

### Abstract

*Today, a kaleidoscope of new events is gradually unfolding in the regional geopolitical dynamics of South, Southeast and East Asia. Some are that concerns with India and Myanmar with reciprocity very much inherent therein. On the one hand, India with its Look East policy moves is trying to reorient its relationship with its Southeastern neighbours towards a more vibrant and fruitful plane with enough space for shared prosperity and reciprocal benefit. At the same time, there is newly transformed Myanmar, once called the Outpost of Tyranny, as India's immediate Southeastern Asian neighbor and land bridge to the rest of the region. The ongoing political transition process and recent changes in its economy make this country one of the most happening places on earth, bringing new hope and aspiration to its people, and multifarious opportunities for many. Part of this new dynamics, one find the two countries moving forward for more cross border trade transaction in an almost non-descript place covering both side of the international boundary in the Mizoram (India)-Chin (Myanmar) sector. The area in the Indian side is Zowkhawthar, lying within a sleepy and serene district called Champhai, in Mizoram state. Corresponding to it in the Myanmarese side is the place generally called Rih in Chin State. Border trade with Myanmar was the first initiative taken up by Government of India to have aegis some form of economic*

## Contextualizing Zowkhawthar-(Rhi) Cross-Border Trade from the Perspectives of India and Myanmar: The Road Ahead<sup>1</sup>

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### Introduction

As India went for liberalisation in the 90s and the subsequent introduction of Look East policy (LEP), economic relations between India and Myanmar went rolling with cross border trade becoming almost an important component of the ongoing overall economic engagement. India's active role in the sub-regional economic groupings in the region also increasingly links it with almost all the Southeast Asian countries, where the importance of Myanmar is being further enhanced. The importance of Myanmar lies in the fact that it provides the most feasible physical linkage for India to the countries of Southeast Asia, and ASEAN as a grouping. When connectivity quotient comes up cross-border points always form an inseparable part. As such, Zowkhawthar-Rih border trade point, though not so prominent, nevertheless assume a significance of its own as many assume it as likely alternative to the other point at Moreh-Tamur sector located in Manipur State if something happens there.

Meanwhile, the big question is how this so called cross-border trade at Zowkhawthar adjusts with the geo-political push and pull that had become more prominent in this part of the globe in recent times. Can it perform what is expected of it in the long run. Answering all these is not that easy in the present juncture. Opening up of Myanmar and having linkage and connectivity with the same provides lots of opportunities for India but at the same time new challenges.

### Profiling Zowkhawthar-Rhi Region as a Cross-Border Trading Spot

The Cross-Border Trade along the 1643 km long India-Myanmar border was the outcome of an effort on the part of the two countries to concretise better relationship in the aftermath of the strained relations that existed since the democracy uprising of 1988<sup>2</sup>. The formal visits started from 1992 onwards. Consequently, out of the two border trade points identified under the first MOU on trade and economic cooperation signed between the Government of India and Government of Myanmar on 21 January 1994 the Zowkhawthar-Rih Cross Border Trade is one of them.

*relation with the former way back in the early 90s. Zowkhawthar-Rih border trade was one of them. Indeed, border-trade in Zowkhawthar is going to be the focus area of the present study taking into consideration the reciprocal significance of Rih wherever it is pertinent. Attempt will be to delve into the problems and prospects of the same and the way forward.*

Zowkhawthar is a small dilapidated and isolated village in the Champhai district of Mizoram state. The district itself is in a distance of around 194 km from Aizawl, the state capital, and is connected by a narrow and short angled road though the roads are comparatively better than the roads in other hilly states of Northeast India. Whereas the village is only about 28 kms from the district headquarter the road leading to the border is slippery and muddy though construction work is going on with funding from Asian Development Bank at the time when the Research Team visited the place. Surprisingly the construction work which was under the control of Border Road Organisation was actually outsourced to a private company for reasons best known to them. The main overland linkage for the same with the rest of the country is through its capital Aizawl and the Sicha district of Assam. And as far as the border trade is concern though inaugurated in 1994 it was 10 years after in January 2004, when it

partially became functional. Initially the Land Customs Station (LCS) was located in Champhai town itself vide notification no. 63/94-cus(N.T.) dt.21.11.1994, but because of persistent demand from the State government and many sections of the society it was later relocated to the present place. Today the place has got a Composite Land Customs Station which houses, besides the LCS, offices of Telecom, Bank (SBI), Postal, Immigration, Security and Trade and Commerce Department with the necessary back up of water supply and power facilities. However these are very recent development and the required momentum is still yet to pick up. On the other hand, the corresponding village across the border in the Myanmar side, which is marked for cross border trade with India, is locally known as Tiao, same name as the river running along the border, though the Mizos also called it Zokhawmawi. In Myanmar it is officially known Rihkhawdar or Rih, and is located within the Chin State. This village is not much different from the one in the Indian side ethnically as well as commercially except that population wise as well as in term of business establishments it is slightly higher in this side. Notably Rih atleast has a reasonable number of shops and hawkers catering to all the essential items. The village has also got a population of around 4000. It has also been informed to the Reserch Team that there are some households which maintain warehouses but for what purpose no one see or knows in real. In the case of the Zowkhawthar-Rih cross-border trade one common characteristic is that no commercial centre or town is located in the immediate proximity of the international border, on either side. For example, in the Indian side the main trading area is the Champhai town and not Zowkhawthar. And the nearest proper town to the border village in the Myanmar side is Tiddim, about 75 Kms away. In fact there is hardly any worthwhile trade in the whole region. Particularly in the Indian side there is nothing though some sign is there in the Myanmar side.

