foreign policy. The Communist parties were found more supportive in the formation of foreign policy of India after the mid-1950s. During the Janata Party regime (1977–79) the then Prime Minister, Morarji Desai promised to return to 'genuine non-alignment'. Both Morarji Desai and A. B. Vajpayee, the then External Affairs Minister, did not touch the policy of non-alignment due to security reasons. The foreign policy of the BJP government was different from the Congress. The BJP criticized non-alignment and advocated a more dynamic use of India's power to defend national interests from getting destroyed at the hands of Pakistan and China. The BJP always favoured the acquisition of nuclear weapons.

### **Foreign Policy and National Interest**

Foreign policy can also be referred as international relations policy or simply diplomacy. Therefore, foreign policy and diplomacy have been described as wheels with which the process of international relations operates. No state can live in isolation. The interaction between national goals and the resources for attaining them is the perennial subject of states craft. In its ingredients, the foreign policy of all nations great or small is the same. Foreign policy-makers identify the national goals to be achieved. Each individual state has to decide the degree of involvement required in maintaining relations with another country that would protect it. India's decision in 1949 to not have any ties with the racist regime of South Africa was a definite foreign policy. Similarly, the American decision not to recognize the Soviet Union after the Bolshevik Revolution till 1934 was clearly the US policy towards USSR.

The standard definition of national interest is the **survival and security of the state**. Therefore, you can say that India's national interest lies in the happiness, well-being and development of its people. From another angle, national interest is the primary element of international relations. Self-interest is not merely a legitimate cause, but a fundamental cause for national policy.

### **Foreign policy and power**

The concept of power is rather complex. It is not easy to come up with a definition that will be accepted by one and all. It is not difficult for a layman to call one country more powerful than another. However, it is very difficult to say exactly what the power consists of the US, for instance, is known to be more powerful than India. This is something known to everybody. However, what exactly is it that makes the US powerful? The sum total of power that the US possesses in comparison to other countries, is what makes it powerful. The role of power is different in domestic affairs and different in international politics. In civil societies, it is not possible to regulate all the relations by physical strength alone. Wrongs are redressed by following a set of non-violent rules and procedures.

Individuals no longer have the right to take the law into their own hands. Due to lack of rules and devices commonly agreed upon in international relations or foreign policy, the states have to protect their rights through use of force. For this purpose, various leaders like Hitler, Mussolini, Yahya Khan and Saddam Hussain had promised a glorious future for their countries but their policies often led to disaster. In the long run, a democratic regime is far more effective than a despotic system which shows only short-term gains, but chaos in the end. Besides, domestic policies always influence the foreign ones. Again, we can say that the military strength of a country has direct impact on its foreign policy.

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

India's foreign policy objectives in 1947 were to achieve a peaceful environment, strategic space and autonomy, free of entanglement in Cold War conflicts or alliances, while it concentrated on the domestic tasks of integration and nation building. Non-alignment as a policy was the ability to judge issues on the merits and their effect on India's interests and as our first Prime Minister Nehru used to say, 'enlightened self-interest'. Indian nationalism has not been based on a shared language or common religion or ethnic identity. As we sought to build a plural, democratic, secular, and tolerant society of our own, it was natural that we would look for and promote the same value abroad.

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

The goals of India's foreign policy are simple and straightforward. The primary and overriding goal has always been the maintenance and promotion of international peace and security. The ideals and objectives of India's domestic as well as foreign policy are enshrined in the Constitution of India. A former Foreign Secretary of India, Muchkund Dubey wrote,

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

The foreign policy-makers set out certain objectives before they proceeded to lay down basic principles and formulate the policy. Several of these objectives are common, though the degree of emphasis always varies.

After Independence, India had to determine the objectives of its foreign policy under very difficult situations. Internally, the Partition of British India left a deep hatred and ill-will and led to the creation of Pakistan. India was till then one economic unit. Its division created many economic problems, which were further complicated by the arrival of millions of Hindus and Sikhs, who migrated from Pakistan and had to be rehabilitated.

India, very soon, was involved in a war in Kashmir that was imposed by Pakistan-backed tribals that belonged to the North-West frontier. The leftists organized strikes which further threatened the Indian economy. India had to tackle this gigantic problem to provide its vast population with the basic necessities of life, like food, clothing and shelter. India also did not have a strong military capacity. A hostile Pakistan compounded India's security problem. India also had to deal with another problem. It was related to internal consolidation. When the British left India in 1947, there were small pockets of French and Portuguese possessions. India's first efforts naturally were to negotiate with the two powers. After prolonged negotiations, the French agreed to withdraw but military action was taken in 1961, to liberate Goa and other Portuguese pockets.

In the meantime, the Cold War had begun and East-West ties were deteriorating very fast. The international situation was not very comfortable. In this situation, India decided that world peace would be a cardinal feature of India's foreign policy. India desired peace not merely as an ideal, but also as an essential condition for its own security. As Nehru opined, 'India's approach to peace is a positive, constructive approach, not a passive, negative, neutral approach'. India, in its message to the world, has always insisted on using peaceful methods to solve all problems. Peace meant not only avoidance of war, but also reduction of tension and if possible end of the Cold War. An effective body like the United Nations was required to maintain a world order based on understanding and cooperation. International peace would not be possible until the use of weapons was not reduced.

A very important objective was to root out other causes of war by measures such as liberation of subject peoples and the elimination of racial discrimination. In order to achieve this goal, India would pursue an independent foreign policy without following any big power camp. It would also have to support and put its faith in the United Nations. A primary objective of the foreign policy meant pursuit of peace. Thus, India's goal of peace was not only directed by its self-interest, but also by idealism imbibed from Mahatma Gandhi.

Elimination of wants and diseases and illiteracy was another objective of the foreign policy. These ills were not only part of the Indian society, but also of many developing countries of Asia and Africa. While the domestic policy of India was directed at removal of want and disease, it was closely related with the question of foreign aid and assistance. Besides, India cooperated with various international agencies like WHO, FAO, UNICEF and UNESCO to fight against disease, starvation, poverty, illiteracy and famine in various underdeveloped or developing countries.

Voluntarily, India has chosen to remain a member of the Commonwealth of Nations. This association of free and sovereign countries who were colonies in the erstwhile British Empire now recognizes the British Queen as the Head of the Commonwealth and not as the Crown of a Republic like India. Before 1949, only British Dominions were members of, what was called, the British Commonwealth. All the dominions had the British Crown as their monarch. After becoming a republic, India did not want to leave the Commonwealth and decided to accept the British monarch as the head of state. India as well as other member countries continued to cooperate with the Commonwealth for mutual benefits.

India's objective, therefore, is to maintain friendly relations with all, avoid military alliances, pursue non-alignment as a moral principle, seek peaceful settlement of international disputes and promote universal brotherhood and humanism by pursuing and advocating the five principles contained in *Panchsheel*. The ideals of non-interference and peaceful co-existence have faithfully been observed by India. All these objectives have been achieved through principles and decisions of India's foreign policy. India has remained committed to peaceful settlement of disputes between states or nations, although wars were imposed upon India by Pakistan as well as China. India has always tried to pursue friendly relations with all the countries, particularly with its neighbours. India still wishes to work in pursuit of world peace and therefore for this reason it has been insisting on complete elimination of nuclear weapons and strengthening of the United Nations.

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

The basic principles of the Indian foreign policy are based on the non-aligned movement and *Panchsheel*. The term non-alignment was coined by Jawaharlal Nehru. Non-alignment refers to not aligning with any of the two power blocs during the era of Cold War. It means that India is independent to pursue its own foreign policy. Furthermore, *Panchsheel*, the second most important principle of Indian foreign policy, was signed on 29 April 1954 between India and China.

### **1. Non-alignment**

India played an important role in the multilateral movements of colonies and newly independent countries that developed into the Non-Aligned Movement. The chief architects of the policy of Non-Aligned Movement (NAM) were Jawaharlal Nehru, Joseph Broz Tito of Yugoslavia and President Nasser of Egypt. Most of the countries in Asia and Africa were impressed by this

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policy and therefore joined the non-aligned movement. Today, almost all the countries of Asia and Africa are its members. The first non-aligned conference was held in Belgrade in 1961. The Non-Aligned Movement stands for peace, independence and disarmament. It condemns imperialism, colonialism and racial discrimination. The Non-Aligned Movement succeeded in following its programme of support to countries struggling for their independence, cooperating and providing financial assistance to countries for their economic development and condemning any form of discrimination.

India had always taken an active part in world affairs. Even before gaining independence, India had involved itself in international affairs. India had condemned fascist aggression by Germany, Italy and Japan which led to the Second World War. India took a strong stand against the white minority regime that practised apartheid in South Africa. As a peace-loving nation, India supported the cause of disarmament at various international forums. The term 'Non-Alignment' itself was coined by the Indian Prime Minister, Jawaharlal Nehru during his speech in 1954 in Colombo, Sri Lanka.

It is important to understand that the concept of non-alignment of Nehru is neither non-involvement in world affairs nor neutralism. It is, in fact, an activist policy that demands taking up specific sides based on the merit of each case. This implies that issue-bound tilts in non-alignment are legitimate and the concept therefore, does not imply equidistant from both the super powers. Non-alignment is the soul and substance of India's foreign policy. It is a policy of avoiding alignment with any power bloc. Nehru claimed that non-alignment implied no political or military commitment to any bloc. It signifies a deliberate detachment from either bloc or determination to judge every issue of international concern on its own merit. According to Nehru, non-alignment is freedom of action, which is part of independence. It is a means of safeguarding national independence and contributing to world peace. On the other side, India's geographical situation—its location at the junction of South East Asia and Middle East and its strategic position in the Indian Ocean and as a neighbour of communist China in the North—made it imperative to keep away from military alliances. The policy of non-alignment is in accordance with Indian philosophy and tradition.

### **2. *Panchsheel* and peaceful co-existence**

With the end of the Second World War, movements of national independence and liberation blossomed in Asia, Africa and Latin America. Newly independent countries demanded the establishment of new patterns of international relations based on equality to maintain their national sovereignty and develop their economies. The five principles of peaceful co-existence were produced in response to this strong and common demand of newly independent nations. India and China, being two giants of Asia, established diplomatic ties on 1 April 1950. On 29 April 1954, the two nations signed an agreement on trade and communications between the Chinese region of Tibet and India. This was the first time the Five Principles of Peaceful Co-existence was introduced into the preface of the agreement. The then Chinese Premier Zhou En-Lai visited

India and Myanmar in 1954, at the invitation of the two countries and held talks with the then Indian and Myanmar counterparts, Jawaharlal Nehru and U Nu.

Consequently, in the 'Joint Declaration of Chinese and Indian Premiers' issued on 28 June 1954 and the 'Joint Declaration of Chinese and Myanmar Premiers' issued the next day, the Five Principles of Peaceful Co-existence were officially announced as the basic norms guiding the Sino-Indian and Sino-Myanmar relations. The Sino-Indian joint declaration proposed that 'these principles are not only applicable to relations between nations, but also to the general international relationship', while the Sino-Myanmar joint declaration expressed the hope that 'these principles will be observed by all nations'. After one year, in April 1955, China, India and Myanmar initiated the five Principles of Peaceful Co-existence. 29 newly independent countries from Asia and Africa held the historic 'Asian-African Conference' in Bandung, Indonesia. As a result of the common efforts of the participants, the conference adopted the 'Declaration on Promotion of World Peace and Cooperation' and formulated the ten principles of the Bandung Conference.

These ten principles, which contained points relating to the five principles of peaceful co-existence, were an extension and development of the latter. Since then, the five principles of peaceful co-existence have been recognized and accepted by more and more countries and international organizations. Several international meetings have been incorporated into a series of major international documents, including declarations adopted by the UN General Assembly. The five principles were reaffirmed not only in the documents on China's establishment of diplomatic ties with more than 160 states, but also in treaties as well as communiqués signed by China with other countries. The five principles mentioned in the preamble of the agreement are as follows:

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

The term *Panchsheel* is found in ancient Buddhist literature and refers to the five principles of good conduct of individuals:

- (i) Truth
- (ii) Non-violence
- (iii) Celibacy
- (iv) Refrain from drinking
- (v) Vow not to steal

The term *Panchsheel* soon became so popular that Nehru called it an 'international coin'. By the end of 1956, many countries of the world including Afghanistan, Myanmar, Indonesia, Egypt, Nepal, Poland, USSR, Saudi Arabia and Yugoslavia had endorsed *Panchsheel*. In 1959, the UN General Assembly

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also resolved to adopt the five principles. In 1955, the Indonesian President Sukarno also announced five principles of Indonesian National Policy. These five principles called *Panchashila* were:

- (i) Faith in nationalism
- (ii) Faith in humanity
- (iii) Faith in independence
- (iv) Faith in social justice
- (v) Faith in God

However, the five principles of *Panchsheel* declared in 1954 were neither principles of good conduct of the individual nor of nationalism. These were the principles of behaviour of sovereign states in their foreign relations. These are normal expectations from civilized nations in their behaviour with each other. To respect the territorial integrity of others and not to commit aggression are vital objectives of friendly international relations.

### 3. Freedom of dependent people

Anti-colonialism and anti-imperialism has been a matter of faith with India's foreign policy-makers. Having been a victim of British imperialism for a long time, India decided to oppose all forms of colonialism and imperialism. Therefore, for this reason, India decided to extend full support to the cause of freedom of dependent people of Asia and Africa. The Dutch colony of Indonesia had been overtaken by the Japanese during the Second World War. When, after the defeat of Japan, the Netherlands tried to establish its rule again; India opposed it even in the United Nations and cooperated with Indonesia in its efforts to gain independence. Again, India fully supported the freedom struggles in Asian and African countries such as Malaya, Libya, Algeria, Tunisia, and Gold Coast (now Ghana). India also supported the cause of independence of the people of Namibia who were under prolonged colonial rule of racist South Africa. Promotion of self-determination of all colonial people was, thus, an important objective and principle of India's foreign policy.

### 4. Foreign economic aid and India's independent policy

Economic development of a nation like India was an urgent necessity. Soon after independence India devoted its energies towards planned and rapid all-round development. However, India faced the lack of adequate resources and technical know-how. India had already decided on non-alignment as the basic policy. The financial and technological help that India required could come either from the US or the Soviet Union. It was believed that the USSR would not help a non-communist country. The government as well as the business community in India realized that the US would be the only country that could give substantial help to India. Yet India did not want to compromise on the principles of non-alignment, independence and sovereignty of the country. By 1949, India had come quite close to the United States, despite its firm decision not to accept any aid with strings. Many sections of the Indian industry were putting pressure on

the Government of India to secure foreign capital as nationalization of industry was not practicable. The success of communist China made India realize that there was a danger of communism raising its head in India also, unless economic development was initiated in a big way, naturally with foreign aid. To avoid Chinese Communist type of success in the country, even in the United States, there was growing realization of the need to help India. Thus, the process of economic assistance from the US to India began.

India also started accepting aid from the World Bank and a number of other countries, as the process of development accelerated. In the course of time, Soviet suspicion of India being a pro West Country was removed. India welcomed aid from the Eastern bloc also. Then, two new economic powers began to emerge as the Soviet Union experienced difficulties. Germany and Japan became industrially developed states and started providing aid to many states, including India. Unfortunately, the Western states have been unwilling to transfer technology to India and other developing states. India tried to maintain independence in decision-making and foreign policy. At times, it was charged with being pro-West and at other times, with a clear tilt towards the Soviet Union. However, India tried to maintain a balance and pursue an independent policy. Under Indira Gandhi's regime, India chose to go in for large-scale nationalization. As socialism was a goal of the Indian economy (42-Amendment, 1976), the western nations began to disbelieve India's policy of independent decision-making and non-alignment. India decided to liberalize its economy in mid-1991, and after the disintegration of Soviet Union, India's economy naturally moved closer to the capitalist world.

### **5. Opposition to racial discrimination**

India believes in equality of all human beings. Its policy aims to oppose all forms of racial discrimination. South Africa was the worst example of discrimination against and exploitation of coloured peoples, including those of Indian origin. India gave complete support to the cause of the victims of social discrimination. Not only did India cut off diplomatic ties with South Africa in 1949, but also used its influence in the application of comprehensive sanctions against the white minority racist regime of South Africa. No facility to the racist regime was allowed by India, and it opposed the system within and outside the United Nations and stood by the demand of racial equality.

In the early 1994, Apartheid was finally given up and a majority government was duly elected and installed under the leadership of Nelson Mandela. By achieving the goal of racial equality in South Africa, India re-established its ties with that country. India has regularly supported the establishment of such society as it is an egalitarian human society in which discrimination based on colour, race and class, does not exist.

### **6. Support to the United Nations**

India is one of the founding members of the United Nations (UN) and many of its specialized agencies. India has complete faith in international organizations

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and agencies. India strongly believes in international peace and security. India does not support the usage of weapons, despite having nuclear weapons and wants their elimination and considerable reduction of conventional weapons and armed forces. It believes that these goals can be achieved by strengthening the United Nations. India is an important member of the group of non-aligned in the UN. It is also a prominent Afro-Asian Member of the world body. India has sponsored and supported several progressive measures in the UN and its agencies.

Vijay Laxmi Pandit, an Indian, was elected President of the United Nations General Assembly in 1953. India has been a non-permanent member of the UN Security Council for a number of terms. Again, India has been elected for a non-permanent member of the UN Security Council and is functioning as a member from 2011. India's contribution to the cause of world peace has been universally recognized. To serve in collective security and peace-keeping efforts, India has enthusiastically responded to the call of the United Nations. India sent a medical unit in the Korean War as well as participated actively in the repatriation of the prisoners of war after the Korean crisis. India had also sent help at the call of the United Nations for peace-keeping to Egypt, Congo and Yugoslavia.

### **7. Peaceful settlement of international disputes**

Disputes among nations are unavoidable. There can only be two methods for the settlement of international disputes:

- (i) War
- (ii) Peaceful settlement

War has been the most commonly used method of deciding disputes from the pre-historic days. War was considered the legitimate means of deciding disputes. It resulted in the victory of one nation over the other. India's foreign policy goal is peaceful settlement of dispute—here, the emphasis is on 'peaceful' rather than 'settlement'. Therefore, if India's goal is international peace, peaceful settlement of disputes is the natural means. The founding fathers of the Constitution of India were keen to remind all future governments that India as a nation desired peaceful settlement of international dispute. Article 51 of the Constitution of India (in part IV, Directive Principles of State Policy) lays down that the state shall endeavour to seek peaceful settlement of international disputes. India does not support 'negotiation through strength' and considers it illogical. Although India itself had to face wars imposed upon it, its faith in pacific (peaceful) means was not shaken.

Generally, in nations like Britain, the basic principles of foreign policy do not radically change whenever there is change of government. India has adopted this tradition and even when Prime Ministers and foreign Ministers have changed, India's basic policy commitments have remained unaltered or unchanged.

### **8. The Gujral Doctrine**

The Gujral Doctrine is a set of five principles that guide the conduct of foreign relations with India's nearest neighbours, which were spelt out by I. K. Gujral,

first as External Affairs Minister and later as the Prime Minister. Among other factors, these five principles arise from the belief that India's stature and strength cannot be divorced from the quality of its relations with its neighbours. Therefore, it recognizes the significance of friendly, cordial relations with neighbours. These principles are as follows:

- With neighbours like Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka, India does not expect reciprocity, but gives and accommodates whatever it can in good faith and trust
- No South Asian country should permit its territory to be used against the interest of another country of the region
- No country should interfere in the internal affairs of another
- All South Asian countries must respect each other's territorial integrity and sovereignty

All disputes should be settled through peaceful bilateral negotiations

The doctrine advocated people-to-people contacts, particularly between India and Pakistan, to create an atmosphere that would enable the countries concerned to sort out their differences in an amicable manner.

The Gujral Doctrine, summed up in one sentence as, the policy of giving unilateral concession to neighbours and promoting people-to-people contact, is aimed at improving relations by friendly gestures or actions. The Doctrine presents India as a big country willing to unilaterally help the smaller neighbours. It was widely believed to have been authored by Gujral's close friend Professor Bhabani Sengupta.

The Gujral Doctrine became an important principle of India's foreign policy, in the context of changed international environment in post-Cold War world. The Gujral Doctrine became significant when at the Foreign Secretary-level talks between India and Pakistan in June 1997, the two countries identified eight areas for negotiations so as to build confidence and see friendly resolution of all disputes.

## **9. India's Option of Nuclear Weapons**

The atomic energy research was initiated by Jawaharlal Nehru and the first Chairman of the Atomic Energy Commission was Dr. Homi Bhabha. Jawaharlal Nehru never stressed on the fact that nuclear weapons should be acquired; however he never opposed the idea either. It was widely believed that the atomic energy should be developed for peaceful purposes. It was only much later that India started developing nuclear power.

The Bangladesh Crisis of 1971 proved that China, an ally of Pakistan, would help Pakistan in the development of nuclear weapons. Therefore, it became important for India to develop nuclear weapons so that it could safeguard its territories.

India conducted its first nuclear test in May 1974. It was declared by India that the test was only a 'Peaceful Nuclear Explosion' due to the hue and cry in

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the international community. India constantly refuses to sign the discriminatory Non-Proliferation Treaty of 1968, which recognized only five nuclear weapon states and bound the signatories not to proliferate nuclear weapons.

In May 1998, Prime Minister Atal Behari Vajpayee took the bold decision of ordering five nuclear tests. The tests conducted in absolute secrecy enabled India to declare it a nuclear weapon state. India boldly faced bombardment of criticism and severe sanctions imposed upon it by the US and its friends. Vajpayee declared categorically that India was a nuclear weapon state and that it did not need to conduct any more tests. India till today refuses to sign the NPT and the CTBT.

### 1.5.4 Nehru and India's Foreign Policy

Jawaharlal Nehru is the architect of the foreign policy of modern India. He carefully handled India's violent domestic situation in the years immediately after Independence. The major contribution of Nehru lies in the field of foreign policies. Nehru, in his capacity as the foreign minister, subjected the foreign policy to much controversy and debate, like his economic policies. He was as influenced by socialism as with Gandhi's ideals of Satyagraha. Nehru's foreign policy was characterized by two major ideologies:

- (i) He wanted India to have an identity that would be independent of any form of apparent commitment to either power bloc, the US or the USSR.
- (ii) He had an unshaken faith in goodwill and honesty in matters of international affairs.

The first policy ultimately led to the attack of 1962, as all the clauses of the *Panchsheel* or five-point agreement of 1954 between New Delhi and Peking (now Beijing), were openly disobeyed. This breach of faith was a major shock for Nehru and also the reason for his death.

### Nehru and NAM

The greatest success of Nehru's non-committal international politics was the formation of NAM. Nehru found allies in Tito, Nasser, Sukarno, U Nu and Dr Kwame Nkrumah at a later stage in his new alliance. In the beginning, NAM formed with newly-independent and long-colonized nations of Asia and Africa, was not taken seriously, either by the Eastern bloc (Communist bloc) led by the USSR or the Western bloc (Capitalist bloc) led by the US. When NAM was established and began to function collectively by not aligning with either bloc, then its importance was understood. It also felt a great degree of international pressure from both parts of the globe. However, Nehru proceeded with his mission. It was realized that the NAM was not just a platform of neutral and inactive states, but a great test for his courage. The main objective of NAM was to decolonize the countries that were fighting for their independence. The process of decolonization was adopted and favoured by the NAM member countries with peaceful agreement.

## Nehru and the China Crisis

The foreign policy of Jawaharlal Nehru regarding China has been criticized. Nehru wanted to establish a very friendly and mutually beneficial relationship with China. For this purpose, the five-point agreement or the *Panchsheel* accord between New India and China was signed in 1954. After signing this agreement, China began to patrol certain parts of the Indian border from 1955. India had opened up for negotiations to solve the problem peacefully. While India, under Nehru's guidance, wanted to take one issue at a time, the Chinese government, under Chou En-Lai wished to treat the border issue in its complete form at one time. The *Panchsheel* agreement was violated by the Chinese government. In 1962, China attacked India. It was a great shock, not only Nehru but also to the entire international community. At that time, the Indian military was not prepared for the war. Both the Super powers such as the US and the USSR extended token help to India. The Soviet Union was engaged with the Cuban Missile Crisis but President Khrushchev extended some help to the country. However, American assistance was very less as compared to Pakistan, which was given massive military help in 1954.

Nehru played his last master stroke in international policy, as he turned the military defeat into a moral victory for India. The Chinese attack did not change the foreign policy of India. However, Nehru was forced through internal opposition party criticism to change his standpoint on international affairs. Nehru accepted that absolute goodwill was not essential when dealing with international problems. Jawaharlal Nehru's dreams were more or less severely damaged. It was also a grand unexpected revelation. India's national interest was the most important governing principle of Nehru's foreign policy. However, Nehru was not a realist of Kautilya–Morgenthau school. He was deeply impressed by his leader, Mahatma Gandhi who was an idealist and insisted on the application of moral principles in the conduct of all politics. Nehru, therefore, did not find any incompatibility between India's national interest and the legitimate interests of other nations. When Nehru formulated the foreign policy of free India, he insisted on national interest, as an idealist than a realist as is clear from his policy of non-alignment in general, and his decision to ascertain the wishes of the people of Jammu and Kashmir on the question of the state's merger with India. His idealist approach is clear in his agreement with the Chinese Prime Minister Chou En-lai in 1954 that allowed full integration of Tibet with China.

## Nehru and the Kashmir Problem

Kashmir was a continuous problem and Nehru could not successfully negotiate the Kashmir problem with Pakistan. Nehru believed in honest fellow-feeling and political philanthropy. He even tried to negotiate with the Pakistani government through the United Nations. However, all peaceful agreements were denied by the Pakistani military rulers. Even the offer of a plebiscite was rejected in 1950. Kashmir, as a Muslim dominated territory remained strategically dangerous for the security of the nation. The no solution to the Kashmir problem was reached.

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To this day, it remains a bone contention between India and Pakistan. It is also an international problem in South Asia.

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12. What is the basis of India's foreign policy?
13. Why have foreign policy and diplomacy been described as wheels with which the process of international relations operates?
14. Name the chief architects of the policy of Non-Aligned Movement (NAM).
15. Why did India cut off diplomatic ties with South Africa?
16. What is the Gujral Doctrine?

## 1.6 SUMMARY

- A foreign policy is simply concerned with issues of international relevance like disarmament, peace, climate change, decolonization and justice. In more specific terms, the foreign policy of a particular country, is the pursuing of its national interest in global affairs.
- In the current scenario, no country in the world can escape an involvement in international relations.
- According to George Modelski, foreign policy is defined as 'the system of activities evolved by communities for changing the behaviour of other states and for adjusting their own activities to the international environment'.
- The main objectives of foreign policy:
  - o To protect the territorial integrity of the country
  - o To maintain links with other members of the international community and adopt policy of conflict or cooperation towards them with a view to promoting its own interests
- The main goal of a foreign policy is to pursue the country's national interest. According to Paul Seabury, professor of political science who was also an authority on American foreign policy 'the national interest is what foreign policy-makers say it is.'
- The objectives of foreign policy can be classified into three categories: Core values and interests, Middle range objectives and Universal long range objectives.
- Foreign policy analysis involves the study of how a state makes foreign policy.
- Approaches to foreign policy, over the years, have taken various forms. According to professors Black and Thompson the methods that have



dominated this study are: Historical method, Legalistic method and Descriptive method.

- The other types of approaches to a foreign policy are: Psychological approach, Psycho-analytic approach and Decision-making approach.
- A foreign policy remains unchanged due to many factors, such as geo-strategic (geographic strategic) situations, population potential, economic endowments and ideological environment.
- There are certain factors affecting the making of a foreign policy. These include a history of that particular state, economic development, government, population, natural resources, ideological chapter, military strength, industrial development, public opinion and geo-strategic location.
- National interest is an important determinant of foreign policy. It is also considered to be a goal of a foreign policy.
- The concept of power is one of the most controversial and crucial concepts in the context of international politics as well as in terms of foreign policy. It has a prominent place in the theory of international politics.
- India as a country has always believed in a policy of peace and non-violence, both in domestic as well as foreign affairs.
- This belief laid the foundation of the foreign policy of India. It was based on the non-aligned movement, which meant that India would not take the side of any of the two power blocs, i.e., the US or USSR.
- The foreign policy made it possible for India to adopt a policy of peace and take independent action without pressure from either of the military blocs.
- India's foreign policy has been highly influenced by a large number of domestic factors.
- Jawaharlal Nehru also had a huge impact on the foreign policy of India, having been the Foreign Minister for many years.
- India, during the British rule, was surrounded by many countries like Afghanistan, Nepal, Sikkim, Bhutan and Tibet in the North and by Ceylon (now Sri Lanka) in the South.
- The British divided the country into two different entities, India and Pakistan. The partition was due to religious, social, ethnic and linguistic differences. These factors also disrupted the economic and cultural ties of both nations.
- The main objectives of India's foreign policy according to Jawaharlal Nehru should be to achieve peace and secure emancipation of the oppressed nations, elimination of racial discrimination and non-intervention in the internal affairs of other countries.
- Jawaharlal Nehru ensured that the formulation of the foreign policy of India was in the hands of the Prime Minister of India.

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- The Ministry of External Affairs is also responsible for making the foreign policy. It is a body of the Central Government of India and performs duties like policy-making, actual implementation of policy, and daily conduct of international relations.
- India's foreign policy is highly influenced by domestic factors such as geography, history and tradition, culture, economic and military factors, ideological factors, pluralistic nature of the Indian society and many more.
- The primary goal of India's foreign policy has always been the maintenance and promotion of international peace and security. The ideals and objectives of India's domestic as well as foreign policy are enshrined in the Constitution of India.
- The basic principles of the Indian foreign policy are based on non-aligned movement. Non-alignment simply means not taking the side of any power bloc. It also meant that India was free to pursue its own foreign policy.

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### 1.7 KEY TERMS

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- **Foreign policy:** It is the relation among countries concerning all issues of international relevance like disarmament, peace, climate change, decolonization, justice, etc.
- **Cognition:** It is the process by which knowledge and understanding is developed in the mind.
- **Alliance:** It is a union or association formed for mutual benefit, especially between countries or organizations.
- **Geo-strategy:** A subfield of geo-politics, it is a type of foreign policy guided principally by geographical factors as they constrict or affect political and military planning.
- **Secularism:** It refers to harmonious co-existence of different religions with each other.
- **Non-alignment:** It refers to not aligning with any of the two power blocs during the era of Cold War.
- **Power bloc:** It is an association of groups, especially nations, having a common interest and acting as a single political force.
- **Plebiscite:** It is the direct vote of all the members of an electorate on an important public question such as a change in the constitution
- **Panchsheel:** It refers to five principles that govern relations between states (*Panch* in Sanskrit means 'Five' and *Sheel* means 'virtue').

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### 1.8 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. India's foreign policy primarily focusses on having cordial relations, equality of all the states, emphasis on the principles of non-alignment and conducting international relations with equality.

2. The primary purpose of foreign policy is to seek adjustments in the behaviour of other states in favour of oneself.
3. Security, national development and world order are the essential components of national interest of any state.
4. Approaches to the study of foreign policy have taken different forms. According to Professors Black and Thompson, historical, legalistic and descriptive methods have dominated this study for a considerable period of time.
5. Cognition is 'the process by which knowledge and understanding is developed in the mind'. It is the process by which humans select and process information from the world around them.
6. Foreign policy analysis is distinguished from other theoretical approaches in international relations by its insistence that the explanatory focal point must be the foreign policy decision-makers themselves and not larger structural or systematic phenomena.
7. British imperialism in India and our struggle for freedom against colonialism and imperialism has had direct impact on the foreign policy of India. It was the outcome of our history that led India to give its complete support to freedom struggles in Afro-Asian countries and fight against racial discrimination.
8. Geo-strategy, a subfield of geo-politics, is a type of foreign policy guided principally by geographical factors as they constrict or affect political and military planning.
9. Three most important methods which can help promote national interests are coercive measures, alliances and diplomatic negotiations.
10. In pursuing the path of economic growth, India neither adopted free trade capitalism nor the communist way but adopted a middle path of democratic socialism.
11. The process of reconciliation that began after the Cold War in areas such as Israel-Palestine conflict opened the doors for negotiation of bilateral disputes in different parts of the world.
12. India's foreign policy is based on non-alignment, i.e., not aligned to either of the military blocs.
13. Foreign policy can also be referred as international relations policy or simply diplomacy. Therefore, foreign policy and diplomacy have been described as wheels with which the process of international relations operates.
14. The chief architects of the policy of Non-Aligned Movement (NAM) were Jawaharlal Nehru, Joseph Broz Tito of Yugoslavia and President Nasser of Egypt.

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15. India cut off diplomatic ties with South Africa as South Africa was the worst example of discrimination against and exploitation of coloured peoples, including those of Indian origin.
16. The Gujral Doctrine is a set of five principles that guide the conduct of foreign relations with India's nearest neighbours, which were spelt out by I. K. Gujral, first as External Affairs Minister and later as the Prime Minister.

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## 1.9 QUESTIONS AND EXERCISES

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### Short-Answer Questions

1. Define foreign policy. What are the five main objectives of a foreign policy?
2. What do you understand by 'goals of a rational foreign policy maybe mutually contradictory'? Give an example.
3. Write a short note on Foreign Policy Analysis.
4. How does the ideology of a country affect its foreign policy?
5. Write a short note on power as a determinant of foreign policy.
6. Throw light on the foundation of India's foreign policy.
7. How has Jawaharlal Nehru influenced India's foreign policy?
8. Write a short note on the Gujral Doctrine.

### Long-Answer Questions

1. Explain in detail the goals of a foreign policy.
2. Briefly explain, with examples, the two approaches—idealist and realist—of a foreign policy.
3. Briefly explain the various factors important for the formulation of the foreign policy.
4. Describe the six categories of national interest as defined by Thomas W. Robinson.
5. What are the methods of promoting the national interest of a country? Explain each method with an example.
6. Write a detailed note on the role of a prime minister in the formulation of India's foreign policy.
7. What are the domestic and international determinants of India's foreign policy? Explain any two with examples.
8. Explain the principle of non-alignment.

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## **1.10 FURTHER READING**

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# UNIT 2 INDIA'S FOREIGN POLICY TOWARDS VARIOUS NATIONS

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*India's Foreign Policy  
Towards Various Nations*

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- 2.8 Questions and Exercises
- 2.9 Further Reading

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## 2.0 INTRODUCTION

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Today, India's strategic position in the global scenario has had an enormous impact on the way India formulates its policies, whether internationally or in its domestic affairs. One such aspect can be seen in India's foreign policy which very clearly shows India's projection of its image as an upcoming global superpower, establishing, maintaining and strengthening relations with countries that are in its geographical proximity or otherwise.

Since Independence, India has geared towards formulating a foreign policy that should be conducive to its image as a promising and capable power. However, various international events and issues that have created significant changes in global economies and political scenarios, especially in the 1990s, have exerted influences over India's foreign policy. With the end of the Cold War, the disintegration of the Soviet Union, issues related to nuclear warfare,



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economical crisis or border disputes, India has very strategically manoeuvred and diplomatically handled its position in the international global space.

From territorial issues erupting with its neighbouring countries like Pakistan, Bangladesh and China, to its relations with the superpowers like the US, erstwhile Russia, and India has projected and offered to strengthen its cultural, regional, economical, and even political ties with these countries. Through its foreign policy, India has also maintained a stern stand where the past has shown encroachment of some kind, whether geographical, political or any other aspect. With the current issues at hand, it is to be seen how India's foreign policy approaches to resolve and substantiate its relations with other countries with its involvement with groups like ASEAN and SAARC.

India's bilateral relations with Afghanistan have been close and cooperative. India also shares close relations with Maldives, Bangladesh and Sri Lanka. Bhutan and India share a relation of mutual understanding, trust and confidence. Nepal and India have strained relations for various reasons; however, India is making efforts to smoothen the ties with one of its closest neighbours. This unit will deal with India's foreign policy towards various nations.

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### 2.1 UNIT OBJECTIVES

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After going through this unit, you will be able to:

- Assess India's policy towards great powers such as the US, UK, China and Russia
- Evaluate the idea of trilateral cooperation between Russia, India and China
- Analyse the relationship between India and the SAARC countries
- Describe the importance of India's ties with Bangladesh
- Discuss the issues causing a strain in relations between India and Nepal
- Explain India's policies with respect to the 'Look East Policy'

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### 2.2 INDIA'S POLICY TOWARDS GREAT POWERS: USA, RUSSIA, UK, CHINA

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India, one of the largest democracies in the world today, is one of the fastest growing and most dynamic economies. Countries around the world are beginning to realize the potential India holds and are looking to partner with it to ensure mutual prosperity.

India's relations with most of the countries in the world have generally been formal and diplomatic. India's relations with some of its neighbours have been friendly while with some not-so-friendly. However, India, in order to become a global power, realizes the importance of maintaining cordial ties with its neighbours. This section will describe India's policy towards the great powers—the US, UK, China and Russia.

## **2.2.1 India's Relations with the United States**

The two largest democracies on earth have never strongly interacted. The South Asian region did not play an important role in America's strategic considerations during the Cold War. India was officially a non-aligned country, a fact America did not appreciate. Nepal, Maldives, Sri Lanka and Bhutan were not big enough to be important while Bangladesh was part of Pakistan till 1971. The Cold War rivalries primarily affected Pakistan and Afghanistan. The US perceived India to be part of the Soviet camp due to its ties with the Soviet Union. The US-Indian policies usually ran parallel to each other or indirectly diverged through the relations with Third World countries like Pakistan.

While the US did provide some help and support in the 1962 India-China conflict, in the 1965 Indo-Pak conflict, it took a pro-Pakistan stand. In the 1971 India-Pakistan war, the US supported Pakistan but also warned India of American intervention and even sent the US 7th Fleet to the Bay of Bengal. In fact, the issue of Kashmir, pro-Pakistan stand of the US, India's non-alignment policy, its friendly relations with USSR and India's refusal to sign Non-Proliferation Treaty (NPT) or Comprehensive Nuclear-Test-Ban Treaty (CTBT) were some of the factors that hindered development of close ties between India and the US.

In January 1981, Ronald Reagan assumed the office of the President of the United States of America. The Reagan administration emphasized on a policy that inclined towards South Asia. This administration provided indirect military aid to anti-Afghan guerrillas and completely economic and military support to Pakistan. This policy obviously strained Indo-US ties. In spite of this, the United States planned to build a strong military base at Diego Garcia in the Indian Ocean. However, the nuclear policy of India and India's recognition of Kampuchea led to the deterioration of Indo-US relationship.

Other than such problems, the then Indian Prime Minister, Indira Gandhi wished to establish a close and cordial relationship with Washington for the following two reasons:

- (i) India could not depend completely on the Soviet Union to supply defence materials as it would not serve India's long-term interests. The United States and other western states had better defence equipment, in terms of quality, than the Soviet Union.
- (ii) India did not welcome the Soviet forces on the border of both Pakistan and Afghanistan, not only due to security reasons but also due to strategic reasons. To balance the situation, it would be better to have closer ties with the United States.

Indira Gandhi's diplomatic efforts to open up lines of communication with the US administration were made possible, when she met President Ronald Reagan personally during the Cancun Conference in 1981. A year later, she met Ronald Reagan in Washington. After a couple of meetings, Indira Gandhi developed a positive relationship with Reagan. Both the countries officially agreed to expand scientific and technological cooperation. However, despite

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the establishment of this positive relationship, the basic, strategic and political divergence could not be overcome. Thus, Indo-US ties remained strained to a considerable extent.

Rajiv Gandhi wanted to give the Indo-US ties a new turn. He visited the United States in 1985 and tried to mend the strained relations. United States also responded favourably and agreed to the transfer of high technology and offered advanced military technology and weaponry. Although Rajiv Gandhi's visit to the US did not provide any concrete results, it improved the two countries' understanding regarding each other's interests.

During the 1980s, both the states were happy to extend their relationship without touching each other's national interests in the long term. Eventually, the Indo-US ties became more friendly and cooperative, however, it lacked depth. Thus, despite numerous bids by the leaders of the two countries, the relations between the countries remained strained.

With the end of the Cold War, and the emergence of the National Front government in India, expectations for a new relationship with the US began. In 1989, the Soviet troops had been withdrawn from Afghanistan. During the Gulf War of 1990-91, India adopted a cooperative attitude towards the US and provided refuelling facilities to American military transport aircrafts bound for the war zone in the Gulf. The Bush administration responded favourably. A change in the US attitude was evident from the fact that it warned Pakistan and imposed sanctions on Pakistan's nuclear weapons programme and suspended military aid. He also declared that the UN resolution on the Kashmir issue was irrelevant. Besides, India's economy was being liberalized and was seen as a potentially attractive economic partner for the United States. With the disintegration of the Soviet Union, India developed closer ties with the US in view of the dominant role it was expected to play in the international arena.

In 1993, when Bill Clinton became the President of United States, he insisted that the goal of his policy in South Asia was promotion of peace and stability in the region. Therefore, India's high expectations were immediately shattered, because the Kashmir issue and nuclear non-proliferation led the centrepiece of the new policy of Clinton administration in this region. India's core national security interests—its territorial integrity as well as the preservation of the nuclear option was touched by the policy of Clinton's administration. Even the economic cooperation could not be fulfilled beyond its expectation and during the early and the mid-1990s, Indo-US ties became severely strained. The US wanted to remain the only Superpower in the world and wanted to check upcoming major power aspirants. Naturally, India was against the US underlying objectives as well as its aim for a unipolar world order. For this purpose, India decided to become a nuclear weapons state so that it would be taken seriously for the global power status.

In 1993, When Bill Clinton assumed the office of the President of the United States, his administration's top priority was to prevent a war between India and Pakistan and check the nuclear arms race in the region. However, it

was very different from what India had expected. India was aiming to strengthen its relationship with the United States. India wanted to expand its relations in the fields of economic, political and military cooperation. India's key interest was to get US support in its growing global aspirations. The United States adopted a policy of containment against India, although India wanted a policy of cooperation with United States. Furthermore, when in May 1998, India conducted its nuclear tests, the United States and other major powers condemned India's act, accusing New Delhi for the expansion of nuclear weapons in South Asia. Eventually, Pakistan also conducted nuclear tests. The Clinton administration imposed economic sanction on India as well as Pakistan and the United States also emphasized on other countries to join the sanctions. It did not recognize India and Pakistan as de jure Nuclear Weapon States (NWS) and the United Nations Security Council was convinced or lobbied for passing a resolution. After a month into the tests, the Security Council passed the resolution (SC1172) with conditions—mandatory signing of NPT that could stop or shut down the development of further nuclear weapons. Therefore, this revengeful framework was extended or augmented by a strategic engagement. Both the countries began to make an effort to seek a new basis of their relationship. Strobe Talbott, Deputy Secretary of States, US and Jaswant Singh, special envoy of India started negotiations.

By the end of 2000, after Strobe Talbott and Jaswant Singh negotiated, the US President Bill Clinton visited India. His visit brought the two countries close and eventually led to stable ties and a deeper understanding of each other's interest. Two of the world's biggest democracies finally stabilized a relationship in the field of economic interests, fight against terrorism and the promotion of democracy. The Clinton administration could establish strong ties with India, but the Junior Bush administration had established a friendship with India one step ahead by signing a nuclear deal with this state. After the end of the Cold War, the disintegration of the Soviet Union was the most important factor in improving Indo-US relationship but it had taken nearly a decade for both countries to get closer and understand each other. Not only have all the differences been solved, the two governments are now taking initiatives to deepen their relationship.