Despite the common shortcomings, again the imbalance between the two villages is very much evident. This may be one hurdle in the development of the area as a vibrant cross-border trade point. In terms of commercial transaction, at the most, the place still gives out the character of a border haat. At present the movement of trade has picked up in a very minimal and irregular way but not at all link with the patterns of a formal border trade. The informal barter trade among the people living along the border still continue mainly to fulfil their immediate day to day needs though the entry of foreign commodities, simplest to the most sophisticated ones, could be seen in the nearby towns. Yet, how these commodities get through and what is the pattern of trade is still hard to understand since hardly one follow the normal channel of formal border trade in this place.

### **Actual Pattern of Trade and Commodities Exchanged**

As far as pattern of border trade in Zowkhawthar-Rih is concern it comes under the purview of

Indo-Myanmar Border Trade Agreement of January 1994 which introduced a three-tier system of trade viz.:(i) Traditional Trade or head-load system where exchange of locally produced products is carried out upto US\$ 1,000 between people living upto 40 km on both sides of the border under simplified documentation without custom formalities; (ii) Barter Trade of the agreed upon exchangeable products, mainly agricultural produce and minor forest products, upto US \$ 20,000 with GR formalities as per DGFT PN No. 298(PN) 92-97 and on payment of customs duty. Under this system traders need to possess IEC allotted by Directorate General Foreign Trade (DGFT); and; (iii) Normal Trade/Regular Trade under the Letter of Credit (LOC) System as per Exim Policy guidelines. Knowing the system is important for having an idea of the pattern followed in this border trade point. Though the system is there trade is in most cases carried out in the informal way under the very nose of the officials and the existing rules as people in both sides of the border are ethnically link and that mutual trade is going on between the two for many centuries. And the fact is that even if a little of the formal pattern is followed then it is mostly the traditional trade or head-load system or to some extent the barter system. The third system is not at all in the picture though all the requirements for the same have been almost arranged and ready. Regarding the items of trade is concern, from the talk with locals on both sides it is well established that the items are generally those not included in the agreed list. Import in this part is mainly artificial jewellery from third countries, cosmetics, garments, woollen blankets, two-wheelers (secretly for use in the Indian villages only), food items (cheapest to the costliest), cigarettes, liquors (secretly), animals for breeding, footwears, electronic items etc. Out of these products some are purely Myanmar products but many others are generally products originating from third countries like China, Thailand, Malaysia, South Korea, Singapore etc. This is because Myanmar never checks the origin of the products in transit except collecting their fees. Products are also comparatively cheaper. In terms of exports, Indian products like urea fertiliser, tobacco products, cooking gas, tin sheets are in great demand in the Myanmar side and are sold normally in a highly exorbitant price. Whether one likes it or not black marketing is a thriving informal business in this place. Though records of formal trade may not be available as expected yet the varieties of imported items both sophisticated ones as well as cheap manufactured consumer items displayed in the shops in Champhai town clearly gives out the message that cross-border trade is flourishing one way or the other in this part of the country. Now one thing is for sure that as far as the items and volume of trade is concern for any cross-border trade anywhere in the world it is not that easy to pinpoint the exact articles and the exact volume of transaction as there is the illegal side of the trade. Same is the case in the Zowkhawthar-Rih sector. When the team interacted with the Superintendent of Indian Customs and his subordinate officials there were not much of a record of actual transaction on their part to show as official transaction was almost non-existent or if happens sometimes is in most cases one sided. But that doesn't mean that there is no transaction going on in the border. The entire length and breadth of the porous 510 km long border which Mizoram share with Myanmar is a heaven in disguise for illegal trafficking, both legal goods as well as illegal items. In fact the border along this sector is infamous for trafficking of narcotics and small arms from Myanmar to Northeast India.

### **India's Perspective**

Now the issue is why this area of the economy in Northeast is taking so long in picking up the right rhythm. Understanding India-Myanmar cross border trade from India's perspective will be helpful. For many years, Government of India seems not that serious about its border trade in Northeast though initiatives were taken up. This is what the local stakeholders strongly feel. The attitude of the policymakers in New Delhi of looking at the region for a long time mainly from security perspective was so strong that it could not easily forego the mindset and psyche even today. In most cases security issues always override the developmental and social issues related with the region. As such, though effort was there for establishing closer tie with Myanmar the momentum could not pick up and Indo-Myanmar cross border trade in general remains not so

develop like India's cross-border trade with other countries. Out of the eight states in Northeast four states have got common border with Myanmar and consequently 4 cross-border trade points, not to mention of the border haats, have been identified in Nampong-Pangsu (Arunachal Pradesh), Zokhawthar-Rih (Mizoram), Moreh-Tamu (Manipur) and Avangkhu-Somara (Nagaland)<sup>3</sup>. Of these again only two, LCSs in Zokhawthar and Moreh are functional. But it is only in Moreh that more than 90 per cent of India's border trade with Myanmar transacts, both legal as well as illegal. Zowkhawthar's role, though functional, is still very limited. The fact remain for many years that NEI has not benefited much from India-Myanmar trade. Unlike NEI-Bangladesh trade, the NEI's trade with Myanmar has remained less than 1 % of India's total trade with Myanmar<sup>4</sup>. Worst is the case scenario with Zowkhawthar border trade.

Even when momentum started picking up in 2010 as a result of the political transition in Myanmar it was mainly directed towards the Moreh-Tamu sector. Reason being that trade was already much more organised there since most of the connectivity ventures for India and ASEAN happens to be from that sector. The Asian Highway 1, the 1360 Km long Trilateral Highway which will connect India's Northeast with Northern Thailand through Myanmar, as well as Delhi-Hanoi Railway link as part of the Trans Asian Railways will all exit through the Moreh-Tamu point once everything is operational. So in the near future this border trade point is expected to expand in leap and bound as there could be a synchronization of cross border trade, development of infrastructure and the India-ASEAN joint connectivity projects in the anvil. This dimension is not there in the context of Zowkhawthar

As such, in the overall scenario the Mizoram sector of Indo-Myanmar cross border trade, though an important part of the Mizo Accord of 1986 failed to have a prominent place of its own in the evolving dynamics. It was only recently, with the coming of the new BJP regime in the Centre and its increasing emphasis to Northeast India, that border trade in Zowkhawthar started receiving the expected attention from the Central government. It is assumed among various circles that existing peaceful law and order situation of Mizoram, contrary to what is happening in Manipur, where the main Indo-Myanmar border trade is carried out, might be one pertinent factor for considering it as an alternative outlet. Yet the reality remains that this border point coming to par with the cross border trade in Manipur sector would not be that easy and may take many more years even if it happen so. Because, despite what many wants there are related ethno-historical, geographical and commercial advantages on the part of Moreh which put it in a commanding position over Zowkhawthar.

And, particularly in the context of the present geo-political shifts in the region, as ASEAN move towards achieving its agenda of ASEAN-One by 2015 its initiatives for ASEAN- India connectivity is becoming more and more visible. Same applies on the part of India with its connectivity agenda as it treads on with its Act East policy. In this evolving scenario, either way, Manipur, through Moreh, provides a much better feasible overland route to Myanmar and beyond.

### **Myanmar Dimension: How serious is it in its Border Trade with India**

Going to Zokhawthar and then trying to grasp the pulse of the corresponding place and its people across the border, again gives out the feeling of a very neglected and deprived atmosphere. If this is the fact then it is not in any way going to help the growth of cross border trade. Here, the Myanmar perspective is something that needs to be properly understood. With the initiation of an open-door policy or market oriented reforms in 1988 by the then military regime the trade and commerce pattern in Myanmar went for a drastic change. The first significant ramification in this direction was the start of a formal cross-border trade between the country and China. From then onwards there is no looking back and border trade has become an important and inseparable component of Myanmar's growing economic relations with its neighbours. It has become the main lifeline of Myanmar economy making up 19 per cent of the country's total international trade volume<sup>5</sup>. Indeed in August 1988 China became the first country with whom Myanmar

signed border trade agreement. Beside India, Myanmar shares long borders with China (2185 Kms) and Thailand (1800 Kms), while short ones with Laos (235) and Bangladesh (193 Kms). According to Myanmar's Department of Border Trade there are 12 cross-border points in the country of which the most prominent being the Muse (Shan State)-Ruili (Yunnan Province) point in the Myanmar-China border. Next largest transaction is in Myawaddy (Kayin State)-Mae Sot (Tak Province) point in the Myanmar-Thailand border. The trade transactions are there in other points in Myanmar-India and Myanmar-Bangladesh borders but these are not that significant except for the Tamu-Moreh point. In this gradually unfolding scenario will Myanmar give the much expected attention to the Zowkhawthar-Rih cross border trade is highly questionable.