During the administration of George W. Bush, the Indo-US relations seemed to have improved manifold. This was due to the fact that both the countries felt strongly about issues such as terrorism, climate change and energy security. In 2001, after the World Trade Centre 9/11 attack, George Bush joined hands with India to monitor and control the significant Indian Ocean sea lanes between Suez Canal and Singapore. Furthermore, in December 2004, after the disastrous Tsunami, the Indian and US navies worked together to conduct search and rescue operations as well as in rebuilding of the destroyed areas. In April 2005, India and the US signed an Open Skies Agreement, which was aimed at improving business, trade and tourism with the help of increased number of flights. The Obama visit to India also made the US-India relationship even stronger.

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The frequency of high-level visits and exchanges between India and the US has gone up significantly of late. Prime Minister Modi visited the US on 26-30 September 2014; he held meetings with President Obama, members of the US Congress and political leaders, including from various States and cities in the US, and interacted with members of President Obama's Cabinet. He also reached out to the captains of the US commerce and industry, the American civil society and think-tanks, and the Indian-American community. A Vision Statement and a Joint Statement were issued during the visit.

The visit was followed by President Obama's visit to India on 25-27 January 2015 as the Chief Guest at India's Republic Day. During the visit, the two sides issued a Delhi Declaration of Friendship and adopted a Joint Strategic Vision for Asia-Pacific and the Indian Ocean Region. Both sides elevated the Strategic Dialogue between their Foreign Ministers to Strategic and Commercial Dialogue of Foreign and Commerce Ministers.

Prime Minister Modi again visited the US on 23-28 September 2015, during which he held a bilateral meeting with President Obama, interacted with leaders of business, media, academia, the provincial leaders and the Indian community, including during his travel to the Silicon Valley.

There is frequent interaction between the leadership of the two countries, including telephone calls and meetings on the sidelines of international summits. A hotline has been established between the Prime Minister's Office and the US White House.

### **India-US Dialogue Architecture**

There are more than 50 bilateral dialogue mechanisms between the two governments. The first meeting of the Strategic and Commercial Dialogue at the level of EAM and MoS (Commerce and Industry) was held in Washington DC on 22 September 2015; it has added a commercial component to the five traditional pillars of bilateral relations on which the erstwhile Strategic Dialogue has focussed, namely: Strategic Cooperation; Energy and Climate Change, Education and Development; Economy, Trade and Agriculture; Science and Technology; and Health and Innovation. In addition, there are Ministerial-level dialogues involving home (Homeland Security Dialogue), finance (Financial and Economic Partnership), commerce (Trade Policy Forum), HRD (Higher Education Dialogue), Science and Technology (Joint Commission Meeting on S&T) and energy (Energy Dialogue).

### **Civil Nuclear Cooperation**

The bilateral civil nuclear cooperation agreement was finalized in July 2007 and signed in October 2008. During Prime Minister Modi's visit to the US in September 2014, the two sides set up a Contact Group for advancing the full and timely implementation of the India-US Civil Nuclear Cooperation Agreement, and to resolve pending issues. The Group has held five meetings so far, and reached agreement on the compatibility of India's nuclear liability law with relevant international conventions and creation of an insurance pool drawing



experience of best practices to take care of nuclear liability risk. Currently, company-level discussions are on with two US companies—M/s Westinghouse and GE Hitachi—regarding techno-commercial viability of their reactors in sites in Gujarat and Andhra Pradesh respectively.

### **2.2.2 India's Relations with Russia**

Great powers have always struggled to get a hold of the Indian subcontinent due to its huge population and geo-strategic location. As soon as India gained Independence, Jawaharlal Nehru, the first Prime Minister of India, by devising a policy of non-alignment hoped to keep India away from the growing tension between the two superpowers—the US and USSR. However, due to certain factors, the Cold War between the two countries was brought to South Asia. Both the superpowers tried to get a hold of the South Asian Region. Over a period of time, both India and Pakistan, while formulating their foreign policy, made use of the growing rivalry between the super powers, to their advantage. For instance, when Pakistan decided to accommodate the US interest, it not only brought the super power to the subcontinent, but also reaffirmed its anti-India stance. As a result of this, India was forced to take help from USSR.

After gaining Independence, both India and Pakistan had differences on the issue of Kashmir. In order to match the Indian military strength, Pakistan continued to maintain relations with the great powers. This became evident in 1954, when Pakistan joined as a member of SEATO, led by the US. With this act, the whole context of Indo-Pak ties had been changed. Pakistan provided military bases to United States for keeping a check on communism in South Asia and received both military as well as economic assistance from the United States. Indian Prime Minister, Jawaharlal Nehru was totally against external power involvement in regional issues so that Cold War politics would not be brought in this region. Therefore, Indo-Pak relations deteriorated with the assistance of US arms to Pakistan. In response to this, India also began to purchase arms from the non-American sources. On the other hand, the presence of US bases in Pakistan encouraged USSR to take a keen interest in the South Asian region with security perspective in India, although India was not interested in accepting arms from the Soviet Union. Pakistan, however, had accepted the US arms aid. This would have lead to a war between India and Pakistan. However, India was not in favour of any war or conflict in the region.

After the death of Stalin, the new leadership in USSR soon realized that the policy of non-alignment was to their advantage and they presented themselves as the champions of the non-aligned nations and their policy of anti-imperialism and anti-colonialism. Jawaharlal Nehru who paid a visit to the USSR, was appreciative of their policy of peaceful co-existence. Both nations agreed to cooperate with each other for mutual benefit and public welfare. Nehru's visit was reciprocated by a visit from the Soviet leaders Khrushchev and Bulganin to India. They declared that all conditions for bilateral trade and economic cooperation and development between India and the Soviet Union were made

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available on the basis of equality and mutual benefit. USSR also accepted the Indian position on Kashmir as an integral part of India and later protected the Indian interest in the UN Security Council. The two countries also adopted a common position on the Suez crisis, although India was hesitant in criticizing USSR for its intervention in Hungary.

The Indo–Soviet relation coincided with the deteriorating Sino–Soviet and Sino–Indian relations. The Tibetan uprising in 1959 led India to buy transport planes and helicopters from the USSR. In October 1960, an Indian delegation went to Moscow to finalize a deal for the purchase of aircrafts and communication equipment. The Chinese attack in 1962 placed USSR in a delicate position because it was difficult for it not to support a communist state. Hence, it adopted a neutral position. The US gave some military help to India. On the other hand, in order to avoid dependence on one supplier for its military requirements, Pakistan gradually moved towards China. In March 1965, Ayub Khan visited China and secured both political support and military supplies for Pakistan. During the 1965 war, the Soviet Union adopted a neutral stand but offered to peacefully settle the dispute between two rival states. Russia emerged as a peacemaker when the US was involved in the Vietnam War.

Indo-Soviet relations were strengthened during the 1960s and in this period relations between Pakistan and China also became warm and friendly, though Pakistan continued to be an active member of the American bloc. At the same time, the Sino–Soviet conflict was widening, so much so that China began describing USSR as a revisionist power. However, the situation in the subcontinent worsened when millions of refugees began pouring into India because of the revolt which broke out in East Pakistan. Pakistan decided to wage war against India on the basis of the allegation that India was responsible for this unrest and was helping the Mukti Bahini to defeat the Pakistan security forces. Pakistan had complete support of US and China, India for its part, also needed a strong partner in order to counterbalance US–Pakistan and the Chinese–Pakistan strategic relations. In order to get military and economic help, India, in spite of its non-alignment policy, entered into an Indo-Soviet Friendship Treaty in 1971 which gave India the following:

- (i) Military technology
- (ii) Economic assistance
- (iii) Political support during the Indo-Pak war

The conclusion of the treaty of 1971 with the Soviet Union marked a change in India's foreign policy. It was the first political treaty concluded by India with any big power. In certain quarters, an allegation was made that this treaty violated the principle of non-alignment. Nonetheless, the Indian leaders asserted that this did not affect the non-aligned character of India's foreign policy.

However, in the wake of the Afghanistan crisis, it became more difficult for Indian authorities to handle Indo–Soviet ties. The environment had suddenly changed with the commencement of the New Cold War due to Soviet intervention in Afghanistan in 1979. At that time, India's policy towards Afghanistan was

also criticized. India's support for the Soviet invasion was condemned by most of the countries in the world. During the second tenure of Indira Gandhi in January 1980, she adopted the soft line policy. This was strongly criticized as it compromised the policy of non-alignment and clearly shifted towards the Soviet Union. Undoubtedly, India opposed any foreign invasion into a non-aligned country like Afghanistan. There were good relations between India and the Soviet Union, so it was very tough to criticize Moscow in public as it had given economical and technological support to India. It was well understood by Indira Gandhi that Afghanistan was dominated by Islamic extremists and the US was not in favour of political and geo-strategic interests of India. Thus, Indira Gandhi adopted a policy which consisted of three elements:

- (i) The Soviet intervention was not publicly opposed by India.
- (ii) India ignored the intervention, which was to be discussed during the bilateral meetings between the two countries.
- (iii) India did not want to intervene in the internal affairs of Afghanistan to deal with any government, which was de facto in power of that country. On the other side, invasion was clearly against the values and ideals of India's foreign policy. However, India did not want to condemn Moscow to risk a rift between India and Soviet ties.

After the death of Indira Gandhi in October 1984, her son Rajiv Gandhi took over as the Prime Minister of India. In the USSR, after two short leaderships of Andropov and Chernenko, Mikhail Gorbachev became General Secretary of the Communist Party in 1985. Indo-Soviet ties were further consolidated during this period when India was led by Rajiv Gandhi and USSR by Mikhail Gorbachev. The two states had more or less identical views on most of the international issues. Gorbachev understood that the old socialist experiment now could not be applied in the USSR, so, he adopted the doctrine of Perestroika and Glasnost as it was more harmonious to East-West ties. This had a direct influence on the Indo-Soviet ties in particular as well as on the foreign policy of India in general.

Rajiv Gandhi visited Moscow in May 1985. He was assured by the Soviet leaders that they were aware of India's anxiety caused by Pakistan's nuclear weapon programme. Both the countries signed agreements for economic and technical cooperation whereby Soviet assistance to India was considerably increased. A significant Delhi Declaration was issued at the end of Gorbachev's Delhi visit. It was signed by Rajiv Gandhi and Gorbachev. On his arrival in India, Gorbachev had warned that if Indo-Pak disputes were not amicably solved then it could lead to serious consequences. There were four reasons of friendly ties with Moscow:

- (i) Maintaining a political counter-balance with China, Pakistan, and the US
- (ii) Acquiring Soviet inputs in the high-technological sector
- (iii) Obtaining Soviet defence supplies
- (iv) Keeping up economic trade

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However, at the same time, India had freedom of opinion to develop ties with western states due to Soviet détente (French for relaxation of strained relations) with the West. During the late 1980s, a policy of sustained and intensified Indo-Soviet ties was pursued by India, while slowly opening up lines with the West.

After the disintegration of the Soviet Union, P. V. Narasimha Rao became the Prime Minister of India. A policy of liberalization and privatization was adopted by India. Economic globalization was rapidly emerging. Both the countries had to rethink about their foreign policy priorities due to the collapse of the Soviet Union and the impact of economic globalization. The three circles of Russian foreign policy were identified by the then foreign minister, Kozyrev of Russia; (i) the West, (ii) the immediate neighbourhood including the former Soviet republics; and (iii) the rest of the world.

From this agenda, it obviously showed that the new elite of Moscow were not inclined towards India as one of the preferential partners. India also did not necessarily feel obligated to keep up the traditional friendship with Moscow. However, in 1993, Boris Yeltsin, the Russian President, visited India. He tried to remove the doubts that had arisen in Indo-Russian ties. Yeltsin's visit made it clear that Russia was in no mood to give up its trusted friend. Yeltsin further reiterated that Russia fully supported India on the Kashmir issue. Hence, the two states came closer once again. After the end of the Cold War, the Group of 7 (G-7) highly industrialized states made a lot of noise in 1992–93 in favour of Russia; Russia was subsequently admitted to the elite group of G-8, though Russia was disappointed with the West. Thus, Russia diverted its focus towards India and China. The renewal of the 1971 Indo–Soviet Treaty had already affirmed Soviet commitment in 1993 to respect India's territorial integrity and security. After a year, a military cooperation agreement was signed. The economies of both countries were struggling due to the pressures of economic globalization. Hence, both the countries welcomed the revitalization of Indo-Soviet ties and they were in need of a strategic partner to provide each with arms and technology. The two countries also reached an agreement for continued supply of spares for Indian defence equipment and promotion of bilateral trade. In January 1993, the two countries resolved the protracted rupee–rouble exchange rate issue and signed a new treaty of friendship and cooperation, which pledged cooperation in economic, political and other fields. In recent times, Vladimir Putin, the Prime Minister of Russia is trying to further strengthen the relations of the two countries and it is considered an important strategic partnership for both the countries.

With the end of the Cold War, Indo–Soviet relations were seriously affected. During the Cold War era, the Soviet Union was one of most important partners of India. However, after the end of the Cold War, it did not have any existence. So, India had to re-establish its ties not only with its successor state, the Russian Federation, but also with the former Soviet republics as well as the Eastern European countries. The new government of Moscow also reshaped its foreign policy and expanded its ties with the United States and Western European states. It is important to note that the Indo-Russia ties and role were not as strong

in the early 1990s, as they were before. However, after a gap of few years, the relation was renewed and both India and Russia played a very important role in each other's foreign policy agenda.

### **Nuclear Energy**

Russia is an important partner in peaceful uses of nuclear energy and it recognizes India as a country with advanced nuclear technology with an impeccable non-proliferation record. In December 2014, Department of Atomic Energy (DAE) and Russia's Rosatom signed the Strategic Vision for strengthening cooperation in peaceful uses of atomic energy between India and Russia. Kudankulam Nuclear Power Plant (KKNPP) is being built in India with Russian cooperation. KKNPP Unit 1 became operational in July 2013, and attained full generation capacity on 7 June 2014, while its Unit 2 is in the process of commissioning in early next year. India and Russia have signed a General Framework Agreement on KKNPP Units 3 and 4 and subsequent contracts are under preparation. Secretary, DAE visited Moscow on 9 June to review the wider cooperation in the field of peaceful uses of nuclear energy. An agreement on localization in India of nuclear equipment was also concluded during the Annual Summit on 24 December 2015.

### **Science and Technology**

The Working Group on Science and Technology functioning under IRIGC-TEC, the Integrated Long Term Programme (ILTP) and the Basic Science Cooperation Programme are the three main institutional mechanisms for bilateral Science and Technology cooperation, while the Science Academies of the two countries promote inter-academy exchanges. ILTP during its 25-year long implementation period, supported over 500 joint R&D projects and setting up of 9 thematic centres in India and Russia that resulted in generation of over 1500 joint publications and many new products, processes, facilities, and research centres besides developing over 10,000 scientific contacts. India-Russia Science and Technology Centre with a branch each in Delhi-NCR and Moscow was set up in 2011-12 in order to promote two-way transfer of technologies and their commercialization.

Two new Programmes of Cooperation in the field of Science, Technology and Innovation and in Biotechnology concluded in October 2013 have become active mechanisms; these have already supported first batch of 11 joint R&D projects in 2014. In December 2014, Indian Council of Medical Research and Russian Foundation of Basic Research entered into an MoU for cooperation in health research. On 8 May 2015, Department of Science and Technology (DST) and Russian Science Foundation signed an agreement to support basic and exploratory research. During the 16th Annual Summit, CDAC, IISc (Bangalore) and Moscow State University signed an agreement on cooperation in high performance computing.

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### 2.2.3 India's Relations with China

On 1 October 1949, Mao Zedong proclaimed the establishment of the People's Republic of China's; just two years after India became independent. With the emergence of the People's Republic of China, the relations between the two countries started improving. India supported China's entry into the United Nations. In 1954, India concluded a treaty with China relating to Tibet and recognized Tibet as a region of China. This treaty also expressed the determination of the two countries to conduct their ties on the basis of Peaceful Co-existence (*Panchsheel*). However, after the border war of 1962, the Sino-Indian relations deteriorated. In 1976, India and China tried to restore their diplomatic ties, but the relationship did not improve. The diplomatic deadlock continued till 1988. When the diplomatic relations were restored, both the countries assured that they wanted to normalize Sino-Indian ties. Although trade, cultural and scientific ties improved between the two countries, political ties could not be established. China felt that India was a Soviet ally. Furthermore, India had given recognition to governments in Kabul and Phnom Penh, for which China bitterly criticized India. For some time, India felt betrayed by China as it tried to strengthen its relations with other South Asian States. China also established a close strategic relationship with Pakistan, although they had an unresolved border question. Both India and China had been through several rounds of talks regarding Sino-Indian border dispute, but could not achieve any success. Chinese assistance to Pakistan in developing nuclear weapons gave rise to misgivings about the real intentions of China. It included intrusion of Chinese troops into the Indian Territory, and the Chinese protest over grant of statehood to Arunachal Pradesh, which was described by India as interference in country's internal affairs.

During the Janata regime, Chinese leader Deng Xiaoping had given the proposal to the Indian Foreign Minister, A. B. Vajpayee that China was interested in normalizing its relations with India by solving the border dispute and also wanted to focus on other spheres of their relations. When Rajiv Gandhi had become the Prime Minister of India, he seriously took Deng's proposal as an incentive and reached the final conclusion to solve the political deadlock between the two countries. After a gap of more than twenty-five years, Rajiv Gandhi visited China in December 1988. His visit to Beijing brought extensive bilateral discussions and the two countries also agreed to expand bilateral ties in all spheres and a Joint Working Group was established to discuss the border dispute. Rajiv Gandhi's visit and its outcome were a major development in Sino-Indian ties and it led to the development of positive relations between the two countries, 1989 onwards. When the Soviet Union disintegrated and the Indo-Soviet relations turned unfriendly, China got a chance to step in and become an important partner in the early 1990s. The two Asian countries signed various economic, scientific and even military agreements in accordance with a number of high level visits of the leaders of both sides. In 1993, the Sino-Indian agreement on the Maintenance of Peace and Tranquillity along the Line of Actual Control was signed. It was a mark of improving Sino-Indian ties and it became apparent that the two Asian Powers would finally solve their disputes. However, it was



concluded that only expanding the trade and military ties in the low ebb and the Joint Working Group would not lead to a solution regarding the border question. The two countries tried to refrain from insisting on a quick resolution of the border dispute, this was due to the momentum of relative détente (relaxation).

The unresolved border dispute was not the only disturbing element in Sino-Indian relations. There were a few other factors as well. China supported Pakistan militarily and politically and also increased its military and economic ties with the other neighbouring states of India. Even then, India recognized Tibet as an autonomous part of China as well as pursued China's policy of encirclement. A policy of containment was adopted by China and its relations with Taiwan, Japan and other Southeast Asian nations was improved. Improving bilateral relations was calculated as Cold War thinking between the two Asian nations. Both the countries were emerging as potential global powers and well aware of each other's regional purposes.

When India conducted its nuclear tests in May 1998, it took the world by surprise. Furthermore, it took a decade, but the relative détente in Sino-Indian ties ended. When India became a de facto nuclear power, China also felt the need to become one. The then Prime Minister of India, A. B. Vajpayee informed the US President, Bill Clinton, in a 'secret' letter that China posed a nuclear threat to India. China was a bitter critic of the nuclear tests that were conducted by India in 1998.

During the Kargil crisis, it was expected that China would support Pakistan. However, surprisingly, China did not support Pakistan and also directed for a bilateral, non-violent solution to the problem. The situation began to change rather quickly during mid-1999 and an improvement in Sino-Indian ties was soon visible. China pressurized Pakistan in June-July 1999 to pull back its forces from the Line of Control in Kargil. This was keeping in view the wishes of the entire international community and served the cause of a new multi-dimensional relationship between India and China.

During the Kargil crisis, India's External Affairs Minister, Jaswant Singh visited China on the formal invitation of his Chinese counterpart. Both sides discussed several issues of international and bilateral interest. The two countries agreed to strengthen the confidence building measures and to initiate dialogue on matters of mutual interest. Indian President, K. R. Narayanan, visited China in May 2000. Narayanan's visit marked a new watershed. He created ground for a more rewarding relationship. In the same year, the return visit of Chinese President and Party Chief Jiang Zemin opened up a new environment of trust. China invited the then Prime Minister, A. B. Vajpayee for a visit. Lok Sabha Speaker, Manohar Joshi visited China in January 2002 and the then Chinese Premier Zhu Ronggi expressed that the two countries would soon develop a new constructive partnership of mutual cooperation. China was willing to overlook the old differences and make a new beginning. A. B. Vajpayee visited China in June 2003 beginning a new chapter of cooperation.

China also changed its attitude towards Sikkim. Sikkim was recognized by China as a part of India and in return India recognized Tibet as a part of China.

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It can be said that Rajiv Gandhi's visit to Beijing rooted the way for friendly Sino–Indian ties. However, the end of the Cold War cannot be ignored either as it led to a drastic improvement in the Sino–Indian ties.

Another important turning point in the emergence of Sino–Indian relationship was when the Chinese President Hu Jintao visited India in November 2006. Both the nations had already exchanged views on bilateral ties, regional and international issues with common interests. This visit further strengthened their relations. In 2005, the Chinese Premier Wen Jiabao visited India. During his visit, both the states had decided to set up a strategic and cooperative partnership. It was noted that their relations had gone beyond the bilateral dimension and achieved a global and strategic significance. The President of China, Hu Jintao explained that the present phase of Sino–Indian relationship was 'a new historic beginning' and he wanted both sides to work towards strengthening this friendship and developing better long-term ties. During his visit, a large number of enterprises were announced to strengthen institutional linkages between the two countries, like encouragement of comprehensive economic engagement, promotion of trans-border connectivity and cooperation and enhanced science and technology, etc. Economic cooperation, however, emerged as a major thrust area. There were other emerging areas of cooperation as both India and China sought multi-polarity in international relations. In May, 2004, the Manmohan Singh government committed itself to the process of normalization between India and China. Singh summed up that the border discussions at the level of Special Representatives were moving in the right direction. He appreciated China recognizing Sikkim as an 'inalienable part of India'. It was noted that by 2004, the bilateral trade had crossed the 13 billion dollar mark and hoped that by 2008 it would touch the 20 billion dollar target.

A meeting between President Hu Jintao and Prime Minister Manmohan Singh in 2006 and 2007 helped in greater understanding. Trade between the two countries was growing. It grew by 56.8 per cent in the first four months of 2007 and crossed 40 billion US dollars by 2010. India–China ties were finally improving. However, in 2007, the relations between India and China again became strained when China claimed Arunachal Pradesh as its territory and denied visa to an IAS officer of Arunachal Pradesh. This led to the cancellation of the visit of an entire group of IAS officers to China.

The relations between the leaders of the two states, however, remained amiable. The Chinese President also declared that China would be happy to see India succeed in its endeavour to become a permanent member of the UN Security Council. It was noted by the two countries that both could make effective contribution towards global issues like sustainable and equitable development, energy security, peace and prosperity in Asia and in the world, environment protection and fight against terrorism and cross border crimes. Petroleum and Natural Gas Minister, Mani Shankar Aiyer, signed an agreement because of which ONGC Videsh Ltd. and China National Petroleum Corporation was placed in joint bids for promotion of projects during his visit to China in 2006. This was an important consequence for their international relations. In 2008, Prime Minister

Manmohan Singh visited China and met both President Hu Jintao and Premier Wen Jiabao and had bilateral discussions related to trade, commerce, defence, military and various other issues. On 6 July 2006, China and India re-opened Nathula, an ancient trade route which was part of the Silk Road. Nathula is a pass through the Himalayas and it was closed forty-four years ago, when the Sino-Indian border war broke out, in October 1962. In 2003, an initial agreement for re-opening of the trade route was formulated and the final agreement was formalized on 18 June 2006. It was reported by officials that the re-opening of border trade would help in easing the economic isolation of the region.

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### **Education Relations**

India and China signed Education Exchange Programme (EEP) in 2006, which is an umbrella agreement for educational cooperation between the two countries. Under this agreement, government scholarships are awarded to 25 students, by both sides, in recognized institutions of higher learning in each other's country. The 25 scholarships awarded by India are offered by Indian Council for Cultural Relations (ICCR). A revised EEP was signed during the visit of Hon'ble Prime Minister Sh. Narendra Modi to China in May 2015. The same provides for enhanced cooperation between institutions in the field of vocational education; collaboration between Institutes of higher learning, etc.

Apart from this, Chinese students are also annually awarded scholarships to study Hindi at the Kendriya Hindi Sansthan, Agra to learn Hindi. In the year 2015-16, 8 Chinese students were selected to study in Agra under this scheme.

In 2010, it was decided to introduce Mandarin Chinese as a foreign language in the Central Board of Secondary Education (CBSE) syllabus. A Memorandum of Understanding was signed in August 2012, between Central CBSE and Confucius Institute, where both signatories agreed to exchange academic staff, teachers and trainees as well as exchange information on the system and structure of teaching Mandarin Chinese as a second language in schools in India. As a part of this MoU, the first batch of 22 Chinese teachers taught in select CBSE schools for two years, from January 2014 to January 2016.

The cooperation in the education sector between the two sides has resulted in an increase in the number of Indian students in China. As for academic year 2014-2015, there were 12998 Indian students studying in various Universities in China in various disciplines. Similarly, around 2000 Chinese students are studying in various educational institutions in India.

### **2.2.4 Trilateral Cooperation**

In the 1990s, the idea of trilateral cooperation between Russia, India and China began to take shape. Since then the relations between the three nations have considerably improved. The meeting of the foreign ministers of India, Russia and China led to the track one and a half dialogue, which is basically a non-official meeting of the official authorities serving in an unofficial capacity to

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negotiate or support agreements. As a result of this, a conference of the heads of the three nations took place. Since 2001, various diplomats and scholars from the three nations have come together several times to cooperate with each other in terms of different sectors. The important sectors in which India, Russia and China have decided to cooperate with each other include energy security and trade and economic sector. All three nations are extremely serious about issues relating to non-proliferation and disarmament. Furthermore, the three nations have decided to look into the problem of climate change and are going to take measures to spread awareness regarding the depletion of natural resources and the ways to tackle this problem.

However, India, Russia and China do have differences amongst each other, yet their areas of interest are many. All three nations support the view of a multi-polar world order, i.e., they feel positively about multilateralism. India, Russia and China stress on the fact that international relations should be democratized and an impartial international system should be developed. They share identical views on terrorism. India, Russia and China feel that a regional cooperative mechanism should be developed, which will help in solving various issues confronting the world today, such as globalization and financial crisis.

### **2.2.5 Brazil, Russia, India and China (BRIC) and Shanghai Cooperation Organization (SCO)**

BRIC is a widely used acronym in economics, which stands for Brazil, Russia, India and China. In recent times, these countries have achieved the title of being large economies that equally contribute to the world economy by manufacturing goods and services and receiving capital. These countries are also considered potential consumer markets. All the four countries are considered at par with each other in terms of the size of their economies. Recently even South Africa has been added to this group. Currently, these five countries together envelop 40 per cent of the total world population. Furthermore, these countries make up approximately 25 per cent of the total GDP (Gross Domestic Product) in terms of the PPP (Purchasing Power Parity).

As far as the achievements are concerned, every BRICS member can claim various accomplishments in the field of agriculture. The use of superior agricultural technologies elucidated by green revolution has extensively increased the food production in these countries and has enabled significant changes in the agricultural sector throughout the world. Due to the worsening situation of the agriculture and food sector and the climate change, the utilization of up-to-date agricultural technologies to guarantee security of food throughout the world has become necessary. The BRICS members have vowed to increase and enhance the exchange of improved technologies, human resources and advanced machinery to ensure that the agricultural technology capacity grows.

Shanghai Cooperation Organization (SCO) was founded in 2001 by the leaders of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan in Shanghai. It is basically an inter-governmental mutual security organization. It was founded

in 1996 to resolve border disputes among member countries and to ensure peace. The organization was initially called Shanghai Five and included only the first five members, i.e., China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. However, in 2001, Uzbekistan was added and the organization was renamed as the Shanghai Cooperation Organization. At present, five more countries have been included in SCO; however, these only have an observer status. The five countries include Afghanistan, India, Iran, Mongolia and Pakistan.

As of 2007, SCO had successfully started various projects in the field of energy, telecommunications and transportation. The SCO has also managed to establish relations with the United Nations. SCO has worked towards the achievement of mutual trust, equality and mutual benefit. It has successfully promoted peace and stability in the region.

### **2.2.6 India–United Kingdom Relations**

India and the United Kingdom share close and friendly ties. The bilateral relationship that was upgraded to a strategic partnership in 2004 was further strengthened with the visit of British Prime Minister Cameron to India in 2010 during which the foundation for Enhanced Partnership for the Future was laid. In his first term as Prime Minister, he visited India thrice viz., in 2010, in February 2013 and again in November 2013 to reinforce UK Government's commitment to further relations with India.

Prime Minister Narendra Modi's visit to UK from 12-14 November, 2015 took the relationship between the largest and the oldest democracies to new heights. During the visit, the two Prime Ministers endorsed a Vision Statement setting out the fundamental principles on which UK-India partnership is built and outlined a roadmap for deepening cooperation. Both Prime Ministers resolved to hold biennial PM-level Summits to advance the partnership and agreed on a new Defence and International Security Partnership aimed to intensify cooperation on defence and security, including cyber security, counter-terrorism and maritime security. They also endorsed a Joint Statement on Energy and Climate Change and issued a Statement of Intent to scale up bilateral cooperation to a global partnership for development cooperation in third countries.

The India-UK economic engagement was further reinforced by several important initiatives in this area during PM's visit to UK. It was agreed that the City of London could play an important role in channelling investments into Indian infrastructure projects, leveraging its capital and expertise. Government of India announced its intention to issue the first Government-backed Rupee Bond in London and several private sector entities including HDFC, Bharti Airtel, State Bank of India and Yes Bank announced their plans to raise finance through the City of London. The inaugural meeting of the revived India-UK CEO Forum was convened by the two Prime Ministers. Commercial deals worth over £9.3 billion between Indian and British companies were announced. It was decided to establish a fast-track mechanism to facilitate UK's investments into India and to set up an India-UK Partnership fund under the National Infrastructure Investment

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Fund (NIIF) to facilitate global investments through the City of London for Indian infrastructure projects. UK has announced its interest in partnering with India in the development of Smart Cities in Indore, Pune and Amravati.

The two sides have had a number of high level bilateral visits and interactions, the most recent ones in the year 2016 being Finance Minister Arun Jaitley's visit to UK in January 2016 to attend the 8th India-UK Economic and Financial Dialogue, UK NSA's visit to India on 18 January 2016, UK Immigration Minister James Brokenshire's visit to India on 16-19 February 2016, UK Economic Secretary to the Treasury, Harriet Baldwin and UK PM's Special Envoy for Infrastructure Alok Sharma's visit to India on 15-18 February 2016 and UK MoS for Defence Procurement Philip Dunne's visit to India on 18-19 February 2016.

**Institutionalised dialogues:** India and UK have a number of bilateral dialogue mechanisms in place, covering a wide spectrum of areas including political, trade, education, science and technology, defence. The significant ones are Economic and Financial Dialogue at Finance Minister-level, Joint Economic and Trade Committee at Commerce Minister-level, Strategic Dialogue at NSA-level, Foreign Office Consultations at Foreign Secretary-level, Defence Consultative Group at Defence Secretary-level, Cyber and Counter-Terrorism Dialogues at Senior Officials-level and other thematic dialogues between the two Foreign Offices.

### **Inter-Parliamentary Contacts**

The Parliaments of India and the UK have close relations. There are Friends of India Groups in the two major political parties (Labour and Conservative). There is an All-Party Parliamentary Group on relations with India. Parliamentary exchanges have also taken place under the banner of the Commonwealth Parliamentary Association.

### **Trade**

UK is among India's major trading partners and during the year 2014-15, UK ranked 18th in the list of India's top 25 trading partners. As per data published by Department of Commerce, two-way merchandise trade during 2014-15 was US\$14.33 billion, marking a decrease of 9.39 per cent as compared to 2013-14. UK's share in India's global trade has gone down from 2.07 per cent in 2013-14 to 1.89 per cent in 2014-15. India's main exports to the UK are garments and textiles, machinery and instruments, petroleum products, footwear and leather, manufactures of metals, gems and jewellery, engineering goods, transport equipment and parts, spices, drugs and pharmaceuticals, and marine products. The main imports from the UK to India are machinery and equipment, ores and metal scraps, precious and semiprecious stones, silver, metals, aircrafts parts, beverages and spirits, machinery, engineering goods, and other professional instruments other than electronics, non-ferrous metals and chemicals.



## **Services**

As per UK's Office for National Statistics, India-UK bilateral trade in services (excluding travel, transport and banking) in the calendar year 2014 amounted to approximately £2.5 billion. India's exports to the UK in services (excluding travel, transport and banking) in the calendar year 2013 amounted to £1.5 billion and India's imports from the UK in services (excluding travel, transport and banking) in the calendar year 2014 amounted to £975 million.

## **Investment**

UK is the 3rd largest inward investor in India, after Mauritius, and Singapore with a cumulative equity investment of US \$22.56 billion (April 2000- September 2015). UK ranks first among the G20 countries and accounts for around 9 per cent of all foreign direct investment into India for the period April 2000–September 2015. Foreign Direct Investment in the last five years has dropped from US\$7.8 billion in 2011-12 to US\$1.4 billion in 2014-15. India continues to be one of the largest source markets for FDI projects in the UK. According to the UK Trade and Investment (UKTI) in their '2014/15 Inward Investment Annual Report', India undertook 122 FDI projects in 2014-15 in the UK, marking an increase of 65 per cent over last year and making it the UK's third largest source of FDI, accounting for over 9,000 new jobs. According to UK Office for National Statistics, the value of Indian FDI into the UK has registered a notable increase between 2004 and 2013, from £164 million to £1.9 billion. UK attracts more Indian investments than the rest of the EU altogether.

## **Economic Dialogue**

Bilateral mechanisms like India-UK Economic and Financial Dialogue (EFD) and India-UK Joint Economic and Trade Committee (JETCO) form the basis of institutional engagements between the two countries. The India-UK Economic and Financial Dialogue (EFD) was officially established in February 2005 through signing of an agreement between Finance Ministers of the two countries to strengthen the financial and economic relationship between India and the UK. The 8th India-UK EFD co-chaired by Finance Minister Arun Jaitley and the UK Chancellor of the Exchequer George Osborne, explored new areas of cooperation in the financial services sector. The Dialogue covered discussions on Global Economic Challenges, Macroeconomic Risks and Policy Responses, Infrastructure Finance and Financial Services. UK Government agreed to support the delivery of major infrastructure projects in India across key sectors including smart cities, renewable energy and railways, all of which are vital for India's future economic growth. Both India and the UK welcomed the prospect of a pipeline of Rupee Bond issuance in London by Indian companies and agreed that the first such public sector issuance would be made by the Indian Railway Finance Corporation. Both sides agreed to substantially strengthen links between the leading Fin-Tech communities in India and Britain and made significant joint commitments to high-profile Fin-Tech trade missions between the two nations

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and major steps towards UK Fin-Tech companies helping to deliver 'digital India', covering priority areas like access to finance for micro-enterprises.

In the last India-UK Financial Partnership (IUKFP) meeting held in London on 2 November 2015, it was decided that the Partnership would focus on the following work-streams—Development of Corporate Bond Market, Mutual sharing of expertise on Financial Sectors and Market Regulations (with an initial focus on India's Insolvency Regulation), Pensions, Infrastructure Funding, Financial inclusion, Internationalization of the Rupee, Cross-border Provision of Financial and Insurance Services (with an initial focus on Re-insurance), Enhancing financial training and qualification and Divestments.

India-UK Joint Economic and Trade Committee (JETCO) represents a business driven institutional framework which was established on 13 January 2005 to develop a strategic economic relationship. JETCO delegations meet annually under the leadership of the Minister of Commerce and Industry (CIM) and the Secretary of State for Business, Innovation and Skills (BIS), alternately in Delhi and London. The 10th JETCO meeting was held on 19 January 2015 in London which witnessed both industry and Government stakeholders coming together for productive discussions in three Working Groups constituted on the themes of Education and Skill Development, Smart Cities and Technological Collaboration, Advanced Manufacturing and Engineering.

### **Education**

Education is an important plank of the India-UK bilateral relationship. Over the last 10 years, the relationship has grown substantially with the introduction of bilateral mechanisms such as the India-UK Education Forum UK-India Education and Research Initiative (UKIERI), Joint Working Group on Education, Newton-Bhabha Fund and Scholarship schemes. During the visit of Prime Minister to UK in November 2015, the following announcements relating to education were made:

- 2016 would be the UK-India year of Education, Research and Innovation
- Virtual partnerships would be initiated at the school level to enable young people of one country to experience the school system of the other country and develop an understanding of the culture, traditions and social and family systems
- UK's plans for 25,000 UK students to go to India through the Generation UK India programme by 2020, including 1000 UK interns with Tata Consultancy Services in India by 2020
- Launch of the 3rd phase of the UK India Education and Research Initiative
- Commitment to achieving mutual recognition of UK and Indian qualifications

Secretary of State for Business, Innovation and Skills, Sajid Javid and the Minister for Universities and Science, Jo Johnson visited Delhi, Hyderabad,

Mumbai and Bangalore from 9-11 December 2015, accompanied by a large academic delegation including Vice Chancellors of Universities of Birmingham, Warwick, Nottingham and Leicester. During the visit, an event to launch 2016 UK-India Year of Education, Research and Innovation was held which was attended by Human Resource Development Minister, senior Indian officials and faculty, school and college principals, education agents, students, business organizations and media.

### **Cultural Linkages**

Cultural linkages between India and UK are deep and extensive, arising out of shared history between the two countries. There has been a gradual mainstreaming of Indian culture and absorption of Indian cuisine, cinema, languages, religion, philosophy, and performing arts. There are several Indian cultural organizations in the UK, which have been actively promoting Indian culture by involving the Indian Diaspora, British organizations and people. The Nehru Centre is the cultural wing of the High Commission of India in UK which was established in 1992, and is currently one of ICCR's flagship cultural centres abroad. There is also a Memorandum of Understanding on Cultural Cooperation signed at Minister-level between India and the UK in October 2014 that is effective till end October 2019.

During PM's visit to the UK in November 2015, both Prime Ministers announced that a UK-India Year of Culture will be organized in 2017 to celebrate our deep cultural ties and mark the 70th anniversary of Indian Independence. They also committed support to the digitization of the shared archival collections housed in the British Library and the National Archives of India.

### **Indian Diaspora**

The India Diaspora in UK is one of the largest ethnic minority communities in the country, with the 2011 census recording approximately 1.5 million people of Indian origin in the UK equating to almost 1.8 per cent of the population and contributing 6 per cent of the country's GDP. During the visit of Prime Minister to UK, a community reception was organized on 13 November 2015 at Wembley Stadium which was attended by over 60,000 persons of Indian origin. The reception was addressed jointly by the Hon'ble PM along with British PM. Independence Day celebrations organised jointly by the Mission with the cooperation of prominent community leaders and Indian associations on 16 August, 2015 was a record success with an attendance of over 12,000 persons. The Mission also organized the Pravasi Bharatiya Divas-2016 on 9 January 2016 with live video interaction with the External Affairs Minister. A presentation/reception was held in the evening of 9 January 2016 which was attended by about 150 prominent community leaders. The Mission continues to remain in touch with the Indian Diaspora in seeking their advice on taking India-UK relationship forward.

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### CHECK YOUR PROGRESS

1. What policy did the Reagan administration emphasize in 1981?
2. Why was India against the US underlying objectives as well as its aim for a unipolar world order?
3. What did the Indo-Soviet Friendship Treaty in 1971 offer India?
4. What changes did Rajiv Gandhi's visit to China in 1988 bring in the Indo-China relations?
5. Why was the Shanghai Cooperation Organization (SCO) founded?
6. What did the 10th JETCO meeting witness?

## 2.3 INDIA'S POLICY TOWARDS SAARC COUNTRIES

To completely understand the foreign policy of India, it is vital to understand its relations with other neighbouring countries as well. In this section, you will learn about India's ties with Afghanistan, Bangladesh, Maldives, Sri Lanka, Bhutan, Nepal and Pakistan.

### 2.3.1 Indo-Afghanistan Relations

The Republic of India developed bilateral relations with the Islamic State of Afghanistan and ties between both the states have been known to be friendly and strong. The only South Asian country that recognized the Soviet-backed Democratic Republic of Afghanistan in the 1980s was India.

However, relations between India and Afghanistan started deteriorating during the Afghan civil wars as well as the reign of the Islamist Taliban in the 1990s. India favoured the overthrowing of the Taliban government. In fact, it made its support felt by providing humanitarian and reconstruction aid in generous amounts.

Following the bombing of the Indian Embassy in Kabul in 2008, the Afghan Foreign Ministry stated that India was a 'brother country' and ties between the two countries cannot be hampered by any enemy. Control of the Gilgit-Baltistan region of Kashmir bordering Wakhan lies with Pakistan but India claims it to be its border with Afghanistan.

Afghanistan shares its border with the North-West Frontier Province (NWFP), which was part of British India before 1947, dominated by the Indian Congress Party. A significant part of the population occupying the area comprised Pashtuns who were active participants in the Indian independence movement. However, following Partition in 1947, things changed drastically and NWFP

became part of Pakistan. However, links, cultural as well as economic, were maintained between the Republic of India and present day Afghanistan. While Indian movies and music are extremely popular in Afghanistan, Indians crave for Afghani dry fruits and carpets. Both the countries have enjoyed friendly relations with each other for most of their independent history. They have also cooperated over respective conflicts with Pakistan. Afghanistan joined SAARC as the eighth member in April 2007, following India's endorsement of its full membership.

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### **Saur Revolution**

In 1979, various Afghan developments took place and the Soviet troops entered Afghanistan in defence of the Saur Revolution. The revolution in Afghanistan was split internally in a power struggle between its two factions, the Khalq and the Parcham, between M. Amin and his opponents. While a rebellion was also led by mullahs, qazis, landlords and tribal leaders that raged in various parts of Afghanistan, which share borders with Pakistan. Amin got rid of the President in power, Taraki and was himself liquidated by Babrak Karmal. Due to this confusion the Soviet troops entered Afghanistan and asserted that its troops were invited by the Afghan government.

The situation also became complicated due to the considerable help provided to insurgents by the neighbouring areas in the form of arms and materials. As a result of this complicated situation, a large number of Afghan refugees migrated to Pakistan. The camps that were set up in Pakistan were not only refugee camps, but also were bases for carrying on the armed force in Afghanistan.

For the first time India was surrounded by big powers and a severely threatening situation was created for the country. It was a more dangerous situation than that faced by India in the preceding years after independence, except during the Bangladesh crisis. India's approach had to be sophisticated, complex and consistent with its past attitudes and norms. In accordance with India's basic policies, its highest national interests were promoted, which was an almost impossible task.