Now, in the last 16 years of the start border trade in Myanmar the fact remains that cross border transaction with China form the major chunk of Myanmar's total cross border trade volume. Not only has China enjoyed an important position in Myanmar's external trade relations but it also plays an important role in the overall growth of the country's border trade<sup>6</sup>. Despite some fluctuations here and there over the years the border trade transaction between the two had gone up. According to an official of the Ministry of Commerce (Myanmar), so large is the scale of cross-border trade between Myanmar and China that in 2013-14 fiscal year 83 per cent of the trade across border was with China<sup>7</sup>. The penchant on the part of the general Myanmar population to have cheap Chinese consumer items also fueled up the flow. Thus, in the said fiscal year the total border transaction was US\$ 4.46 billion mainly transacted in the Muse-Ruili crossing<sup>8</sup>. So large is this sector that it almost accounts for about half the total volume of Myanmar-China bilateral trade<sup>9</sup>. Whereas the next biggest border transit, the Mayawaddy-Mae Sot point in the Myanmar-Thailand border transact around \$ 290 million in the same period.

When it come to Indian context, even the total Indo-Myanmar trade volume with US\$ 2.18 billion (2013-14), where the miniscule border trade between the two form around 1 percent of the total, have nowhere to compete with the large scale volume of Myanmar-China border trade<sup>10</sup>. During this time Myanmar's border trade with India through the main crossing at Tamu-Moreh was \$30.8 million, which in its own way was a hit, though compared with the Muse-Ruili transaction was still insignificant<sup>11</sup>. As for Rih-Zowkhawthar transaction it was only \$.19 million, that to a one sided export from Myanmar with no export of any item coming from the Indian side<sup>12</sup>. In this scenario the position of Zowkhawthar to reach the level of any one of the Myanmar's main cross-border trade points mentioned will still be a long way. However that doesnot mean that Myanmar is not at all interested in having cross-border trade with those along its border with India, without the exception of Zowkhawthar-Rih point. The only thing is that cross-border trade with China has become so successful and significant for Myanmar's economy from different angles that it started gradually overshadowing the country's border-trade with others. At this juncture development of Zowkhawthar- Rih call for a strong all out move from the Indian side. Though having an outlet towards this point from Kalemryo and Tiddim will be an added advantage for Myanmar yet there is no hurry on its part to develop or have maximum cross-border trade relations with its neighbouring countries as it use to do in the pre-reform period to compensate the trade and economic sanctions imposed by Western countries. Today the country is a happening place economically and politically and it is gradually opening up to the global economy with lots of options before it. Having said all these, Myanmar perspective in terms of Zowkhawthar-Rih point may be that of less seriousness pertaining to border trade yet at the same time it cannot completely ignore the ethnic affinity and people to people contact that is there for many centuries as well as the need to have more connectivity options when it come ASEAN-India connectivity and thr broader perspective of Look West policy. Development may be slow due to absence of conducive variables and conditionalities yet because of the peaceful law and order situation of Mizoram and the desire for development on the part of its people positive changes in Zowkhawthar cannot be unexpected.

## Connectivity Scenario of Zowkhawthar and Rhi: The Missing Links

Now moving towards the immediate issues linking to the ineffective nature of the cross-border trade in Zowkhathar-Rih, the first thing that the Field Research Team could see and understand while reaching the place is the absence of a seamless connectivity network, both in terms of communication and overland route in either sides of the international border. The fact is that the most important determinant in the form of a well established road for development of cross-border trade anywhere in the world was missing. This remains an important issue that need to be tackled at the earliest from both side of the border by the respective governments.

In the Indian side, the main towns and cities close to the border are Champhai and the state capital Aizawl, located at a distance of about 28 kms and 194 kms respectively. The same National Highway link Zokhawthar to Champhai and from there it move forward towards Aizawl. The stretch from the border upto Champhai is muddy, very narrow and broken in various places. The particular section is not conducive at all for heavy carriers to move in the rainy seasons. Besides proper road system connecting every nook and corner of the state is also absent making it impossible for a to and fro connectivity between the trade centre and the rest of the state.

As for the Myanmar side of the border trade the connectivity scenario is far more worse than the Indian side. The main towns and cities immediately linking to Rih are Tiddim, Kalemyo and Falam, and these are where the actual to and fro transactions associated with the cross-border trade are carried out. Though there are no towns in the immediate proximity yet Tiddim located in a distance of about 70 km in itself is not that far if the road conditions are good.

Two roads viz., Rih-Tiddim (80.7 km) and Rih-Falam (151.5km) provide the necessary outlets as well as linkage between the border and the aforesaid towns, and also with the rest of the country<sup>13</sup>. Both the roads could be used for reaching Tiddim, which is a town with a sizeable population of about 90000. From Tiddim the two places take two different routes. Thus, Rih is connected to Falam, a small town with a population of 10000 and located at a distance of 168 kms, by the Rih-Falam or Rih-Tiddim-Falam road. Though small the town nevertheless is an important centre as it was earlier the capital of Chin State. Commercially the most important city nearest to the trade centre is Kalemyo. This city is an industrial centre having manufacturing units for different automobiles and machines besides agricultural and forest products. However, when it come to connectivity there are many missing links. For instance, if one travels to Kalemyo from Moreh by the 165 km long *Indo-Myanmar Friendship* road then the picture will be that of smooth connectivity. But this not the same when the travel is from Rih towards the same via Tiddim-Falam Road. There are lots of Fair Weather road sections and single-lane low quality broken down parts in this route. Once the present initiative for improving the Rih-Tiddim and Rih Falam roads on the part of the Government of India with Government of Myanmar is fully materialized connectivity dimension could be enhanced to a great extent for Zowkhawthar-Rih sector and resultantly its trade situation also.

### Existing Parameters and Plus Points

Now comes the main crux of the study that is the weak and the strong point link to the various variables (man, material and environment) associated with the cross-border trade at Zowkhawthar which in turn will have an impact on the corresponding side in Myanmar. Despite the peaceful political atmosphere and the presence of hard working, highly literate, social minded local populace, being a latecomer in the national mainstream the State of Mizoram has got its own misgivings and loopholes which have got its end effect on the border-trade in Zowkhawthar. First and foremost is the absence of a strong and active middle class entrepreneurs and business community with zeal for border trade and cross-border business ventures and ready to invest on the same. It means that a strong local business class population is missing. Second, the geographical setting is mostly inaccessible hilly areas with a sparsely settled and scattered population not conducive for

vibrant trade, whatsoever type it may be. Third, as a result of the restrictions and curbs put on non-locals there is a lack of skilled businessmen in Mizoram who have the expertise of international trade. Fourth, is the question of who actually is controlling the border trade and are they the most suitable ones. Fifth, lack of abundant agricultural, forest or mineral resources resulted in the non-presence of local resource based industries. Lastly, border trade in its formal way is yet to take up as the local traders do not have the requisite expertise. Consequently one could see that the attitude of the local stakeholders is not that eager and enthusiastic. A lay back attitude is very much inherent in the overall attitude of the general populace when it comes to border trade without exception of Zowkhawthar.

However the presence of these shortcomings does not entirely mean that Mizoram lacks qualities which could put the state in an advantageous position in the context of developing cross-border flow in Zokhawthar. One very significant characteristics of the state is its peaceful law and order situation and the presence of a population ready to work collectively for the growth of the society and the state. Second is the fact that complementarities are inherent in terms of ethnic affinity and to some extent a similarity of culture which could be helpful in promoting the Zowkhawtat-Rih border trade from the Indian side through more people to people contacts. The Mizos are very much conscious of the overall growth of their state and as such given the right condition they will do whatever is possible for making the border trade in Zowkhawthar a contributing element to the growth of the economy of Mizoram.

### **Assessment**

Ultimately, after going through all the shortcomings and prospects as well as the different perspectives that India and Myanmar have for this cross-border trade the question is what are the issues and areas that need to be prioritised. One issue that need to be properly systematised in the context of Zowkhawthar border trade, like in any border trade in Northeast, the confusion as to who actually control the entire trade. In most cases rather than treating border trade as a part of international trade it is always treated as part of the local trade and commerce. So the require importance is not given and as such development failed to reach the expected level.

However, in the optimistic node, since the proposal is also there for opening a LCS in Zorinpui, in Lawngtlai District, which in turn will be the main transaction post in the India-Myanmar border once the Kaladan Multi modal Transport project become fully operational, Mizoram is likely to become an important hub of India-Myanmar trade relations. Combined with the ongoing initiatives for development of infrastructures to speed up cross border trade and peaceful political conditions, India-Myanmar trade in this sector could pick up in no time once the stakeholders involve themselves with right zeal. The only concern is whether there could be reciprocal move from the other side of the border.

Intra-connectivity as well as inter-connectivity dimension needs to be taken up. There need to be a reciprocity of development with proper coordination between the two respective Governments of India and Myanmar and with the active participation of local authorities and stakeholders on both sides of the border. Over and above a mechanism for more people to people contact should be initiated with improvement in avenues for more connectivity. Just as the plan is on the way for a Bus Service from Imphal to Mandalay through Moreh-Tamu point by which people could travel either way without much formality one needs to have some normal overland transport system connecting Aizawl or Champhai directly with Tiddim, Falam or Kalembo, which in turn will increase the free flow of people and product. In that sense cross border trade could automatically pick up and the place may gradually transform into a happening hub and a contribution to India's Act East policy. But having said all these it is still a long road ahead before it reaches the level mention above. The main concern for all the stakeholders associated one way or the other with of border-trade in Zowkhawthar, in their rush for growth and development of the same, should work to avoid a '*Corridorisation or Flyover Situation*' in the state. With the right of type of

synergy and synchronization in policies and actions this cross-border trade in Zowkhawthar-Rih sector in the near future could be a fruitful contribution to India-Myanmar relations in particular and India's Act East and ASEAN's Look West policies in general.