The policy of Afghanistan was caught short when India suffered in the confusion of political change as the government of Indira Gandhi had come into power nearly after three years in the political waste and was enveloped by a multitude of internal as well as external problems. The immediate responses were not necessarily the best thought-out. In the UN Security Council, the first statement of the newly formed government created some tremulous excitement and wanted to give the impression that India did not have any objection in the entering of Soviet troops into Afghanistan. Much of the misunderstandings arose owing to confusion in the changeover, however, immediately the shape of the policy towards this region came into clearer focus.

India faced a dilemma on how to vacate foreign troops from Afghanistan as well as cease foreign intervention from other quarters, such as the supply of arms and materials to rebel elements in Afghanistan. Naturally the opinion of the elite class was divided and many were of the view that the only element in

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the situation was the withdrawal of Soviet troops and therefore everything else was secondary. Some sections of the society believed that India did not have an interest to work in such a condition in which the Kabul government was just about to be replaced by a fundamentalist rule or extreme communalist elements which was backed by Pakistan. It could not consider in advance the alternative of a pro-Pakistan, pro-US, and pro-China regime. The alliance of the landlord, the mullah, and qazi in power was not a very attractive option.

There is no doubt that the withdrawal of Soviet troops from Afghanistan should have been carried out. India bitterly opposed foreign troops' entry into any other country. However, India acknowledged the declaration that the Kabul Government had requested the Soviet Union to send troops to help curb the revolutionary forces in power in Kabul. As per India it was the right of a country to invite help. Yet, India repeatedly asserted that it was undesirable for the Soviet troops to remain in Afghanistan. India also demanded that all other forms of intervention from outside must also end immediately.

On 12 June 1980, in a statement to the Lok Sabha, the then External Affairs Minister, P. V. Narasimha Rao said, 'our position regarding Afghanistan is well-known. We do not approve the presence of foreign troops or bases in another country. As such we feel that Afghanistan should maintain its sovereign, independent and non-aligned status. Afghanistan should also be assured of cessation and non-continuance of external intervention or interference against it.' Without an extensive political settlement, these ends could not be achieved. India's efforts had to be directed towards the realization of such a settlement.

Perhaps it is not arbitrary that it was only after India charted out a different course of action that political settlement could be accepted as the only possible solution to the complicated situation in South West Asia. In the following months, emphasis was laid on a political solution, which led to a series of high level visits to India. The high level visits began with the then French President, Giscard D'Estaing, in January 1980. He was acknowledged by the Indian Prime Minister, Indira Gandhi regarding the logic of situation and expressed the support for a political solution. The then UN Secretary General, Kurt Waldheim, also called upon Indira Gandhi for reducing the tension and checking uncontrolled reactions so that an action-counter-action symptom could be avoided as it would have ended up in a bigger super power rivalry.

In a public speech, Indira Gandhi said that India had already discussed the question of withdrawal of troops with the Soviet Union. The Soviet Union replied by saying that the troops would be taken away as early as possible if Pakistan stopped the training of insurgents and sending them into the Afghan territory. The Soviet repeatedly claimed that their troops came into Kabul only on the request made by the then Government of Afghanistan. However, the request was followed by the escalation in the activities of the insurgents and the threats from outside. The position of India concerning the withdrawal of Soviet troops was repeated at various international forums including the Seventh Non-Aligned Summit.

Even Pakistan affirmed that it was ready to follow the road of a political solution and gradually the idea of a political settlement was almost accepted. Negotiations were then started under the patronages of the United Nations Secretary General. It was admitted that a solution would not be simple or easy to find as the issue was an extremely complex one. Even though the then Indian Foreign Secretary, R. D. Sathe, in a statement to the media, said that after returning from Kabul the 'process' to resolve the situation of Afghanistan had already begun and it was a 'nearing solution', no such rapid developments could really be seen in the objectives of the powers and concerning states like Pakistan, China, the US, USSR and others. In December 1980, Indira Gandhi told a foreign correspondent that she could not foretell any immediate breakthrough. If a hue and cry had not been raised, the Soviet troops would not have vacated Afghanistan.

The new democratically elected Afghanistan government strengthened its relations with India due to persisting tensions and problems with Pakistan. It was suspected that Pakistan was sheltering and supporting the Taliban. India now pursues a policy of close cooperation with Afghanistan to bolster it as a regional power and contain its rival Pakistan, which continues to support the Islamic militants in Kashmir valley and other parts of India as well. Furthermore, India is the largest investor in Afghanistan, which has committed more than US \$2.2 billion for reconstruction purposes.

After the withdrawal of the Soviet armed forces from Afghanistan in 1989, India and the international community supported the coalition government that was to take control, however, these relations and contacts ended with the outbreak of another civil war in that country. The Taliban regime came into power in Afghanistan, which was an Islamist militia supported by Pakistan. The Taliban regime was recognized only by Pakistan, Saudi Arabia, and the United Arab Emirates (UAE). The rise of Islamism in Afghanistan and the growth of Afghan Mujahideen in the militancy in Indian-administered Kashmir turned the Taliban and Afghanistan into a security threat for the Government of India. The Taliban demolished the Bamiyan Buddha monuments which led to outrage and angry protests by India, which is considered the birthplace of Buddhism. In 1999, the Indian Airlines Flight 814 hijacked by Pakistani Muslim ISI agents landed and stayed in Kandahar in Afghanistan and the Taliban and Pakistan's Inter-Services Intelligence (ISI) were suspected of supporting them. India became one of the key supporters of the anti-Taliban Northern Alliance. During the Taliban regime, India's ties with Afghanistan became extremely strained. India would never support this kind of a government.

### **Relations between India and Afghanistan after the Collapse of the Taliban**

During the US-led invasion of Afghanistan in 2001, India offered intelligence and other forms of support to the coalition forces. After the overthrow of the Taliban, India again established diplomatic ties with the newly-established democratic government and provided aids and also participated in the reconstruction efforts.

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India has provided around 650-750 million US Dollars in humanitarian and economic aid, till date. A road in the remote Afghan province of Nimroz is being constructed by the Indian Army's Border Roads Organization. India's support and collaboration extends to rebuilding of air links, power plants and investing in health and education sectors as well as helping to train Afghan civil servants, diplomats and police. India is also interested in developing supply lines for electricity, oil and natural gas in Afghanistan. Afghan Students scholarships are also provided by the government of India.

Both India and Afghanistan also developed strategic and military cooperation against Islamic militants. Due to the killing of an Indian national by Taliban militants in November 2005, India deployed 200 soldiers at the Indo-Tibetan Border Police (ITBP) to provide security to the Indian nationals.

Three Memorandums of Understanding (MoUs) for strengthening cooperation in the fields of rural development, education and standardization between the Bureau of Indian Standards (BIS) and Afghan National Standardization Authority (ANSA) were signed between India and Afghanistan during Hamid Karzai's visit to India between 9 and 13 April, 2006. India and Afghanistan signed an agreement providing 50 million US Dollars to promote bilateral businesses when the Afghan Foreign Minister Dr Spanta visited India between 29 June and 1 July in 2006. During the same year, India raised its aid package to Afghanistan by 150 million US Dollars to 750 million US Dollars. India also supported Afghanistan's bid to become a member of the South Asian Association for Regional Cooperation (SAARC).

On 7 July 2008, the Indian embassy in Kabul was attacked by a suicide car bomb; this was one of the deadliest attacks in Kabul and the first since the fall of the Taliban in 2001. The bombing killed 58 people and wounded 141. This attack took place when Senior Indian Army officer Brigadier Ravi Datt Mehta was entering the embassy gates in a car along with Political Counsellor, V. Venkateswara Rao. Unfortunately, both men were killed in the blast. The Afghan government claimed that Pakistan's ISI was involved in the attack.

During the 15<sup>th</sup> SAARC summit in Colombo, India committed another 450 million US Dollars for the ongoing and forthcoming projects in Afghanistan. In August 2008, Afghan President Hamid Karzai visited New Delhi. This visit further strengthened bilateral relations between the two countries and Manmohan Singh, the Prime Minister of India, committed further aid for Afghanistan.

The Indian Embassy in Kabul was attacked again on 18 October 2009 by a car bomb, a little more than a year after the previous attack. In this attack, at least 17 people were killed.

The US and its allies reversed their policy and made an offer of peace to the Taliban, admitting that a military victory was unlikely, it spelt greater challenges for India. 'With a potential return of Taliban in Kabul, New Delhi's options will shrink, for it has made political investments by backing the Karzai government,' opined Raghav Sharma, Research Officer, IPCS, in a Special Report, published by the Institute of Peace and Conflict Studies (IPCS), New Delhi.

According to Sharma, the immediate challenge for India was to strike the right balance. The collapse of the Pakistani state machinery in its frontier region emphasizes the crisis across the border in Afghanistan, and pushes the extremist threat closer home.

To ensure an effective state policy, Sharma felt that India would have to ensure that its past support to the Tajik-dominated Northern alliance against the Pashtun-dominated Taliban does not act as a propaganda tool opposing its interests.

Sharma's suggestion was that India should play an active role in strengthening state governance capacity. It should try to win the confidence of the Afghan citizens by sharing knowledge and experiences of grassroots governance, for example, the Lok Adalats and Panchyati Raj system. He was of the opinion that by lending support in terms of indigenous farming and irrigation techniques, India could assist Afghanistan, reeling under the impact of the drought, revive its agricultural sector. He says in his report that India should lend support to the Senlis Council in the 'poppy for medicines' programme to curb illegal poppy trade. This would also allow them India to share their own experience of licensing poppy cultivation.

The Strategic Partnership Agreement (SPA) between the two sides, inter alia, provides for assistance to help rebuild Afghanistan's infrastructure and institutions, education and technical assistance to re-build indigenous Afghan capacity in different areas, encouraging investment in Afghanistan's natural resources, providing duty free access to the Indian market for Afghanistan's exports support for an Afghan-led, Afghan-owned, broad-based and inclusive process of peace and reconciliation, and advocating the need for a sustained and long-term commitment to Afghanistan by the international community. As the lead country for Trade, Commerce and Investment CBM of Heart of Asia Process, India hosted Senior Officials Meeting of the Heart of Asia countries in New Delhi in January 2014 and with the help of FICCI, India organized a 6th Regional Technical Group (RTG) in New Delhi on November 2015.

### **Pakistan and Afghanistan Relations**

The increasing influence of India on Afghanistan is seen as a threat to itself by Pakistan. The Indian forces on the Afghan border regions pose a threat to Pakistan's security. It has been often asserted by Pakistan that the Indian consulates in Afghanistan offer cover to Indian agencies running secret operations against Pakistan. The Indian mission in Afghanistan has faced accusations from Pakistan for the circulation of fake Pakistani currency through Afghan borders.

Even though the relationship between India and Afghanistan is cordial, it is good to have a three-way cooperation between India, Pakistan and Afghanistan so that all three nations are benefitted. The slightest hint of instability in the relationship between these three nations could impact the entire South Asian region. Both India and Pakistan possess nuclear powers. They are both counted among the dominating nations of South Asia. Therefore, it is but beneficial to

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them if they focus on improving their relations and building confidence in the South Asian region.

Afghan President, Hamid Karzai's visit to India following the SAARC summit in Colombo was important in various ways. He was the first person who held the Pakistani spy agency responsible for the attack on the Indian Embassy, at Kabul, on 7 July.

Although, initially the Prime Minister of Pakistan, Yousuf Raza Gilani rejected these allegations, when Manmohan Singh raised this issue during the SAARC summit, Gilani assured to conduct an independent investigation to ascertain how the ISI was involved.

Afghanistan had blamed Pakistan's intelligence agencies for supporting Taliban-led insurgency. Its repeated grouse was that Pakistan-based militants crossed borders and launched terrorist attacks in Afghanistan. Organized attacks on not just the Afghan government but the Indian personnel as well, have been funded. Militant groups, such as Hizb-ul-Mujahideen, the Jaish-e-Mohammad and the Lashkar-e-Tayiba who mainly functioned in Jammu and Kashmir soon became responsible for more fights in Afghanistan. This 'proxy war' from Kashmir to Afghanistan was rather worrying. ISI has been operating for over three decades now.

Cordial relations between India and Afghanistan has disappointed Pakistan. The Karzai government went ahead and to strengthen ties with India, and allowed Indian consulates in Jalalabad, Kandahar, Herat and Mazar-e-Sharif. Afghanistan may also look towards India to help train the new Afghan army facilitate dam construction in the northeast Afghan province of Kunar. During Karzai's visit, PM Manmohan Singh had stated its commitment to Afghanistan's attempts to establish a stable and prosperous society.

The ISI is irked by the growing influence India has on Afghanistan. In fact, the war in Afghanistan is part of Pakistan's conflict with India. The fight, direct and indirect, between India and Pakistan has been on for decades. To add to this, India, Russia and Iran have initiated trade routes that bypass Pakistan's eastern port of Karachi. Iran and India are also working on plans for construction of rail and road links between ports in Western Afghanistan and Iran, on the Arabian Sea.

Another factor that unites Taliban, ISI and Pakistan-supported terrorist organizations in Afghanistan is poppy. The area where poppy cultivation is most rampant is also the one that is closest to Afghanistan's border with Pakistan. Poppy farming brings profits to the farmer, the corrupt bureaucrats as well as the Taliban. As a result, it provides unlimited resources to the Taliban to oppose the US and prevents the Karzai government from establishing authority. The poppy cultivation in southern Afghanistan comes in the way of development projects that are heavily funded by India.

For Pakistan, an attempt to reduce India's presence in Afghanistan has been unavoidable.

### **2.3.2 Indo-Bangladesh Relations**

Bangladesh was created out of Pakistan following the dispute between West and East Pakistan after the general elections in 1971 during Yahya Khan's regime. India played a prominent role in the creation of Bangladesh and the installation of Mujibur Rehman's government. In spite of cordial relations in the early phase, there have been misunderstandings between the countries on the construction of the Farakka Barrage in 1975. Mujibur Rehman was assassinated on 15 August 1975 by a group of military officers and consequently, Ziaur Rehman took over the charge of the Bangladesh government.

As far as Bangladesh is concerned, the country would not have been born but for the bold steps taken by Indira Gandhi and the sacrifices made by the Indian Jawans in the war which Pakistan launched on 3 December 1971. India not only helped the birth of Bangladesh but it also nursed it in its infancy by giving it economic and military aid and guaranteed its security. As long as Mujibur Rehman was alive, the relations between the two nations were cordial. However, he was assassinated in 1975 and since then the US-China-Pakistan axis began to operate in Bangladesh freely and it instigated anti-India hysteria there.

However, along with positive developments, the march of time produced certain irritants in Indo-Bangladesh relations, particularly in carrying out the anti-India propaganda by certain sections of the Bangla press and other vested interests. These at times, made the ties between India and Bangladesh quite strained. This negative development became a source of concern particularly towards the end of Mujib's era. Some scholars even go to the extent of saying that Mujib's friendship with India was a factor in the August 1975 coup against Mujib's regime.

The following factors were responsible for the emergence of anti-India propaganda in Bangladesh during the closing years of Mujib's era:

- Existence of pro-Pakistan factions in Bangladesh
- Internal opposition to Mujib's policies particularly to the centralization and concentration of authority into his own hands
- The difference over Farakka Barrage issue
- Rise of communalism in Bangladesh
- The Pakistani and Chinese propaganda that India was having imperialistic designs over Bangladesh
- The failure of the government of Bangladesh to effectively run the administration and check the spread of anti-India propaganda
- The strong dissatisfaction in Bangladesh over the increased corruption shortage of essential commodities, particularly foodstuffs and uncontrolled smuggling on Indo-Bangladesh border
- The strong criticism by the Indian Press (West Bengal based) of the role of opposition in Bangladesh, produced a strong reaction and gave rise

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to considerable opposition to the role of India in the sub-continent. In particular, this made Moulana Bhashani and his party a strong critic of India

India and Bangladesh are a part of the Indian subcontinent and have had a long cultural, economic and political history. India played an important role in the independence of Bangladesh from Pakistan. In recent times, India provided cooperation and assistance during natural calamities. India is the largest exporter to Bangladesh and one of the major differences between the two nations is of sharing water resources, i.e., the Farakka Barrage issue.

After Ziaur Rehman became the President of Bangladesh, he visited India in connection with the UNIDO (United Nations Industrial Development Organization) Conference and had two rounds of discussions with the Indian Prime Minister Indira Gandhi and the Foreign Minister on issues such as Farakka Barrage and Indo-Bangladesh border. On 30 May 1981, Ziaur Rehman was assassinated in a military coup and the Vice President, Justice Abdus Sattar, took over the Presidency. He could not give a fair administration and he was overthrown in another military coup on 24 March 1982 by Lt. Gen. H. M. Ershad, who became the Chief Martial Law administrator. He announced that in regard to South Asian countries and regional cooperation, he would carry out the policy formulated by Mujibur Rehman. The country's foreign policy of friendship with Islamic countries and cooperation with non-aligned nations was on a firm foundation.

On 15 April 1985, Foreign Secretary of India, Romesh Bhandari visited Bangladesh with a letter from Rajiv Gandhi to President Ershad. There he discussed all the six outstanding issues between the two countries, they are as follows:

- Sharing of the Ganga and Teesta waters
- Implementation of the 1974 boundary agreement and the transfer of the Tin Bigha corridor by India to Bangladesh
- Determination of the ownership of South Talpatty (New Moor) island
- Delineation of the maritime boundary
- Erection of fences along the Indo-Bangladesh border
- The anti-India activities of the US-Britain-Pakistan axis in Bangladesh

A review of Indo-Bangladesh ties in the period reveals that several major irritants, which had in the past disturbed the course of Indo-Bangladesh ties and which had the potential to give a further setback to the ties between the two countries, remained active. Effective action could not be taken for eliminating or at least for properly handling these irritants. Fortunately, the rulers of Bangladesh partially realized the futility of maintaining tensions in relations with India. Rajendra Sareen, in his article 'Delhi and Deccan, New Beginning' opined that there appeared a welcome change in the attitudes of both the countries towards each other, which suggested a hopeful future for the development of Indo-Bangladesh friendship and cooperation. He wrote, 'recent



trends indicate a desire on the part of both the countries to have a cooperative working relationship without acrimony'. India clearly has a vested interest in a stable and prosperous Bangladesh.

India was also one of the first countries to recognize the new state and establish diplomatic and trade ties with it. Soon after its establishment, India provided Bangladesh enormous amounts for the economic reconstruction of the country. In 1972, the two states signed a treaty of Friendship, Cooperation and Peace for 25 years on the pattern of Indo-Soviet Treaty of Peace, Friendship and Cooperation, which concluded a year earlier. Both the states pledged to strengthen world peace and security and to fight against colonialism, racialism and imperialism.

The two nations also tried to strengthen their bonds in the fields of social, cultural and economic and concluded a number of agreements. Similarly, in the field of science and technology both agreed to cooperate. The two states also amicably settled certain issues regarding the border between them. The boundary between the two states was to be demarcated in a manner which was equitable to both the states and safeguarded the interests of both the nations. No doubt, thereafter some border disputes between the countries did take place, but by and large both showed spirit of complete accommodation towards each other and their ties continued to be peaceful and cordial.

After the emergence of Bangladesh, the dispute over Farakka Barrage was a legacy from the Indo-Pakistan relations, which continued to be a source of irritation between India and Bangladesh as well. Bangladesh tried to internationalize the dispute by raising it at the United Nations. However, it was not approved by India on the grounds that this would complicate the situation and insisted on settlement of the issue through mutual discussions and cooperation. Ultimately, this issue was withdrawn from the United Nations by Bangladesh.

The most difficult problem between India and Bangladesh is sharing of Ganga waters. As we all know that River Ganga originates at Gangotri and it flows in south eastern direction through India and reaches Bangladesh. Its mainstream of bifurcation is situated at 38 km south of Farakka in Murshidabad District in West Bengal. One stream called Bhagirathi-Hoogly flows in the lower reaches of West Bengal and the other stream called Padma flows along the India-Bangladesh boundary and joins Brahmaputra, before reaching the Bay of Bengal it meets River Meghna.

The Ganga water dispute between the two countries is sharing of waters during lean season from January to May, particularly from mid-March to mid-May as Ganga's flow reduces to a minimum level of 55,000 cusecs. The crux of the problem is that if India withdraws 40,000 cusecs in maintaining of Calcutta Port, Bangladesh receives only 15,000 cusecs which is not enough to meet its need. Thus, India gives rise to multifarious problems in Bangladesh by extraction of this larger amount of water. The dispute is relating to equitable sharing of waters by the two states.

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Another problem is that of the New Moore Island between India and Bangladesh. It covers an area ranging between 2 and 12 square kilometres, as it depends on the rising and receding tide and is located in the Bay of Bengal. This island's location is nearly 5,200 metres from the Indian coastal point and nearly 7,000 metres from Bangladesh coastal point. India first noticed this island in 1971 and for recording it, the British Admiralty was notified. The Admiralty chart included it as 'New Moore Island'. During Indo-Bangladesh maritime negotiations in 1974, India brought the existence of the Island to the notice of Bangladesh. Till 1979 India did not claim the ownership of the Island. The dispute arose when the West Bengal government named the Island Purbasha (Hope of the East) and then Bangladesh called it South Talpatty. On 12 March 1980, the flag of India was hoisted on this Island. It was at this stage that its ownership was claimed by Bangladesh and said that New Moore was a disputed territory. The situation became explosive in May 1981 when Bangladesh objected to the arrival of the Indian ship I.N.S. Sandhyak in the Island waters. The dispute has remained unresolved, though it has been discussed at different levels. Sometime in the early 2000; the island was completely submerged in the sea and the issue became redundant.

The Indo-Bangladesh ties also suffer from the problem of Chakma refugees. A large number of Bangladeshi refugees have taken shelter in the state of Tripura in India. During 1994, negotiations led to the repatriation of Chakma refugees from Tripura to Chittagong Hill tracts in Bangladesh. Nearly 5,100 such refugees were repatriated in 1994. Talks for repatriation of nearly 50,000 more Chakma refugees were going on till 1996. All repatriation had been on voluntary basis.

The relations between the two countries were again affected due to the Tin Bigha corridor issue. Dahagram and Angorpota, the two enclaves of Bangladesh are separated from the Rangpur District of Bangladesh by a small piece of Indian Territory called Tin Bigha. It was sought to be settled when Indian Prime Minister Indira Gandhi and Bangladeshi President Ershad signed an agreement in 1982. The agreement confirmed permanent lease of Indian Territory of Tin Bigha to Bangladesh. The signing of this agreement was welcomed by the people of Dahagram and Angorpota, however, the people of West Bengal were not in favour of this agreement and it could not be implemented as leasing out an Indian Territory required a constitutional amendment. Moreover, in this regard, a petition was filed in the Calcutta High Court challenging the leasing of Tin Bigha corridor.

The influx of Bangladesh refugees and the Assam problem, resulted in a mass exodus, which created serious problems between India and Bangladesh. The Government of India decided to construct a barbed wire fencing in the border at an estimated cost of ₹ 550 crores. Though the Government of Bangladesh did not oppose the idea in the beginning, however, it later refused to cooperate; this further strained the ties between the two countries. After prolonged negotiations, the countries reached an understanding on the border issue. This put a final seal on the issue, which was pending for nearly two decades.

Daughter of Mujibur Rehman, Sheikh Hasina Wajed, is the current Prime Minister of Bangladesh and has been pro-Indian from the very beginning. She had also been in power once before from 1996 to 2001. The ties had taken a positive turn when the Ganga waters sharing treaty was signed in New Delhi on 12 December 1996. Both the leaders welcomed the heralding of a new era in mutual cooperation and agreed to activate a joint working group with a view to combat insurgency in the North-Eastern sector in India and the Chittagong Hill tracts on the other side. It was also agreed that immediate steps would be taken for better border management and for combating insurgency in North East.

The Tribune in its editorial praised the Treaty and described the development as a new phase in ties, which brightened the prospects of building a long-lasting Indo-Bangla relationship that was based on mutual benefit, dignity and respect for each other's independence. To quote, 'the treaty gives the two nations a 30-year time frame within which they cannot only discuss how to augment the water flow in the Ganga but agree on sharing the benefits from all other common rivers; explore the areas of joint economic ventures; substantially increase their trade; and facilitate cultural and other exchanges at the popular level'. Whether these objectives would be achieved, is a matter that crucially depends on Bangladesh and on the BNP's (Bangladesh Nationalist Party) attitude towards India.

During 1994-95, India's exports to Bangladesh had increased to over ₹ 2000 crores. An agreement on avoidance of double taxation as well as a ₹ 30 crores credit agreement has already been concluded. Under the Technical Assistance Programme, India provided training facilities to Bangladesh personnel. SAARC is the most important forum to provide economic assistance in South Asia. The decision to have preferential trading through SAPTA (SAARC Preferential Trading Agreement) was likely to further increase economic cooperation between India and Bangladesh.

The crucial Joint Economic Council (JEC) meeting between India and Bangladesh had ended with the announcement of substantial progress towards enhancing bilateral trade as the two nations agreed to initiate talks on the Free Trade Agreement. There is already in existence a land route between Kolkata and Dhaka since April 1999. It was decided that the Foreign Secretary level Free Trade (FTA) Standing Committee would meet early in 2004 to review the progress of the first round of talks on FTA. As a mark of good neighbourly relationship, India has agreed to renew the state to state credit of ₹ 200 crores earlier sanctioned for various development projects in Bangladesh and it would continue to be extended until the credit was exhausted.

West Bengal Chief Minister, Jyoti Basu paid a visit to Dhaka just before Hasina Wajed came to India. Initially he was not satisfied with the treaty when he saw it in the proposal stage but once the agreement assured enough water to keep Calcutta port in good condition then Basu expressed satisfaction. Basu opined that the agreement would benefit India as well as Bangladesh. He hoped that water sharing agreement would open up the possibility of an arrangement for using Chittagong port by industry in both the nations.

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Fortunately, the Awami League attitude towards India has been very positive. Hasina Wajed condemned Pakistan's dictatorial regime and called for restoration of democracy. In India the treaty was categorically praised by all the major political parties, except the BJP which did so with reservations. The West Bengal government was directly involved in the negotiations and hence has little doubt the contents of the treaty. The treaty has the potential to give a greater push to the Indo-Bangladesh ties in the years to come.

However, there have been various other instances of strain in Indo-Bangladesh ties. The Foreign Minister of India, Yashwant Sinha said on 26 November 2002 that Indian insurgent groups in the north east had taken shelter in Bangladesh. And he complained that Pakistan High Commission in Dhaka was the hub of the ISI activities. There was also unhappiness in India that Bangladesh never, unequivocally, condemned cross-border terrorism in Jammu and Kashmir.

Another important aspect of the Indo-Bangladesh ties is the inter-religious and inter-cultural cooperation. Senseless hatred, on the basis of religion or culture, has to be rooted out once and for all and India and Bangladesh have to play a positive and decisive role in this respect. The Hindus and the Muslims lived peacefully in this subcontinent for over a thousand years and they can live in harmony again.

It is widely believed that Bangladeshi Prime Minister Hasina's visit to India has been a success. She said that the problems between the two states cannot be solved overnight. She further added 'we would like India to be our friend as it was during our liberation war. On the question of national interest, we should settle our minor internal political differences and display united and enlightened disposition internally as well as externally.'

India has extended a line of credit of US\$ 800 million to Bangladesh for a range of projects, including railway infrastructure, supply of Broad Gauge microprocessor-based locomotives and passenger coaches, procurement of buses, and dredging projects. US\$ 150 million out of the US\$ 200 million grant has already been released to Bangladesh in three instalments for utilization in projects of priority to Bangladesh.

Given the shared history and commonality of language, cultural exchanges form an important bond of friendship between the people of two countries. Special emphasis has been laid on promotion of exchanges in the fields of music, theatre, art, painting, books, etc. A bilateral Cultural Exchange Programme (CEP) provides the framework for such exchanges. To promote bilateral cultural exchanges, the Indira Gandhi Cultural Centre (IGCC) of Indian Council for Cultural Relations was inaugurated at Dhaka on 11 March 2010. Both countries jointly celebrated year-long celebrations of the 150th birth Anniversary of Rabindranath Tagore and the 90th Anniversary of the publication of the poem *Bidrohi* by Kazi Nazrul Islam in 2011-12.

## **ULFA (United Liberation Front of Assam) and ISI (Inter-Services Intelligence)**

The Islamists' Party Alliance led by Bangladesh Nationalist Party (BNP) won the eighth Parliamentary election. Following this landslide victory, ULFA re-established camps at Maijdi, Mymensingh, Rangpur, Mohangaon, Bhairab Bazaar and Pulchhari. Its camps were also re-opened at Adampur, Banugashi, Jyantipur, Jayadevpur, Shrimangal and Cox's Bazar. By the end of 2003, 15 militant groups had been running their almost 200 camps in Bangladesh.

The BNP government under the leadership of Begum Khaleda Zia was accused of encouraging Pakistan's Inter-Services Intelligence (ISI) operations in the Northeast, and of assisting insurgencies in the region. By all evidences, Bangladesh at that time extended diplomatic support that helped ISI operation in other parts of South Asia and allowed its territory to be used as a channel for arms supply to be used against India.

In January 2010, Bangladesh's Minister of Local Government and Awami League General Secretary Syed Ashraf Islam claimed to have proof of a meeting between Pervez Musharraf (former President of Pakistan) and Anup Chetia—the Chairman of ULFA—in 2002. He claimed that the 90-minute long meeting that was arranged by the Khaleda Zia-led government, was arranged in Musharraf's hotel room.

The Pakistani High Commission in Bangladesh is said to have facilitated the travel of ULFA leaders to Karachi, from where they were escorted to the terrorist training centres by ISI. ULFA is claimed to have repaid Pakistan gratefully by declaring its support for that country during the Kargil war. By asking Pakistan to liberate Assam, ULFA seemed to have permitted this diluted ideology for military reasons. This just goes to prove how the importance of military reason overshadows political reasons in ULFA's strategies.

On 2 April 2004, Bangladesh Joint Forces captured truckloads of weapons destined for ULFA hideouts in northeast India. The volume of arm haul was such that a small war could have been launched on its basis. The shipment is said to have had its origin in Hong Kong and was transferred to smaller vessels in Burma before being shipped to Chittagong.

Only after the rise of the Awami League to power did there come about a policy shift towards the insurgency of the Northeast. Bangladesh accused India of putting together the Shanti Bahini, against the Bangladesh government to support the Chakma insurgency.

When Sheikh Hasina came to power a second time, she visited India. An understanding was reached that neither India nor Bangladesh would permit their area to be used against the other. During her first reign there had been an attempt on Sheikh Hasina's life, supposedly by the ULFA.

Not only is there an uprising in the ranks of the Bangladeshi Rifles but radical Islamist forces have also penetrated into the armed forces. Bangladesh's economic and political stability could be hampered by blind religiosity, the armed forces and the radial political parties.

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### 2.3.3 Indo-Maldives Relations

The Maldives is located in the south of India's Lakshadweep Islands in the Indian Ocean and approximately 700 kilometres from Sri Lanka. Both nations established diplomatic relations after the independence of Maldives from the British rule. Since then, India and Maldives have developed close strategic, military, economic and cultural relations. India has supported Maldives 'policy of keeping regional issues and struggles' away from itself, and the latter has seen friendship with India as a source of aid as well as a counter-balance to Sri Lanka, which is in proximity to the island nation and its largest trading partner.

The people of Maldives are mostly Muslims by faith and ethnically they are a mixture of south Indian and southern Arabian racial strands. The official language is Divehi, which is written in the Arabic script. Islam came to these islands in the 12th century, probably from the Malabar Coast. Traditionally, the Sultan was the political head, and a form of theocratic administration prevailed. Maldives never came under direct Western colonial rule. Indirectly, for a short period, the Portuguese had established their brief control in the 16th century and the British made it a protectorate from the late 19th to mid-20th century, primarily for the use of the Gan Island as a naval base.

Since 1932, internal changes began to take place. The position of the Sultan became that of an elected head, aided and advised by a legislature, elected by universal adult franchise. Though an abortive attempt was made in 1954 to end the Sultanate, however, it was finally abolished only in 1965 after a nation-wide referendum. A Presidency was established, as the 'atoll supreme'. Former Prime Minister Ibrahim Nasir became the first President during 1965–78. He was succeeded by Maumoon Abdul Gayoom. He was nominated by the Majlis, which is a unicameral legislature.

The Prime Minister of the Republic of Maldives, Ahmed Zaki visited India from 8 to 14 March, in 1974. He met the Indian President, V. V. Giri as well as Prime Minister, Indira Gandhi and discussed bilateral issues. They also emphasized the need for regional cooperation among the countries of the area for the promotion of mutual understanding, economic development and peace and stability. Both Zaki and Indira agreed that India would extend 'on a continuing basis' facilities for training Maldivian personnel in educational and technical fields. The sides would explore in detail further measures for economic cooperation. Zaki recognized the fact that the steps taken by India to normalize the situation in the subcontinent were developments which would contribute to the strengthening of peace and cooperation among all countries in the region. On the west Asian crisis, the two leaders stressed the need for full implementation of the UN Security Council resolution of November 1967 and October 1973.

In a joint communiqué issued at the end of his visit, both the nations expressed their complete support in the fact that the Indian Ocean was 'a zone of peace, far from Great Power rivalries, tension and military escalation'. The two countries expressed concern at the growing military activity in the Indian Ocean region and hoped that its character as a zone of peace would be accepted by all.



Bilateral relations between the Republic of India and the Republic of Maldives have generally been friendly and close. India and Maldives established strategic, economic and military cooperation amongst themselves. India contributed to maintaining security on the island nation and has forged an alliance with respect to its strategic interests in the Indian Ocean.

Indian Prime Minister, Indira Gandhi, visited Maldives on 12 January 1975 and met the Maldivian Prime Minister Ahmed Zaki. She was confident that economic and technical cooperation would expand even further in the coming years. Her brief speech mentioned the need to ensure peace and stability in the Indian Ocean. Both nations agreed that Great Powers should refrain from engaging in a competitive build-up of strength in this ocean. She emphasized on the fact that India stood by its basic commitment to peaceful co-existence and non-alignment. In fact, the détente in evidence between Super Powers confirmed the validity of these policies.

Indira Gandhi urged that the countries of the region should resist pressures from political, economic and military fields. An important part of their common strategy was to insist that the world's resources be developed and distributed in a just and equitable manner. She referred to the 'increased naval activity' which brought unwelcome conflict nearer to them and said all states want the Indian Ocean to be an area of peace. She further stated that the search for avenues for increased cooperation between countries such as India and Maldives had become 'all the more necessary because of pressure exercised on us by international economic forces'.

In a Joint Communiqué issued at the end of Indira Gandhi's visit, India's nuclear policy received 'appreciation and full understanding from Maldives'. According to this communiqué, Mr Zaki expressed his appreciation and full understanding of India's policy in this field and the conviction that the benefits of this technology could contribute significantly to the economic development of the countries of the region. The communiqué also recorded the firm desire of India and Maldives to maintain Indian Ocean as a zone of peace and voiced their concern over the recent developments in the Indian Ocean area. They agreed on the need for measures to improve their bilateral cooperation in the fields of education, fisheries, air and sea communications with a view to promote commercial, cultural and other exchanges.

In 1977, Indian Airlines collaborated with Air Maldives to open its first air service between Male, the capital of Maldives and Colombo. The Indian government decided on 2 March 1978 to award 11 million US Dollars to the Government of India owned Airport Authority for the airport construction contract. The Maldives Minister for Transport, M. A. Gayoom said that the contract was to construct fuel storage facilities and civil works at Male's Hulhule airport. The project for modernizing and expanding the airport, mainly funded by Kuwait, was completed by 1980. The runway expanded to facilitate landing of Jumbo-Jets. Maldives received international bids for construction of telecommunication system and navigational aids at the airport.

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On 13 February 1979, in New Delhi, both India and Maldives signed an agreement for operating air services between the two countries. According to the Agreement, Indian Airlines entitled to operate three services every week to Male, while Maldivian international airlines could similarly operate three services to either Trivandrum or Madras. Air Marshal J. Zaheer, Director-General of Civil Aviation, on behalf of India and M. Naeem, Director, Ministry of Transport, Government of Maldives signed the Agreement.

The two states agreed to set up a regular institutional arrangement to give a momentum to bilateral trade between them. India assured Maldives to meet the latter's requirements of essential commodities and agreed to identify a list of such items on a year to year basis. The agreed minutes of the Indo-Maldivian trade talks held in New Delhi from 17–20 November 1980 were signed by the Minister of State for Commerce, Khursheed Alam Khan and the Deputy Minister for Public Safety of Maldives, Ilyas Ibrahim. It was also agreed that the state trading organizations of the two countries would be entrusted with the task of entering into commercial arrangements for moving the predetermined commodities to Maldives. Mr Ibrahim also met the Commerce Minister, Pranab Mukherjee and conveyed his country's keen interest in developing Commercial ties with India.

The Maldivian President, M. A. Gayoom visited India on 6 September 1983 and met Indira Gandhi. Both leaders discussed matters, concerning the non-aligned movement and developments in the Indian Ocean. He also met President Zail Singh as well as External Affairs Minister P. V. Narasimha Rao. Zail Singh said, like Maldives India was also disturbed at the 'frightening consequences' of increasing tension in the Indian Ocean region. Peace was essential if both states were to develop freely without the tension and outside interference. Gayoom said that the two countries were not only neighbours but were also linked together by historical and cultural ties over many centuries. He opined Maldives was committed to the concept of cooperation among South Asian countries.

The next day, the two states signed a cultural agreement covering the fields of art and culture, archaeology, education, social welfare, public health, mass media and sports. The agreement, consisting of 13 articles, aimed at reciprocal visits of academics and experts, representative of educational, literary, scientific, technical, artistic and sports associations, grant of scholarships and facilities by each country to students and scientific personnel of the other and exchange of cultural, educational, scientific and sports literature publications and copies of art objects. It also included exchange of artists, dance and music ensembles, exchange of films, documentaries and radio and television programmes, participation in each other's international film festival and visits of sports teams.

On 8 September 1983, Aligarh Muslim University held a special convocation and conferred an honorary degree of Doctor of Letters on President M. A. Gayoom. In his speech he said: 'We find today in this twentieth century that some powerful nations are trying to dominate the world and in many international issues that confront the world, might is still regarded as right'. He regretted that grave injustices were being perpetrated on weaker peoples and

nations. Innocent people were being uprooted from their homes and wars were waged for acquiring new lands and territories.

Again on 4 February 1985, the Maldivian President Gayoom visited New Delhi and met Prime Minister Rajiv Gandhi and discussed bilateral, regional and international issues. Both the leaders emphasized on the need to further strengthen the friendly ties between the two countries. The visiting President was believed to have sought greater technical and economic assistance for the speedy development of the Maldives. India had earlier offered the Maldives its expertise in setting up small scale units in different fields.

The Indian Premier Rajiv Gandhi visited Male on 7 February 1986 and discussed with Maldivian President on bilateral ties and the situation in the region. The two countries also signed the Five Year Economic and Technical Cooperation Agreement. The agreement was aimed at boosting economic and commercial ties between the two states and envisaged the setting up of joint commission to identify specific areas of mutual benefit.

Both leaders expressed concern at the current arms race and strongly urged the super powers to double their efforts in the global military confrontation. Gayoom agreed with Gandhi that a new framework of international economic relations was of vital importance for developing nations in order that they may have a more equitable share in the world trade and resources.

India extended a wide package of economic, technical and commercial assistance to Maldives amounting to about ₹ 21 crores, raised the amount of the controversial baggage allowance and agreed to provide specialized training facilities to young Maldivians in Indian Institutes. The package was part of the technical assistance and economic agreements. Since India had reduced the baggage allowance some time ago for passengers visiting the islands, there had been persistent demand that it should be restored to the original position. The amount of baggage allowance would be ₹ 750 for a three day stay and beyond this period ₹ 1,250. On the other side, Gandhi took the decision of providing assistance in health care, meteorology, hotel industry, telecommunications and television programme. India constructed 30-bed general hospital in Maldives, including a 20-bed Indira Gandhi Cardiac Centre, land for which was made available by the government.

In 1987, India and Maldives signed a two-year cultural programme for exchange of artists, scholars, sportsmen and media personnel. It was signed by Varadaraja, Secretary in the Department of Culture, and I. H. Zaki, permanent secretary, Foreign Affairs, Ministry of Maldives. This was the first such exchange programme. In November 1988, India helped Maldives by expeditiously sending its armed forces to ward off an insurrectionary attempt made by some Sri Lankans to oust the legal government of President Gayoom.

On 23 July 1989, the President Mr Gayoom expressed satisfaction that the bilateral cooperation between the two countries had been developing in all the fields. Both countries were pursuing socialist ideas in their foreign policy objectives and cooperating with each other. Mr Gayoom said that the Indira

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Gandhi Hospital to be built by the National Building Construction Corporation of India would become a symbol of friendship between the two countries. Indian High Commissioner to Maldives, Mr Menon said that the bilateral ties were strengthened to a further level in political, economic, social and cultural fields. India considered it a privilege to participate in the historic economic transformation that was taking place then in Maldives. Peaceful co-existence had been the corner stone of India's foreign policy and he affirmed India's commitment to the spirit of SAARC.

### **SAARC and Maldives**

India and Maldives are founding members of the South Asian Association for Regional Cooperation (SAARC), the South Asian Economic Union and signatories to the South Asia Free Trade Agreement. Leaders of both countries have maintained high-level contacts and consultations on regional issues.

India has considerable impact on Maldives' foreign policy and offers security, especially after the Operation Cactus in 1988, during which India kept away Tamil mercenaries who invaded Maldives. As the founding member of SAARC, in 1985, which brings together Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan, and Sri Lanka, Maldives essays a significant role in SAARC. Maldives calls for South Asian Free Trade Agreement (SAFTA), the formulation of a social charter, the initiation of informal political consultations in SAARC forums, the lobbying for greater action on environment issues, the proposal of numerous human rights measures and for setting up a SAARC Human Rights Resource Centre. The Maldives advocates greater international profile for SAARC such as through formulating common positions in the United Nations. However, territory of Minicoy, administered by India and dominated by Muslims is claimed by Maldives.

### **Maldives and the People's Liberation Organization of Tamil Eelam (PLOTE)**

In November 1988, speedboats with eighty armed militants of the People's Liberation Organization of Tamil Eelam (PLOTE) landed in Maldives and began taking over the government with assistance from allies who had infiltrated the country.

The plot, is believed to have been planned in Sri Lanka by the Tamil nationalist group, as part of an attempt by a Maldivian businessman and politician who was against the regime of the President of Maldives, Maumoon Abdul Gayoom, to establish control. The PLOTE, on the other hand, wishes for a safe shelter and base for its activities.

Although the militants managed to seize the airport in Male, they failed to capture the President of Maldives, Maumoon Abdul Gayoom, who had fled and requested India for military aid. The then Indian Prime Minister, Rajiv Gandhi, had ordered 1,600 troops to help the Maldivian government. In the military operation code-named 'Operation Cactus,' Indian forces arrived within 12 hours of Gayoom's request to squash the coup attempt. Within a couple of

hours, they took full control of the country in an operation that saw 19 PLOTE militants killed and 1 Indian soldier wounded.

The Maldivian President Gayoom visited New Delhi on 18 September 1989 and said the Indian soldiers had performed very well and the small contingent (162-165 soldiers, according to Indian officials) that had staged behind did so by 'advising and training' the Maldives security personnel. Referring to his talks with Indian leaders in New Delhi including the premier, Rajiv Gandhi, Gayoom was extremely happy with the outcome and during this visit it had been decided that the first joint commission meeting will be held in Male between 6 and 10 November 1988.

The Indian External Affairs Minister, I. K. Gujral visited Male on 14 January 1990 and stated that both countries had agreed in principle to abolish the visa system for travel between India and Maldives to become the first SAARC member-states to take such a step. Furthermore, to provide greater access to this island nation, Indian-Airlines would start operating direct flights from Bombay within 10 days. Gujral earlier attended a function to lay the foundation of the Indira Gandhi Memorial Hospital by President Gayoom. This hospital was the largest project undertaken by India under the foreign assistance programme. Gujral stated India was in favour of the Maldives hosting the Fifth SAARC Summit that year, as the island nation was celebrating the 25th anniversary of its independence.

On 13 January 1990, both the countries signed a Memorandum of Understanding (MoU) allowing Male the use of an Indian Satellite (INSAT-ID) after it was launched in July. The two countries also signed a MoU agreeing to abolish the visa system, expanding cooperation in security, civil aviation, health, education and agricultural sectors. The MoU signed by the Indian High Commissioner, M. P. M. Menon and the permanent secretary in the Maldivian Foreign Ministry, I. H. Zaki enabled Male to receive metrological data and television programme for re-broadcast on the local television network. The first meeting of the Indo-Maldivian joint commission paved the way for Indian Airlines operating direct flights to Male from Bombay. Gayoom did not see the necessity of India and his country entering into a defence treaty although the Indian military assistance had promptly foiled a coup attempted in the island nation in 1988.

The Maldivian President Gayoom again visited New Delhi from 15 to 17 March 1990. He met Indian President R. Venkataraman and Premier V. P. Singh. Gayoom summed up his visit as 'very successful and very fruitful' and he discussed all bilateral matters and reached a high level of understanding on all issues.

The Indian Premier V. P. Singh visited Male on 22 March 1990 and met Maldivian President Gayoom, who had made eight visits to India in the past ten years either on official visit or to attend the meeting of the SAARC or international conference. Indo-Maldivian cooperation extended to many fields ranging from exchanging Doordarshan programme through INSAT to training Maldivian personnel by Indian experts.

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On 15 April 1995, New Delhi offered Male technical assistance in various fields to boost bilateral cooperation. Both the states reiterated their commitment to expand the existing ties and build up diversified linkages for a cordial and mutual beneficial relationship. Defence, medical, non-conventional energy and marine transport were areas, where India gave assistance.

India continues to maintain very close and friendly ties with Maldives, which is an important maritime neighbour. In June 1996, Deputy Foreign Minister of Maldives, Salah Shihab inaugurated a seminar on Indo-Maldives ties at the Institute of Asian Studies in Hyderabad. Again in the month of October 1996, Maldivian Minister of Transport and Communication, Ahmed Zaki visited India in connection with the Ministerial Conference on Infrastructure. Foreign Minister of Maldives, Fathulla Jamil visited Delhi for the SAARC minister Meeting in December the same year. Indian assistance to Maldives was focused mainly on human resource development scheme. Both the countries agreed to cooperate in setting up a distance education programme for Maldives. For this purpose, a delegation from the Indira Gandhi National Open University (IGNOU), led by Pro-Vice Chancellor Janardan Jha, visited Maldives for assessing Maldivian requirements and preparation of the scheme to be launched. A Government of India funded project, the Maldives Institute of Technical Education was successfully completed and handed over to the Government of Maldives on 16 September 1996.

India's intervention in 1988 received endorsement from other countries such as the United States, Soviet Union, Great Britain, Nepal and Bangladesh. Its fast action, decisive victory and restoration of the Maldivian government strengthened relations between the two nations. In the wake of internal security crises and tensions with Sri Lanka, Maldives saw its relationship with India as a source of future security.

Maldives was still, however, confronted with the problem of serious macro-economic imbalances, which have resulted in rising debt, low levels of foreign exchange reserves and an overvalued nominal exchange rate. Development in the private sector has been held back by the dominant role still played by the highly regulated public sector in economic activity. In early 2000, the government announced plans to open up export of fresh and canned fish to the private sector. Reforms were required in the banking and financial sectors and public expenditure needs, to be further curtailed for the government to make any significant progress in strengthening the economy. According to the government projections, the Maldives economy is expected to double in size by 2024. Three other key issues that require prompt attention are the protection of the fragile environment to ensure sustainable economic growth, the encouragement of greater regained development (particularly in the remote outer a dolts) to foster more equitable growth and an improvement in Maldivian teaching standards in order to up growth the national skill base.

Gayoom, visited India on 27 March 2005 and thanked India for its constructive role in the field of public health and human resources development in Maldives. He also praised India for its timely assistance during the tsunami.



After a meeting with the Prime Minister Dr Manmohan Singh on 30 March 2005, he opined: 'Although the number of deaths in the Maldives was comparatively low, the tsunami created a nationwide disaster, wiping out about 62 per cent of GDP'.

In 2005, the first Defence Attaché's Office (DAO) abroad was established in the High Commission of the Republic of Maldives in India and Lt. Colonel Abdulla Shamaal as first defence attaché. In April 2006, the Indian Navy gifted a 46m long Trinkat Class Fast Attack Craft to the Maldives National Defence Force's Coast Guard to launch the process of making the island country part of India's security grid. The move came after Maldives approached India fearing that one of its island resorts was under threat of being taken over by terrorists, due to dearth of military assets and surveillance tools.

In April 2010, during the SAARC Summit in Bhutan, Maldivian President Mohamed Nasheed talked about strained relations between India and Pakistan and expressed his hope that the meeting of the Prime Ministers of the two countries will lead to resolution of their differences. Addressing the 16th SAARC Summit, Nasheed said and hoped that the two leaders will have effective conversation and resolve their differences. He further stated that the 'Conversation will lead to greater dialogue between India and Pakistan'.

In October 2010, Maldivian President visited New Delhi and met Prime Minister Manmohan Singh, during his visit here; President Nasheed made it clear that prosperity of South Asia is linked to relations between India and Pakistan. Nasheed pressed the two countries to develop good ties and felt it was 'doable'. President said the two 'countries should work from the grass root level to develop ties and this regard suggested that Indian multinationals should invest in Pakistan'. He further noted that India is progressing rapidly and its neighbours could take advantage of this, a view which New Delhi has been trying to promote with countries of the region for long. He also said India and particularly Prime Minister Manmohan Singh have been making efforts to 'go out of way' to reach out to small countries.

Bilateral relations have been nurtured and strengthened by regular contacts at all levels. Since establishment of diplomatic relations, almost all Prime Ministers of India visited Maldives. From the Maldivian side, former President Maumoon Abdul Gayoom and former President Mohamed Nasheed made a number of visits to India during their Presidencies. President Abdulla Yameen visited India with a high level delegation on a State visit from January 1-4, 2014, which was his first official visit abroad. He also attended the swearing-in ceremony of the Prime Minister Shri Narendra Modi in May 2014.

There is a regular exchange of high level ministerial visits also. India's Minister of External Affairs, Smt. Sushma Swaraj visited Maldives in November 2014. Minister of State for Tourism, Culture and Civil Aviation Dr Mahesh Sharma also visited Maldives from June 3-5, 2015 to attend UNWTO Regional Ministerial Conference. From Maldives, recent Ministerial level visits were by Minister of Economic Development Mr Mohamed Saeed (Jan 2014), Minister

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of Agriculture and Fisheries Dr Mohamed Shainee (Feb 2014), Minister of Defence and National Security Col (retd.) Mohamed Nazim (March 2014 and October 2014), Minister of Islamic Affairs Mr Mohamed Shaheem (April 2014), Minister of Foreign Affairs Ms Dunya Maumoon (Feb 2015) and then Minister of Health Ahmed Zuhoor (April 2015).

India and Maldives have consistently supported each other in multilateral fora such as the UN, the Commonwealth, the NAM and the SAARC.

### **Indian Community**

Indians are the second largest expatriate community in the Maldives with approximate strength of around 26,000. Indian expatriate community consists of workers as well as professionals like doctors, teachers, accountants, managers, engineers, nurses and technicians etc. spread over several islands. Of the country's approximately 400 doctors, over 125 are Indians. Similarly around 25 per cent of teachers in Maldives are Indians, mostly at middle and senior levels.

### **2.3.4 Indo-Sri Lanka Relations**

Sri Lanka is located off the coast of South East India and it shares very close cultural links with India. It is well-known that King Ashoka had sent his son Mahendra and his daughter Sangh Mitra to propagate Buddhism in this island nation. In Sri Lanka, a large number of Indians are settled and they are employed mainly in tea and rubber plantations.

Sri Lanka became independent on 4 February 1948 from the British rule, and also became a member of the Commonwealth of Nations. It discarded the dominion status and became a republic. Sri Lanka is an active member of NAM since 1961. Sri Lanka also has full faith in the United Nations and the ideal of world peace. It is also one of the founding members of SAARC. Like India and other third world countries, Sri Lanka also follows the policy of non-alignment.

Bilateral ties between the two states have generally been friendly but were controversially affected by the on-going Sri Lankan civil war. India is the only neighbour of Sri Lanka and is separated by the Palk Strait. Both the states occupy a strategic position in South Asia and strive to build a common security umbrella in South Asia.

A territorial dispute arose regarding the ownership of one square mile of uninhabited island called Katchatheevu, located off the Jaffna coast in Palk Straits. In the month of March during the festival of St. Anthony, pilgrims from both India and Sri Lanka used to go to Katchateevu Island every year for a four-day worship at the local Roman Catholic Church. India protested over the presence of Sri Lanka police during the festival in 1986. This caused conflict between the two nations; however, both wanted to avoid a serious situation. At last, the pending issue took more than five years to conclude a final agreement regarding this Island. In June 1974, the Prime Ministers of the two countries discussed about involving territorial issue and navigational fishing rights in the Palk Straits. Finally both leaders concluded a comprehensive agreement on the

demarcation of maritime boundary and India accepted Sri Lanka's ownership of the Katchateevu Island.

The first Prime Minister of independent Sri Lanka, D. S. Senanayake declared that his country would not align with any power bloc that it believed in peace, as far as power politics was concerned and that the country would follow a middle path. As a large island in the Indian Ocean, it has been aware of its strategic position. Communism could be a serious threat to the newly emerging nations, was believed by Senanayake. This island state concluded a security treaty with Britain itself and allowed British military bases in Colombo as well as Trincomalee, because it was not in a position to ensure her defence.

Since independence, India made it clear that it hopes to have friendly ties with all its neighbours. Since Sri Lanka is such a close neighbour, India wishes the same for it. India and Sri Lanka have been maintaining cordial relations from a very long time. The same cordial relationship continued in the early phase of independent India's foreign relations. However, the era of warmth suddenly came to an end, due to the racial disturbances in Sri Lanka. When Sri Lanka became independent, the Prime Minister, D. S. Senanayake, assured the Tamils that they would be given justice. He told the Tamils that they should not fear the Sinhalese. However, after his death, discrimination allegedly began against the Tamils. Although the two-language system which was adopted during the regime of Senanayake, was given away and the official Language Act of 1956 declared Sinhalese to be the sole official language of Sri Lanka. The Tamils opposed this act and as a result it led to ethnic riots. In 1957, an agreement between the Prime Minister Bandaranaike and the Tamil leader Chelvanayakam was concluded in which Tamil was recognized as the language of the national minority.

In the foreign policy of India, Sri Lanka occupies an important place because of it being one of the country's closest neighbours with ancient cultural ties. Colonialism, imperialism and racialism are rejected by both nations.

D. S. Senanayake's successor Sir John Kotelawala also emphasized the policy of non-alignment. However, he was strongly against communist ideology and advocated pro-West policy. Kotelawala wanted to cooperate with all anti-communist forces in the world. He bitterly opposed imperialism and considered the influence of Soviet Union in Eastern Europe as dangerous.

### **Nehru-Kotelawala Agreement, 1953**

An agreement between the two Prime Ministers, Nehru and Kotelawala was signed in 1953 for finding a solution to the ethnic problem in Sri Lanka. The main features of the agreement were as follows:

- The government of Sri Lanka should register the names of those people of Indian origin who wanted to stay permanently in the country.
- Those who did not want to become citizens of Sri Lanka would be sent back to India.
- Illegal migration from India to Sri Lanka would be checked in an effective manner.

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- The applications for citizenship, pending for two years or more would be quickly disposed off by the government of Sri Lanka.
- A separate electoral register would be maintained for the Indian origin people to enable them to elect their representatives proportionately.
- Those people of Indian origin who wanted but could not be granted the Lankan citizenship would be allowed to stay on as aliens.

The enacted legislation of 1958, provided for using of Tamil language in education, entrance examination of government services as well as administration of eastern and northern provinces. However, both the Act of 1958 as well as the agreement of 1957 could not be implemented effectively by the government of Sri Lanka. The Tamils represented 30 per cent in public service in 1948, but its representation was only 5 per cent by 1975. Their representation highly reduced in the army and police and they were discriminated against in matters of education. In 1948, nearly 31 per cent of the university students were Tamils and by 1970 it reduced to 16 per cent. The citizenship laws of 1948 and 1949 deprived political rights of approximately 10 lakh Tamils.

In February 1948, when Ceylon later called Sri Lanka, became a free nation like India, decided to follow policy of non-alignment which helped both the countries to have cordial relations with each other. Both nations proceeded to establish extensive cultural, commercial, strategic and defence ties to ensure a common sphere of influence in the region, adopting non-alignment to control Western and Soviet influence

The Prime Minister of Sri Lanka, Sir John Kotelawala very significantly contributed to make the Non-Alignment Movement a success. It was because of his efforts that in April 1953, the Bandung Conference was convened.

When China invaded India in 1962, then Sri Lanka played a very important role in resolving the dispute between India and China. Accordingly Bandaranaike, the then Prime Minister of Sri Lanka, visited China and discussed the proposals made by six nations at Colombo, commonly known as Colombo proposals or plan, for settlement of Sino-India dispute. Like India, Sri Lanka also favoured the entry of Red China in the United Nations.

The close relationship between the then-Indian Prime Minister Indira Gandhi and the Sri Lankan Prime Minister Sirimavo Bandaranaike led to the development of strong bilateral relations. In 1971, Indian armed forces helped squash a Communist rebellion against the Sri Lankan government.

However, the question of Sri Lankan Tamils which consisted of nearly 30 per cent of the population created more serious problems and badly strained the relations between the two states. A division between the Sinhalese (Buddhists) and the Tamil (Hindus) was being created by the Anglo-US imperialists and their Pakistani agents. The US is reported to have established its base at the sensitive Trincomalese port and this constitutes a serious threat to the security of India. Sri Lanka had also forged links with Israel and with the active help of its patrons abroad, was engaged in the barbarous game of wiping out the Tamil population from northern parts of the island.

In October 1964, the Prime Minister of Sri Lanka Sirimavo Bandaranaike visited India. After prolonged negotiations at diplomatic level, both Indian Prime Minister Lal Bahadur Shastri and Mrs Bandaranaike signed an agreement on 24 October 1964. Both the leaders sought to solve the problem of 9,75,000 stateless persons in Sri Lanka. From this agreement, nearly 3,00,000 people were granted Sri Lankan citizenship and nearly 5,25,000 people were granted Indian citizenship. The fate of the remaining 1,50,000 stateless persons were to be decided in the near future.

When Sirimavo Bandaranaike visited India in January 1974 during her second tenure and discussed with her Indian counterpart, Indira Gandhi, about the remaining stateless persons, a fresh agreement was signed between these two leaders in which half of the people became Indian nationals and the rest were given the citizenship of Sri Lanka. Hence, this issue of stateless persons was sought to be peacefully settled.

Colombo, due to this problem, had been irresponsibly accusing New Delhi of helping the Tamil terrorists who were then demanding a separate Tamil state. Unless the Sri Lankan government satisfied the legitimate demand of the Tamils, respected their human rights, conceded autonomy to the districts inhabited by them within the framework of Sri Lankan federalism, neither they nor their imperialist overlords could prevent the partition of the island. New Delhi, of course, had to be watchful of the Sri Lankan government's attempt to mortgage the island with the Anglo-US-Israel-Pakistan axis and would have to decide when to save the island from these by taking a bold step.

A broad consensus exists within the Sri Lankan polity on the primacy of India in external relations matrix of Sri Lanka. Both the major political parties in Sri Lanka, namely, the Sri Lanka Freedom Party and the United Nationalist Party have contributed to the rapid development of bilateral ties since last ten years. Sri Lanka has supported the candidature of India to the permanent membership to the United Nations Security Council.

India and Sri Lanka started their economic cooperation very late. Both the states are major exporters of tea, hence, their relationship for some time was considered as competitive. India's economic relationship with this country improved since 1966 when India extended a loan of ₹ 2 crores to enable Sri Lanka to import food products from India. Items like dried fish, textiles and dried chillies were to be imported from India and again in 1967 another credit of ₹ 5 crores was extended for the purchase of electrical and telecommunication equipment, railway coaches and wagons, machines and machine tools and commercial vehicles, etc.

In 1971, Sri Lanka imported goods from India worth ₹ 20 crores, as against its exports to India, which were worth ₹ 1 crore only. The economic cooperation got a boost after Indira Gandhi's visit to that state in April 1973. India provided assistance to Sri Lanka in five areas such as sheet glass, rubber-based goods, graphite, refractory and mica. India offered annual aid of ₹ 1 crore for the next five years for the development of projects in Sri Lanka. India agreed to provide

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₹ 50 lakh for the establishment of a cattle and sheep breeding unit in Sri Lanka and also donated high-breed animals and machinery for the project. India gifted a common facility for the Mica industry of Sri Lanka, which cost ₹ 25 lakhs. Therefore, it was evident that India wanted to promote a new economic relationship and diversification of the economy of Sri Lanka. In 1975, a science and technical cooperation agreement was signed between the two countries.

Private entities in the Tamil Nadu government were said to have encouraged the funding and training for the LTTE or the Liberation Tigers of Tamil Eelam, a separatist insurgent force.

Between 1970s and 1980s, private entities and elements in the Government of Tamil Nadu were believed to be encouraging the funding and training for the Liberation Tigers of Tamil Eelam, a separatist insurgent force. Faced with growing anger amongst Tamils within the country and a deluge of refugees, India decided on direct intervention in the conflict. This happened for the first time following the Sri Lankan government's attempt to re-establish control of northern Jaffna through military assaults and economic blockade. India provided aid in the form of food and medicines, by sea and air. Following subsequent negotiations, the two countries agreed on a peace accord assigning a certain level of regional autonomy in the Tamil regions. The Eelam People's Revolutionary Liberation Front (EPRLF) controlled the regional council and demanded that Tamil militant groups lay down arms. India then sent its peacekeeping force, IPKF (Indian Peace Keeping Force) to Sri Lanka to facilitate disarmament and monitor the regional council.

The accord was signed between the governments of Sri Lanka and India and most Tamil militant groups accepted this agreement, however, the Tamil Tigers and other Tamil militant groups did not have a role in the signing of the accord. Furthermore, the LTTE rejected the accord because they opposed the candidate, who belonged to another militant group named Eelam People's Revolutionary Liberation Front (EPRLF), for the post of the Chief Administrative Officer of the merged Northern and Eastern provinces. Instead, the LTTE named three other candidates for this position. The candidates proposed by the LTTE were rejected by India. The LTTE subsequently refused to hand over their weapons to the IPKF.

Although tension between the Tamil and Sinhalese had persisted for a long time in Sri Lanka, the problem became acute in July 1983, when military personnel brutally murdered Tamils in prisons and elsewhere. In the early stages of the confrontation between the Tamil and Sinhalese, the government of Sri Lanka accused India of imparting armed training to the Tamil militants in the Indian Territory.

It was evident that, the continued elimination of Tamils in the island would activate Tamil Nadu and India to take concrete steps, at least to ensure that Tamil refugees current inflow from the island did not go on to the mainland. This could only be done by India's intervention, which, of course, would have to be avoided as far as possible. On 15 February 1985, Rajiv Gandhi ruled out military



intervention in Sri Lanka. However, on 24 March, he sent Foreign Secretary of India, Romesh Bhandari to Colombo as his special envoy to find a solution to the on-going ethnic violence in the island. If Sri Lanka had stopped involving itself in anti-India postures under the dictates of Britain, US and Pakistan, a solution could have easily been found.

In July 1987, an accord was signed between Indian Prime Minister, Rajiv Gandhi and Sri Lankan President, Junius Richard Jayawardene to usher in an era of peace and prosperity. The new accord bypassed direct negotiation between the Tamils and Jayawardene administration. It primarily placed responsibility on India for effective implementation and disarming of Tamil Tigers. The LTTE and the different political groups in Sri Lanka were yet again opposed to such an accord.

The Indo-Sri Lankan Accord, which had been unpopular amongst Sri Lankans for giving India a major influence, now, became a source of nationalist anger and resentment as the IPKF got pulled completely into the conflict. Sri Lankans protested the presence of the IPKF, and the newly-elected Sri Lankan President Ranasinghe Premadasa demanded that it be withdrawn. The task was completed by March 1990. On 21 May 1992, Rajiv Gandhi was assassinated and the LTTE was said to be behind the assassination. India declared the LTTE as a terrorist outfit in 1992. India has since criticized the military involvement of Pakistan in the conflict, accusing it of supplying weapons and facilitating Sri Lanka's pursuit of military action instead of peaceful negotiations to bring an end to the civil war.

### **Pacts and Agreements between India and Sri Lanka**

India and Sri Lanka are member nations of several regional and multilateral organizations such as the South Asian Association for Regional Cooperation (SAARC), South Asia Cooperative Environment Programme, South Asian Economic Union and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Since a bilateral free trade agreement was signed and came into effect in 2000, Indo-Sri Lankan trade rose in 2004 and quadrupled in 2006, touching the \$2.6 billion mark.

India is the fifth largest export destination for Sri Lankan products, making up 3.6 per cent of its exports. Both countries have signed the South Asia Free Trade Agreement (SAFTA). Negotiations attempted to expand the free trade agreement to forge stronger commercial relations and improve corporate investment and ventures in various industries. It was predicted that the year 2010 would be the best year for bilateral trade on record, with Sri Lanka's exports to India increasing by 45 per cent in the first seven months.

Indian fishermen have been fired at many times in Palk Bay. The Indian Government has always given importance to the issue of safety of Indian fishermen and discussed it with the Government of Sri Lanka. Right now, there is no bona fide Indian fisherman in the Sri Lankan custody. A Joint Working Group (JWG) has been constituted to deal with issues related to Indian fishermen straying into Sri Lankan territorial waters. India officially protested against the

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Sri Lankan Navy for its alleged involvement in attacks on Indian fishermen on 12 January 2011.

India is active in a number of areas of development activity in Sri Lanka. About one-sixth of the total development credit granted by Government of India is made available to Sri Lanka.

Several development projects are being implemented under 'Aid to Sri Lanka' funds, such as:

- **Small development projects:** An MoU on Cooperation in Small Development Projects had been signed between India and Sri Lanka covering programmes for providing fishing equipment to the fishermen in the East of Sri Lanka and solar energy aided computer education in 25 rural schools.
- **Health projects:** India has supplied medical equipment to hospitals in Sri Lanka including ambulances. Assistance has also been given for cataract eye surgery programmes for 1,500 people.
- **Education projects:** Schools and other educational infrastructure have been renovated, teachers have been trained and computer labs have been set up for students.

**Training:** Sri Lankan Police personnel have been trained.

Indo-Sri Lanka relations have undergone a qualitative and quantitative change in recent years. Not only has defence collaboration increased but both countries have close political ties in terms of trade, investments and infrastructural linkages. India was the first country to respond to Sri Lanka's request for assistance after the tsunami in December 2004. India helped evacuate 430 Sri Lankan citizens from Lebanon, during its crisis, first to Cyprus by Indian Navy ships and then to New Delhi and then to Colombo by special Air India flights.

### Commercial Relations

Sri Lanka has long been a priority destination for direct investment from India. Sri Lanka is India's second largest trading partner in SAARC. India in turn is Sri Lanka's largest trade partner globally. Trade between the two countries grew particularly rapidly after the entry into force of the India-Sri Lanka Free Trade Agreement in March 2000. According to Sri Lankan Customs, bilateral trade in 2014 amounted to US \$ 4.6 billion, achieving a growth of 23.37 per cent compared to 2013. Exports from India to Sri Lanka in 2014 were US\$ 3977 million, while exports from Sri Lanka to India were US \$ 625 million.

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

A number of new investments from Indian companies are in the pipeline or under implementation. Notable among them are proposals of Shree Renuka Sugar to set up a sugar refining plant at Hambantota (US \$ 220 million), South City, Kolkata for real estate development in Colombo (US \$ 400 million), Tata Housing Slave Island Development project along with Urban Development Authority of Sri Lanka (US \$ 430 million), 'Colombo One' project of ITC Ltd. (ITC has committed an investment of US\$ 300 million, augmenting the earlier committed US 140 million). Dabur has already set up a fruit juice manufacturing plant (US\$ 17 million) in May 2013.

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

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### 2.3.5 Indo-Bhutan Relations

The Buddhist monarchy of Bhutan had maintained a friendly but carefully distanced relationship with British-India before 1947. The occupation of Tibet by the People's Republic of China during 1950–51 raised a few initial concerns in both New Delhi and Thimphu, the capital of Bhutan. During the late 1960s, India became a major foreign aid contributor to Bhutan. In 1962–63, in the context of the Sino-Indian war, Bhutan became recipient of large scale military assistance from India. Both the states have been maintaining cordial ties and Bhutan is in full scale alignment with India on security, political and economic issues. India had sponsored Bhutan's admission to the United Nations and helped Bhutan in securing admission to various other international bodies.

India and Bhutan share strong historical and cultural ties. India is a big power and Bhutan is a small landlocked country, still both have warm bilateral relations, both economic and political. In fact, the ties between the two nations can be traced back to the 8th century when Guru Padma Sambhava and many other Buddhist teachers went from India to Bhutan. Their biographies are a wealth of information on the history of Bhutan.

The first landmark treaty between the two countries was the Treaty of Sinchula signed in 1865. It mentioned perpetual peace between both the countries. The monarchy of Bhutan was installed in 1909 and recognized by British India at that time. Later by Treaty of Punakha in 1910, Bhutan's foreign policy was put under supervision of Government of British India. However, the same treaty also provided that in the national affairs of Bhutan there would be no interference by outside powers.

Both the above treaties provided the foundation for the treaty of 1949. According to Article 2 of the Indo-Bhutan Treaty, Bhutan is required to consult India in the conduct of its external affairs, but remains free to decide whether or not to accept such advice. This treaty serves as a basic framework of the

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bilateral ties between the two nations even today and as such has never become an irritant in their traditionally warm and friendly relationship.

The ties between the two countries became closer after India gained independence. Jigme Dorji Wangchuck, the third king of Bhutan visited India in 1954 and the Prime Minister of India; Jawaharlal Nehru visited Bhutan in 1958. Nehru's historic visit was a landmark event on Indo-Bhutan relations. During 1958–59, China laid its claim not only on Indian Territory but also upon 2200 sq. miles of Bhutanese territory; from this defining incident that Nehru declared in the Parliament that any attack on Bhutan would be considered as attack on India. Although there was no provision for defence in the Treaty of 1949, India also ensured the security of Bhutan.

Both the states signed a Friendship Treaty in 1949, stating that India would help Bhutan in foreign relations. Again, on 8 February 2007, the Indo-Bhutan Friendship Treaty was substantially revised under the Bhutanese King, Jigme Wangchuck. The Treaty of Article 2 read as 'The Government of India undertakes to exercise no interference in the internal administration of Bhutan. On its parts the Government of Bhutan agrees to be guided by the advice of the Government of India in regard to its external relations'.

In the revised treaty it now reads as, 'In keeping with the abiding of close friendship and cooperation between Bhutan and India, the government of Kingdom of Bhutan and the government of the Republic of India shall cooperate closely with each other on issues relating to their national interests. Neither government shall allow the use of its territory for activities harmful to the national security and interests of the other'. The revised treaty also included in it the preamble 'Reaffirming their respect for each other's independence, sovereignty and territorial integrity' an element that was absent in the earlier version. Therefore, the Indo-Bhutan Friendship Treaty of 2007 strengthens Bhutan's status as an independent and sovereign nation.

The diplomatic ties between India and Bhutan were established in 1968 with appointment of a resident representative in Thimphu. Before this India's ties with Bhutan were looked after by the political officer in Sikkim. The basic framework of Indo-Bhutan bilateral ties is the Treaty of Friendship and Cooperation of 1949 between the two countries, which was updated and signed during in February 2007.

Bhutan's membership to the Colombo Plan was sponsored by India in 1963, which was Bhutan's first step into an international journey. Later in 1969, Bhutan's entry into the Universal Postal Union was sponsored by India. In 1971, Bhutan was admitted into the United Nations, with full assistance of India and in 1985 it became a member of SAARC. Thus, by providing assistance, India made it clear that Bhutan's quest for an international role does not contradict with the provision of Article 2 of the Treaty of 1949.

A complete free trade regime exists between India and Bhutan. India has been the biggest market for Bhutan's products. Almost 94 per cent of total Bhutanese exports are to India and 78 per cent of total imports are from India.

Till the 1970s third country import and export was non-existent in Bhutan. Indo-Bhutan trade treaty was signed in 1972; it is renewed every ten years.

Bhutan being a landlocked as well as least developed country, totally depends upon foreign aid for financing its development programme and establishment costs. India has been the largest donor of external aid to Bhutan.

Tata power built a hydro-electric dam in Bhutan with the objective of developing the Bhutan economy by offering employment opportunities and by fulfilling India's ever increasing energy needs.

The Government of India is presently involved in many Bhutanese Projects including hydro-power plants, cement industry, roads, etc. 40 per cent of the external revenue for Bhutan comes from selling electricity to India.

India has funded all major projects in Bhutan including:

- **Penden Cement Project:** A project constructed at a cost of NU 142 million, was fully funded by India.
- **Chukha Hydroelectricity Project:** This project was built by India and handed over to the Government of Bhutan in 1991.
- **Paro Airport:** India provided financial and technical assistance in the construction of Bhutan's only Airport, Paro.
- **Tala Hydroelectric Project:** This project was funded by India by way of 60 per cent grant and 40 per cent loan at 9 per cent of interest. BHEL of India is the supplier of the generating plant of this project.
- **Kurichhu Hydroelectric Project:** It is funded by India and NHPC of India is the turn key contractor of the project.
- **Dunsam Cement Plant:** This is a joint venture between ACC India Ltd. and the Royal Government of Bhutan and is envisaged to produce 5,00,000 tons per year.
- **Roads and Highways:** The project Dantak of the Border Roads Organization of India was raised in Bhutan in 1961. All the major highways, helipads and 15000 Kilometres of roads to difficult mountainous terrains in Bhutan have been built under this project.

The Government of India grants scholarships are granted to about 50 Bhutanese students annually in various institutions of India. India provides specialists and technical expertise to Bhutan in different fields. Sherubtse College is the only degree college of Bhutan affiliated to the University of Delhi. Many Indian teachers are also posted in this college.

### **India-Bhutan Border**

The Indo-Bhutan border has a zigzag territorial demarcation with the length of over 200 Kilometres and militants can easily creep through the passages to Kokrajhar, Bongaigaon, Barpeta and Nalbari Districts of India. Three militant groups, viz. United Liberation Front of Asom (ULFA), National Democratic Front of Bodoland (NDFB) and Kamtapuri Liberation Organization (KLO) are

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fighting against Indian Security Forces from their bases inside Bhutan. These insurgent groups have been demanding independence and separation from India for nearly a decade.

In fact, India has been continuously insisting on initiating a joint Indo-Bhutan army operation against these militants. However, Bhutan appears to be careful of pursuing such a course of action for fear of possible retaliation by the insurgents on innocent Bhutanese citizens residing in about 304 villages that are located in the areas around insurgent camps.

Meanwhile, Bhutan has also tried for peaceful negotiations with these militant groups. In July 2003, Bhutan Home Minister announced that the insurgent groups did not respond to the plea for fresh exit talks since the past two years. However, fresh written invitations to the three Indian separatist rebel groups for talks at Thimphu was extended by the Royal government of Bhutan, to finalise the question of their peaceful withdrawal from the forcibly occupied parts of Bhutan.

In August 2003, the National Assembly of Bhutan agreed to make a last attempt at dialogue to convince the separatist leaders to remove their camps or face military action. However, after the militants failed to take apart their bases, the Bhutanese government under Jigme Singye Wangchuk issued orders to flush out insurgents from the Himalayan Kingdom. Bhutanese army captured the base of ULFA in Phukatong. The ULFA found no alternative except ceasefire, but the Bhutanese government rejected the offer and captured all the militants and later, were handed over to India. This action of Bhutan has emerged as a model of regional cooperation that needs to be promoted among other nations.

The King of Bhutan, Wangchuk, visited India in September 2003. An MoU was signed for a detailed project report on the 870 MW Punatsangchu Hydroelectric Project on 15 September 2003. Negotiations were also held regarding the problem of insurgents and their anti-India activities. However, the geo-strategic position of Bhutan has transformed the ties into one of vital importance to both countries. No doubt, the security imperatives are at the core of this close relationship. As such we can say that till this date the Indo-Bhutan ties have not remained static and have served the mutual interests of both the countries.

The four recent agreements carried out are preparing for detailed project reports for the hydropower projects of Amochu reservoir (620 MW), Kuri Gongri (1800 MW), Chamkarchhu (670 MW) and Kholongchhu (486 MW). Besides this, a 4,000-MW Sankosh project is also under negotiations. India and Bhutan have signed a major project worth ₹ 205 crores in the field of Information Technology (IT). Under this project, computer training will be provided to thousands of government officials, teachers, enterprises and rural children. In the field of education, a big undergraduate medical college would be established by India and other agreements including the control of illicit drug trafficking. During discussions, Indian Prime Minister Manmohan Singh strongly convinced King Wangchuck that India wants democratic experiment in Bhutan to succeed.



The people of Bhutan are very loyal to the King and are contented under his rule even though India and other countries like US and Britain would prefer abolishing monarchy from Bhutan.

Since Bhutan is surrounded by India on three sides and is totally dependent on India for access to the sea, it is believed that it should be a part of India. Although, Bhutan shares borders with China also, India claims that a pro-China policy is not feasible for Bhutan.

During the discussions between King Jigme Wangchuck and Indian Prime Minister Manmohan Singh, it came to light that India is interested in security and defence cooperation with Bhutan.

India controls Bhutan External Relations through the 1949 treaty between the two countries. Article 2 of the treaty demands that Bhutan be guided by the advice of India in the conduct of its external relations while Article 6 bars Bhutan from importing arms, ammunition, machines, warlike material or stores without assistance and approval of India. Although, there were a lot of reviews and discussions regarding this agreement, however, Bhutan is still unable to formulate its independent policies. India has to recognize that Bhutan is a sovereign state and it would not suffice to just change the language of the 1949 treaty. The decision to purchase lethal or non-lethal weapons should be taken by the King of Bhutan, and not the Indian government. Ironically, Bhutan can only buy non-lethal military stores and equipment while for others there is a requirement of approval from New Delhi.

It is high time for Bhutan to begin taking its own decisions and be treated at par with other countries of the world. It is the right time join SAARC and contribute to bringing South Asian nations together.

The traditionally unique bilateral relations, characterized by trust and understanding have matured over the years. Today, there is extensive cooperation in the field of economic development, especially in the mutually beneficial sector of hydropower.

### **High Level Visits**

This special relationship has been sustained by the tradition of regular visits and extensive exchange of views at the highest levels between the two countries. 2013 saw some high level exchanges with the visit of His Majesty Jigme Khesar Namgyal Wangchuck, the King of Bhutan to India as the Chief Guest to the 64th Republic Day celebrations preceded by EAM, Shri Salman Khurshid's visit to Bhutan (14-15 Jan. 2013). At the invitation of the President of India, His Majesty the King and Her Majesty the Queen paid an official visit to India from 6-10 January, 2014. Their Majesties expressed their appreciation to the President for inviting them to be the first guest at the refurbished guest wing of the Rashtrapati Bhawan.

In the first overseas visit after being elected Prime Minister, Lyonchhen Tshering Tobgay (PMTT) visited India from 30 August to 4 September, 2013. It was his first official visit to India. He was accompanied by his wife and Foreign

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Minister among other senior RGOB officials. PMTT met with the President, Vice President and the Prime Minister and other Ministers and dignitaries. During the visit, GOI assistance package for Bhutan's 11th Five Year Plan was agreed upon. PMTT also visited Hyderabad during his stay in India.

### **2.3.6 Indo-Nepal Relations**

The Kingdom of Nepal is situated between China and India in the Himalayas. It is a feudal state; the country is beset with numerous problems. Until 1950, the hereditary Prime Ministers hailing from Rana family have been in control of power in the Kingdom, and the country's progress was ignored. In 1950 and 1951, there were revolts against the Ranas. King Tribhuvan Bir Vikram Shah was helped by India to gain full control over the government. In 1955, after his death, Crown Prince Mahendra became his successor. In 1960, King Mahendra dissolved the ministry headed by B. P. Koirala. The Government of India expressed its concern over the developments in Nepal. The Government of Nepal accused India for fomenting troubles in the country. Therefore, the ties between the two countries got strained.

During the initial years of India's independence, the foreign policy did not give much importance to relations with Nepal. There were two factors responsible for the lack of Indian interests in Nepal.

India felt fatalistically sure about Nepalese friendship. It regarded the geographical, historical and cultural links that existed between India and Nepal as the solid foundations upon which the two countries were destined to maintain and develop their ties. The feeling that foreign policy of Nepal cannot but continue to look to its interests as interest dependent upon ties with India, made India complacent about its relations with Nepal.

India's over involvement in global affairs resulted into a virtual neglect of relations with its small neighbours like Nepal. Friendship of Nepal with India was regarded as a historical necessity. However, Nepal felt dissatisfied with such an attitude. Initially, it accepted the position because of a lack of option. Later on, however, when China started emerging as a major power in world politics, Nepal felt no hesitation in working for securing the friendship and cooperation of China. It then chose to ignore India's concern and interests for safeguarding its own security and other interests.

As such, we can say that to some extent, India, because of its lack of interest in Nepal, itself was responsible for making Nepal look for an alternative to India. Indo-Nepal relations during 1947–55 were alternatively affected by the lack of Indian initiative in this direction. Later on, when India tried hard to repair the damage, it had to be content with partial success. The Indian foreign policy was governed by the perception of the thesis for India's special ties with Nepal. Indian Prime Minister Nehru on 6 December 1950, in his speech in the Parliament opined, 'We recognize Nepal as an independent country and wish her well. However even a child knows that one cannot go to Nepal without passing through India. Therefore, no other country can have as intimate relationship with Nepal as ours.'

We would like every other country to appreciate the intimate geographical and cultural relationship that exists between India and Nepal.’

Such an Indian view was regarded by Nepal as an attempt to follow a ‘big brotherly attitude towards Nepal’. It signed the Treaty of Peace and Friendship with India but felt concerned about the provisions. Naturally then, when India developed big strains and conflict in relations with China, Nepal did not hesitate to develop relations with China and to attempt a balance between India and China. This change in Nepalese attitude became particularly visible after 1960 and brought with it strains in Indo-Nepal ties. India tried to correct its attitude by following a policy of appeasement towards Nepal, but the move failed to repair the damage. It even encouraged Nepal to use China for getting the desired policy decisions from India. Thus, the thesis of ‘special relations with Nepal’ proved to be a harmful factor for Indo-Nepal ties.

India’s ties with Nepal are close yet fraught with difficulties stemming from geography, economic, the problems inherent in big power versus small power relations and common ethnic and linguistic identities that overlap the two country’s borders. In the year 1950, New Delhi and Kathmandu initiated their intertwined relationship with the Treaty of Peace and Friendship and accompanying letters which defined security ties between the two states and an agreement that governs both bilateral trade and trade transiting at Indian soil.

The Treaty of 1950 and letters stated that ‘neither government shall tolerate any threat to the security of the other by a foreign aggressor’ and obligated both sides ‘to inform each other of any serious friction or misunderstanding with any neighbouring state likely to cause any breach in the friendly relations subsisting between the two governments’. These accords cemented a ‘special relationship’ between the two countries that granted Nepal preferential economic treatment and provided Nepalese in India the same economic and educational opportunities as Indian citizens.

With the emergence of China as a communist power in 1949 and soon after this change initiated steps for increasing its power and influence. It lost no time in claiming Tibet and in attempting to increase its power in Asia. India was alarmed by the changes taking place. On the one hand it started working for securing friendship with China and on the other it decided to link the Himalayan kingdom within a close fold of her friendship. In the 1950s, India tried to counteract the growing Chinese influence in Nepal through diplomacy and by asserting close historical and cultural links with Nepal. The Himalayan kingdom however, felt the necessity of cultivating ties with both China and India as a means for safeguarding its security and other interests. The China factor still continues to be an important factor in the Indo-Nepal ties. Currently, democratic Nepal appears to be more inclined towards the cause of friendly cooperation with India. In the past, however, the China factor definitely checked the process of development of cooperation between India and Nepal.

The Prime Minister of Nepal, T. P. Acharya was clearly pro-Chinese. When he visited India in 1956, he said that Nepal was willing to act as a bridge

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between China and India. After Acharya's visit to China in 1956, the Chinese Premier Chou En-Lai visited Nepal in January 1957. He told the people of Nepal that both the Chinese and Nepalese belonged to the same blood. Perhaps the intention of the Chinese Premier was to align China with Nepal, Bhutan, and Sikkim. As Acharya began to use Chou's language in international forums, the Indo-Nepal ties became strained. He also dictated that India, in its own interest should support the cause of Nepalese nationalism.

Indian President Dr Rajendra Prasad visited Nepal in 1956. During his visit, he assured the people of Nepal that India had no intention of interfering in the internal affairs of Nepal nor did India claim any of the Nepalese territory. Dr K. I. Singh became the Prime Minister of Nepal in 1957. His policy was clearly pro-India, but the media of Nepal did not allow him to change the anti-India stance of his predecessor. B. P. Koirala, who became Prime Minister of Nepal in 1959 tried to consolidate Nepal-China ties and he signed an agreement with China regarding Mount Everest that was greatly criticized by the Indian press. Koirala was sacked by King Mahendra and many leaders of Nepali Congress were arrested, some fled to India. The King accused India for supporting anti-Nepal agitation, which further strained the ties between the two states.

It is a fact that the last century had been cruel to the Kingdom. Its remoteness an asset in the past centuries had become a liability. Nepal has been denied most of the benefits of modernization and integration into the world economy by its land-locked isolation. This isolation has been at least in part, self-imposed. All of its natural markets have lain south of it, in India. Ever since the days of King Mahendra, father of King Birendra, the Nepalese elite has regarded greater economic integration with India as the principal threat to their independence. This resulted in the loss of Indian markets completely to manufactured goods from Nepal. As a result, Nepal could not take advantage of the burgeoning industrial markets to the south to industrialize and create jobs outside the traditional sector of the economy. Consequently, Nepal has remained poor even by the standards of a poor subcontinent. Unemployment has reached mammoth proportions and young people, who face a bleak future, have become dangerously volatile.