**Notes and References :**

1. The paper is the outcome of a Field Visit made to Zowkhawthar from 22-24 June 2015 under the aegis of The Jadavpur Association of International Relationship with sponsorship from Maulana Abdul Kalam Azad Institute of Asian Studies Kolkatta. The author, who was a part of the team, would like to extend his heartfelt gratitude to the General Secretary of JAIR, Dr Iman Kalyan Lahiri, for his sincere endeavor and approach towards Northeast India and also making the whole visit a success.
2. Strained relationship existed in the immediate aftermath of the 1988 Democracy Uprising in Myanmar as India openly supported the movement.
3. Pangsua, Rih, Tamu and Somara are respectively the corresponding places in the Myanmar side.
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#### Abstract

*With approximately 170 million citizens, Nigeria proves being the most populous nation in Africa. Similarly, Nigeria is ranked tenth in the Organization of Petroleum Exporting Countries (OPEC, 2013), which make her twelve of the world largest oil producing nations. Human and natural resources are among the prime assets of Nigeria's potentials as well as economic boost. Questing for energy attracts India in making decision to engage Nigeria's oil and gas sector. In turn, this marks Nigeria to step up as India's largest trading partner in Africa. Trading ties with Nigeria in terms of energy could help India in maximizing its average well-growing economy while bidding to host Asia's largest economic phase. With the exception of China, India remains the largest country in the world with about 1.30 billion as per 2013 estimate.*

*Keywords: Political and Diplomatic ties, Economic and Trade phase, Building Energy Project, Statistics of India-Nigeria bilateral trade*

## India Building Energy Project in Nigeria

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### Introduction

Being one of the major Asian Power with the largest global marketable economy, India is stepping up towards boosting its energy in collaboration with some energy resource countries in Africa. India emerges to vie with other super-fast economy in the region in one hand, and combating domestic pressures on the other. This attempt keeps India so much busy in sacrificing all the possible means in order to build conducive atmosphere which could extend its trading partners in Africa, Europe and elsewhere.

According to the statistical report conducted by the Economist, Indian economy has grown at the impressive annual rate of 6.2 percent between 1996 and 2000, which reached growth of 9.8 percent in 2007/08. The growth is expected to slow down to 7 percent. It's proved that still Indian government forwardly targeting another 10 percent growth against the year 2010/11. This might not be a bad thing as it will avoid inflationary pressures building further. However, some worry that the global credit crunch could force India to reduce growth much more. In one hand, it's clear that India's growth is not so dependent on growth in the West, regardless with the question of globalization. As so, India attentively paid more attention toward strengthening energetic relations and building capacity with more than one country in Africa. It has also stepped up its efforts to gain an economic foothold in Africa in a new scramble with China for

the continent's resources, signing energetic dealings with top oil producers, Angola and Nigeria to enable her attaining its goal through the pointed period of time. Additionally, the Indian stock markets have been hit by the global financial crisis of recent 2009. India's growing service sector and manufacturing sector would be adversely impacted by a global downturn (Balarabe Kura, 2009: 8-10).

Nigeria with its largely vast petroleum reserves emerges as one of the India's partners in building energy capacity in Africa. That perhaps set Nigeria to not stand in favour to actively seek large amount of direct foreign aid. Whereas low-income countries received average of \$10.20 per capita in 1991, in which Nigeria received only \$2.60 at the same year, a mere of around 0.8 percent of GNP. At the same moment, Nigeria used its oil reserves as the collateral for massive borrowing from foreign and international banks in the 1970s and 1980s. The funds supported massive capital expenditure, and gave Nigeria an enormous external debt, which rose from 10 percent of GNP to 140.05 percent between 1980 and 1995. Oil wealth did not bring the country financial independence;

quite the contrary, the debt gives international leaders a predominant voice in Nigeria's allocation in public funding.

For a long time Nigeria, the country of nearly 170 million people, has been considered as a role player and the most populous nation in Africa, enjoys resources in abandon. Parvathu Vasudevan (2010: 03) added that with these features Nigeria desires to replace South Africa and become the continent's economic powerhouse; between 1995-2005, Foreign Direct Investment (FDI) flows into Nigeria increased from \$1.27 billion to \$3.4 billion, and spiked to nearly \$6 billion by 2006. In 2007, with an economic growth rate of 6.3 percent, Nigeria was rated in the top twelve of emerging-market economies. Many African observers believe that despite the country's unpredictability potentially the country is capable of enjoying significant economic growth and is worth doing business with. Prominently, India is among the world largest democracy leading the third world nations. Over the last one decade or so, India emerges as one of the fastest growing economies in the world. Apart from diplomatic and trade relations, both Nigeria and India are members of the Commonwealth of Nations, G77 and non-Alignment Movement, as they also share and support democratic system of government. Both of them are contenders for permanent seat in the United Nations Security Council in its reform agenda to expand veto-power memberships.

This paper will bring about some considerable ideas regarding the general view of economic relations between the two countries, specifically on the issue of energy, which concretely knotted India and Nigeria through various cooperation and building capacity measures. The paper would nevertheless, look into genesis and fertility of diplomatic ties as well as to political background.