India helped Nepal in the construction of the Kingdom's airport at Kathmandu. Besides, India also built three all-weather airports at Bhairava, Janakpur and Biratnagar, and a fine weather airport at Simra. However, by this time China became an important factor in economic as well as political ties of Nepal. King Mahendra reaffirmed that Nepal's decision would be neutral between India and China.

The Indo-Nepal relations had not been cordial due to certain misunderstanding, which cropped up in the 1960s from a number of issues. In 1964, Sardar Swaran Singh visited Nepal in a bid to iron out these misunderstandings, which led to the signing of an agreement with Nepal. On the expiry of the transit treaty in March 1989, the King facing hostile opposition from different political groups for restoration of democracy blamed India to divert

people's attention. However, Nepal was made a constitutional Monarchy and the status-quo-ante with India was established during the Prime Ministership of Krishna Prasad Bhattarai. Recently the Monarchy has been replaced by republic democratic state in Nepal.

In the 1950s, Nepal welcomed close relations with India, but as the number of Nepalese living and working in India increased and the involvement of India in Nepal's economy deepened in the 1960s and after, so too did Nepalese discomfort with the special relationship. Tensions started in the mid-1970s, when Nepal pressed for substantial amendments in its favour in the trade and transit treaty and openly criticized India's 1975 annexation of Sikkim which was considered as part of Greater Nepal. In 1975 King Birendra Bir Bikram Shah Dev proposed that Nepal be recognized internationally as a zone of peace; he received support from China and Pakistan. In New Delhi's view, if the king's proposal did not contradict the 1950 treaty, an extension of non-alignment, it was unnecessary; if it was a repudiation of the special relationship, it represented a possible threat to India's security and could not be endorsed. In 1984 Nepal repeated the proposal, but there was no reaction from India. Nepal continually promoted the proposal in international forums and by 1990 it had won the support of 112 countries.

King Birendra's coronation took place in February 1975. He advocated the idea of Nepal to get its recognition as a 'Zone of Peace'. If this concept was accepted by major power and neighbours it would have ensured Nepal's neutrality and security. This plea was reiterated by King Birendra in an official function in New Delhi in 1980 for Zone of Peace. The Nepalese diplomats forcedly pursued this proposal and it was officially announced in 1985 that as many as 58 countries had approved the idea of Nepal as a Zone of Peace. However, the Super Power Soviet Union, and also the two neighbours of Nepal, India and Bhutan did not propel. India was not in favour as it believed that the thrust in the plea was surely against the interest of India.

In 1978, India agreed to separate trade and transit treaties, satisfying a long-term Nepalese demand. In 1988, when the two treaties were up for renewal, Nepal's refusal to accommodate India's wishes on the transit treaty caused India to call for a single trade and transit treaty. Thereafter, Nepal took a hard-line position that led to a serious crisis in India-Nepal relations. After two extensions, the two treaties expired on 23 March 1989, resulting in a virtual Indian economic blockade of Nepal that lasted until late April 1990. Although economic issues were a major factor in the two countries' confrontation, Indian dissatisfaction with Nepal's 1988 acquisition of Chinese weaponry played an important role. Treaties and letters exchanged in 1959 and 1965, which included Nepal in India's security zone and precluded arms purchases without India's approval. India linked security with economic relations and insisted on reviewing India-Nepal relations as a whole. Nepal had to back down after worsening economic conditions led to a change in Nepal's political system, in which the king was forced to institute a parliamentary democracy. The new government sought quick restoration of amicable relations with India.

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### **The 1990s**

Systematically working democratic process in the 1990s in Nepal has given strength to the idea of developing greater and stronger ties with democratic India. Consequently, both India and Nepal have been engaged in the process of building warm, friendly and highly cooperative ties between the two countries. Unfortunately, the path of Indo-Nepal friendship in the past has been quite smooth. The existence of certain irritants prevented the development of highly cooperative ties between the two states, particularly from 1962 to 1990. Their relations were generally friendly and cooperative but neither smooth nor highly cooperative. These were characterized by ups and downs. The issues of Nepalese demand for being accepted as a zone of peace, trade and transit treaties, and relations with China, acted as irritants in Indo-Nepal relations.

In May 1991, Girja Prasad Koirala became the Prime Minister of Nepal. Koirala visited India and assured the Indian government about his country's cooperation. In August 1992, India included Nepali language in the 8th schedule of the Indian Constitution, which further strengthened the bond of friendship between India and Nepal. In spite of India's best efforts, the Nepalese were not forthcoming in their interaction with India to build better relationship. India had been unhappy that Nepal in 1987–88 procured from China anti-aircraft guns, testifying that not only had the Chinese made political inroads into the palace, but also was willing to play the Chinese game. Consequent to this, Rajiv Gandhi, the Prime Minister of India, resorted to certain economic squeeze. Anti-India feeling was high in Nepal during which they were building cordial ties with China. However, the ties between India and the Himalayan Kingdom had been on a high tide in the late 90's and in the beginning of the new millennium.

When the Nepalese people were successful in changing the monarchical authoritarian system, which had been working under the garb of a Panchayat System, in favour of a democratic system with a constitutional monarchy, India readily came forward to extend all cooperation to the new democratic government. This change brought India and Nepal closer. However, the communists in Nepal, both when these were in opposition and while in the power kept on talking about India as a 'big brother'. This kept the pace of Indo-Nepalese ties slow and uneven. Fortunately, since 1996, India and Nepal have been successfully conducting their ties towards the desired objective of building a high level bilateral, sub-regional and regional cooperation. The River Mahakali and Power Sharing Agreement is inductive of this new outlook approach and commitment. India's Gujral Doctrine has helped in a big way, the process of developing Indo-Nepalese friendly cooperation in all spheres of their relations.

The special security relationship between New Delhi and Kathmandu was re-established during the June 1990 New Delhi meeting of Nepal's Prime Minister Krishna Prasad Bhattarai and Indian Prime Minister V.P. Singh. During the December 1991 visit to India by Nepalese Prime Minister Girija Prasad Koirala, the two countries signed new, separate trade and transit treaties and other economic agreements designed to accord Nepal additional economic benefits.



Indian-Nepali relations appeared to be undergoing still more reassessment when Nepal's Prime Minister, Manmohan, Adhikary visited New Delhi in April 1995 and insisted on a major review of the 1950 Peace and Friendship Treaty. In the face of benign statements by his Indian hosts relating to the treaty, Adhikary sought greater economic independence for his landlocked nation while simultaneously striving to improve ties with China.

A high point in Indo-Nepal ties was reached on 6 February 1996, when the Prime Ministers of the two countries signed a historic treaty: 'Treaty for Integrated Development of Mahakali Basin'. It came to be popularly known as the Mahakali Rivers Treaty. This treaty included the agreement for the setting up of construction of a huge 2,000 MW Pancheshwar Hydroelectric Project in a period of eight years as also the development of the Sarada and Tanakpur barrages. The Pancheshwar Hydel Power Project was to be set up jointly by India and Nepal at a cost of ₹ 20,000 crore on an equal sharing basis. Nepal was to receive 1,000 cusecs of water during the monsoons and 300 cusecs water during the lean period from the Tanakpur Barrage as well as 70 million kilowatt of power on continuous basis, annually, free of cost. Both the states agreed for setting up of the Mahakali River Commission which was to inspect, coordinate and monitor the execution of the agreement. It was empowered to make suggestions for resolving all problems that may arise in the process of implementing the accord. Furthermore, a related agreement for the construction of 22 bridges in the Kohalpur-Mahakali area inside Nepal was also signed along the Mahakali accord.

Since 1996 their ties have started looking up in a big way and people and leaders of the two states are prepared not only to keep it up but also to extend and develop the process. Nepal's salvation lies in tapping of its tremendous power potential and India's development objective needs the availability of power. Both the countries can really gain through the development of their ties and this alone can help them to alleviate the problem of poverty, illiteracy, ill-health and other socio-economic problems and needs. Both the nations should now march ahead on the road towards development through cooperation in a confident way. Nepal, however, must take urgent and necessary steps for controlling the anti-India activities of Pakistan's ISI, smugglers and drug peddlers on Nepalese side. India on its part must keep up the policy of good neighbourliness with all the surrounding countries, particularly with Nepal, as it is the nearest to India and there are no major problems between the countries, which cannot be resolved by negotiations based upon mutual confidence, maturity and openness.

A tragedy of unspeakable dimensions fell on Nepal on 1 June 2001, when Nepal's 29 years old Crown Prince, Dipendra, went on a rampage at the Narayanhiti Palace in Kathmandu and killed the entire royal family. He then apparently killed himself. Describing the bewildering situation in Nepal, as tense and confusing, the Indian government declared that it had no intention of playing a pro-active role there. In India, there was concern that the delicate balance between the monarchy and fragile party politics, especially given the

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Maoist insurrection, could be undermined by suspicions clouding Gyanendra's ascendancy.

In 2005, after King Gyanendra took over, Nepalese relations with India soured. However, after the restoration of democracy, in 2008, Prachanda, the Prime Minister of Nepal, visited India, in September 2008. He spoke about a new dawn, in the bilateral relations, between the two countries. He said, 'I am going back to Nepal as a satisfied person. I will tell Nepali citizens back home that a new era has dawned. Time has come to effect a revolutionary change in bilateral relations. On behalf of the new government, I assure you that we are committed to make a fresh start.' He met Indian Prime minister, Manmohan Singh, and Foreign Minister, Pranab Mukherjee. He asked India to help Nepal frame a new constitution, and to invest in Nepal's infrastructure, and its tourism industry.

In 2008, Indo-Nepali ties got a further boost with an agreement to resume water talks after a 4-year hiatus. The Nepalese Water Resources Secretary, Shanker Prasad Koirala, said the Nepal-India Joint Committee on Water Resources Meet decided to start the reconstruction of the breached Kosi embankment after the water level goes down. During the Nepal Prime Minister's visit to New Delhi in September the two Prime Ministers expressed satisfaction at the age-old close, cordial and extensive relationships between their states and expressed their support and cooperation to further consolidate the relationship.

Furthermore, a three-tier mechanism at the level of ministerial, secretary and technical levels will be built to push forward discussions on the development of water resources between the two sides. Politically, India acknowledged a willingness to promote efforts towards peace in Nepal. Indian External Affairs Minister Pranab Mukherjee promised the Nepali Prime Minister Prachanda that he would 'extend all possible help for peace and development.'

In 2008, the Bollywood film *Chandni Chowk to China* was banned in Nepal, because of a scene suggesting that Gautama Buddha was born in India. Some protesters called for commercial boycott of all Indian films.

India on the eve of the new millennium faced problems with some of its neighbours. Afghanistan was a country with which it had friendly relations till the end of 1980's, as it was by then ruled by the hostile Taliban regime. It had a long-standing dispute on the Jammu and Kashmir with Pakistan and was facing cross border raids by Islamic militants based in Pakistan. Some of the militants were Taliban. The hijacking of Indian Airlines aircraft from Nepal represented a serious setback to its security interests. The Taliban had unfriendly terms with Pakistan, which felt its 'strategic depth' had increased in relation to India. Sino-Indian relations had not been normalized, as there were still boundary problems in Northeast and Aksai Chin area of Ladakh in Kashmir.

The hijacking incident from Nepal had come as a shock to India. The territory of the only Hindu kingdom in the world, India had assumed would remain in friendly hands; however, was used to conduct terrorist attack against the airline of the country having the largest Hindu population.

India, the US and Israel were branded as common enemy by the Taliban. Pakistan also sided with the US and provided valuable support in destroying Taliban. India and the US had become strategic allies. When the Maoist insurgency escalated, the US provided arms assistance to Nepal. India did not protest as it had when arms were purchased by Nepal in 1988. As Nepal's immediate neighbours, India and China and Pakistan, a fellow SAARC member, sharing the same sub-continent were now nuclear powers; Nepal's strategic importance in the region increased. This is especially true as South Asia is likely to contain a high conflict potential area in the near future due to India and Pakistan being nuclear powers and because of the existence of missiles capable of delivering nuclear weapons. Nepal has not remained unaffected due to fallout from nuclear radiation in the region caused by nuclear tests in Pokhran in Rajasthan or Baluchistan or Sinkiang.

The Government of India provides substantial financial and technical development assistance to Nepal, which is a broad-based programme focusing on creation of infrastructure at the grass-root level, under which various projects have been implemented in the areas of infrastructure, health, water resources, education and rural and community development. In recent years, India has been assisting Nepal in development of border infrastructure through upgradation of roads in the Terai areas; development of cross-border rail links at Jogbani–Biratnagar, Jaynagar-Bardibas, Nepalgunj Road-Nepalgunj, Nautanwa-Bhairhawa, and New Jalpaigudi-Kakarbhitta; and establishment of Integrated Check Posts at Raxaul-Birgunj, Sunauli-Bhairhawa, Jogbani-Biratnagar, and Nepalgunj Road-Nepalgunj. The total economic assistance extended under 'Aid to Nepal' budget in FY 2014-15 was ₹ 300 crore

### **India-Nepal and the Maoist Insurgency**

If insurgency in Nepal's Jhapa District were to spread to Chicken's Neck (the Siliguri Corridor), India's control of the entire northeast might be threatened. A meeting of Chief Ministers of states suffering from movements such as the Maoists in Nepal, was organized in September 2004 in Delhi. It was attended by Chief Ministers and senior officials of Uttar Pradesh, Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Andhra Pradesh, West Bengal, and Maharashtra. A peaceful resolution of the Maoist insurgency in Nepal is also in the interest of India.

The open Indo-Nepal border has helped the Maoist insurgency to spread fast as the insurgents could easily seek haven across the border. Had the border been better regulated by tracking the movements of residents in areas close to the border and providing identity cards, the insurgency could have been greatly controlled.

Nepal could also be an attractive destination for FDI from India. India is already the largest investor in Nepal. Nepal's attractive incentives, positive attitude towards investors, low cost locations, cheap labour, and easy-to-train workforce are some of the factors which will make it attractive to Indian investors. Indian investment in Nepal is mainly in the following sectors:

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- Tourism
- Consumer durables
- Garments
- Carpets

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Indian companies like Dabur, Colgate and Hindustan Lever have set up factories in Nepal with the objective of exporting their finished products to India.

Tourism and hydropower development are two sectors where Indian investors could invest. Nepal is an attractive destination for Indian tourists visiting the country for pilgrimage as well as sightseeing. An increasing number of young Indians are also visiting the country for honeymoon and adventure tourism. Private airlines from India like Air Sahara and Jet Airways have started flying to Nepal since 2004. There are also prospects of developing health tourism as well as for cooperation in hotel management between India and Nepal.

Nepal is also one of the countries visited by Chinese tourists. Several Chinese tourists flock to Nepal and India to places like Lumbini, Bodhgaya, Sarnath and Kushinagar for pilgrimage tourism. Many Indians visit Mansarovar via Nepal for pilgrimage.

Nepal has one of the highest potential for development of hydroelectric power as variation in altitude and adequate amount of water is present to an extraordinary degree. It is estimated that Nepal enjoys a power generating capacity of 83,000 MW. Demand for consumption of electric power in North India has increased dramatically in recent years. Bilateral and multilateral donor agencies are interested in funding hydroelectric power development projects in Nepal. However, there has been some apprehension in Nepal that India is unwilling to rely on another country for such a vital source of energy.

Nepal's experience in utilizing water resources in cooperation with India has not always been encouraging. The Kosi Project was the first major river project. It was majorly a flood control project that was of advantage to Bihar. Very little power produced could benefit Nepal considering the size of the project. Similarly, Gandak Project utilizing another major river of Nepal was primarily for irrigation that benefited UP and Bihar in India and hardly benefitted Nepal.

### 2.3.7 Indo-Pakistan Relations

India desires peaceful, friendly and cooperative relations with Pakistan, which require an environment free from violence and terrorism.

In April 2010, during the meeting between Prime Minister and then Pak PM Gilani on the margins of the SAARC Summit (Thimphu) PM spoke about India's willingness to resolve all outstanding issues through bilateral dialogue. Follow up meetings were held by the two Foreign Ministers (Islamabad, July 2010), and the two Foreign Secretaries (Thimphu, February 2011). During the latter meeting it was formally agreed to resume dialogue on all issues: (i) Counter-terrorism (including progress on Mumbai trial) and Humanitarian issues at Home Secretary level; (ii) Peace and Security, including CBMs, (iii) Jammu

and Kashmir, and (iv) promotion of friendly exchanges at the level of Foreign Secretaries; (v) Siachen at Defence Secretary-level; (vi) Economic issues at Commerce Secretary level; (vii) Tulbul Navigation Project/ Wullar Barrage at Water Resources Secretary-level; and (viii) Sir Creek (at the level of Surveyors General/ Additional Secretary).

Since then several efforts have been made by the two countries to enhance people-to-people contacts. Cross-LoC travel and trade across J&K, initiated in 2005 and 2008 respectively, is an important step in this direction. Further, India and Pakistan signed a new visa agreement in September 2012 during the visit of then External Affairs Minister to Pakistan. This agreement has led to liberalization of bilateral visa regime.

Two rounds of the resumed dialogue have been completed; the third round began in September 2012, when the Commerce Secretaries met in Islamabad. Talks on conventional and non-conventional CBMs were held in the third round in December 2012 in New Delhi. A meeting of the Working Group on Cross-LoC (Line of Control) trade and travel CBMs was held in New Delhi on 4 March 2014 in which issues including strengthening of standard operating procedures were discussed.

Pakistan's PML (N) party received a strong mandate in the elections held on 11 May 2013 which allowed its leader Mian Nawaz Sharif to form a new Government. In his letter of congratulations (May 12), Prime Minister expressed desire to work with the new Pakistan government 'to chart a new course' in bilateral ties. PM's Special Envoy Ambassador S. K. Lambah met Nawaz Sharif on 27 May 2013 in Lahore to personally convey PM's message even before the latter formally assumed office—a gesture that was appreciated by the new Pakistan PM. Ambassador Shahryar Khan also visited India (4-6 July) as PM Nawaz Sharif's Special Envoy and met PM (5 July); during the meeting he also handed over a personal letter from Prime Minister Nawaz Sharif to PM.

Following the dastardly attack on 6 August 2013 in which five Indian jawans were killed along the LOC with the involvement of Pak army, India called upon Pakistan to maintain ceasefire and uphold the sanctity of LOC, which is the most important Confidence Building Measure between the two countries and, together with Pakistan's assurance not to allow territory under its control to be used for anti-India activities, which formed the basis of bilateral dialogue. It was conveyed that such unprovoked incidents on LOC by the Pak Army would have consequences for our bilateral ties.

In their meeting on the margins of the UN General Assembly on 29 September 2013 in New York, Prime Minister Singh and PM Nawaz Sharif agreed that the precondition for a forward movement in the relationship, which they both desired, was an improvement of the situation on the LoC where there had been repeated ceasefire violations and incidents. They decided to task the Directors General of Military Operations (DGMOs) to suggest effective means to restore the ceasefire and a way forward to ensure that that remains in force and in place. The meeting of the DGMOs took place at Wagah on 24 December 2013.

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### **Terrorism**

Terrorism emanating from territory under Pakistan's control remains a core concern in bilateral relations. This is precisely why India has sought a firm and abiding commitment from Pakistan that it will not allow its territory and territory under its control to be used for the aiding and abetting of terrorist activity directed against India and for providing sanctuary to such terrorist groups. India has consistently stressed to its interlocutors the need for Pakistan to fulfill its oft-repeated assurances, given to us at the highest level, that territory under its control would not be allowed to be used for anti-India activities in any manner. It is critical for the security of the region that Pakistan undertakes determined action to dismantle the terrorist networks, organizations and infrastructure within its own territory. However, internationally sanctioned entities such as Lashkar-e-Toiba (LeT) continue to function in Pakistan under various aliases. LeT's leader Hafiz Saeed and his followers also continue to incite violence against India. Moreover, in the recent months, key terrorists such as Masood Azhar and fugitives from Indian law have resurfaced in Pakistan.

Progress in the ongoing Mumbai terror attack case in Pakistan is seen as an important marker of Pakistan's commitment to combat terrorism emanating from its soil. The trial of seven persons in an Anti-Terrorism Court (ATC) for their involvement in the 2008 Mumbai terror attacks has however proceeded at a glacial pace. The trial has been subject to repeated adjournments, non-appearances of lawyers, and frequent changes of prosecution lawyers and judges. A Pak Judicial Commission undertook its second visit to India in September 2013 and cross-examined key prosecution witnesses. Prime Minister Nawaz Sharif told PM in New York on 29 September 2013 that effective action on bringing the perpetrators of the Mumbai attacks to book was indeed Pakistan's intention, and now that the Judicial Commission had returned to Pakistan after gathering depositions and evidence in India, there would be further progress. Hearings in the case, however, continue to be disrupted for one reason or another.

### **Economic Ties**

Formally accounted India-Pakistan bilateral trade in 2012-13 was US\$2.6 billion (Indian exports to Pakistan were US\$2.064 billion and imports from Pakistan US\$ 541 million). Pakistan exports to India crossed \$500 million mark for the first time during this period. (Trade through third countries is variously estimated at US\$ 3.5-4 billion). Main items of export from India to Pakistan are: cotton, organic chemicals, food products including prepared animal fodder, vegetables, plastic articles, man-made filament, coffee, tea and spices, dyes, oil seeds and olea. Main items of import by India from Pakistan are: copper and copper articles, fruits and nuts, cotton, salt, sulphur and earths and stones, organic chemicals, mineral fuels, rubber plastic products, wool, etc.

### CHECK YOUR PROGRESS

7. When did Afghanistan join SAARC?
8. List any two factors responsible for the emergence of anti-India propaganda in Bangladesh during the closing years of Mujib's era.
9. To what fields did the Indo-Maldivian cooperation extend?
10. Why is the Indo-Sri Lanka relationship considered to be competitive?
11. Name the first landmark treaty between India and Bhutan.
12. What strengthened the bond between India and Nepal in 1992?
13. What are the main items of export from India to Pakistan?

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## 2.4 INDIA'S LOOK EAST POLICY

An important aspect of India's foreign policy after the end of the Cold War was the Look East Policy. India's relations during the Cold War with the neighbouring South East Asian countries were not strong. However, after the Cold War ended, the Indian Government realized the importance of these relations. Therefore, in the early 1990s, the government headed by Narasimha Rao introduced the Look East Policy. In the beginning, the policy focussed on re-establishing the economic and political contacts with the South-East Asian countries.

At the moment, the Look East Policy is emphasizing on the economic development of the regions in the North East that are backward. This is made possible by taking an advantage of ASEAN and the energy resources available in member countries of the ASEAN like Myanmar.

The Look East Policy was established in 1992, soon after the collapse of the Soviet Union and the end of the Cold War. The policy was given a push by the then Prime Minister of India, Narasimha Rao, as he visited countries like South Korea, Japan, Vietnam, China and Singapore. Furthermore, India also became the dialogue partner with ASEAN in 1992. India, to further strengthen the Look East Policy, became the summit level partner of ASEAN in 1992 and was also involved in a few regional initiatives like the BIMSTEC and the Ganga Mekong Cooperation. In December 2005, India became a member of the East Asia Summit.

### Three Cs

Commerce, Culture and Connectivity are the three pillars of India's robust engagement with ASEAN. In the economic arena, the India-ASEAN relations



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are poised to scale new frontiers. The two sides are expected to sign an India-ASEAN FTA in services and investments soon. This will complement the FTA in goods which was signed in 2009 and has led to a quantum jump in bilateral trade, which is hovering around \$80 billion. The two sides are now confident of scaling it up to \$200 billion by 2022. The two-way investments are on an upswing: ASEAN investments in India over the last ten years amounted USD 27.9 billion, and Indian investments in ASEAN reached \$32.4 billion.

### Milestones

Launched in the early 1990s that intersected with the opening of the Indian economy and executed with vigour by the successive governments in India, the ongoing journey of India-ASEAN relations has seen several milestones. India became a sectoral dialogue partner of ASEAN in 1992, and a full dialogue partner in 1996. In December 2012, the leaders of India and the ASEAN countries gathered in New Delhi to celebrate the 20th anniversary of India's sectoral dialogue partnership with the ASEAN and the 10th anniversary of their annual summits. The summit saw the two sides elevating their ties to the level of a strategic partnership and culminated in the ASEAN-India Vision Statement, which charts the future trajectory of this multi-pronged relationship. India has vigorously backed the ASEAN centrality, the Initiative for ASEAN Integration for Narrowing the Development Gap, the Master Plan on ASEAN Connectivity, and a Drug Free ASEAN.

### Act East

Under the new leadership in Delhi, India's Look East policy has morphed into a proactive Act East policy, which envisages accelerated across-the-board engagement between the two growth poles of a vibrant Asia. This has been reflected in a spate of two-way visits in the first few months of the Modi government. President Pranab Mukherjee went on a landmark visit to Vietnam in September 2014, followed by the visit of Vietnam's prime minister to New Delhi in October. External Affairs Minister Sushma Swaraj chose Myanmar as one of her first few foreign destinations abroad in August, and met a spectrum of ministers from ASEAN countries as well as East Asian countries. She has already visited Vietnam and Singapore and looks set to travel to most of other ASEAN countries in the months ahead. During her visit to Singapore, India's foreign minister articulated the need for an Act East policy forcefully: 'Look East is no longer adequate; now we need Act East policy.'

### CHECK YOUR PROGRESS

14. What did the Look East Policy focus on in its nascent stage?
15. What are the three pillars of India's robust engagement with ASEAN?

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## 2.5 SUMMARY

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- Today, India's strategic position in the global scenario has had an enormous impact on the way India formulates its policies, whether internationally or in its domestic affairs. One such aspect can be seen in India's foreign policy which very clearly shows India's projection of its image as an upcoming global superpower, establishing, maintaining and strengthening relations with countries that are in its geographical proximity or otherwise.
- India's relations with most of the countries in the world have generally been formal and diplomatic. India's relations with some of its neighbours have been friendly while with some not-so-friendly. However, India, in order to become a global power, realizes the importance of maintaining cordial ties with its neighbours.
- The US-Indian policies usually ran parallel to each other or indirectly diverged through the relations with Third World countries like Pakistan.
- With the end of the Cold War, and the emergence of the National Front government in India, expectations for a new relationship with the US began.
- The US wanted to remain the only Superpower in the world and wanted to check upcoming major power aspirants. Naturally, India was against the US underlying objectives as well as its aim for a unipolar world order.
- The frequency of high-level visits and exchanges between India and the US has gone up significantly of late. Prime Minister Modi visited the US on 26-30 September 2014; he held meetings with President Obama, members of the US Congress and political leaders, including from various States and cities in the US, and interacted with members of President Obama's Cabinet.
- Indo-Soviet relations were strengthened during the 1960s and in this period relations between Pakistan and China also became warm and friendly, though Pakistan continued to be an active member of the American bloc.
- On 1 October 1949, Mao Zedong proclaimed the People's Republic of China's independence; just two years after India became independent. With the emergence of the People's Republic of China, the relations between the two countries started improving.
- After a gap of more than twenty-five years, Rajiv Gandhi visited China in December 1988. His visit to Beijing brought extensive bilateral discussions and the two countries also agreed to expand bilateral ties in all spheres and a Joint Working Group was established to discuss the border dispute.
- In the 1990s, the idea of trilateral cooperation between Russia, India and China began to take shape. Since then the relations between the three nations have considerably improved.

## NOTES

## NOTES

- India and the United Kingdom share close and friendly ties. The bilateral relationship that was upgraded to a strategic partnership in 2004 was further strengthened with the visit of British Prime Minister Cameron to India in 2010 during which the foundation for Enhanced Partnership for the Future was laid.
- The Republic of India developed bilateral relations with the Islamic State of Afghanistan and ties between both the states have traditionally been strong and friendly.
- In April 2007, Afghanistan became the eighth member of SAARC after India endorsed Afghan full membership. The new democratically elected Afghanistan government strengthened its relations with India due to persisting tensions and problems with Pakistan.
- India played a prominent role in the creation of Bangladesh and the installation of Mujibur Rehman's government. India played an important role in the independence of Bangladesh from Pakistan. In recent times, India provided cooperation and assistance during natural calamities
- The country's foreign policy of friendship with Islamic countries and cooperation with non-aligned nations was on a firm foundation.
- The most difficult problem between India and Bangladesh is sharing of Ganga waters. The Indo-Bangladesh ties also suffer from the problem of Chakma refugees. A large number of Bangladeshi refugees have taken shelter in the state of Tripura in India.
- India and Maldives have developed close strategic, military, economic and cultural relations. On 13 February, 1979, in New Delhi, both India and Maldives signed an agreement for operating air services between the two countries.
- A Government of India funded project, The Maldives Institute of Technical Education was successfully completed and handed over to the Government of Maldives on 16 September 1996.
- Like India and other third world countries, Sri Lanka also follows the policy of non-alignment. In the foreign policy of India, Sri Lanka occupies an important place because of it being one of the country's closest neighbours with ancient cultural ties.
- When China invaded India in 1962, Sri Lanka played a very important role in resolving the dispute between India and China.
- The close relationship between the then-Indian Prime Minister Indira Gandhi and the Sri Lankan Prime Minister Sirimavo Bandaranaike led to the development of strong bilateral relations. Sri Lanka has supported the candidature of India to the permanent membership to the United Nations Security Council. A MoU on Cooperation in Small Development Projects had been signed between India and Sri Lanka.
- India was the first state to respond to Sri Lanka's request for assistance after the tsunami in December 2004

- The Buddhist monarchy of Bhutan had maintained a friendly but carefully distanced relationship with British-India before 1947. India is a big power and Bhutan is a small landlocked country, still both have traditionally warm bilateral relations at political and economic level. The Government of India scholarships are granted to about 50 Bhutanese students, every year, in various institutions of India.
- During the initial years of India's independence, the foreign policy did not give much importance to relations with Nepal.
- India, because of its lack of interest in Nepal, itself was responsible for making Nepal look for an alternative to India. Indo-Nepal relations during 1947–55 were alternatively affected by the lack of Indian initiative in this direction.
- India's ties with Nepal are close yet fraught with difficulties stemming from geography, economic, the problems inherent in big power versus small power relations and common ethnic and linguistic identities that overlap the two country's borders
- Terrorism emanating from territory under Pakistan's control remains a core concern in bilateral relations. This is precisely why India has sought a firm and abiding commitment from Pakistan that it will not allow its territory and territory under its control to be used for the aiding and abetting of terrorist activity directed against India and for providing sanctuary to such terrorist groups.
- The Look East Policy was established in 1992, soon after the collapse of the Soviet Union and the end of the Cold War. The policy was given a push by the then Prime Minister of India, Narasimha Rao, as he visited countries like South Korea, Japan, Vietnam, China and Singapore.

## NOTES

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### 2.6 KEY WORDS

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- **Superpower:** It refers to a very powerful and influential nation (used especially with reference to the US and the former Soviet Union when these were perceived as the two most powerful nations in the world).
- **Arbitrary:** It refers to something based on random choice or personal whim, rather than any reason or system.
- **Diaspora:** A diaspora is a scattered population whose origin lies within a smaller geographic locale.
- **Indian diaspora:** It is a generic term to describe the people who migrated from territories that are currently within the borders of the Republic of India.
- **Coup:** It is a sudden, violent, and illegal seizure of power from a government.

## NOTES

- **Acrimony:** It refers to bitterness or ill-feeling.
- **Repatriation:** It is the act of returning to the country of origin.
- **Fatalistically:** Fatalism is a philosophical doctrine emphasizing the subjugation of all events or actions to fate or inevitable predetermination.
- **Status-quo-ante:** It refers to the way things were before.
- **Hiatus:** It is a pause or gap in a sequence, series, or process.

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## 2.7 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. The Reagan administration emphasized on a policy that inclined towards South Asia. This administration provided indirect military aid to anti-Afghan guerrillas and completely economic and military support to Pakistan.
2. The US wanted to remain the only Superpower in the world and wanted to check upcoming major power aspirants. Naturally, India was against the US underlying objectives as well as its aim for a unipolar world order.
3. India entered into an Indo-Soviet Friendship Treaty in 1971 which gave India the following:
  - Military technology
  - Economic assistance
  - Political support during the Indo-Pak war
4. After a gap of more than twenty-five years, Rajiv Gandhi visited China in December 1988. His visit to Beijing brought extensive bilateral discussions and the two countries also agreed to expand bilateral ties in all spheres and a Joint Working Group was established to discuss the border dispute.
5. Shanghai Cooperation Organization (SCO) was founded in 1996 to resolve border disputes among member countries and to ensure peace.
6. The 10th JETCO meeting was held on 19 January 2015 in London which witnessed both industry and Government stakeholders coming together for productive discussions in three Working Groups constituted on the themes of Education and Skill Development, Smart Cities and Technological Collaboration, Advanced Manufacturing and Engineering.
7. Afghanistan joined SAARC as the eighth member in April 2007, following India's endorsement of its full membership.
8. The following factors were responsible for the emergence of anti-India propaganda in Bangladesh during the closing years of Mujib's era:
  - Existence of pro-Pakistan factions in Bangladesh
  - Internal opposition to Mujib's policies particularly to the centralization and concentration of authority into his own hands

9. Indo-Maldivian cooperation extended to many fields ranging from exchanging Doordarshan programme through INSAT to training Maldivian personnel by Indian experts.
10. India and Sri Lanka started their economic cooperation very late. Both the states are major exporters of tea, hence, their relationship for some time was considered as competitive.
11. The first landmark treaty between India and Bhutan was the Treaty of Sinchula signed in 1865.
12. In August 1992, India included Nepali language in the 8th schedule of the Indian Constitution, which further strengthened the bond of friendship between India and Nepal.
13. Main items of export from India to Pakistan are: cotton, organic chemicals, food products including prepared animal fodder, vegetables, plastic articles, man-made filament, coffee, tea and spices, dyes, oil seeds and olea.
14. Look East Policy, in the beginning, focussed on re-establishing the economic and political contacts with the South-East Asian countries.
15. Commerce, Culture and Connectivity are the three pillars of India's robust engagement with ASEAN.

## NOTES

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## 2.8 QUESTIONS AND EXERCISES

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### Short-Answer Questions

1. Why did Indira Gandhi wish to establish a close and cordial relationship with Washington?
2. Write a short note on India-US dialogue architecture.
3. What were the disturbing elements in Sino-Indian relations?
4. How did India help Afghanistan in the reconstruction process?
5. Write a short note on Maldives and SAARC.
6. Write about some of the major projects in Bhutan that were funded by India.
7. What were the factors responsible for lack of India's interest in Nepal initially?
8. Concisely mention the issues that have surfaced between India and Pakistan. How has India tackled these issues?
9. Write a short note on India's East Policy.

### Long-Answer Questions

1. On what parameters are India's bilateral relations based with the US and China?



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2. Give a historical account of India's relations with the erstwhile Soviet Union.
3. 'India and the United Kingdom share close and friendly ties.' Is the statement correct? Justify your answer giving examples.
4. Briefly explain the role of India in Afghanistan's Saur Revolution.
5. State the factors responsible for the emergence of anti-India propaganda in Bangladesh.
6. Identify the main features of the Nehru-Kotlawala Agreement of 1953, signed between India and Sri Lanka.
7. Critically evaluate India's policy towards Pakistan in the past and present.
8. Evaluate India's approach to disputes concerning its borders with its neighbouring countries.

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## 2.9 FURTHER READING

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Engelmeier, Tobias. 2009. *Nation-Building and Foreign Policy in India: An Identity-Strategy Conflict*. New Delhi: Cambridge University Press.

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### Website

<http://www.mea.gov.in/foreign-relations.htm>

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## UNIT 3 ASPECTS OF INDIA'S FOREIGN POLICY

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### NOTES

#### Structure

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 India's Foreign Economic Policy
- 3.3 India's Multilateral Diplomacy: UN, ASEAN and EU
  - 3.3.1 The United Nations: Origin, Objectives, Membership and Principal Organs
  - 3.3.2 India's Role in the United Nations
  - 3.3.3 India, ASEAN and European Union
- 3.4 India and International Finance and Trade
- 3.5 India and the Nuclear Regime
- 3.6 Summary
- 3.7 Key Terms
- 3.8 Answers to 'Check Your Progress'
- 3.9 Questions and Exercises
- 3.10 Further Reading

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### 3.0 INTRODUCTION

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The World Bank (International Bank for Reconstruction and Development; IBRD) was created in 1944 to improve the international standards of living, implement processes to reduce poverty, hunger, illiteracy and diseases. Its role was also to ensure the ushering in of development, provision of financial and technical support to developing countries, creation of infrastructure, protection of rights, implementation of legislation to encourage trade, and dealing with corruption.

Trade blocs are international agreements that help their signatory countries gain access to barrier-free trade relationships and negotiations.

In this unit, you will study in detail about these international economic institutions and the role they play in the Indian economy. This unit will also discuss the role of India in UN, ASEAN and EU, India and the international financial and trade. This unit will also discuss India's association with the nuclear regime.

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### 3.1 UNIT OBJECTIVES

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After going through this unit, you will be able to:

- Define India's foreign economic policy
- Discuss the role of India in UN, ASEAN and EU
- Explain India's association with the international nuclear regime

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### 3.2 INDIA'S FOREIGN ECONOMIC POLICY

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International Bank for Reconstruction and Development, or the World Bank was set up at the same time as the IMF in July 1944. The World Bank is concerned with assisting its member countries to achieve sustained economic growth. It functions as an intermediary for the transfer of financial resources from the more developed to the less developed countries.

#### Objectives of the World Bank

The World Bank was created with the following objectives:

- To help in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including:
  - o The restoration of economies destroyed or disrupted by war
  - o The re-conservation of productive resources to peace-time needs
  - o The encouragement of the development of productive facilities to peace-time needs
  - o Encouragement of development of productive facilities and resources in less-developed countries
- To promote private foreign investment by means of:
  - o Guarantees or participations in loans and other investments made by private investors
  - o To supplement private investment when private capital is not available on reasonable terms
- To promote the long-range balanced growth of international trade and the maintenance of equilibrium in balance of payments by encouraging long-term international investment thereby assisting in raising productivity, the standard of living and conditions of labour in their territories
- To encourage loans made or guaranteed so that the more useful and urgent projects will be dealt with first
- To conduct its operations so as to bring about a smooth transference from a war-time to peace-time economy

The World Bank's capital is too small to provide for the development needs of the entire world. It has, therefore, set up a number of subsidiary organizations for more finance.

Thus, the Bank was intended to serve as an essential adjunct to the IMF and in particular to ensure a high and stable level of international investment with a view to promoting the maintenance of a high level of international trade and thus of production and employment.

### **Criticism**

- Promotes American/Western interests and 'donor-NGO imperialism' (WB president always American).
- Except for IDA funds, WB loans are too rigid and carry high rates of interest beyond the means of poor nations.
- WB advocates free-market reform policies which are harmful to economic development if implemented badly.
- WB's formulaic recipes of development have forced the recipients to abandon the traditional economic structures and values.
- Some analysts show that WB has increased poverty and been detrimental to the environment, public health and cultural diversity.
- WB has dual roles which are contradictory: that of political organization and that of a practical technical organization.

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**Membership and organization:** Every member of the IMF is also a member of the World Bank. Any country acquiring the membership of the IMF, automatically becomes member of the World Bank.

Each member of the World Bank has capital subscription that is similar to its quota in the Fund. The member's subscriptions also measures roughly its voting power. In June 2012, 188 countries were members of the Bank. The World Bank is managed in the same way as the IMF, except that the head officer of the Bank is called the President. The Governors and Executive Directors of the two organizations are frequently the same men/women.

**Resources:** The World Bank started in 1946 with an authorised capital of \$11 billion, divided into 100,000 shares of \$100,000 each. The member countries subscribed to it in accordance with their economic position and the size of their quotas in the IMF. A member's total subscription in the capital of the Bank was originally divided into three parts, such as follows:

- (i) The 2 per cent of the subscription to be paid in gold or US dollars.
- (ii) The 18 per cent of the subscription to be paid in member's own currency.
- (iii) The remaining 80 per cent subject to call as and when required to meet the Bank's obligations.

The functions of the World Bank are as follows:

- It grants long-term and medium-term loans: One of the early objectives of the World Bank was to aid reconstruction of war-torn nations, the job is not a matter of history. After an initial period of two years in which the Bank concentrated its loans on Europe's reconstruction needs, the Bank turned its attention to developing countries. Loans are of two types—Reconstruction and Development.

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- The Bank gives loans to member governments or to private enterprises. In the latter case the Bank demands a guarantee from the Government, the Central Bank and similar organizations of the region in which the project is to be undertaken. Loans are granted on a basis of sound financial and economic analysis; the project must produce an acceptable rate of return.
- The Bank gives technical advice to the borrowers and for this purpose engages experts.
- Economic and social research: In the field of economic and social research the World Bank conducts research projects and undertakes smaller research studies. World Bank Staff working papers are of great interest among professional economists. The bank undertakes annually a comprehensive analysis of economic and social situation in the developing countries with a view to assess the situation and make the decisions relating to development. The World Development Report (Annual) deals with fundamental problems currently facing the developing countries.
- The Bank promotes foreign investments by guaranteeing loans made by other organizations. The Bank's duty is to supplement and not to supersede the flow of private risk capital.
- The World Bank's capital is too small to provide for the development needs of the entire world. It has therefore set up a number of subsidiary organizations for further finance.

The Bank's loan policy has been criticised on several grounds:

First, it is alleged that the cost of World Bank loans is high for the developing countries. In addition to the high rates of interest on loans, the borrowing countries have to pay fixed rate commitment charges on undisbursed loan balances. This criticism is true particularly when we know that the World Bank loans are guaranteed by the Governments of the borrowing countries and are granted by the project appraisals.

Second, the Bank provides loans mostly for specific projects rather than for general development purposes. Critics argue that loans should be given for general development also and thus the quantum of non-project loans be raised.

Third, as the World Bank is a non-political and non-partisan institution, it is not supposed to discriminate against some countries in favour of certain others. In actual practice, however, the bank has given loans not purely on economic considerations. The countries of Asia and Africa taken together have the largest population area and unexploited economic resources in the world. Their people suffer from immense poverty. The help given to them by the World Bank has been too inadequate. On the contrary, the countries in Latin America and the Caribbean are smaller in terms of population and area, but have received substantial amounts of loans.

Lastly, it is said that the Bank exercises too much control over the execution of projects for which loans are given. It usually results in unnecessary interference in the internal economic matters of the borrowing countries.

## **World Trade Organization (WTO)**

India is one of the founding members of WTO and India was one of the 23 founding contracting parties to the General Agreement on Tariffs and Trade (GATT) that was concluded in October 1947. Various trade disputes of India with other nations have been settled through WTO. India has also played an important part in the effective formulation of major trade policies. By being a member of WTO several countries are now trading with India, thus giving a boost to production, employment, standard of living and an opportunity to maximize the use of the world resources. To increase the portion of world trade the government should come up with policies and budgetary provisions to boost export in potential areas in services.

### **Role of WTO**

On January 1, 1995, the first and most powerful world trade regulating agency, namely World Trade Organization (WTO) came into existence. India is one of its 132 founding members. The WTO is the umbrella organization responsible for overseeing the implementation of all agreements that have been negotiated just before it came into existence. It is also responsible for the settlement of disputes among its members. Finally, periodic review of the trade policies would also be initiated under the auspices of WTO.