### **Genesis of the Relations between the two Countries**

Both India and Nigeria were former British colonies. Indeed, diplomatic and economic relations between the two predated their political independence, and thus relations between them have their fertility from the colonial sentiment. This, provided an impetus and modus operandi for Nigerian nationalists in their struggles for independence. The Indian struggle for independence was particularly significant for Nigeria because India was a non-Caucasian nation. It was also the oldest of all the tropical dependencies of Britain, as it led the way in the struggle for independence; thus, it acted as one of the stimuli in the growth of national consciousness in many of the Afro-British colonies including Nigeria. The belief was that the international balance of forces would have force the colonial powers to end their colonial dominations. In fact, this marked the beginning of political interaction between India and Nigeria. Apart from the colonialist struggles in general, which perhaps, which played a very important role for the two countries' for earlier political interactions, the thinking, passion and philosophy of the people of India, including Mahatma Ghandi, Jawaharlal Nehru and Bose, influenced pioneering Nigerian nationalists and politicians. This admiration had been well highlighted in first ruling generation of Nigeria. Therefore, it was not surprising when Awolowo became the Premier of the Nigerian Western Region in 1952; his first foreign trip was to India. Emphatically, the 'language of the Nigerian nationalists in the early years of the movement was reminiscent of the language employed by the nationalists leaders' in India. The Nigerian nationalists also borrowed tactics from the Indian Nationalist Congress (Kura, 2009: 03).

India's success in achieving independence in August 1947 has greatly influenced Nigeria. This is because as a result of independence, India became a sovereign state, and henceforth a member of the United Nations (UN) and Commonwealth. It was on the grounds of having suffered colonial onslaught that India championed the course of decolonization and eradication of racial discrimination. Upon attainment of independence in October 1960, Nigeria became a member of the Commonwealth, the UN and the Non-Aligned Movement, among other international groups. Under the auspices of these international organizations, as well as through individual efforts, both Nigeria and India have fought colonialism and racial discrimination in Africa and other parts of the world. Acknowledging the pre- and post-independence influence of India on Nigeria, President Shehu Shagari expounded in a visit to India in 1983 that:

'We come to salute India, the largest democracy in the world. We also come to learn from India, as we have been learning, beginning from the example of your [India's] great Mahatma Ghandi, the greatest hero of all colonial peoples throughout modern history. The moral force of his [Ghandi's] passive resistance philosophy ultimately led to victory. This has been the source of inspiration to all of us [as colonial appendages] and has guided us in our own struggles to achieve our own freedom from colonialism and exploitation. We also watched with interest the achievement of your republican status within the Commonwealth. We followed your example and your model' (Kura, 2009: 03).

Thus, this was the concrete foundation upon which the relations between India and Nigeria were formally enacted. Furthermore, these two countries have cordially maintained the bilateral agreements from pre-colonial era until today.

### **Indo-Nigeria Political and Diplomatic Ties**

The establishment of diplomatic house usually marks the beginning of formal and official diplomatic and political interactions between sovereign states. India established its diplomatic mission on the 20<sup>th</sup> November, 1958, in Lagos, which was the then-Headquarters of the Federal Republic of Nigeria, two years prior to Nigeria's independence. To further cement what was to become a substantive relationship, the India mission was eventually upgraded to the status of a High Commission after Nigeria became a politically sovereign state. The cordial diplomatic relations between Nigeria and India cannot be contested.

At the international level, the two countries have both supported the rights of nations to self determination and freedom from colonial and foreign subjugation, supported all liberation movements in the legitimate struggle for national independence, and offered unrelenting support for all efforts to dismantle the system of apartheid in South Africa in the 1980s and indeed all forms of racial bigotry and prejudice. In the context of Africa as well as at the international level, this has served as another aspect that continues to bring India and Nigeria into direct diplomatic contact. This is not to say that the mere fact of claiming similar policy towards an international issue shows the concrete nature of the two countries' relations. Yet, the implication is clear, namely, that having similar policy towards an international issue more often strengthens bilateral relations between Nigeria and India (Kura, 2009: 01-06).

Again, visiting to Nigeria by the then Indian Prime Minister Jawaharlal Nehru in 1962 opened an important chapter in a long-lasting friendship between Nigeria and India. Today, the political and diplomatic relations have fruitfully blossomed. In furtherance of cementing their relationship, Nigeria and India, signed the Bale Convention in 1990 to control the export of dangerous industrial waste and its movements across borders.

### **Economic and Trading Phase**

Economic relations are among the utmost aspects of the country's international political agenda. As political and social interactions began between India and Nigeria ever since before attaining independence, economic and trading ties also putted into significant considerations as early 1923 in pre-independence time, when India launch *K. Chellaram* trading company, since then, the formal economic relations start to play key role between the two countries. From the year 1923 till date, the economic relations between India and Nigeria have maintained to prove the given title. However, the gross amount of trade between them as per 2008-09 reached \$10.2 billion, which fell to only \$8.7 billion in 2009-10 owing to the global recession. The India's export to Nigeria was dominated by manufactured items such as machinery and instruments, pharmaceuticals, electronics, transport equipment etc. (Indian High Commission, Abuja, 2010).