Before the WTO came into existence, international trade in merchandise was guided by the rules and provisions of the GATT. The GATT rules, however, could not absorb the complexities of world trade, which had been growing steadily since the Bretton Woods days, both in terms of commodity coverage and the nature of regulators applied by the regional trade blocks. Moreover, the GATT umbrella did not cover trade in services.

The avowed goal of the WTO is to create a fair and equitable, rule-based multilateral trade system. The most appealing aspect is that the new multilateral trade regime would be transparent and non-discriminatory. For the world trading community as a whole, every initiative on trade liberalization should ensure rewards in the form of large and expanding markets and greater trade flows for all participating members. All quantitative restrictions (quotas, import licensing, etc.) would be replaced by tariff so as to make the process more transparent and open to international public scrutiny; all reductions and adjustments in tariffs would be effected through negotiations and are to be notified to the WTO. Then, all kinds of subsidies would be reduced in due course by the developed countries so that the developing economies under their sheer comparative cost advantage could gain larger access to the markets in the developed world.

The two most significant principles of the WTO agreements are the Most Favoured Nation and the National Treatment Clause. Under the former, no discrimination is to be exercised among member countries; any trade concession offered by one member to another must be offered to all members. Under the latter, imported products and domestic products are to be accorded the same treatment; moreover, besides import duty, no extra tax other than one also

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levied on domestic products is to be imposed. Foreign companies investors and government must feel assured that trade barriers would not be raised arbitrarily by any trading partner. Lastly, the new trade regime should work to a greater advantage of the less developed countries; they must be given more time to adjust, greater flexibility and some special privileges.

On a broad plane, the canvas of WTO agreements is spread over three compartments; goods, services and intellectual property rights. First, trade in goods of all descriptions (agricultural or industrial) is to be governed under the GATT reformulations. Second, trade in services of all kinds is to be regulated under General Agreement on Trade in Services. Third, trade-related aspects of Intellectual Property Rights would set out the terms and conditions for the international flow of intellectual property.

### **Evaluation**

The new trading system of the WTO seems to give undue emphasis on private sector and competition and fails to recognize the strategic role which the state plays in promoting the right kind of development with emphasis on equity and social infrastructure. Over-emphasis on competition seems to have eroded the concept of public good and thereby provided a partial view of development process.

One of the objectives of trade negotiations under the GATT is providing a freer trading environment for the movement of goods and services. This objective is based on the assumption that free trade is an optimal modality for global welfare. However, free trade does not necessarily imply fair trade. Given the differences in the initial conditions, total free trade seems to aggravate the gap between the rich and the poor countries. The new trading system under the WTO fails to recognise this adverse impact of liberalisation of trade on the norms of fairness.

### **The WTO and Its Functions**

The new World Trade Organization (WTO), which replaced the General Agreements in Tariffs and Trade (GATT) came into effect from 1st January, 1995 with the backing of at least 85 founding members including India. The WTO is now the third economic pillar of worldwide dimensions, along with the World Bank and the IMF.

As many as 77 of the 125 countries, which signed the Uruguay Round trade accord in April 1994 at a conference in Marrakesh, have officially notified the GATT that they would join the WTO.

The new trade body—WTO—with powers to settle trade disputes between nations and to widen the principle of free trade to sectors such as services and agriculture, covers more areas than GATT, whose rules had been in operation for the last 50 years. The WTO envisages the reduction of tariffs by more than one-third and is concerned with further opening of markets. It is expected that the world trade would be stimulated strongly in the long run as a result of the coming into being of the new trade body—WTO. According to an estimate made

by the GATT, in 2005 turnover through international trade could be as high as \$510 billion annually.

Like the GATT, the WTO agreement will regulate the commodities trade, but in addition it will also deal with services across borders like insurance and tourism. The new WTO conditions also protect intellectual property like patents, copyrights and brands. Agriculture and textiles are completely covered by the WTO agreements. The highest WTO body is a ministerial conference which will meet at least once in two years.

The WTO has been entrusted with the following functions:

- The WTO would facilitate proper implementation of multinational trade agreements.
- It will review trade policies undertaken by the member countries.
- It will act as a forum for the negotiation of disputes among the member countries over trade-related problems.
- The WTO will work in cooperation with the IMF and the World Bank.

### **India's Commitments to the WTO**

- **Tariff lines:** As a member of the WTO, India has bound about 67 per cent of its tariffs lines, whereas prior to the Uruguay Round only 6 per cent of the tariff lines were bound. For non-agricultural goods with a few exceptions, ceiling bindings of 40 per cent ad valorem on finished goods, and 25 per cent on intermediate goods, machinery and equipment have been undertaken. The phased reduction to these bound levels is being undertaken over the period March 1995 to the year 2005. In textiles, where reduction will be achieved over a period of 10 years, India has reserved the right to revert to duty levels prevailing in 1990, if the integration process, envisaged under the Agreement on Textiles, does not materialise in full. Under the Agreement of Agriculture, India's bound rate ranges from 100 to 300 per cent.
- **Quantitative restrictions:** Quantitative restrictions on imports maintained on balance of payments grounds were notified to WTO in 1997 for 2714 tariff lines at the eight digit level. In view of the improvements in India's balance of payments, the Committee on Balance of Payments Restrictions had asked India for a phase-out for the quantitative restrictions. An agreement between the USA and India was reached, envisaging the phasing out of all quantitative restrictions by India by April 2001. In line with this agreement, India removed quantitative restrictions on 714 items in the Exim Policy announced on March 31, 2000 and on the remaining 715 items in the Exim Policy announced on March, 2001.
- **TRIPs (Trade-related Intellectual Property Rights):** The ruling of the two WTO Dispute Settlement Panels following the complaints made by the USA and the European Union that India had failed to meet its commitments under Article 70.8 and Article 70.9 made it obligatory for

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the Government of India to make appropriate amendments to the Patents Act, 1970 by April 1999. The Patents (Amendment) Act, 1999 was passed by Parliament in March 1999 to provide for Exclusive Marketing Rights. In respect of plant varieties, a decision has been taken to put in place a sui generis system as it is perceived to be in our national interest.

As far as copyrights and related rights are concerned, the Copyright Act, 1957 as amended in 1994 takes care of our interests and meets the requirements of the TRIPs Agreement except in the case of terms of protection of performers' rights. A Bill to increase this term to 50 years was passed by Parliament in December 1999.

- **TRIMs (Agreement on Trade-related Investment Measures):** Under the TRIMs agreement, developing countries have a transition period of five years up to December 31, 1999 during which they can continue to maintain measures consistent with the Agreement provided these are duly notified. The Government of India notified two TRIMs, viz. that related to local content requirements in the production of certain pharmaceutical products and dividend balancing requirement in the case of investment in 22 categories consumer items.
- **GATS:** Under the General Agreement on Trade in Services (GATS), India has commitments in 33 activities. Foreign service providers will enter these activities. According to the Government of India, the choice of the activities has been guided by considerations of national benefit.
- **Customs valuation rules:** India's legislation on customs valuation rules, 1998, has been amended to bring it in conformity with the provisions of the WTO Agreement on implementations of Article VII of GATT 1994 and the Customs Valuation Agreement.

### *World Trade Organization (WTO)*

Formation	January 1, 1995
Headquarters	Centre William Rappard, Geneva, Switzerland
Membership	157 member states
Official languages	English, French, Spanish
Director-General	Pascal Lamy
Budget	196 million Swiss francs (approx. 209 million USD) in 2011

The first two ministerial meetings were held at Singapore (1996) and Geneva (1998) respectively, where various provisions of the agreement were discussed and the state of their implementations was reviewed. In addition, two new agreements, namely Information Technology Agreement and Global E-Commerce Agreement were signed in these meetings. This was at a time when Indian IT exports started to take off. Fortunately, the agreements inked on these issues have actually helped e-commerce and not gone contrary to India's interests.

## WTO Negotiations and India

The Doha Round of trade negotiations at the WTO has been under way since 2001. The negotiations cover several areas such as agriculture, market access for non-agricultural products, trade related intellectual property rights, rules and trade facilitation. The conduct, conclusion and entry into force of the outcome of the negotiations are parts of a single undertaking that is 'nothing is agreed until everything is agreed.' Major issues in the current negotiations in the WTO were discussed about Agriculture and Non-Agricultural Market Access (NAMA) by the chairs of the respective Negotiating Groups on December 6, 2008.

The WTO negotiations have been stalled due to differences between rich and developing nations on tariff liberalization and level of market opening. Agreeing to tariff standstill means a drastic reduction in duties by developing countries like India, as the countries applied customs duties is below bound ceiling levels. To augment domestic supplies, India has banned exports of pluses and also imposed quantitative restrictions on outward shipments of commodities like rice and sugar. Besides, India is planning to bring a food security law under which nearly 64 per cent of its population will have legal entitlement on subsidized food grains.

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### *WTO: Organizational Structure*

The following are the subsidiary bodies that help the general council in supervising the committees in different sectors.

- **Council for trade in goods:** This council heads eleven committees and each committee has been assigned with a particular task. Each and every member of the World Trade Organization takes part in these committees. Although, the Textiles Monitoring Body is a different entity, it is governed by the trade in goods council. The body has only ten members and it has got its own chairman. Besides, it comprises other groups concerning textiles.
- **Council for trade-related aspects of intellectual property rights:** This subsidiary body of the general council is responsible for providing information related to intellectual property in the WTO, information and official proceedings of the activities of the TRIPS council, and minutes of the WTO's work with other international organizations in the field.
- **Council for trade in services:** This subsidiary body of general council performs the task of supervising the functioning of the General Agreement on Trade in Services (GATS). Any members of WTO can join it and can form subsidiary bodies according to their needs.
- **Trade negotiations committee:** This subsidiary body of general council is responsible for handling different rounds of trade negotiations. The Director General of WTO is the chairman of this committee. Since June 2012, this committee has been given the task of managing Doha Development Round.
- **Service council:** This subsidiary body of general council is assisted by three different bodies. These are: financial services, domestic regulations, GATS rules and specific commitments. Apart from this, the general council consists of many other committees, working groups, and working parties. These committees are responsible for monitoring the functionalities of the following: Finance and administration, trade and environment, balance of payments, restrictions trade and development, regional trade agreements and budget.

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### **WTO: Principles of Trade Policy**

The World Trade Organization is responsible for conceiving the idea for trade policies, but as far as the result or definition of the policies is concerned, it has got no role to play. In simple words, WTO makes rules and regulations for trade policy and takes no responsibility of its outcome. For understanding the old version of GATT and World Trade Organization, it is quite necessary to understand the following five principles:

- 1. Non-Discrimination:** The policy of non-discrimination has two key components: These are the rules of Most Favoured Nation (MFN) and the national treatment policy. These rules are rooted in the main WTO rules concerning goods, services, and intellectual property. However, scope and nature of these rules vary from areas to areas. As per the rules of Most Favoured Nation, a member country of WTO is bound to apply the same conditions, while trading with WTO members. It means that a WTO member is supposed to provide most favourable conditions under which it allows trade in a certain product type to all other WTO members. This rule says, 'Grant someone a special favour and you have to do the same for all other WTO members.' As far as national treatment policy is concerned, it says that domestically produced goods and imported goods should be treated in equal manner (this process should start once the foreign goods enters the market). This policy was introduced to tackle non-tariff barriers to trade (such as technical standards, security standards, etc., discriminating against imported goods).
- 2. Reciprocity:** This principle shows a need to control the possibility of free-riding that can crop up due to the MFN rule, and a need to gain better access to foreign markets. An interrelated point is that if a country wants to negotiate, it is important that the percentage of gain should be greater than the gain available from unilateral liberalization. Reciprocal concessions intend to ensure that such gains should materialize.
- 3. Binding and enforceable commitments:** The schedule or a list of concession enumerates the tariff commitments agreed upon by WTO members, involved in a multilateral trade negotiation and on succession. These schedules set up 'ceiling bindings': a nation is free to change its bindings, but before doing that it has to negotiate with its trading partners. This is necessary because through this negotiation the trading partners could get compensation for its losses. In case the matter is not settled amicably, the aggrieved nation is free to get the matter settled through the WTO dispute settlement procedures.
- 4. Transparency:** It is binding upon members of the WTO to publish their trade policies in order to maintain institutions allowing for the review of administrative decisions affecting trade, to react to requests for information by other members, and to inform WTO regarding some policy changes. These internal arrangements to maintain transparency are complemented and facilitated by regular country-specific reports (or it may be called as trade policy reviews) by using the Trade Policy Review Mechanism (TPRM). Besides, the World Trade Organization tries its level best to make its policies more predictable and stable and to achieve this objective it discourages the use of quotas and other steps that are taken to control the quantities of imports.

**5. Safety valves:** The government has got the power to impose ban on trade practices in some special conditions. Three types of provisions are made in this regard. These are: articles allowing for the use of trade measures to attain non-economic objectives; articles aimed at ensuring 'fair competition' and provisions permitting intervention in trade for economic reasons. However, there are certain exceptions of these MFN principles that permit preferential treatment of developing countries, customs unions and regional free trade areas.

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### ***WTO: A summary of India's stand on key negotiating issues***

#### **Agriculture**

Substantial and effective reductions in overall trade-distorting domestic support (OTDS) of the US and EU

Self-designation of an appropriate number of special products (SPs)

An operational and effective Special Safeguard Mechanism (SSM)

Simplification and capping of developed country tariffs

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

Adequate and appropriate flexibilities for protecting economically vulnerable industries

Participation in sectorial initiatives only on a non-mandatory and good faith basis without prejudgment of the final outcome, with substantial special and differential treatment provisions for developing countries

Serious consideration of non-tariff barrier (NTB) textual proposals with wide support such as the horizontal mechanism

#### **Services**

Need for qualitative improvement in the revised offers especially on Modes 1 (cross border supply) and 4 (movement of natural persons)

Appropriate disciplining of domestic regulations by developed countries

#### **Rules**

Tightening of disciplines on anti-dumping (deletion of zeroing clause and reiteration of the lesser duty rule)

Effective special and differential treatment for developing countries on fisheries subsidies

#### **Trade-related Aspects of Intellectual Property Rights (TRIPS)**

Establishing a clear linkage between the TRIPS Agreement and the Convention on Bio-diversity (CBD) by incorporating specific disclosure norms for patent applications

Enhanced protection for geographical indications (GIs) other than wines and spirits

*Courtesy: Economic Survey 2011-2012*



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### CHECK YOUR PROGRESS

1. List some of the functions of the World Bank.
2. What is the WTO?
3. What are the various functions of the WTO?

### 3.3 INDIA'S MULTILATERAL DIPLOMACY: UN, ASEAN AND EU

In this section, we will introduce you to the India's role in UN, ASEAN and EU.

#### 3.3.1 The United Nations: Origin, Objectives, Membership and Principal Organs

The United Nations is described as the symbol of hope for mankind. This hope, as the former UN Secretary-General Dag Hammarskjold said, 'is the hope that peace is possible.' The United Nations is an organization of 192 sovereign states. It was set up in 1945 to replace the ill-fated League of Nations. The Allies, who were fighting the Axis Powers in the Second World War to destroy dictatorship and secure democracy for the world, resolved to establish a new world organization, rather than revive the League of Nations. It was in the London Declaration of June 12, 1941 that all nations then fighting against Hitler's Germany announced their intention of working together, with other free peoples, to establish 'a world in which, relieved of the menace of aggression, all may enjoy economic and social security.'

Earlier, President Roosevelt of the United States, in a message to the Congress in January 1941, had spelt out four freedoms, which were of universal importance. These were as follows:

- Freedom of speech and expression;
- Freedom to worship;
- Freedom from want; and
- Freedom from fear.

At that time, the United States was not at war. It was observing neutrality. The four freedoms and the London Declaration were expressions of the desire of mankind to be free from 'war' and free from 'want'. On 14 August 1941, Roosevelt and Churchill issued the famous Atlantic Charter which spoke of the establishment of 'a peace which will afford to all nations the means of dwelling in safety within their own boundaries,' of freedom from fear and want, and the creation of 'a wider and permanent system of general security'. The principles spelt out in the Atlantic Charter, and the London declaration, were endorsed by

the 26 countries who were then Allies, on January 1, 1942 in what came to be known as the United Nations Declaration. This declaration signed in Washington was mainly concerned with war, not peace. It was to emphasise cooperation in an all-out struggle against Axis and to give an assurance to each other not to make peace individually.

The formal decision to establish a new international organization was taken on October 30, 1943 in the 'Moscow Declaration of Four Nations on General Security'. These four Allies were Britain, China, the United States and the USSR. They announced 'that they recognize the necessity of establishing at the earliest practicable date a general international organization, based on the principle of the sovereign equality of all peace-loving states, and open to membership to all such states, large or small, for the maintenance of international peace and security'. Why was the new organization created and why was it named the United Nations? The then American Secretary of State, Cordell Hull, merely stated that it was decided to set up a new organization. However, the obvious considerations were that the League had miserably failed to maintain peace and had been disgraced and defamed; Soviet Union had been expelled by the League, and the United States had never joined it. As H.G. Nicholas says. '... by 1942, fairly or unfairly, the League reeked with the odour of failure; Russian pride had been mortally offended by the League's condemnation and its subsequent expulsion at the time of the Russo – Finnish war; and in the United States, it was generally thought that it would be much better to try to enlist public support for a new organization than to risk reviving the stale and bitter controversy over American entry into the League.'

The title 'United Nations' was chosen to emphasise unity among the—Allies against the common enemy. The term was coined by President Roosevelt and used in the Declaration of January 1, 1942. Having decided to replace the League by the United Nations, the Allies convened a conference which was held at Dumbarton Oaks (Washington D.C.) in August-September 1944. The Conference was initially attended by Britain, the United States and the Soviet Union and later by Britain, the United States and China. This was done to underline USSR's neutrality in the Far East. The Charter of the United Nations was drafted at Dumbarton Oaks, but no agreement could be reached on certain issues, such as voting procedure in the Security Council and Soviet demand for membership of all its 16 Union Republics, besides itself. These issues were resolved at the Yalta Summit of Churchill, Roosevelt and Stalin in February 1945. The Soviet leader was persuaded to give up his demand for separate membership of 16 Union Republics. It was, however, agreed that, besides USSR, Ukraine and Bylo-Russia would also be members of the UN. The draft Charter was finally adopted at a conference at San Francisco (USA). China and France, along with Big Three, became the sponsors of the Charter. The Charter was signed after two months of deliberations by 50 countries who had attended the San Francisco Conference and Poland who was invited to become an original member. Thus, the United Nation had 51 original Members in 1945. Truman, the new US President, had opened the Conference on April 25, 1945 and he

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bade the delegate farewell on June 26, 1945. Unlike the League Covenant, the Charter was easily ratified by the US Congress by 89 votes to 2. It was stipulated in Article 110 that the UN would be established after the Charter was ratified by the five Big Powers (UK, USA, USSR, France and China) and a majority of other signatory states. This having been achieved, the United Nations was formally established on October 24, 1945.

### **Objectives of the United Nations**

The United Nations is 'sharing in the name of solidarity'. Dag Hammarskjold used this phrase and said that it is a necessity of mankind; it is not a matter of choice. The mankind's hope and involvement is reflected in the Preamble itself. It says: 'We the peoples of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind do hereby establish an international organization to be known as the United Nations.' Thus, unlike the League of Nations, peoples of the world are source of power of the United Nations. Purposes of the United Nations are stated in Article 1 of the Charter. Briefly, these purposes are as follows:

- To maintain international peace and security; and with that aim in view to take effective collective security measures, for prevention and removal of threats to peace;
- To develop friendly relations among nations;
- To achieve international cooperation in solving economic, social, cultural and humanitarian problems; and
- To be a centre for harmonising the actions of nations in the attainment of these common ends.

Thus, the United Nations is a necessity for maintenance of international peace, for protection of human rights, and for socio-economic development of the member-states.

Article 2 of the Charter lays down seven principles for the guidance of the UN and its members in pursuit of the above mentioned purposes. These are as follows:

- Sovereign equality of all the Members of UN;
- All Members shall fulfil in good faith the obligations assumed by them in accordance with the Charter;
- Peaceful settlement of international disputes so that international peace and security, and justice, are not threatened;
- All Members will refrain from threat, or use of force against the territorial integrity of other states;
- All Members will give all possible assistance to the United Nations, and will not give any help to a country against whom the UN is taking action;
- The UN will try to ensure that even non-members act in accordance with the principles of the Charter; and

- The United Nations shall not intervene in matters which are essentially within domestic jurisdiction of the states.

These principles sum up the objectives for which the UN was established. Thus, sovereignty of nations is to be honoured, their integrity protected, disputes are to be peacefully resolved, use of force is to be avoided, and no action is to be taken by the UN in matters falling within the domestic jurisdiction of the states. All the provisions of the Charter revolve around the above-mentioned purposes and principles. Non-intervention in domestic jurisdiction of states is indicative of emphasis on Member's sovereignty, and consequently a (self-imposed) restriction on the United Nations.

### **Membership of the United Nations**

Membership of the United Nations is open to all sovereign, peace-loving states of the world. According to Article 3 of the Charter, the countries who attended the San Francisco Conference, and those who had signed the United Nations Declaration on January 1, 1942 became original Members of the United Nations. The number of such original members was 51. Later, according to Article 4, 'all peace-loving states which accept the obligations contained in the present Charter', could be admitted as Members of the UN. Admission of new members is effected by a decision of the General Assembly upon the recommendation of the Security Council. Accordingly, many countries who could not become members in 1945 were later admitted to the membership of the UN. Besides, a large number of countries who were colonies were admitted from time to time as they attained independence. When Soviet Union disintegrated all its erstwhile Union Republics, which became sovereign states, were admitted. When India was partitioned in 1947, Pakistan was made a Member (India was already a Member of the UN), or when in 1992 Czechoslovakia was partitioned into two, both Czech Republic and Slovakia were allowed to become Members of the World Body. With the completion of the process of de-colonization and disintegration of the former USSR, the number of members went up to 192. Russia was allowed, in 1992, to replace the former Soviet Union and occupy its permanent seat in the Security Council. Earlier, membership of certain countries like West and East Germany and Japan was delayed for many years on account of cold war politics. Switzerland had voluntarily kept itself out of the UN. It joined as 190th member of the world body.

The question of representation of People's Republic of China had become a subject of serious conflict in the context of the cold war. When the Charter was adopted, and when the UN was initially established, Republic of China had become a founder-member, and as a Big Power, it occupied permanent seat in the Security Council. After the overthrow of Chiang Kai-shek regime in the Chinese mainland, the new government of People's Republic of China sought to replace the Chiang regime's representation in the UN. As the United States refused to recognise Communist China, and as USSR supported the demand of representation of People's Republic (Communist) of China, the issue became involved in the cold war. For some time, the USSR boycotted the UN bodies.

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It was during this boycott that North Korea was declared aggressor by the Security Council. After more than 20 years of the establishment of People's Republic, the United States finally agreed not to veto the change in representation of China. In 1971, Republic of China (Taiwan) was removed, and People's Republic of China was allowed to be represented in the UN, with permanent membership of the Security Council.

India consistently supported People's Republic of China in its endeavour to get representation in the United Nations. Besides, India stood for universality of the United Nations and generally voted for admission of new members.

### **Principal Organs and Specialized Agencies**

A brief mention of principal organs of the UN and its specialized agencies will be dealt with here. The six principal organs created by the UN Charter are as follows:

- (i) The General Assembly
- (ii) Security Council
- (iii) Economic and Social Council
- (iv) Trusteeship Council
- (v) International Court of Justice
- (vi) The Secretariat

The General Assembly being a plenary organ consists of all the (192) members of the United Nations. The General Assembly meets at least once a year, and can discuss any matter within the scope of UN Charter, and may make recommendations to the members, or to the security council or direct the Secretary-General. It elects non-permanent members of the Security Council and has other electoral functions and functions related to international peace and cooperation.

The Security Council consists of 5 permanent and 10 non-permanent members. The Security Council has the primary responsibility of maintenance of international peace and security. It performs important functions in the areas of pacific settlement of international disputes, initiates collective security measures and organises UN peace-keeping activities.

The Economic and Social Council consists of 54 members elected by the general assembly. It is responsible for socio-economic cooperation in the world. The ECOSOC coordinates the activities of several specialised agencies. The Trusteeship Council was responsible for supervision of management of trust territories. These territories were either former mandates or new trust territories detached from Japan and Italy after their defeat in the Second World War. With the process of de-colonisation having been completed the trusteeship council has ceased to meet.

International Court of Justice (ICJ) is the judicial organ of the UN. It is made up of 15 judges elected from as many different countries. These eminent jurists, as judges of ICJ, seek to find just and fair solutions to legal

disputes brought to the Court. It interprets international law. It also has advisory jurisdiction and gives advice on matters of law to the UN general assembly and the security council. The Secretariat is the permanent office of the UN. It comprises a Secretary-General and such staff as the organization may decide to have. The Secretary General is elected normally from a small Power and is head of the international civil service. He acts as the Secretary-General in general assembly as well as in the security council. He often brings disputes to the notice of the security council, and performs numerous political functions assigned to him by the two principal organs.

The UN has several specialized agencies. These include as follows:

- (i) Specialised Agencies concerned with technical matters, viz. International Civil Aviation Organization (ICAO), World Meteorological Organization (WMO), Universal Postal Union, and International Telecommunication Union;
- (ii) Agencies engaged in social and humanitarian activities include International Labour Organization (ILO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Health Organization (WHO), and Food and Agriculture Organizations (FAO); and
- (iii) Agencies that tackle international financial problems. These include International Monetary Fund, International Bank of Reconstruction and Development (World Bank), and International Development Authority (IDA).

India cooperates with most of these agencies and receives help and assistance from many of them. Three such prominent bodies are UNICEF (Children's Fund), the United Nations Population Fund and the UN Development Programme.

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

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

Commenting on India's commitment to the UN ideals, Charles H. Heinsath and Suljit Mansingh wrote: '... after independence, the Charter became Nehru's most consistent criterion for judging international conduct and a compendium of ideals to which his government could subscribe. He felt that if there was hope in the world for a new dispensation that might lessen conflict and promote

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international justice, it might lie in the reconstructive efforts that the UN could undertake'. Nehru's faith in the United Nations and its reconstructive efforts remained the underlying principle of India's policy towards the United Nations, and seeking solution to various international problems through this organization. A brief discussion on India's contribution to the UN efforts is given below.

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

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

India came out strongly against the maintenance of colonial system. Prime Minister Nehru had argued that colonialism had to disappear so that the world could achieve peace, and 'a friendly relationship' could develop between Asia and Europe. He believed that colonialism was obsolete in the contemporary world. Under Nehru's leadership 'India decided to create a historic process which, by the very fact of India's independence, was known to be well under way.' The first major campaign that India initiated in the United Nations was aimed at forcing the Government of Netherlands to give up its control over Indonesia. The attention of the Security Council was called by India and Australia, 'under Articles 34 and 39 of the Charter, to the fighting which had broken out in July 1947 between the Netherlands and Indonesian nationalist forces. Although, the Government of Netherlands sought to invoke provisions of domestic jurisdiction clause saying that Indonesia was its internal matter, yet the security council took up the matter, called for an end to hostilities, and asked the parties involved to settle their dispute by peaceful means. Thus, the Security Council rejected the Dutch Contention that UN did not have competence to deal with the case. The Conference on Indonesia convened by Prime Minister Nehru in New Delhi in January 1949 made significant contribution to the cause of Indonesia's independence which became a reality by the end of 1949.

India, along with other likeminded countries, played a significant role in the release of French colonies of Tunisia, Algeria and Morocco. India supported the cause of freedom of Cyprus. The Indian efforts in support of national self-

determination in the general assembly resulted in an overwhelming vote in favour of a resolution calling upon member countries to recognize the sovereign right of the peoples of non-self-governing territories. The resolution against colonialism declared that 'all peoples have an inalienable right to complete freedom, the exercise of their sovereignty, and the integrity of their national territory.' By 1960s, most of the colonies had achieved independence, and in the remaining areas the process of de-colonisation was nearing completion. As more and more erstwhile colonies emerged as independent states, India played a leading role in bringing them together in the non-aligned movement, which was based on India's policy of non-alignment and was initiated as a movement by Nehru along with Egyptian President Nasser and Yugoslavia's Tito.

Professor Satish Kumar points out that, 'The Non-aligned Movement, while articulating the political and economic aspirations of its member states at its various conferences, assumed the role of an organised pressure group in the United Nations'. One of its major achievements was the setting up of the United Nations Conference on Trade and Development (UNCTAD). Later, it was on the initiative of NAM that the United Nations general assembly adopted a resolution (1974) calling for the creation of a New International Economic Order (NIEO).

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

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

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India is a strong supporter of the UN efforts for protection of human rights. Ever since the United Nations general assembly adopted the Universal Declaration of Human Rights in December 1948, India has cooperated in implementation of human rights related decisions and resolutions. The two human rights covenants have received India's whole-hearted support. The Constitution of India, enacted in 1949, incorporated most of the human rights either as fundamental rights or as directive principles of state policy. Wherever there is violation of human rights, India has raised its voice against such violation. The human rights violation in South Africa is one such case in which India played a leading role in demanding end of all such violations. India either sponsored or, at least, supported resolutions passed by the general assembly condemning apartheid in South Africa. Apartheid was declared to be a crime against humanity. South African Government was excluded from the General Assembly since 1974. Mandatory arms embargo was imposed against South Africa in 1976 by a unanimous resolution of the Security Council. Led by the UN, several countries had applied comprehensive economic sanctions against South Africa and many did not maintain diplomatic relations with the racist regime. India's role was highly appreciated by Dr Nelson Mandela who became the first non-white President of South Africa in May 1994, after an all-party election returned him to power. Thus, India led the movement against apartheid both in the United Nations and outside it. India has constituted its own National Human Rights Commission, chaired by a former Chief Justice of India. This Commission is expected to ensure that there are no human rights violations in India. It also suggests measures to check violations and protect human rights in India.

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

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

difficult task of repatriation of the prisoners of Korean War. India also acted as Chairman of the International Commission for Supervision and Control in Indo-China under the Geneva Agreement of July 1954.

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

Peace-keeping in West Asia after Anglo-French-Israeli aggression on Egypt, over the Suez Canal nationalisation issue, was another case of India's contribution to the UN. Immediately after the cease fire on US-Soviet initiative, a United Nations Emergency Force (UNEF) was raised to supervise the observance of cease fire. The UNEF was constituted by a resolution of the General Assembly. Soviet Union, Israel as well as Egypt abstained, as the USSR argued that only the Security Council could set up such a force. The UNEF included contingents from Canada, Denmark, Finland, Norway, Sweden, Brazil, Cambodia, India, Indonesia and Yugoslavia. All of them, like India, were considered neutral in the Suez-related crisis. The UNEF ensured observance of cease fire, evacuation of Sinai area and Gaza Strip from Israel and patrolled the 273-km long Egypt-Israel border.

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

Some of the Indians who have been members and/or heads of the organs/specialized agencies of the UN

- Mrs. Vijay Lakshmi Pandit, President of the eighth session of the UN General Assembly
- B.N. Rau and Nagendra Singh, Eminent Indian jurists, served as judges of the International Court of Justice

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- Ambassador Hardeep Singh Puri, Permanent Representative and Chair of the Counter-Terrorism Committee of the UN Security Council
- Ambassador Manjeev Singh Puri, Acting Permanent Representative of the UN Security Council
- Aishwarya Rai, Goodwill Ambassador UNAIDS
- Shashi Tharoor, Under Secretary General, Communications and Public Information

### **Seventy Two Years of the United Nations in India**

India, as mentioned earlier, was one of the founding members of the United Nations. During the seventy two year period, since its independence, India has maintained close links with the world body. India has contributed to UN peace-keeping efforts, and has also been a host to several UN agencies. There are country offices of as many as 18 agencies in New Delhi, and they have been working in close cooperation with Government of India as well as some of the non-governmental organizations (NGOs). India's concern for peace has been reflected in its repeated calls for disarmament and complete and comprehensive ban on nuclear and thermo-nuclear tests, though, ironically it has not signed the nuclear non-proliferation treaty (NPT) of 1968, on the ground of the treaty being discriminatory in nature. On the same grounds, India refused to endorse the Comprehensive Test Ban Treaty (CTBT) as adopted by the UN General Assembly in 1996.

India itself is a developing country; and has consistently been a strong supporter of the UN activities of development in other developing countries. India is now the second largest donor to the United Nations Development Programme (UNDP), which is the central development funding agency of the UN System. The maximum funds are donated to UNDP by the Organization for Economic Cooperation and Development (OECD).

We will briefly deal with some of the major areas of Cooperation between India and the UN System.

Gender inequality has been, and still is, a major global problem. As the Beijing Declaration of the Fourth World Conference on Women, 1995, noted, 'Women comprise about half the world's population, perform about two-third of its work, receive only one-tenth of its income, and own less than one-hundredth of world assets'. The Conference declared, 'We reaffirm our commitment to ensure full implementation of the human rights of women and of the girl child as inalienable, integral and indivisible part of all human rights and fundamental freedoms'. Over the years, several UN agencies have been supporting programmes to improve the quality of life for women in India and more than 100 other countries. The most significant contributions for gender equality and mainstreaming women into development have been made by the UN agency UNIFEM (United Nations Development Fund for Women). It has been working in association with UNDP and several non-governmental organizations in India. For example, SEWA (Self-Employed Women's Association) in India



has been dealing with the problem of home workers (domestic help). It has also set up social security schemes for the un-organised women workers. ILO has been supporting both these activities.

An important issue being addressed in India is to empower women by using the Panchayati Raj System. The Government of India, assisted by UNDP and UNICEF (United Nations Children's Fund) has initiated massive country-wide training programme to equip about 8,00,000 women members of the Panchayats to manage local government effectively and transform them into effective agents of social change. Once considered 'invisible' in the economy, women today form an important percentage of the country's workforce. Women's economic contribution was more accurately reflected in the 1991 census. The agencies such as UNFPA, WHO and UNICEF are working in India in the fields of maternal health, female contraception and populations initiatives.

In India, UNDP implements its largest country programme spending about 40 million US dollars per year in assistance. Its assistance supports activities related to areas such as technology transfer for increased industrial productivity, agricultural development, energy and environment, transport, communication and social infrastructure.

Food and Agriculture Organization (FAO) has been supporting projects in agricultural sector including support of agricultural education, advance research including modern bio-technologies, hybrid rice production, plant quarantine facilities, integrated pest management, long-term support to desert locust control, and technical assistance to National Dairy Development and for increasing milk production. In the forestry sector, FAO supports forestry research and education. It also assists State Forest Departments on human resource development, and to meet the objectives of forest conservation and management. In 1995, FAO supported the implementation of 48 projects, including 27 UNDP funded projects. It organises recruitment of Indian specialists for FAO assignments in other countries, and placement of fellows from other countries for training in Indian institutions. FAO has made very valuable contribution in helping India in boosting of agricultural production in the country. As against production of only 50 million tonnes of food grains in 1950, the country had achieved a record production of 189 million tonnes by 1994-95. India now ranks second in the world in wheat and rice production and first in the production of ground nuts. There has also been remarkable progress, due to FAO, in the production of sugar cane, cotton, poultry, milk, fish, vegetables and fruits. This has been made possible through introduction of new technologies in the field of agriculture.

However, in spite of an impressive growth, India's food grains output cannot feed its population of nearly 1 billion people. According to an estimate, nearly 300 million people in India are still unable to buy sufficient food to satisfy the minimum calorie requirements. Therefore, agriculture development in India has to deal with three basic issues namely, meeting national food requirements, reversing resource degradation and poverty alleviation of its rural population. The World Food Programme of the UN has provided assistance for 'food for work' programme which helps the lowest-paid workers on large intensive government

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projects. The World Food Programme (WFP) has enabled economically poor people in rural India to improve their own living conditions while participating in the overall development of the country.

Another agency that has an important mandate is the World Health Organization (WHO). It directs and coordinates international health work within the family of the United Nations. The WHO has divided itself into six regional offices. Its South-East Asia Regional Office situated in New Delhi promotes health care in 10 countries including India, Myanmar, Indonesia, Thailand, Nepal, Bhutan and Sri Lanka. In this region small pox has been eradicated as part of global programme. There are no longer sweeping epidemics like cholera, plague and malaria. India has undertaken a massive programme to control and fight HIV/AIDS problems. India remains a very active, strong and special partner of WHO. A number of Indian specialists are serving as member of WHO Advisory Panels, Boards and Global Committees. A large number of foreign fellows continue to receive training in Indian medical institutes.

The World Food Programme (WFP) has been described as the food aid arm of the United Nations. In India, WFP has been supporting the government in handling the problems of poverty, hunger, malnutrition and illiteracy by directly helping the poor, the tribals, women and children. Almost all the beneficiaries of WFP projects live in remote rural areas. By 1995, India had received the commitment for assistance worth about one billion US dollars. WFP assistance to India concentrates on three major sectors. They are: (a) tribal development through forestry; (b) integrated child development; and (c) rural development through irrigation, settlement and inland fisheries. The WFP had begun its mission to eradicate hunger in 1963. Food aid is of particular significance to women who are mainly concerned with bringing up children.

The United Nations Fund for Population Activities (UNFPA), established in 1969, works under the guidance of the ECOSOC. It is the largest international funded source of population assistance world-wide. It helps various governments in designing and implementation of their population programmes. UNFPA has supported India in population activities since 1974. In a programme conducted by UNFPA during the 1991-95 period in India, it provided assistance of nearly 90 million US dollars. The programme was responsible for (i) upgrading the capacity as well as the quality of health and family welfare services in states with high birth, death and infant mortality rate; (ii) increasing self-reliance in production of contraceptives, (iii) helping strengthen and intensify information and awareness in support of population programmes; (iv) consolidating achievements in population education; and (v) enhancing women's status by improving their literacy, promoting employment and income generating opportunities in selected areas. The major thrust of UNFPA in India is reproductive health including family planning and sexual health. Its programme includes emphasis on gender equality and empowerment of women.

An area directly related with population activities is child care. The United Nations Children Fund (UNICEF—originally called UN International Children's Emergency Fund) has a unique mandate to work on behalf of children on the

basis of need and without discrimination. It was awarded the Nobel Peace Prize in 1965. The work of UNICEF is based on the premise that all children have rights, and that it is the legal obligation of state and society to ensure that these rights are actually enjoyed. The Convention on the Right of the Child adopted by the UN General Assembly in 1989 provides for legal and moral framework for UNICEF's work for children. The Convention has been ratified by most of the Members of the United Nations. India ratified the convention in 1992, and a former cricket captain Ravi Shastri was later appointed UNICEF's National Ambassador for Children. The Articles of the Convention on the Rights of the child have now become basis of UNICEF's work in India. The United Nations Children's Fund (UNICEF) now supports and funds programmes in India for children in areas like primary health care, water supply and sanitation, primary education, nutrition and child development. UNICEF is seeking a ban on child labour, particularly in the case of carpet industry which is highly injurious to the health of child workers.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) is an important specialised agency of the UN system. It is mainly concerned with education. In the field of science and technology, UNESCO seeks to respond to the needs expressed by Member-states. It recognises importance of communication for development. It also ensures translation of certain master pieces of world literature and recording of traditional music from all regions of the world. The New Delhi office of UNESCO covers 11 countries of South and Central Asia including Afghanistan, Pakistan, Maldives, Nepal and Myanmar. In the field of education, Learning without Barriers is a major step taken to help lower the barriers to education and to create an open flexible learning environment. UNESCO office in New Delhi has given special attention to education of girls and women, distance education and open schooling. It provides funds and assistance for the preservation of tangible and intangible heritage to protect the Indian culture.

The Constitution of UNESCO declares that, 'Since wars begin in the minds of men, it is in the minds of men that the defences of peace must be constructed'. It is with this aim in view that the UNESCO concentrates on proper education for all round development of personality of children as well as adults. To achieve Education for All (EFA) in India, more than 20 million children in 6-14 age groups (of whom 60 per cent are girls) must be reached by the end of twentieth century. To achieve this aim, UN agencies including UNDP, UNFPA, UNESCO, UNICEF and the World Bank are assisting India in its efforts to reach literacy and education targets.

Humayun's Tomb and the Qutub Minar in Delhi are among the sites which have been included in UNESCO's World Heritage List. Another unique project which addresses the interface between development and culture, aims to assist the Indira Gandhi National Centre for the Arts in demonstrating 'how fragments of the cultural past can be recreated', to promote interrelationships between culture, environment and development.

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UNESCO is committed in helping India and other developing countries to ensure that education reaches all, and particularly girls. An Algerian reformer A Ibn Badis had said, 'Teach a boy and you will train one individual. Teach a girl and you will train the whole nation'. It is with this ideal that the UN system in India has been working for education for all, and gender equality especially in the field of education and employment.

The International Monetary Fund (IMF) established in 1944 as part of Bretton Woods regime now has about 180 members. It seeks to ensure exchange stability and orderly exchange arrangements among member countries. Furthermore, it has lately widened its scope and tries to establish a dynamic world economy. The IMF provides financial assistance to countries experiencing balance of payment difficulties. India has been a member and beneficiary of IMF since 1945. IMF supported the stabilisation and structural reform programme that India embarked upon in 1991 with the aim of liberalization of economy. India, thus, tried to become an active participant in worldwide economic changes, opening up, accepting foreign investment and promoting market economic forces to operate freely. In 1994, India accepted the obligations of Article VIII of the Fund's Article of Agreement, which imposes restrictions on the making of payments and transfers for current international transactions, or to engage in discriminatory currency arrangements or multiple currency practices without the approval of International Monetary Fund. This obligation was severally criticised by certain elements within the country.

International Civil Aviation Organization (ICAO) is another agency of the UN. Its aims are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport. India is a member of ICAO, which establishes regional air-navigation plans; creates standards and helps with aviation security; streamlines customs, immigration and public health formalities; and drafts air-law conventions.

Thus, these and other agencies of the United Nations are working in cooperation with the Government of India. It is a two-way cooperation. India has full faith, as a matter of policy, in the United Nations and its objectives, aims and goals of international peace and security, peaceful settlement of disputes, all-round social and economic development and prevention of such vital projects as population activity, education and health for all, food and agricultural growth on scientific lines and welfare of women and children. India has always cooperated with numerous activities of the UN and its agencies. In return, India has greatly benefited from numerous agencies and funds provided by such bodies as UNDP, UNFPA, UNICEF, FAO, WHO, IMF and the World Bank.

In recent decades, India has apart from calling for reforms of the UNSC and world financial institutions like the International Monetary Fund and World Bank, has also advocated 'zero tolerance' approach to terrorism in all its forms. In 1996, India piloted a draft Comprehensive Convention on International Terrorism (CCIT) with the aim to provide an exhaustive legal framework to counter terrorism. India continues to work for its early adoption. Many of the features of CCIT have already been adopted.

India is also a major contributor to UN funds like the UN Democracy Fund that PM Manmohan Singh, US President George Bush and UN Secretary General Kofi Annan founded in 2005. India today is the second biggest contributor to the Fund to engender democratic values and processes.

Former External Affairs Minister at the UN Security Council meeting in September 2012 India was a non-permanent member of the UNSC in 2011-12 and pushed for an open debate on maritime piracy in the region. India has served on the Security Council on seven occasions so far—in 1950-51, 1967-68, 1972-73, 1977-78, 1984-85, 1991-92, and 2011-2012.

### **3.3.3 India, ASEAN and European Union**

The interaction between India and Association of South East Asians Nations (ASEAN) during the Cold War was very less. In the 1960s, even before the association was formed, India was offered a full membership. However, India refused to accept the same. With the formulation of the Look East Policy in 1992, India started focusing on this region. Many developments have taken place in recent years. India has adopted the ASEAN-India Joint Declaration for Cooperation to Combat International Terrorism. India has also acceded the Treaty of Amity and Cooperation (TAC). Entrepreneurship Development Centres in ASEAN member states—Cambodia, Myanmar, Laos and Vietnam— have been set up.

Besides, India is a party to the following two agreements:

- Framework Agreement on Comprehensive Economic Cooperation (for establishing a FTA in a time frame of 10 years) was concluded in Bali in 2003.
- Agreement on 'India-ASEAN Partnership for Peace, Progress and Shared Prosperity' was signed at the 3rd ASEAN-India Summit in November 2004.
- India proposed the following at the 4th ASEAN-India Summit:
  - To set up centres for English Language Training (ELT) in Cambodia, Laos, Myanmar and Vietnam.
  - To set up a tele-medicine and tele-education network for Cambodia, Myanmar, Laos and Vietnam.
  - To organize special training courses for diplomats from ASEAN countries.
  - To organize an India–ASEAN Technology Summit
  - To organize education fairs and road shows in ASEAN countries
  - To conduct an India–ASEAN IT Ministerial and Industry Forum

In the ASEAN region, natural resources and excellent technological skills are found in abundance. These are the two factors that provide the basis for the integration in trade and investment between India and ASEAN.

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### **Framework Agreement on Comprehensive Economic Cooperation**

In 2003, India and the Association of South East Asian Nations signed the ASEAN-India Framework Agreement on Comprehensive Economic Cooperation. As per this agreement, the ASEAN-India Regional Trade and Investment Area (RTIA) will be established and will also comprise FTA in goods, services and investment.

The objectives of this agreement are given in the Article 1 of the agreement and are as follows:

- Strengthen and enhance economic, trade and investment co-operation between the Parties;
- Progressively liberalize and promote trade in goods and services as well as create a transparent, liberal and facilitative investment regime;
- Explore new areas and develop appropriate measures for closer economic co-operation between the Parties; and
- Facilitate the more effective economic integration of the new ASEAN Member States and bridge the development gap among the Parties.

India and ASEAN will seek to strengthen and enhance cooperation through the following ways (Article 2):

- Progressive elimination of tariffs and non-tariff barriers in substantially all trade in goods;
- Progressive liberalization of trade in services with substantial sectoral coverage;
- Establishment of a liberal and competitive investment regime that facilitates and promotes investment within the India-ASEAN RTIA;
- Provision of special and differential treatment to the New ASEAN Member States;

Article 5 talks about investment and lays down the following points:

To promote investments and to create a liberal, facilitative, transparent and competitive investment regime, the Parties agree to:

- Enter into negotiations in order to progressively liberalize their investment regimes;
- Strengthen cooperation in investment, facilitate investment and improve transparency of investment rules and regulations; and
- Provide for the protection of investments

In case of any amendments (as per Article 14):

The provisions of this Agreement may be modified through amendments mutually agreed upon in writing by the Parties.

## **India and European Union**

The European Union and India are two crucial poles in the emerging multi-polar structure. In view of this, many high-level visits and summit-level interactions between India and the European Union (EU) have taken place. Since, India's engagement with the EU, research in the fields like defence and security, nuclear and space, trade and investment, energy, food security, climate change, science and technology, culture and education has been intensified and improved. Special envoys have been sent to every EU country to seek support for abandoning the NSG for Civil Nuclear Cooperation with USA.

The Prime Minister of India, Manmohan Singh, and the leaders of several countries in Europe have met several times to discuss various issues. After the terrorist attack in Mumbai, in 2008, the leaders of EU and other members sent several messages condemning the attacks. Therefore, India and the European Union share a very cordial relationship and are actively engaged in several agreements.

### **Trade**

The European Union is India's major trading partner. In total, the European Union accounts for 20 per cent of the Indian Trade. Whereas, India accounts for only 1.8 per cent of the European Union Trade and it attracts only 0.3 per cent of the European Foreign Direct Investment. In 2005, the trade between the European Union and India increased by 20.3 per cent. In 2000, the trade between India and the European Union amounted to 25.6 Billion Euros and was more than doubled in 2007 to 55.6 Billion Euros. It was expected to grow even more, Prime Minister Manmohan Singh had said 'We have agreed to achieve an annual bilateral trade turnover of 100 billion euros within the next five years,' as per a report published in 2010, after China and Russia, India was the eighth largest trading partner of the European Union.

### **Technical and financial trade assistance to India by the European Union**

In order to continue providing assistance to India so that it can integrate into the world economy and to ensure improvement in bilateral trade and investment ties, the European Union has ensured trade related technical assistance. 13.4 million Euros were given via the Trade and Investment Development Programme (TIDP) funded from the Country Strategy Paper (CSP) 2002-2006. Currently, a follow-up programme to the TIDP is being formulated and the funds for the same will be provided by the Country Strategy Paper 2007-2013.

## **NOTES**

### **CHECK YOUR PROGRESS**

4. Name the six principal organs created by the UN Charter.
5. Who was elected as the President of the eighth session of the UN General Assembly from India?



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### 3.4 INDIA AND INTERNATIONAL FINANCE AND TRADE

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#### NOTES

For the study of trends of India's foreign trade during post-independence period, it is convenient to divide the entire period into seven phases.

1. 1948–49 to 1950–51— The Eve of Planning: On the eve of planning, the foreign trade of India showed an excess of imports over exports. The rise in imports was largely due to the following reasons:

- The pent-up demand due to different restrictive measures adopted after the crisis experienced during war and the post-war period.
- Partition gave rise to deficit of items belonging to the category of eatables and raw materials required for value addition like jute and cotton.
- The rise in the imports of machinery and equipment, in other words, capital goods to meet the increasing demand for hydro-electric and other projects initiated in the first Plan.

2. 1951–52 to 1955–56—The First Plan Period: During this period, the annual average value of imports was of the order of ₹ 622 crores. In this way, the average annual trade deficit worked out to be ₹ 108 crores. The excess of imports over exports was essentially due to initiation of industrialization. This gave rise to increase in demand for capital goods.

3. 1956–57 to 1960–61—The Second Plan Period: During the Second Plan, a massive programme of industrialization was initiated. Government decided to set up various steel plants. Railways were not adequate and had become old and outdated. Modernization of the same and few other industries was undertaken. Rapid industrialization gave rise to the requirements of machinery equipment and raw industrial items. Apart from that, technological up gradation became the requirement of the day. As a result, the quantum of imports reached a very high level.

The much desired policy of diversification of exports as well as export promotion drive could not materialize resulting in the further increase in the trade deficit over the second five-year plan.

4. 1961–62 to 1965–66—The Third Plan Period: Details of exports during the Third Plan reveal that annual average export earnings turned out to be ₹ 747 crores against the annual average imports of ₹ 1,224 crores. The volume of imports went up during the Third Plan due to three factors. Firstly, rapid industrialization necessitated large imports of machinery, equipment, industrial raw material and technical know-how. Secondly, the defence needs increased following the attacks by China and Pakistan. Finally, large quantity of foodgrains was imported, partly because it was easily available and partly because of the extensive failure of crops in 1965–66.

5. Devaluation of 1966 and the period up to 1973–74: Government had to consider adopting the policy of devaluation essentially to curb imports and give a push to exports. This was required to increase exports over imports so that the position of the balance of payments could improve. The effect of devaluation was the further aggravation of the trade deficit since it (devaluation) was announced during a year of drought and the following year also happened to be a bad weather year. It was the same year when the government announced its policy of liberalizing imports for 59 industries leading to steep rise in imports.

Although after devaluation of the rupee, exports increased during 1966–67 and 1967–68, because of relative inelasticity of imports, the import bill soared high up to ₹ 1992 crores in 1966–67 and to ₹ 2043 crores in 1967–68. As a consequence, the balance of trade situation worsened during 1966–67 and 1967–68. This was an outcome of different international factors which pushed up the prices of essential imports of non-ferrous metal and steel, petroleum products, newsprint and fertilizers. However, with a better crop during 1968–69, food grain imports declined. Moreover, devaluation also produced its healthy effect in stimulating exports. The country for the first time experienced a favourable balance of trade during 1972–73 which had been constantly negative since we got freedom from foreign domination. Overall the country experienced much more comfortable situation in comparison with the time period of second plan as well as third plan and the annual plan.

6. 1974–79–The Fifth Plan Period: The hike in oil prices which started in October, 1973 seriously affected the pattern of trade throughout the world and India was no exception. The value of imports during the Fifth Plan period reached very high levels – largely due to sharp increase in the cost of India's major imports namely, petroleum, fertilizers and food grains. Simultaneously, there was a significant improvement in India's exports and it successively rose every year during the Fifth Plan period. The rise was so fast that by 1976–77, exports at ₹ 5,143 crores exceeded imports by ₹ 69 crores resulting in the surplus of balance of trade which emerged for the second time since 1951. Exports of fish and fish preparations, coffee, tea, groundnuts, cotton fabrics and readymade garments and handicrafts recorded substantial increase in this period.
7. 1980 Onwards–The Sixth and Seventh Plan Period: The further price rise in petroleum products by OPEC caused the import bill to shoot up from ₹ 6,811 crores to over ₹ 9,142 crores in 1979–80 and further to ₹ 12,549 crores in 1980–81 and ₹ 13,608 crores in 1981–82. Even though exports continued to rise the result was unprecedented trade deficits. India saw a growth in exports at ₹ 2,450 crores, which was much less than the growth in imports of about ₹ 5,838 crores. It was this deep deficit which forced the government to approach the International Monetary Fund (IMF) in November, 1981 for a huge loan.

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The annual average imports during the Sixth Plan (1980–1981 to 1984–85) were of the order of ₹ 14,603 crores as against annual average exports of ₹ 8987 crores. Consequently, the sixth plan experienced a huge annual average trade deficit of the order of about ₹ 5,716 crores (Table 3.1).

The policy of indiscriminate liberalization was followed by the Congress-I Government and was later endorsed by Janata Dal Government. The huge trade deficit was experienced in the seventh five-year plan. This development compelled the Government of India to resort to IMF/World Bank loan.

**Table 3.1 Trade Balance during Sixth and Seventh Plans**

(₹ in Crores)

Year	Imports (c.i.f.)	Exports (f.o.b.)	Balance of Trade
1979-80	9142	6418	-2724
<b>Sixth Plan</b>			
1980-81	12549	6711	-5838
1981-82	13608	7806	-5802
1982-83	14293	8803	-5489
1983-84	15831	9770	-6061
1984-85	17134	11744	-5390
<b>Annual Average (1974-75 to 1978-79)</b>	<b>14683</b>	<b>8967</b>	<b>-5716</b>
<b>Seventh Plan</b>			
1985-86	19658	10895	-8763
1986-87	20096	12452	-7644
1987-88	22244	15674	-6570
1988-89	28235	20231	-8004
1989-90	35328	27658	-7670
<b>Annual Average (1985-86 to 1989-90)</b>	<b>25112</b>	<b>17382</b>	<b>-7730</b>

**Source:** Reserve Bank of India Bulletin, Handbook of Statistics on the Indian Economy, (2002–03)

- India's Foreign Trade – 1989–90 and subsequently: According to Directorate General of Commercial Intelligence and Statistics DGCI&S figures during 1990–91 due to the push given to export efforts the exports shot up to ₹ 32,558 crores indicating an increase of 17.7 per cent. However, as a consequence of the Gulf War, the government failed to curb imports and they reached a record level of ₹ 43,193 crores indicating an increase of 22.6 per cent. As a result, the trade deficit reached to a high figure of ₹ 10,635 crores. (Table 3.2)

**Table 3.2 India's Trade Balance during 1990–91 to 2009–10**

	In ₹ Crores			In US\$ million		
	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance
1990-91	32558	43193	-10635	18145	24073	-5928
1991-92	44042	47851	-3809	17865	19410	-1545
1992-93	53688	63375	-9687	18537	21882	-3345
1993-94	69751	73101	-3350	22238	23306	-1068
1994-95	82674	89971	-7297	26330	28654	-2324
1995-96	106353	122678	-16325	31795	36675	-4880
1996-97	118817	138920	-20103	33470	39132	-5662
<b>Annual Average (1992-93 – 1996-97)</b>						
	86257	97609	-11352	26474	29930	-3456
1997-98	130101	154176	-24076	35006	41484	-6478
1998-99	139753	178332	-38579	33219	42389	-9170
1999-00	159561	215236	-55675	36822	49671	-12848
2000-01	203571	230873	-27302	44560	50536	-5976
2001-02	209018	245200	-36182	43827	51413	-7856
<b>Annual Average (1997-98 – 2001-02)</b>						
	168401	204764	-36363	38687	47099	-8412
2002-03	255137	297206	-42069	52719	6412	-8694
2003-04	293637	359108	-65741	63843	78149	-14306
2004-05	375340	501065	-125725	83536	111517	-27981
2005-06	456418	660409	-203991	103092	149167	-46076
2006-07	571779	840506	-268727	126414	185735	-59321
2007-08	655864	1012312	-356448	162132	251654	-88522
2008-09	840755	1374436	-533680	185295	303696	-118401
2009-10	845534	1363736	-518202	178662	288373	-109622
2010-11	1142649	1683467	-540818	251105	369769	-118664

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**Source:** Compiled and computed from the data provided by Handbook of Statistics on Indian Economy, 2010–11.

- Foreign Trade during the Eighth Plan: An analysis of the period 1992–93 to 1996–97 reveals that exports picked up at a fast rate and jumped from US \$ 17866 million in 1991–92 to \$ 33470 million in 1996–97 signifying an increase of about 87 per cent. However, due to policy of liberalization accompanied by reduction of custom duties there was an increase in imports from \$19,410 million in 1991–92 to \$39132 million in 1996–97 indicating an increase of about 102 per cent. Consequently, the trade deficit which was of the order of \$1545 million in 1991–92 increased to \$5662 million in 1996–97 rising by over three times.
- Foreign Trade during the Ninth Plan, the Tenth Plan and after: As a result of the sharp deterioration in world economic environment in trade, the South-East Asian crisis, continued recession in Japan, severe economic crisis in Russia in 1998 and fall in world output by 2 per cent in 1997–98 which led to the decline in world trade, there was a slowdown in India's foreign trade too.

### Direction of India's Foreign Trade

In order to study the regional direction of India's foreign trade, it would be appropriate to classify the world into four broad groupings: namely, America, Europe, Asia and Oceania and Africa.

So far as the American continent is concerned, India had strong relations with North America comprising USA and Canada. Practically, USA is the dominant country in America. The countries of Latin America and other American countries did not develop trade relations of much significance.

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In 1951–52 India exported over 28 per cent of her goods to America, out of which 21 per cent were sent to North America and 7 per cent to Latin America. The share of Latin American countries declined over the years and they accounted for less than 1 per cent in 1979–80.

Historically, India has held close trade relations with UK. In 1950–51, out of 31.5 per cent of the total Indian imports from Europe, 30.5 per cent came from Western Europe. The share of Western Europe increased to 49 per cent in 1955–56. Two factors responsible for this were: firstly, because UK had to pay its sterling debt to India and secondly, the share of European Common Market (ECM) countries, more especially, West Germany increased sharply in India's imports.

Our trade with East European Socialist Countries namely, USSR, Poland, Romania, Bulgaria, Hungary, East Germany, Czechoslovakia and Yugoslavia developed in during the sixties. In 1960–61, India imported 4 per cent of her total imports from this region and exported about 8 per cent of her total exports to this region. However, soon after the Indo-Chinese conflict in 1962 and Indo-Pak war in 1965, our trade relations with the East European Socialist countries improved remarkably. In 1969–70, this group of countries accounted for 18 per cent of total imports and about 22 per cent of India's exports. USSR as the chief contributor accounted for nearly 84 per cent of trade with this region. Once again we find a significant fall in the share of Eastern Europe after decline of USSR.

Our trade with the countries in Asia and Oceania and other OECD countries has been of great significance. India's exports to these countries which were about 28 per cent of total imports in 1951–52 increased to 32 per cent in 1969–70. As against it, imports from these countries declined from about 23 per cent in 1951–52 to 19 per cent in 1969–70. The ECAFE (Economic Commission for Asia and Far East) region was of great significance and two countries, namely, Japan and Australia were very important.

The share of Japan and Australia in our exports which was about 15 per cent in 1970–71 has come down to 2.6 per cent in 2010–11. As against it, the share of our imports from these two countries has declined from 9.2 per cent to 5.2 per cent during the same period.

However, due to increasing importance acquired by the imports of crude oil, OPEC countries have assumed very great significance in India's imports. With a fall in the international price of oil, the share of OPEC countries in our imports declined to 8.6 per cent in 1986–87 and still further to 6.8 per cent in 2003–04, but the recent hike in the price of petroleum has again pushed up the share of OPEC to 33.8 per cent in 2010–11.

### **Structure of India's Foreign Trade**

The imports of consumer goods and food grains accounted for 40 per cent of India's imports during the First Plan period, showing the extent of India's under-development and its dependence on foreign countries even for a basic necessity like food grains. However, the imports of these goods gradually declined over

the years—35 per cent during Second and Third Plan period, 27 per cent during the Fourth Plan and 24 per cent during the Fifth Plan. These imports accounted for 2.2 per cent of total imports in 1990–91, but their share increased to about 4 per cent during 2002–03. This was largely due to a sharp increase in edible oil imports, although food grains (cereals and pulses) imports became negligible by 2000–01.

From 1957 onwards, import of food grains was considered too high and these were arranged through PL480 (Public Law 480) aid from USA. Till the beginning of the Fourth Plan, India's imports of food grains as the percentage of total imports constantly increased. It increased because of the drought conditions and inability of the domestic supplies to fully meet the domestic demand. It was only during the Fourth Plan that imports of food grains declined to 10 per cent. In fact, with the accumulation of large reserves of food grains, their import was virtually eliminated during certain years in 1970s and it became minimal in 1990s. Thus, the structural changes in imports since 1951 show the following:

- Rapid growth of industrialization necessitating increasing imports of capital goods and raw materials.
- Growing imports of raw materials on the basis of liberalization of imports for export promotion.
- Declining import of food grains and consumer goods due to the country becoming self-sufficient in food grains and other consumer goods, through agricultural and industrial growth.
- Rapid growth in import bills of petroleum, oil and lubricants due to sharp rise in international prices and rapid increase in domestic demand.

### **Composition of India's Foreign Trade**

Imports have been classified into bulk imports and non-bulk imports. Bulk imports are further sub-divided into three components: (i) Petroleum, crude oil products (ii) Bulk consumption goods which comprise of cereals and pulses, edible oils and sugar (iii) other items comprising of fertilizers, non-ferrous metals, paper and paper boards, rubber, pulp and waste paper, metallic ores, iron and steel.

Non-bulk imports are also classified into three components: (i) Capital goods which include metals, machine tools, electrical and non-electrical machinery, transport equipment and project goods (ii) Export related items which include pearls, precious and semi-precious stones, organic and inorganic chemicals, textile, yarn and fabrics, and cashew nuts (iii) Others such as artificial resins and plastic materials, professional and scientific instruments, coal and coke, chemicals—medicinal and pharmaceutical products, non-metallic mineral manufactures and others.

A close look at import data reveals that there was a persistent rise in trend of imports which was the result of both internal and external factors. During the seventies, due to sharp hike in oil prices by the Organization of Petroleum

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Exporting Countries (OPEC) during 1973–74 and then in 1979–80, the value of POL imports rose sharply and its impact was felt even during the eighties as well. The economy suffered a major drought in 1979–80.

During the eighties (1980–81 to 1990–91), the annual rate of growth of imports was as high as 13.1 per cent and during 1990–91 to 2000–01, it grew at the annual rate of 18.2 per cent. Import growth rate during 2000–01 and 2010–11 rose higher to 21.4 per cent.

*Table 3.3 Break-up of Imports and Exports*

(US\$ million)

Year	Imports			Exports
	POL	Non-POL	Total	
1996-97	10036.2	29096.2	39132.4	33469.7
1997-98	8164.0	33320.5	41484.5	35006.4
1998-99	6398.6	35990.1	42388.7	33218.7
1999-00	12611.4	37059.3	49670.7	36822.4
2000-01	15650.1	34886.4	50536.5	44560.3
2001-02	14000.3	37413.0	51413.3	43826.7

**Source:** Economic and Political Weekly, April 28-May 4, 2007 and Press Release on 1 May 2008, RBI Handbook of Statistics on the Indian Economy, 2009–10 Economic Survey 2009–10.

RBI Billion December 2011, Economic Survey 2010–11

Exports increased from US \$ 36,822 million in 1999–2000 to US \$ 44,560 million in 2000–01, showing a sharp rise by 21.0 per cent. This was largely due to rupee depreciation along with trade liberalization, reduction in tariffs and more openness to foreign investment in export oriented sectors like information technology. However, on the import side during 1999–2000 and 2000–01 (Table 3.3), there has been a sharp increase in the import bill due to increase in international price of crude oil.

**Pattern of India's Foreign Trade**

Exports of India are broadly classified into four categories:

- Agriculture and allied products which include coffee, tea, oil cakes, tobacco, cashew kernels, spices, sugar, raw cotton, rice, fish and fish preparations, meat and meat preparations, vegetable oils, fruits, vegetables and pulses.
- Ores and minerals include manganese ore, mica and iron ore.
- Manufactured goods include textiles and ready-made garments, jute manufactures, leather and footwear, handicrafts, jewellery including pearls and precious stones, chemicals, engineering goods and iron steel.
- Mineral fuels and lubricants.

**Table 3.4 Annual Exports of Principal Commodities**

Items	1960-61	1970-71	1980-81	2000-01	2010-11
1. Coffee	2 (0.33%)	25 (1.63%)	214 (3.19%)	1185 (0.58%)	2913 (0.25%)
2. Tea	195 (32.18%)	148 (9.64%)	426 (6.35%)	1789 (0.88%)	3114 (0.27%)
3. Fruits and Vegetables	7 (1.16%)	18 (1.17%)	116 (1.73%)	8433 (4.14%)	4845 (0.42%)
4. Cotton yarn and manufacturers	91 (15.02%)	75 (4.89%)	277 (4.13%)	15819 (7.77%)	24745 (2.14%)
5. Leather and leather manufacturers	39 (6.44%)	72 (4.49%)	337 (5.02%)	8883 (4.36%)	17265 (1.49%)
6. Iron ore	27 (4.46%)	117 (7.62%)	303 (4.51%)	1639 (0.81%)	21035 (1.82%)
7. Tobacco	25 (4.13%)	33 (2.15%)	141 (2.10%)	8672 (4.26%)	3803 (0.33%)
8. Engineering goods	13 (2.15%)	130 (8.47%)	727 (10.83%)	31150 (15.30%)	181575 (15.69%)
9. Cashew kernel	30 (4.95%)	52 (3.39%)	140 (2.09%)	2054 (1.01%)	2630 (0.23%)
10. Readymade garments	n.a.	9 (0.59%)	378 (5.63%)	25441 (12.50%)	51047 (4.41%)
11. Handicrafts, (including gems for jewellery)	n.a.	70 (4.56%)	894 (13.32%)	36756 (18.06%)	186915 (16.15%)
12. Fish and fish preparation	7 (1.16%)	31 (2.02%)	213 (3.17%)	6367 (3.13%)	11550 (1.00%)
13. Rice	—	5 (0.33%)	224 (3.34%)	2932 (1.44%)	10803 (0.93%)
14. Chemicals and allied products	—	—	—	26889 (13.21%)	132038 (11.41%)
<b>Total of Items</b>	<b>436 (71.95%)</b>	<b>785 (51.14%)</b>	<b>4390 (65.41%)</b>	<b>178009 (87.44%)</b>	<b>654278 (56.53%)</b>
<b>Others</b>	<b>170 (28.05%)</b>	<b>750 (48.86%)</b>	<b>2321 (34.59%)</b>	<b>25562 (12.56%)</b>	<b>503197 (43.47%)</b>
<b>Total Exports</b>	<b>606</b>	<b>1535</b>	<b>6711</b>	<b>203571</b>	<b>1157475</b>

**NOTES**

The engineering goods export share increased in 2010–11 to 15.69 per cent which was 15.30 per cent in 2000–01. Tea share decreased in 2010–11 to 0.27 per cent, which was 0.88 per cent in 2000–01.

Fruits and vegetables share decreased in 2010–11 to 0.42 per cent, which was 4.14 per cent in 2000–01. Cotton yarn and manufactures share decreased in 2010–11 to 2.14 per cent, which was 7.77 per cent in 2000–01. Leather and leather manufactures share decreased in 2010–11 to 1.49 per cent, which was 4.36 per cent in 2000–01. Iron ore share decreased in 2010–11 to 1.82 per cent, which was 0.81 per cent in 2000–01.

Tobacco share decreased in 2010–11 to 0.33 per cent, which was 4.26 per cent in 2000–01. Cashew kernel share decreased in 2010–11 to 0.23 per cent, which was 1.01 per cent in 2000–01. Ready-made garments share decreased in 2010–11 to 4.41 per cent, which was 12.50 per cent in 2000–01.

Handicrafts' (including gems and jewellery) share decreased in 2010–11 to 16.15 per cent, which was 18.6 per cent in 2000–01.

Fish and fish preparation share decreased in 2010–11 to 1 per cent, which was 3.13 per cent in 2000–01. Rice share decreased in 2010–11 to 0.93 per cent, which was 1.41 per cent in 2000–01. Chemical and allied Products share decreased in 2010–11 to 11.41 per cent, which was 13.21 per cent in 2000–01.

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### CHECK YOUR PROGRESS

6. During which period was the massive programme of industrialization adopted by the Government of India?
7. What were the major factors responsible for the rise of imports during 1948–49 to 1950–
8. List the categories of exports of India.
9. What are the two major factors that accounted for 40 per cent of India's import during the First Plan period?
10. What are the three major classifications of non-bulk imports?
11. Mention the major classification of imports.

### 3.5 INDIA AND THE NUCLEAR REGIME

The advent of nuclear weapons after World War II has given a new meaning to what is known as threat to a nation. Nations of the world since the end of World War II have continued to pursue their nuclear capability which may be attributed to reasons like national power, scientific advancement and technological prowess and of course, national prestige and security. When India gained independence in 1947, the nuclear age had already dawned, but Indian leaders took the decision of non-alignment with any of the power blocs. The Indian leaders were of the opinion that nuclear weapons were weapons of mass destruction and therefore the non-use of these was essential for the security of all the nations of the world. At the same time, the leaders of India also recognized the fact that nuclear technology was beneficial for economic development especially of a nation like India, which was under the colonial rule for several years. The Indian Government in 1948 passed the Atomic Energy Act in 1948.

In the 1950s, nuclear testing took place above the ground and India became a leader in calling an end to nuclear testing as the first step to end the nuclear arms race. Addressing the Lok Sabha on 2 April, 1954, shortly after a major hydrogen bomb test had been conducted, Pt. Jawaharlal Nehru stated that 'nuclear, chemical and biological energy and power should not be used to forge weapons of mass destruction'. He called for negotiations for prohibition and elimination of nuclear weapons and in the interim, a standstill agreement to halt nuclear testing. The world had by then witnessed less than 65 tests. Our call was not heeded. In 1963, an agreement was concluded to ban atmospheric testing, but by this time, countries had developed the technologies for conducting underground nuclear tests and the nuclear arms race continued unabated.

Theoretically, all nations of the world know that it is essential to eliminate nuclear weapons for world peace. However, there is little unanimity among nations on how this can be achieved. Nuclear weapon proliferation today is the greatest threats to the world and its nations, but little has been done and implemented to change this nuclear order.

In 1965, along with a small group of non-aligned nations, India put forward the international non-proliferation agreement under which nuclear weapon countries would give up their nuclear arsenals provided other countries did not develop or acquire such weapons. However, this balance was absent from the Nuclear Non-Proliferation Treaty of 1968 which India did not sign.

Today, nine states (China, France, India, Israel, North Korea, Pakistan, Russia, the United Kingdom, and the United States) have nuclear weapons, and more than thirty others (including Japan, Germany, and South Korea) have the technological ability to quickly acquire them. This access is a lucrative option to proliferation of nuclear weapons and therefore the major threat that arises is that the line to use these weapons for military use and civilian use will soon be dissolved. Therefore, today, the non-proliferation regime is under serious threat; more so from nations like North Korea and Iran.

It was in 1974 that India first exhibited its nuclear ability. These tests were received by the world with shock and at that time considered to be a reckless defiance to the non-proliferation treaty. These tests were viewed as major threats to not only the national security, but also the world peace at large. India's objective of nuclearization has always been an issue of debate. While, the main factor has been national security, there were several contributing factors that led to India entering the nuclear arms race. The very first factor that led to India giving a thought to the development of a nuclear program was the testing of a nuclear device by China. After a period of nuclear slow-down, India accelerated its nuclear program in 1980s when Pakistan was rumoured to put forth strong nuclear capabilities. In 1998, India conducted nuclear tests in response to Pakistan test firing the medium range Ghauri missile that could target the main cities of India. However, these tests by India were criticized as reaction to prior proliferation relations of India with Pakistan. Also, India was concerned over Chinese assistance to Pakistan's nuclear program which put India's security from the north at threat. This led to India gearing up its nuclear program for national security.

India's nuclear policy is in fact product of long and deep-thinking of eminent people and leaders of India. The following few elements have shaped India's nuclear policy since its development:

- India has remained firmly opposed to nuclear weaponization and development of weapons of mass destruction.
- India has time and again desired that the international community accepts and implements a time-bound program for disarmament without any discriminatory provisions.
- India is firm in acquiring and developing nuclear technology for peaceful purposes with an ultimate aim of self-reliance and economic development.
- India has been willing to submit itself to controls, inspections and safeguards, if these are made equally applicable to all countries irrespective of their power and influence.

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While, India started pursuing its peaceful nuclear program in the 1950s, it was in the 1960s that several developments took place and that triggered changes in India's nuclear programme. After the death of Pandit Jawaharlal Nehru, India started to develop its nuclear program to counter the Chinese program. India's defeat in the 1962 border conflict with China proved its military unpreparedness, and exacerbated tensions between the two countries. The result of the war in a real sense altered India's view of nuclear weapons. This was coupled with China's testing of a nuclear weapon in 1964, making Indian politicians question the wisdom of their nuclear policies. The Nuclear debate was again renewed in 1964-65, which mostly centred on the threat from China. The Chinese nuclear explosion did set off a debate within India on the need to make the bomb. In addition to the conflict with China, India also indulged in several conflicts with Pakistan on border issues. After its victory over Pakistan in 1965, India furthered its regime for the development of a nuclear bomb.

In 1970, India began a more overt program for the development of nuclear weapons. India was forced to rethink over its nuclear logics because of the following reasons:

- Visit of US President Nixon to China.
- China's tilt towards Pakistan in the war of 1971 against India.
- China's launch of a long-range rocket carrying a satellite into the orbit.

These reasons led to India carrying out its first underground nuclear explosion in 1974. Technically, this test made the sixth nuclear power and India a nuclear power capable state. It, however, also brought about several problems.

The first problem was that India's underground nuclear tests complicated the global nuclear scenario. Pakistan further got an alibi to intensify its nuclear programmes and the Pakistan government started its secret nuclear programme. This test was also a definite reason for Pakistan to develop a uranium enrichment centrifuge at Kahuta. India also had to bear the brunt of smaller nuclear power states. This program was also criticized by the western countries and US stopped giving aid to India. The ramifications of these tests can be summarised as follows:

'The US Secretary of State, Henry Kissinger, passing through Delhi after the 1974 test, asked India to delay further testing until after the Non-Proliferation Treaty Review Conference scheduled for 1975. The Canadian government, like the US, was very surprised at the Indian test of May 1974. The plutonium used in the nuclear device was produced by the Canadian aided nuclear reactor—CIRUS. Earlier, Indian officials had repeatedly assured Canada that the government did not intend to explode a nuclear device. Prime Minister Trudeau had warned Mrs. Gandhi that in the event of India conducting any nuclear test, Canada would cut off all nuclear cooperation as well as all economic aid. If the two responses are compared, the United States had a mild response compared to Canada. The Cold War between the Soviet Union and United States was a major reason behind the United States' mild response. Henry Kissinger perhaps at that moment did not want to alienate India, as he feared this would end up leading India to take up sides with the Soviet Union. According to Robert J. Einhorn, deputy assistant

secretary of state for non-proliferation in the Bill Clinton Administration, In 1974, if Indira Gandhi had gone ahead with a weapons programme, it would have been a different non-proliferation order because NPT came into being in 1970 and in 1974 many states were still undecided about it. By not weaponizing then, India, in effect, supported the NPT and ensured its success.’

When Indira Gandhi returned to power in 1980, Pakistan has become a major player in South Asian politics and was supported and aided by the US. US did not interfere in Pakistan’s nuclear program and India had to put hold on its 1983-83 nuclear tests because of fear of US stopping all aid. India, however, had to rethink of its nuclear program because of constant threat from Pakistan. In 1984, after Indira Gandhi was killed, Rajiv Gandhi became the Prime Minister of India and pressurised US to interfere in Pakistan’s nuclear program. However, when the same was not done, India accelerated its missile program and an Integrated Guided Missile Program (IGMP) was formulated in 1983. In 1983, IGMP started the development of the five missile systems. The programme included an anti-tank missile (Nag), two surface-to-air missiles (Akash and Trishul), one medium range surface-to-surface missile (Prithvi), and an intermediate range missile (Agni).

In the 1990s, the underground nuclear blasts in India and Pakistan got the attention of the entire world. South Asia became the hot spot of nuclear tension and India and Pakistan were considered to be at the brink of a nuclear war. India detonated five nuclear devices in Pokhran on May 11 and 13, thus making India a nuclear weapons capable state. Before the dust in Pokhran could even settle, Pakistan detonated six nuclear devices on May 28 and 30 in Chagai. These developments in the countries changed the security environment in South Asia forever. India was now not ready to become a destabilising nuclear force in international security.

In the 2000s, new developments took place in India’s nuclear program. October 2008 saw India and US signing a pact for the peaceful use of nuclear energy. The following are the main aspects of India-US nuclear deal:

- The agreement did not affect India’s nuclear program development for military purposes.
- The countries agreed to facilitate nuclear trade.
- India and the US agreed to transfer nuclear materials, non-nuclear materials and equipment.
- India was allowed to develop strategic reserve of nuclear fuel.

India’s nuclear policy has been marked by restraints and openness. India has not violated any international agreement as far as the use and test of nuclear weapons is concerned. India observes voluntary moratorium and refrains from conducting nuclear tests. India has also indicated readiness to participate in negotiations in the Conference on Disarmament in Geneva on a Fissile Material Cut-off Treaty. The basic objective of this treaty is to prohibit future production of fissile materials for use in nuclear weapons or nuclear explosive devices. India

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has also maintained effective control on export of nuclear materials as well as related technologies.

India's nuclear policy is the one that states that while possessing nuclear warheads, India can propose and push multi-lateral international disarmament for a nuclear free and threat free world. However, while India endorses all such efforts, it also does not compromise on developing its strength as a nuclear nation. India is ready to exhibit its nuclear strength and the ballistic defence system if its security is threatened by the two neighbouring nuclear states.

### **Nuclearisation of South Asia- Viewing India's Nuclear Regime from a Broader Perspective**

The nuclearisation of South Asia is an issue that concerns the world today. South Asia has two nuclear powers- India and Pakistan that not only share borders but also a great history of animosity. India and Pakistan both indulge in the production and development of more reliable nuclear weapons. India and Pakistan are considered to possess almost 200 nuclear weapons and the numbers are increasing amidst the research being carried out in this field. Nuclear experts are more worrisome as these countries are continuously producing fissile material, increasing their capacity to produce plutonium and deploying additional delivery vehicles. They are also in the process of building small tactical nuclear weapons for quick deployment.

The proliferation of weapons of mass destruction in South Asia is also an issue of great concern for the world. Also it is to be noted that the nuclearisation of India and Pakistan could not avert was situations in these countries over the last few decades.

In the aftermath of the nuclear tests of India and Pakistan, several strategists argued that the balance of terror caused by the possession of nuclear weapons would reduce possibility of war between India and Pakistan. However, these assumptions were proved wrong and India and Pakistan were almost at the brink of a war in 1998 in Kargil after the countries tested their nuclear weapons. It is also said that during the war, Pakistan deployed its nuclear weapons around the LOC and if the war had converted into a full-fledged war, Pakistan would have used these weapons causing mass destruction in South Asia.

The nuclearisation of India had in many ways affected the India-US foreign policy. The Kargil was brought about changes in the views of the US about the nuclearisation of these South Asian nations. Since then, India and Pakistan have always been under pressure from the US to resolve the issue peacefully because the US fears that another war between India and Pakistan will lead to a nuclear exchange which would be harmful not only for these nations but also the entire world.

The US is interested in preventing war between India and Pakistan and therefore wants India and Pakistan to sign the CTBT- Comprehensive Test Ban Treaty. These nations are also being asked to stop the production of Fissile material and join Fissile Material Control Treaty negotiations. The US is also

pressurising India and Pakistan to practice tight control on the export of goods and equipment related to nuclear material. This has in many ways influenced and brought about changes in the India-US as well as India-Pakistan foreign policy.

### **CHECK YOUR PROGRESS**

12. When did India pass the Atomic Energy Act?
13. List the main aspects of India-US nuclear deal.

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## **3.6 SUMMARY**

- International Bank for Reconstruction and Development, or the World Bank was set up at the same time as the IMF in July 1944.
- The World Bank is concerned with assisting its member countries to achieve sustained economic growth.
- Every member of the IMF is also a member of the World Bank. Any country acquiring the membership of the IMF, automatically becomes member of the World Bank.
- India is one of the founding members of WTO and India was one of the 23 founding contracting parties to the General Agreement on Tariffs and Trade (GATT) that was concluded in October 1947.
- On January 1, 1995, the first and most powerful world trade regulating agency, namely World Trade Organization (WTO) came into existence.
- The new World Trade Organization (WTO), which replaced the General Agreements in Tariffs and Trade (GATT) came into effect from 1st January, 1995 with the backing of at least 85 founding members including India. The WTO is now the third economic pillar of worldwide dimensions, along with the World Bank and the IMF.
- The United Nations is described as the symbol of hope for mankind. This hope, as the former UN Secretary-General Dag Hammarskjold said, 'is the hope that peace is possible.' The United Nations is an organization of 192 sovereign states.
- The formal decision to establish a new international organization was taken on October 30, 1943 in the 'Moscow Declaration of Four Nations on General Security'. These four Allies were Britain, China, the United States and the USSR.
- India has actively cooperated with various principal organs and specialized agencies of the United Nations. India has served a number of 2-year terms as a non-permanent member of the security council.
- India also acted as Chairman of the International Commission for Supervision and Control in Indo-China under the Geneva Agreement of July 1954.

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- India, as mentioned earlier, was one of the founding members of the United Nations. During the seventy two year period, since its independence, India has maintained close links with the world body.
- The United Nations Fund for Population Activities (UNFPA), established in 1969, works under the guidance of the ECOSOC. It is the largest international funded source of population assistance world-wide.
- The interaction between India and Association of South East Asians Nations (ASEAN) during the Cold War was very less. In the 1960s, even before the association was formed, India was offered a full membership.
- The European Union and India are two crucial poles in the emerging multi-polar structure. In view of this, many high-level visits and summit-level interactions between India and the European Union (EU) have taken place.
- The advent of nuclear weapons after the World War II has given a new meaning to what is known as threat to a nation.
- In 1950s, nuclear testing took place above the ground and India became a leader in calling an end to nuclear testing as the first step to end the nuclear arms race.

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### 3.7 KEY TERMS

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- **Foreign trade:** It is defined as the trade relations of one country with another country.
- **OPEC:** It refers to the organization of the petroleum exporting countries that produce the majority of world's oil and export it to other countries of the world.
- **Devaluation of rupee:** It refers to lowering the value of rupee in terms of foreign currencies.
- **Tariff:** It refers to the duty or tax to be paid on a particular class of imports or exports.
- **Apartheid:** Apartheid was a system of institutionalised racial segregation and discrimination in South Africa between 1948 and 1991.

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### 3.8 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. The functions of the World Bank are as follows:
  - It grants long-term and medium-term loans: One of the early objectives of the World Bank was to aid reconstruction of war-torn nations, the job is not a matter of history. After an initial period of two years in which the Bank concentrated its loans on Europe's reconstruction needs, the Bank turned its attention to developing countries. Loans are of two types—Reconstruction and Development.

- The Bank gives loans to member governments or to private enterprises. In the latter case the Bank demands a guarantee from the Government, the Central Bank and similar organisations of the region in which the project is to be undertaken. Loans are granted on a basis of sound financial and economic analysis; the project must produce an acceptable rate of return.
  - The Bank gives technical advice to the borrowers and for this purpose engages experts.
2. The WTO is the umbrella organization responsible for overseeing the implementation of all agreements that have been negotiated just before it came into existence. It is also responsible for the settlement of disputes among its members. Finally, periodic review of the trade policies would also be initiated under the auspices of WTO.
  3. The WTO has been entrusted with the following functions:
    - The WTO would facilitate proper implementation of multinational trade agreements.
    - It will review trade policies undertaken by the member countries.
    - It will act as a forum for the negotiation of disputes among the member countries over trade-related problems.
    - The WTO will work in cooperation with the IMF and the World Bank.
  4. The six principal organs created by the UN Charter are as follows:
    - (i) The General Assembly
    - (ii) Security Council
    - (iii) Economic and Social Council
    - (iv) Trusteeship Council
    - (v) International Court of Justice
    - (vi) The Secretariat
  5. Mrs. Vijay Lakshmi Pandit from India was elected as the President of the eighth session of the UN General Assembly.
  6. During the second plan period that is from 1956–57 to 1960–61 massive programme of industrialization was adopted by the government.
  7. The major factors responsible for the rise of imports during 1948–49 to 1950–51 are as follows:
    - (i) The pent-up demand due to different restrictive measures adopted after the crisis experienced during war and the post-war period.
    - (ii) Partition gave rise to deficit of items belonging to the category of eatables and raw materials required for value addition like jute and cotton.
    - (iii) The rise in the imports of machinery and equipment, in other words, capital goods to meet the increasing demand for hydro-electric and other projects initiated in the First Plan.

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8. Exports of India are classified into four categories, such as follows:
  - (i) Agriculture and allied products which include coffee, tea, oil cakes, tobacco, cashew kernels, spices, sugar, raw cotton, rice, fish and fish preparations, meat and meat preparations, vegetable oils, fruits, vegetables and pulses
  - (ii) Ores and minerals include manganese ore, mica and iron ore
  - (iii) Manufactured goods include textiles and ready-made garments, jute manufactures, leather and footwear, handicrafts, jewellery including pearls and precious stones, chemicals, engineering goods and iron steel
  - (iv) Mineral fuels and lubricants
9. The import of consumer goods and food grains accounted for 40 per cent of India's import during the First Plan period.
10. The three major classifications of non-bulk imports are as follows:
  - (i) Capital goods which include metals, machine tools, electrical and non-electrical machinery, transport equipment and project goods.
  - (ii) Export related items which include pearls, precious and semi-precious stones, organic and inorganic chemicals, textile, yarn and fabrics, and cashew nuts.
  - (iii) Others such as artificial resins and plastic materials, professional and scientific instruments, coal and coke, chemicals—medicinal and pharmaceutical products, non-metallic mineral manufactures and others.
11. Imports are classified into bulk imports and non-bulk imports.
12. The Indian Government passed the Atomic Energy Act in 1948.
13. The following are the main aspects of India-US nuclear deal:
  - The agreement did not affect India's nuclear program development for military purposes.
  - The countries agreed to facilitate nuclear trade.
  - India and the US agreed to transfer nuclear materials, non-nuclear materials and equipment.
  - India was allowed to develop strategic reserve of nuclear fuel.

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## 3.9 QUESTIONS AND EXERCISES

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### Short-Answer Questions

1. State the objectives of the World Bank.
2. Evaluate the impact of WTO policies on various sectors of the Indian economy.

3. What are the seven principles for the guidance of the United Nations and its Members?
4. What is the pattern of exports of India?
5. Write a short note on India's role in the United Nations.
6. On what grounds have India, Brazil and Nigeria, been contending for a permanent seat in the United Nations?
7. Write a paragraph on the each of the following:
  - United Nations Development Programme (UNDP)
  - Food and Agriculture Organisation (FAO)
  - World Health Organisation (WHO)
8. What is the composition of India's foreign trade?

### **Long-Answer Questions**

1. Discuss foreign trade of India since independence.
2. Explain the changing structure of exports.
3. Describe the six principal organs of the United Nations.
4. Elaborate on India's stance with respect to its participation in SAARC or ASEAN summits.
5. Identify the structural changes in imports that took place in India.
6. What is the direction that India's foreign trade has taken?
7. Discuss the status of India with reference to the nuclear regime.

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### **3.10 FURTHER READING**

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## **UNIT 4 INSTITUTIONS, ACTORS AND TRENDS OF INDIA'S FOREIGN POLICY**

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### **NOTES**

#### **Structure**

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Institutions and Actors in India's Foreign Policy:  
Ministry of External Affairs, National Security Council,  
Parliament, Media and Public Opinion
  - 4.2.1 Factors that Affect Formation of a Foreign Policy
- 4.3 Indian Federalism and Foreign Policy
  - 4.3.1 Role of States in India's Foreign Policy
- 4.4 Future Direction of India's Foreign Policy
- 4.5 Summary
- 4.6 Key Terms
- 4.7 Answers to 'Check Your Progress'
- 4.8 Questions and Exercises
- 4.9 Further Reading

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### **4.0 INTRODUCTION**

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The formulation of India's foreign policy is considered to be a complex task that needs to be carried out by several institutions and players. The Indian foreign policy not only deals with how and why India needs to maintain cordial relations with foreign countries but also deals with how India can maintain its security in times of need.

The formulation of Indian foreign policy also needs to take into consideration the federal nature of the country and therefore evaluate the demands and inputs of all the states in the country. Additionally, many Indian states share international boundaries and therefore their role in the formulation of a foreign policy is important and cannot be ignored.

The direction of India's foreign policy is a very significant policy area given the fact that India is a rising middle power which needs the support of a large number of countries of the world to emerge as a great power. In this unit, you will learn about the institutions and actors in the India's foreign policy, the relationship between Indian federalism and India's foreign policy and the direction of India's foreign policy.

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### 4.1 UNIT OBJECTIVES

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After going through this unit, you will be able to:

- Discuss the different actors and institution of India's foreign policy
- Explain the role of different institutions in foreign policy formulation
- Describe the influence of federal structure of governance in foreign policy making
- Discuss the direction of the Indian foreign policy

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### 4.2 INSTITUTIONS AND ACTORS IN INDIA'S FOREIGN POLICY: MINISTRY OF EXTERNAL AFFAIRS, NATIONAL SECURITY COUNCIL, PARLIAMENT, MEDIA AND PUBLIC OPINION

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India's foreign policy under Prime Minister Narendra Modi has been more and more active. The foreign policy gives a clear picture of the priorities of the country. The following are the five-fold objectives which constitute the Indian foreign policy:

- **Neighbourhood first:** This is an objective that aims at improving connectivity and mitigating nationalism. Neighbourhood First is a term used by the Indian government to indicate the following:
  - o Indian government's willingness to give political and diplomatic priority to its immediate neighbours as well as the Indian Ocean island states.
  - o Provide support to the neighbours in the form of resources, equipment and training.
  - o Aim for greater connectivity and integration so as to encourage free flow of good, people, energy, information and capital.
  - o Promote a model of India-led regionalism with which the neighbouring countries are comfortable.

India has taken concrete steps to improve its relations with all its neighbouring countries to promote goodwill, connectivity and improve economic ties.

- **Bridging diplomacy and development:** A major objective of India's foreign policy has been leveraging international partnerships for its domestic development. This includes improving technological access, sourcing capital, adopting best practices, market access and securing natural resources. The Indian government has undertaken several steps to improve international relations including international collaborations. The changes in India at the domestic front because of these international partnerships have been positive and impressive but India still has a long way to go towards advancing economically, socially and technologically.

- **Acting East as China rises:** Prime Minister Modi replaced the Look East Policy with the Act East Policy with an aim of becoming an integral part of Asia. The rising power of China and a shift in the balance of Asia has been a cause of concern for India. In terms of the broader strategic context in Asia, India's 'Act East' policy has three distinct facets: institutional, commercial, and security-related. Certain aspects, such as institutional participation have been more successful over the years, and others such as bilateral and 'minilateral' security cooperation have seen discrete recent improvements. The primary challenge remains maintaining military balance at the disputed border with China.
- **Pakistan-engagement and isolation:** The relations between India and Pakistan have waned over the last several years. The development of nuclear weapons by both these countries has resulted in an uneasy peace. Pakistan, despite of India's efforts, has not opened economically for India and another factor of the rising terrorism by Pakistan in India is and has been a cause of concern. None of the governments of India have had illusions for better relations with Pakistan and though several agreements and efforts have been made, ties between India and Pakistan remain estranged. A bilateral engagement with Pakistan and also India's isolation policy of Pakistan has not earned many accolades for the Modi government and the prospects of improving relations with Pakistan continue.
- **India as a leading power:** India's foreign policy is framed to achieve high ambitions of India emerging as a leading power. India is not yet set and prepared for emerging as a world leader but is taking small steps to emerge as a leader. India has been lobbying for a position at the global level and is learning to lead by understanding and accepting the international order.

The following are considered to be the objectives of a foreign policy of India:

- A foreign policy protects the unity and integrity of the country. An example of this is India's foreign policy with China, wherein the aim of the policy is to ensure the territorial integrity by rejecting China's claims of Indian terrains. India, in this case, takes note of incorrect maps issued by foreign countries and agencies and asks them to mark the boundaries appropriately.
- A foreign policy defends the aims of the citizens. The foreign policy is a means to promote the economic interests of the country and also to promote the well-being of its citizens.
- Another objective of a foreign policy is to protect and preserve the interests of its citizens beyond the nation's territorial boundaries. For instance, as a part of India's foreign policy, the issue of racial discrimination is looked into by the institutions and key players of the foreign policy.
- The foreign policy also aims to protect the dignity and sentiments of the people of Indian origin throughout the world.

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- The foreign policy aims to develop cordial and friendly relations with other nations of the world to seek economic and technological cooperation for the promotion of its own interests.

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### 4.2.1 Factors that Affect Formation of a Foreign Policy

The factors that affect the formation of a foreign policy are:

- **Size:** The size of the territory of a nation plays an important role in the formulation of the foreign policy. The bigger the territorial size, the greater role a nation can play in the international relations. India's size and population provide strength to the formulation of the foreign policy.
- **Geography:** The location of a country and its geography also play a vital role in the formulation of the foreign policy. A state's climate, fertility of soil, access to waterways, deposits of mineral resources, diversity of crops, availability of drinking water etc. affect and influence its foreign policy. Sufficiency of these factors makes the state self-sufficient, and thus, it can assert importance in relations with other states. India is geopolitically at a strategic location in Asia and therefore plays a pivotal role in the international relations.
- **History and culture:** The historical experiences and cultural traditions of a country play an important role in the formulation of the foreign policy. Generally, nations that have a unified historical experiences and culture find it easier to formulate a foreign policy for the benefit of the citizens.
- **Economic development:** The level of economic development of a nation also affects the formulation of the foreign policy. The countries which are highly industrially advanced play a dominant role in the international politics and relations. Highly economically developed countries have large resources at their disposal and therefore can offer help and benefits to other states thereby in many ways leading the international front. Developing countries like India remain dependent on highly industrialised countries and therefore need to adjust their foreign policy to make the maximum use of the resources made available for progress and economic development.
- **Technological progress:** Countries that are highly industrialised are also technologically much advanced as compared to the developing countries. Technological changes and advancement can affect military and economic capabilities of a nation which are important aspects of the foreign policy of a nation.
- **Military preparedness:** The capability of a nation to exhibit its military prowess in defending its borders is a detrimental factor in the development of the foreign policy. Militarily capable states are able to control the international arena in a much better manner as compared to the nations that do not have or have a not well trained military. India's foreign policy for instance after nuclearisation has gained greater dimensions.
- **National capacity:** The national capacity of a state is comprised of its economic development, technological advancement and military

preparedness. A country with a strong national capacity can highly impact the relations with other states and also play an important role in the international arena. For instance, China today is exerting influence on international relations because it has become sure and confident of its national capacity.

- **Social structure:** The social structure of a nation in many ways affects the formulation of the foreign policy. A nation which is divided on racial and religious lines struggles to put forward a strong stand as far as the foreign relations are concerned. A homogenous state, on the other hand, is able to formulate a strong and coherent foreign policy.
- **State ideology:** The ideology of a state affects the formulation of its foreign policy. A state with democratic values of open debate and dissent tend to listen to the public opinion seriously. Under a democratic set up, pressure groups, political parties with different shades of ideologies and press indulges in the creation of public opinion that deeply influences foreign policy of a country. In authoritarian systems however, it is just the government that plays a pivotal role in the formulation of the foreign policy.
- **Form of government:** The type of government in a nation also plays a major role in the formulation of its foreign policy. For instance, where the form of government is authoritarian, foreign policy decisions can be made quickly as opposed to when it comes to a democratic form of government.
- **Internet:** The Internet today is influencing foreign policy decisions of any nation. Internet has become central to voicing public opinions and decisions which in many ways are considered by the governments to take foreign policy decisions.
- **Leadership:** Leadership plays an important role in the foreign policy of the state. A strong leader can impose greater pressure on the international relations thereby promoting the country's interests in a positive manner.
- **World situation:** The world situation also plays an important role in the development of a foreign policy. World politics is important for the formation of the foreign policy of any nation.
- **Military strength of adversaries:** The military strength of the adversaries also plays an important role in the formation of the foreign policy of a nation. For instance, India's foreign policy has undergone several changes because of the growing military strength of China as well as Pakistan.

Foreign policy is therefore formulated by considering the aforementioned factors and the process undergoes several stages with several institutions and eminent people playing an important role in the formulation. The decision-making process takes place at various levels of foreign policy formulation. The institutions that play a major role in the development of a foreign policy in India can be divided into formal and informal institutions. Some of these are described below:

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- **Ruling elite:** The ruling elite play an important role in the formulation of India's foreign policy. The perceptions of the foreign and domestic relations of this elite is important and detrimental in the formulation of the foreign policy.
- **Public opinion:** In a democratic country like India, the power of sovereignty lies with the people. Therefore, in all political decisions and even foreign policy formulation, public opinion plays an important role.
- **Pressure groups:** Pressure groups also play a detrimental role in the formulation of the foreign policy of India. Of late, business people, arms agents and Non Resident Indians have started playing an important role in the formulation of the foreign policy of India.
- **Parliament:** Parliament in India plays an important role in essaying the foreign policy. Issues and decisions related to foreign policy come up and are discussed in the parliament before concrete decisions can be taken. There are several parliamentary committees that play a vital role in framing the foreign policy of India and preventing deviations in it.

Described below are a few institutions and actors that influence the formulation of the foreign policy in India:

- **The Ministry of External Affairs:** Foreign policy making is a tough and complex task which requires accurate and correct information in time. It is the Ministry of External Affairs which is supposed to hold all the necessary information and provide solutions to foreign policy making. This Ministry is considered to be the storehouse of information on foreign affairs. The Minister of External Affairs also called the Foreign Minister is the Head of the Ministry of External Affairs. The Foreign Affairs Minister is a political appointee who is supposed to make all policy decisions related to foreign affairs in the country. The Indian Foreign Service (IFS) officials, selected through the competitive examinations conducted by the Union Public Service Commission, primarily man the MEA. The Foreign Secretary is a very senior and experienced IFS officer, and the permanent head of the Ministry. He is an important advisor to the Foreign Minister. There are two other senior officials to assist the Foreign Secretary known as Foreign Secretary (West) and Foreign Secretary (East). The work of the Ministry of External Affairs is divided into twenty-four divisions and each division is headed by a joint secretary. There are twelve territorial divisions, dealing with a group of countries belonging to a limited region like Canada and America, Latin American and Caribbean countries, Gulf, East Asia etc. There are eleven functional divisions like Protocol, External Publicity, Historical, Policy Planning, and the UN etc. There is one administrative division, which does a kind of house-keeping work of the MEA. The IFS officials are sent abroad to work in foreign embassies in different countries. These embassies collect information on development in foreign countries besides performing several other tasks. In addition to such information

about the states, the MEA officials also collect information secretly. This information called Intelligence plays a vital role in the formulation of the foreign policy of the country. The wing that collects this intelligence information is called Research and Analysis Wing.

- **National Security Council:** The National Security Council is an executive government agency that advises the Prime Minister on matters of national security and strategic interest. The National Security Council was first formed by Prime Minister Atal Bihari Vajpayee in 1998. The National Security Advisor overlooks the functioning of the National Security Council. The National Security Council also has other members like the Deputy National Security Advisor, the Ministers of Defence, External Affairs, Home Affairs and Finance and also the Deputy Chairman of the Planning Commission of India (which is now replaced by the Niti Aayog). The National Security Council is basically an apex body that has a three-tiered structure of national security management. The Strategic Policy Group and the National Security Advisory Board are the other two tiers of the NSC. The Strategic Policy Group is the nucleus of the decision making apparatus of the National Security Council. This group undertakes the strategic defence review and makes security and defence decisions accordingly. The Joint Intelligence Committee analyses intelligence data and takes important decisions related to intelligence. National Security Advisory Board consists of members who are people of eminence outside the government. These people may be experts in national security, strategic analysis, foreign affairs, defence, internal security and science and technology. It provides a long-term prognosis and analysis to the NSC, and recommends solutions to policy issues referred to it and meets as frequently as required.
- **Prime Minister's Office:** The position of Prime Minister is now an all-important entity in every decision that is made in the country. The Prime Minister's Office or the PMO plays a major role in the formulation of the foreign policy of the country. However, not every decision related to the foreign policy is taken at the PMO. Decisions related to the security of the country, foreign policy goals as well as issues important for the economic development for the country are considered and addressed by the Prime Minister's Office. The PMO includes large number of Joint Secretaries, deputy-secretaries, OSDs and other officials, each dealing with different aspects of the Prime Ministerial functioning.
- **Parliament:** Parliament is the representative body of the people and so the ultimate power and control over foreign policy making rests with the parliament. There are several foreign policy related issues wherein the Parliament has exclusive decision making powers. For instance, diplomatic, consular and trade representation, war and peace, the United Nations, citizenship, naturalisation etc., are all issues wherein the Parliament has the exclusive rights to take the decisions.

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The Parliament has the rights to approve and formulate treaties with other countries. The Parliament also takes decisions related to the money which will be spent on foreign policy matters as well as national security establishments in the country. The Parliament makes use of established parliamentary committees to take decisions related to foreign policy matters. These committees examine issues of defence and foreign policy and help the Parliament take the right decisions related to the several foreign policy issues.

- **Media and public opinion:** Media and public opinion invariably affect the decision making process when it comes to foreign policy making. The media and public opinion provide information to the foreign ministry about the environment and how the society reacts and interacts with the environment and its changing façade. Media and public opinion provide the required support to the established authority and norms especially when it comes to issues of national security. Media and public opinion act as an input source to provide the essential information about the foreign policy matters. The media and public opinion also act as output sources to affect decision making process in order to solve problems of the society at large and in a broader sense. The media and public opinion in several ways is used by the leaders to make the public accept its decisions by making the necessary information available. The complex process of involvement of media and public opinion can be described as under: when an external international event takes place, leaders learn from it from the media and public opinion. This information is processed in several ways and foreign policy matters are discussed and decisions are made. In this process, media and public opinion also participate. When a decision is made or a policy is formulated by the foreign affairs ministry, the public gets to know about it from the media and when taking the decisions public opinion and the role of media are taken into consideration.

### CHECK YOUR PROGRESS

1. What comprises the national capacity of a state?
2. Name the nucleus of the decision making body apparatus of the National Security Council.
3. List the foreign policy related issues wherein the Parliament has exclusive decision making powers.

## 4.3 INDIAN FEDERALISM AND FOREIGN POLICY

According to the Indian Constitution, the political, legislative and financial authority is divided between the centre and the state, with the centre enjoying its primary due over all aspects of the Indian polity. While the centre enjoys supreme powers over the matters of finance, defence, trade, telecommunications

and foreign investments, the states too have their share of authority in matters that are of significance to the Indian investment climate. This federal system works well when the centre and the state are in sync and work in co-operation with each other.

The state of polity today in the centre has serious implications on the internal as well as external security of India. Talking of Indian federalism and foreign policy formulation, we first need to understand where India and its state stand geographically and strategically. India borders Pakistan, Myanmar, Bangladesh, China, Thailand, Indonesia and Maldives. The relations of India with each of these countries have a direct impact on the states of the country. The states of Gujarat, Rajasthan, Punjab and Jammu and Kashmir are affected by the Indian-Pakistan relations; India-China relations will affect Kashmir, Uttarakhand, Himachal Pradesh, Sikkim and Arunachal Pradesh. India-Nepal relations will spill over to Bihar, Uttarakhand, Uttar Pradesh, Sikkim and West Bengal; India-Bhutan relations will impinge upon West Bengal, Sikkim, Arunachal Pradesh and Assam; India-Myanmar relations will have its fall out on Arunachal Pradesh, Nagaland, Manipur and Mizoram; India-Bangladesh relations will affect West Bengal, Tripura, Meghalaya, Mizoram and Assam; India-Sri Lanka relations are closely intertwined with the politics of Tamil Nadu and India-Maldives relations will have its impact on Minicoy Islands.

In the early years after independence the foreign policy of India focused mainly on the security and interests of the country as a whole and sometimes the interests of the contiguous states were overlooked as well. For instance, the Sirimavo-Shastri Pact of October 1964, by which large sections of the people of Indian origin in Sri Lanka (Ceylon) were given Indian citizenship, was concluded without taking into considerations the wishes of the affected people. It was also opposed by the important political sections in Tamil Nadu.

However, with the formation of coalition governments at the centre after the end of the Indian National Congress' dominance, the scenario soon began to change. The regional parties of the states provide their inputs to the centre and in many ways influence the foreign policy so formulated. The centre also accedes to these inputs and demands to keep getting the support of the regional parties to maintain power at the centre. For instance, the DMK government led by Karunanidhi went along with the Centre's policy on Sri Lanka during the last stages of the Fourth Eelam War. New Delhi understandably permitted Karunanidhi to indulge in political gimmicks to enable him to portray himself as the saviour of the Tamils. The political support available within the federating units makes it difficult for the centre to overlook the demands of the states when it comes to foreign policy formulation.

The central government is formed mainly by the national parties and these national parties are declining in the regions. What is interesting is that the states also support their regional parties and not the national parties mainly because it is considered that national parties overlook their demands and do not fulfil them. This in turn pressurises the central government to make sure that the demands

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and proposals put forth by every state are reviewed and considered important from the point of view of foreign policy formulation.

This assertion of regional parties is in fact proving to be a balancing act to maintain the federal nature of the Indian polity. When it comes to foreign policy formulation in India, it can be said that since independence, the foreign policy has been far from federal. The states and regions were not taken into consideration when deciding upon the foreign policy matters. However, today, the central government in New Delhi asks the regions to assert on their role in foreign policy decision making especially when it comes to relations with the neighbouring countries with which the states share their boundary.

While this inclusion of the state in formulating foreign policy on one hand brings about the true nature of democracy of India, there is also an apprehension as to how the regional political parties shape the structure of central government and influence it in formulating a foreign policy. In addition, there are also grave differences in the views of the state and the central governments when it comes to the formulation of foreign policy. For example, the Chief Minister of West Bengal and Trinamool supremo, Mamata Banerjee, blocked the Teesta water-sharing agreement between India and Bangladesh, leaving New Delhi in the lurch. Similarly, there was uproar by the regional parties in Assam over the India-Bangladesh Land Boundary Agreement that envisages the exchange of 161 enclaves adversely held by India and Bangladesh in each other's territories, and the alterations of boundaries between the two countries in certain places. Instances like these often force the central government to not to take into account the views of the state when it comes to the formulation of a foreign policy. For instance, the central government did not take into consideration the views of the North East states in formulating the Look East Policy. On the other hand, the central government formulating the foreign policy without taking into account the views of the state governments also make the state governments lose interest in providing the necessary information and inputs to the central government.

The role of the federal states in foreign policy formulation is in fact an issue of much debate as of now. There are several assertions that are being made by several scholars. One major assertion is the fact that when the states take part in the foreign policy formulation, the regional parties take into consideration its own interests rather than the national interests. This is mainly because of the regionalisation of politics as well as the formation of coalition government at the centre. Also, the foreign policy outlook of the regional parties is largely contingent upon the trade-offs and negotiations with the state government.

It is also argued that many times, the centre and the state are in a conflict when it comes to foreign policy matters. These conflicts are not because of the political system fragmentation but mainly because of the political and institutional inertia in a system wherein the centre with a coalition government has to consider its regional parties as well. The economic reforms in India have also been detrimental in the formulation of the foreign policy. Economic reforms in India have coincided with the decentralization of political and legislative powers with the regional parties and states now participating and negotiating critically with the



global economy. Therefore, when it comes to the formulation of foreign policy especially in the context of economic development, the states play a critical role in the same. Also in the context of a globalised and decentralised world, the states in India have emerged as key actors in economic and developmental areas wherein they have increased their stakes in the neighbouring countries. It is therefore from this point of view essential for the state and the centre to cooperate and collaborate when formulating foreign policy. Although, foreign policy remains the exclusive right of the central government, the cooperation of the regions is essential and mandatory for the success of several of such foreign policies that are formulated by the centre. Let's try to understand this aspect with an example of the relationship between India and Sri Lanka and the role of the state of Tamil Nadu.

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### **India and Sri Lanka: Foreign Policy and the Role of Tamil Nadu as a Federal Unit in the Indian Foreign Policy**

India and Sri Lanka have had relations since ancient times when Buddhist monks travelled to Sri Lanka to spread Buddhism. This relation was further consolidated during the period of the British Rule when Tamil workers from India were taken to Sri Lanka to work in tea plantations. Since then, political experiments in India and Sri Lanka have succeeded and they both follow a complementary policy when it comes to global issues and regional politics. However, when a decision was taken to make Sinhalese the official language, there were dissensions among the Tamils. There were clashes between the Tamils and Sinhalese in Sri Lanka which also triggered problems in Tamil Nadu in India.

Then there was also the problem of citizenship of Tamils from India in Sri Lanka. In 1964, India and Sri Lanka signed an agreement wherein Sri Lanka agreed to provide citizenship to 3 lakh Tamils and India agreed to take back 5.5 lakh Tamils. However, 1.3 lakh Tamils still remained stateless and the issues became grim when several Tamils fled to India to escape from the atrocities of the army and people. The Indian government under pressure from the state of Tamil Nadu took the matter to the Sri Lankan government.

In 1980s, the Liberation Tigers of Tamils was formed by some hardliner Tamils who resorted to armed rebellion against the Sri Lankan government and wanted to form a separate Tamil state in the northern parts of the island. This was however against the foreign policy of India at that time. This was also a test of foreign diplomacy for India. On one hand, there was growing sentimental reaction amongst Tamils in India and they pressurised India to intervene in the matter and, on the other hand, India had taken a moral stand true to its principles of foreign policy.

In 1986, India sent a peace keeping force which was a blunder since many Tamils of Indian origin were killed by the Indian army. It aggravated the tension between the countries and also led to the assassination of the then Prime Minister Rajiv Gandhi. The LTTE continued its agitation and the island of Sri Lanka was in turmoil. In 2011, Sri Lanka was able to eliminate the LTTE. Since then the relations between the two countries have remained cordial.



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### 4.3.1 Role of States in India's Foreign Policy

When we look at India's map, we see that many Indian states have a boundary with an international neighbour. These states have somehow influenced the foreign policy decisions. Also these states in one way or the other have a stake in the foreign policy of the country.

North East states happen to be located in sensitive regions. All North Eastern states have international borders. Illegal migration is therefore a difficult issue here and these North Eastern states have a special significance when it comes to Indian security and prosperity. These states also play an important role on India's relations with Bhutan, Bangladesh, Myanmar and China. These states are also important elements in Indian Look East Policy which involves relations with ten member ASEAN states. North East also has the potential to transform the ASEAN region fundamentally.

A few states play a very important role in foreign linkages with some key countries. Kerala is important because of the large number of Keralites in the Gulf region and so it plays an important role in the Gulf region. Kerala is also important in context of relations of India with Italy. The public sentiment in Kerala on killing of two fishermen by Italian security guards caused national furore.

Jammu and Kashmir has had a key role to play in the relations of India with Pakistan. India has become a victim of cross border terrorism and a lot of infiltrations take place from along the LOC in Jammu and Kashmir which has estranged the relationships between India and Pakistan.

Also there are several states like Punjab, West Bengal, Gujarat, Tamil Nadu, Andhra Pradesh, Nagaland and Bihar who have their residents or their relatives staying in foreign countries and so they have influence on the foreign policy of India.

The various states have the following responsibilities when it comes to the formulation of the foreign policy:

- Promotion of international peace and security
- Maintenance of just and honourable relations between the various nations
- Fostering of respect for international law and treaty obligations
- Encouragement of settlement of international disputes
- Diplomatic, trade and consular representation
- Participation in international conferences and conventions
- Promotion of pilgrimages to places outside India

### **CHECK YOUR PROGRESS**

4. Name the Indian states which will bear the effects of the India-Bhutan relations.
5. What is the reason behind the accusation that the regional parties take into consideration its own interests rather than the national interests when the states take part in the foreign policy formulation?

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## **4.4 FUTURE DIRECTION OF INDIA'S FOREIGN POLICY**

The Government of India today led by Prime Minister Narendra Modi has been extraordinarily active in foreign affairs. Not only did the Prime Minister visit several neighbouring and foreign countries for bilateral and multi-lateral meetings but also hosted a plethora of foreign delegates to make India stand at some position in the world politics today. The question however that comes to mind is what has been the driving force for this foreign policy of India and whether such a foreign policy is limited to just this government or will it take the same shape in the future?

India today is considered to be an emerging global power. With several years of sustained high growth rate and overcoming the financial crisis of 2007-2008, India has gained the attention of not only its own elite but also of the world as a rising global and superpower. Talking of India's growth, we cannot deny the fact that India's population is growing and is projected to soon overtake that of China and therefore, it cannot be said whether or not India will be able to maintain the same economic growth rate which is a necessary condition for India to emerge as a super power. With India's growing nuclear and economic capability, it is sure to emerge as one the greatest super powers. Also with economic development, India is now spending more and more on defence and there can also be seen a systematic attempt to modernise the military in India. However, where India stands today as a world power, can be judged only after comparing it with the greatest countries of the world.

The standard ways of measuring power and comparing powers involve counting the indicators of military, economic and other forms of power—for military power, nuclear warheads and delivery vehicles, size of armies, air forces and navies, numbers of foreign bases and power projection capabilities, space-based assets and cyberspace capabilities; for economic power, absolute and relative GDP, world trade shares, foreign exchange reserves, tax revenues, military budgets, industrial production, possession of vital energy and other resources for soft power, scientific, technological, intellectual, ideological and cultural prowess, presence and power position in international organizations, institutional power and so forth.

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Based on the above criteria, the countries can be divided into super powers, great power, middle power and emerging power. Authors Barry Buzan and Ole Wæver define a superpower as 'a state that, first, has broad spectrum of capabilities—military, economic, etc.—that are exercised globally, that is, a power with comprehensive global reach; and that, second, is acknowledged by others as such in their calculations'. American political scientist John Mearsheimer asserts that a superpower, in addition to comprehensive military capabilities and their implied economic and technological underpinnings, needs not just to dominate its own region comprehensively but to extend beyond any one region in its reach and influence. A great power country is the one that shows great capabilities but not in all the spheres of influence. A regional power country is the one whose power is confined to its home region and the regional power status basically depends on the military status rather than economic capability. The concept of a middle power is rather a nebulous one. Middle power can be seen as a country that lacks the system shaping and defining capabilities but cannot be ignored, middle powers cannot overtake a great power but does have the capabilities to resist the impositions of the great powers.

Scholars state that power transition can take place and does take place over time which implies the fact that a rising power can become a middle power and a middle power may even become a great power. This transition according to scholars takes place because of industrialisation, increasing military and technological power, increased global prowess, and shift of balance of power within the states and countries. Also this transition of powers becomes a possible reason of war between the countries of the world.

Coming to India, it can be said that India is definitely not a great power. Despite its possession of nuclear weapons and intermediate-range ballistic missiles (Agni V), it lacks a global strike capability, serious extra-regional power projection capabilities, does not decisively dominate its own region, and is not a system-shaping power in either economic or military balance terms. On the other hand, India is also not a minor power and cannot be ignored in the world politics and economy.

India in the true sense fits the definition of a middle power. India today is a rising power- a middle power that is rising up in the global power hierarchy. In other words, India is undergoing power transition wherein it may develop capabilities to be termed a great power. India as of now is constrained as a regional power because of the neighbouring countries of China and Pakistan possessing nuclear weapons. India therefore is considered to be incapable of preventing the systematic use of terror weapons by even Pakistan. Also India is still undertaking the task of modernisation of its military power. In the south, the vast expanse of the Indian Ocean makes India incapable of developing power projection capabilities. India therefore is a contained power in South Asia. India is also not considered the natural leader of South Asia by the other countries and does not even enjoy any authority over the other countries. So while India has regional weight and influence, it is not a dominating power of South Asia which

also puts a question on its status as a regional power. The emerging economic power of India definitely places it as a rising middle power.

However, in addition to this rising power, India faces several constraints. It is heavily dependent on energy and resource imports. India also has a weak manufacturing and technological base. It is also an arms importer, heavily dependent on external suppliers for all major platforms—combat aircraft, surface ships, submarines, tanks and artillery and it has a qualitatively and quantitatively limited nuclear arsenal.

As a rising middle power, the following would be the elements of any future foreign policy of India:

- **Elements of continuity:** For decades now, the elements of continuity for India have been constrained relations with China and Pakistan. There are several unresolved disputes with these countries and border and territorial issues along with nuclear proliferation have also been issues of constraint. India has also indulged in armed conflicts with China as well as Pakistan. These armed conflicts have been a constraint in India's foreign policy with these countries.

Looking at the future, the situation does not seem to be changing since the conflicts remain unsolved. Relations with Pakistan are almost at a deadlock because of increased terrorists activities on the part of Pakistan. With China as well, frequent conflicts take place at the Line of Actual Control and despite increasing trade relations with China, the security relations with China remain constrained.

While the increasing military capabilities of China remain a threat, another threat imposed by China is to divert part of waters of the Brahmaputra in Tibet towards east and north which will in turn affect the North Eastern States of India. China is also wooing all of India's neighbours including Afghanistan and Myanmar, and has made diplomatic inroads in all of them. China has also been able to take control of the Pakistani port of Gwadar near the mouth of the Gulf. China is building two additional nuclear reactors at Chashma in Pakistan. So the relations between India and China remain far from cordial. The only country with which India has been able to settle border disputes is Bangladesh. An improvement in relations with its neighbouring countries is important for India from the future prospects of the foreign policy but little can be done at this front.

- **Elements of change:** Since the Cold War, a few elements of change can be seen in the Indian foreign policy. India has been able to change its relationship with Israel. The relationship has been growing steadily and is based on the import of defence equipment. Indian foreign policy however remains unchanged as far as Palestine is concerned. Israel in the 2000s has been the second largest arms supplier for India.

The Look East Policy which is now known as Act East Policy is certainly an element of change that can be seen in the foreign policy of India. The

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South East Asian region was neglected in India's foreign policy during the Cold War. With changes in the foreign policy, India has now become a member of Association of South-East Nations (ASEAN), the ASEAN Forum, and East Asia Summit.

A change in the foreign policy also opened free trade with ASEAN countries and today this trade accounts for a large portion of India's trade share as compared to China. India has participated actively in these forums, as well as in the ASEAN Defence Ministers Meeting plus and the expanded ASEAN Maritime Forum. India has also developed relations with Japan. Japan is now committing itself to sell dual-purpose amphibious aircraft technology to India.

India is also attempting to build long term relationships with Africa which is a continent rich in natural resources including oil and gas. Since 2008, there have been four India-Africa summits to develop cordial and long lasting relationships. The present government has also been able to drum up investments from Saudi Arabia and United Arab Emirates. India is seeking the cooperation of these countries for infrastructure and energy development.

This element of change in the foreign policy is considered to be good for the future wherein India seeks to increase foreign investment. The Modi government realises the importance of increasing foreign investment in the economic growth of India. Investment and growth are essential for domestic and global stability of India and for India to become a leader in the global market.

Coming to the change in the foreign policy, India is also seeking to acquire nuclear and defence technology. India has amended its civil nuclear liability law to make investment in civil nuclear power generation attractive to US companies. India applied to join the NSG, a move that failed in mid-2016 owing to resistance from China and some other countries with a strong attachment to non-proliferation. However, India was admitted into the Missile Technology Control Regime (MTCR) in June 2016 and is seeking to join the Wassenaar Arrangement and the Australia Group. On defence technology, India took the unprecedented step of opening up foreign direct investment in its defence industries to the extent of allowing 100 per cent foreign ownership. India has also, as part of the Defence Trade and Technology Initiative with the United States, been trying to shift progressively to acquire advanced US defence equipment and technologies.

Another element of change that can be seen in India's foreign policy is the participation of India in several multi-lateral forums for economic as well as security reasons. India has joined the Shanghai Cooperation Organization (SCO). India has also joined the Chinese-promoted, Shanghai-headquartered Asian Infrastructure Investment Bank and the New Development Bank promoted by the BRICS. It has also played an

important role in the South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).

India has also pushed for permanent membership to the United Nations Security Council reflecting its own desire of moving from rising middle power to great power.

- **Indo-US relations:** From a future perspective, one of the changes that has taken place in the foreign policy of India is improved relations with the US. In the early 1990s, the relations between India and US had become estranged because of US-Pakistan cooperation and also general tightening of US policy on non-proliferation and sympathy for Pakistan on the Kashmir issue. However, the late 1990s and early 2000s saw a change in India-US relations because of the declining power of the USSR. The relative decline of Russia, the fact that India being supplied arms by Russia did not bother the US much. The US-Pakistan relations became estranged after 9/11. India and US have also been able to sign a nuclear deal which in some ways has erased all fears that US had about India using the nuclear weapons. However, this change in foreign policy of India in some ways has been influenced by a change in the US foreign policy. US has been concerned over the rising power of China in Asia and by supporting India in every possible manner, the US has tried to bring about a balance of power in Asia. The Indian foreign policy of cordial ties with the US and other countries of Asia has enabled India to gain several benefits, incentives and opportunities which will continue to affect the future foreign policy prospects as well.

With the changes in the Indian foreign policy, three broad scenarios can be visualised in terms of the future directions of the Indian foreign policy:

- **Dominance of the US:** Complete dominance of the US may take place if it is able to balance China's rising power in Asia. Russia's power has been on a decline and it may ally with China to balance the rising power of the US. In this scenario, India is likely to ally with the US and its federated network of allies in Asia and elsewhere. However, in this case also there will be limits to alignment with the US. Even while slowing down, China will be growing at a much faster rate as compared to India and the West. It is also not possible for India to completely isolate China because China is a trading partner for almost all other Asian countries. As far as India is concerned, China will still have control over headwaters of Indus and Brahmaputra and has the capability of diverting the waters of Brahmaputra. China will also continue its nuclear relationship with Pakistan. Also, China will remain a trading partner and potential source of capital for India. The US in no way can protect India in case of a border war with China. So basically India cannot enter a complete partnership with the US by alienating China. As far as Russia is concerned, it is the largest supplier of military technologies to India and so India cannot

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make drastic changes in its relationships with Russia as well. Therefore, as far as Indian foreign policy is concerned, in the future, India will not be able to completely align with the US even if US emerges as the most dominating power.

- **Maintenance of status quo:** The second scenario in the future foreign policy of India is the maintenance of status quo. In this case, India can continue its re-alignment with the US and all of its partners and allies in Asia. India can also practice a continual but a partial shift in arms and defence technology acquisition from the US rather than Russia. India can also continue to maintain and try to enter into long-term relationships with Africa, Middle East and other countries for increased infusion of investment and technology.
- **Increased Chinese ascendancy:** If such a scenario arises wherein China emerges as a greater power than the US, the China will loom as a major security and economic threat to not only India but also all other countries of the world. This scenario would also result in better relations between China and Russia which will again be a great security threat for India. In such a scenario, several South Asian countries can tilt towards China. And of course there is China-Pakistan relationship which would mean India could be attacked from any of the border areas. The only case in which India can stand against the increasing dominance of China would be if India were to grow at a much faster rate as compared to China.

After the discussions of the different areas related to foreign policy we can say that India's foreign policy formulation is a task and right of the central government. However, the federal and democratic nature of India makes it essential for the central government to take into consideration the inputs and demands of all the states in the formulation of the foreign policy. The Indian foreign policy has also undergone several changes since independence. These changes can be attributed to the changing relations of India mainly with China, Pakistan and United States of America. If we consider the future directions of Indian foreign policy, the foreign policy formulation has to take into consideration the fact that India is a rising middle power which needs to maintain cordial relations with all of its neighbours as well as other countries of the world.

### CHECK YOUR PROGRESS

6. What are the standards used for measuring economic power?
7. Why is the concept of middle power considered rather nebulous?
8. Name two countries with which India is seeking cooperation for infrastructure and energy development.

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## 4.5 SUMMARY

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- The five-fold objectives which constitute the Indian foreign policy: neighbourhood first, bridging diplomacy and development, Acting East as China rises, Pakistan-engagement and isolation, placing India as a leading power.
- The following are considered to be the objectives of a foreign policy of India: protecting the unity and integrity of the country, defending the aims of the citizens, protecting the dignity and sentiments of the people, and aiming to develop cordial and friendly relations with neighbouring nations.
- Factors that affect formation of a foreign policy: size, geography, history and culture, economic development, technological progress, military preparedness, national capacity, social structure, state ideology, form of government, internet and leadership etc.
- A few institutions and actors that influence the formulation of the foreign policy in India: The Ministry of External Affairs, National Security Council, Prime Minister's Office, Parliament, and Media and Public Opinion.
- According to the Indian Constitution, the political, legislative and financial authority is divided between the centre and the state, with the centre enjoying its primary due over all aspects of the Indian polity.
- India borders Pakistan, Myanmar, Bangladesh, China, Thailand, Indonesia and Maldives. The relations of India with each of these countries have a direct impact on the states of the country.
- The formation of coalition governments at the centre, has changed the scenario. The regional parties of the states provide their inputs to the centre and in many ways influence the foreign policy so formulated. The centre also accedes to these inputs and demands to keep getting the support of the regional parties to maintain power at the centre.
- While the inclusion of the state in formulating foreign policy on one hand brings about the true nature of democracy of India, there is also an apprehension as to how the regional political parties shape the structure of central government and influence it in formulating a foreign policy.
- The standard ways of measuring power and comparing powers involve counting the indicators of military, economic and other forms of power. Based on such criteria, the countries can be divided into super powers, great power, middle power and emerging power.
- India in the true sense fits the definition of a middle power. India today is a rising power- a middle power that is rising up in the global power hierarchy. In other words, India is undergoing power transition wherein it may develop capabilities to be termed a great power.

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- As a rising middle power, the following are the elements of future foreign policy of India: Elements of continuity, Elements of change, and the Indo-US relations.
- With the changes in the Indian foreign policy, three broad scenarios can be visualised in terms of the future directions of the Indian foreign policy: dominance of the US, maintenance of status quo or increased Chinese ascendancy.

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### 4.6 KEY TERMS

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- **Act East:** It is India's strategic policy for dealing with Asia which has three distinct facets: institutional, commercial, and security-related.
- **National Security Council:** It is an executive government agency that advises the Prime Minister on matters of national security and strategic interest.
- **Federalism:** It is a form of governance in which the political, legislative and financial authority is divided between the Centre and the State.
- **Superpower:** It refers to a state that, first, has broad spectrum of capabilities—military, economic, etc.—that are exercised globally, that is, a power with comprehensive global reach; and that, second, is acknowledged by others as such in their calculations.

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### 4.7 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. The national capacity of a state is comprised of its economic development, technological advancement and military preparedness.
2. The Strategic Policy Group is the nucleus of the decision making apparatus of the National Security Council.
3. Issues like diplomatic, consular and trade representation, war and peace, the United Nations, citizenship, naturalisation etc., are all issues wherein the Parliament has the exclusive rights to take the decisions.
4. India-Bhutan relations will impinge upon West Bengal, Sikkim, Arunachal Pradesh and Assam.
5. The reasoning behind the accusation that when the states take part in the foreign policy formulation, the regional parties take into consideration its own interests rather than the national interests is the regionalisation of politics as well as the formation of coalition government at the centre.
6. The standards used for measuring economic power include measurement of absolute and relative GDP, world trade shares, foreign exchange reserves, tax revenues, military budgets, industrial production, possession of vital energy etc.

7. The concept of a middle power is rather a nebulous one as middle power can be seen as a country that lacks the system shaping and defining capabilities but cannot be ignored; they cannot overtake a great power but do have the capabilities to resist the impositions of the great powers.
8. India has been seeking the cooperation of Saudi Arabia and United Arab Emirates for infrastructure and energy development.

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### 4.8 QUESTIONS AND EXERCISES

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#### Short-Answer Questions

1. What are the aims of the foreign policy of India?
2. Discuss what type of power India is.
3. Write a short note on the influence of media and public opinion on foreign policy making.
4. Briefly explain the elements of foreign policy for India as a middle power.
5. State the responsibilities of various states when it comes to the formulation of the foreign policy.

#### Long-Answer Questions

1. What are the strategic objectives of Indian foreign policy?
2. Describe the factors that influence the formation of the foreign policy of India.
3. Which institutions and actors are important in the formation of foreign policy of India?
4. Discuss the reason why there have been conflicts among states and centre while deciding the foreign policy.
5. Write a note on the importance of states and their role in the formation of foreign policy in India.
6. Explain the future directions of the Indian foreign policy.

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### 4.9 FURTHER READING

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