## Building Energy Project: Indo-Nigeria Capacity Building

About 40 percent of the commercial fuels that power the industries contemporarily world are oil, and nearly 30 percent of that is coal, while 25 percent coming from gas, hydroelectric and nuclear contributes 5 percent. The fossil fuels include Oil, Gas and Coal; have the shares of 95 percent of the world's energy consumptions. All of the three are massively exist in Nigeria. Though some energy consumption for electrification is coming from hydroelectric dams or nuclear power plants, but still most of that however, it comes from burning fossil fuels. Additionally, the Indian traditional blocks are mostly concrete from burning coal (Mark Zacher, 1993). Bilateral trade between the two countries has been in the vicinity of around \$3 billion in just 2003-04. However, in 2008 it reached \$8 billion thus making Nigeria the largest trading partner of India in the African continent. India's exports to Nigeria have shown a healthy upward trend and grew from US\$293.71 million in 1999-2000 to \$644 million in 2004-2005 and \$902 million in 2006-07. Traditionally, balance of trade has been in Nigeria's favour, mainly because of large Indian imports of crude oil and the amount of trade deficit that dependent on the price of oil. Oil constitutes more than 96% of Indian imports from Nigeria. However, India has also emerged the 4<sup>th</sup> largest destination for Nigerian non-oil exports.

In a official visit paid by Nigerian Foreign Minister, Henry Ajumogobia to New Delhi in first quarter of 2011 held a discussion on trading and related issues, in which India plans to invest in Nigeria's growing natural gas industry through its state-run companies. Eric Yep mentioned (in Wall Street online Journal, 2011) that, the world's second-fastest growing major economy (India) wants to raise crude oil imports from Nigeria to 18 million metric tons a year from 2012-13 onwards, compared with 13.2 million tons in 2010. Accordingly, India is interested in tying up Liquefied Natural Gas (LNG) imports from Nigeria immediately, as the country's requirement of LNG is projected to increase from 8.91 million tons in 2009-10 to 12-15 million tons a year in the foreseeable future. India's increasing of fossil fuel imports from Nigeria coincides with the Arab Spring in Middle East, which put oil supply from the region at risk. This has attracted countries such as India, which imports about 80 percent of its crude oil requirements, to diversify sources of fuel supply. In the other hand Nigeria LNG has an export capacity of 22 million tons a year. Its shareholders include Nigerian National Petroleum Corp (NNPC), with 49 percent stake; Shell Gas BV, a unit of Royal Dutch Shell PLC with 25.6 percent. Already GAIL India has submitted a proposal to participate in Nigeria's Gas Master Plan Project, along with other petrochemical and city gas distribution projects in Nigeria. The project is designed to open up commercial gas exploration and boost economic development in the African nations.

### Statistics of bilateral trade

*Value in US \$ million*

		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Nigerian importsFrom India	565.49	544.68	874.03	903.48	1083.34 (20% growth)	1529.26 (41% y-o-y- growth)	1408.25 (-8%)
2.	Indian imports From Nigeria	75.64*	48.40*	72.46*	7026.93	7616.09 (8.47% growth)	8900.35 (14.1% y-o-y growth)	7287.91 (-18%)

Source: Indian High Commission, Abuja, (2011)

\*Excluding oil import figures.

### India's Main Imports from Nigeria

Crude oil, metal scrap, wood, cashew nuts, iron and steel, cotton and gum Arabic are among the

large trading items that imports by India. In 2006 only, India imported crude oil from Nigeria worth US\$ 5218.24 million. However, a large number of Indian companies have footprints in Nigeria, which have made substantial investments in Nigeria. Bilateral annual trade turnover was over \$ 8.7 billion in 2009-10, and during first nine months of 2010-11, i.e. April-Dec 2010, 59 percent growth was registered, the details are as below:

India's Export		% Change	India's Imports		% Change	Total Trade		% Change
APR-09 DEC	APR- DEC 10		APR- DEC 09	APR- DEC 10		APR- DEC 09	APR- DEC 10	
1063.74	1577.33	(+) 48	4902.72	7896.45	(+) 61	5966.46	9473.78	+58.78

Source: Indian High Commission, Abuja, Nigeria (2011 Data)

Nigeria is a major oil producing country. Its reserves are currently around 30 billion barrels and are estimated to rise to 40 billion barrels by 2010. In end-November 2005, with the commencement of production at the Bonga Oil Field, Nigeria's daily output rose to 2.63 million bpd which of late has gone down due to unrest in the region. India's interest in Nigeria's oil sector has three components: term contract for crude purchase, participation in the upstream sector and refineries. In 2005, there have been several significant developments in India-Nigeria hydrocarbons cooperation.

An Inter-Ministerial Task Force of the Government of India visited Nigeria in November 2005. At the conclusion of the discussions, a MoU was signed between ONGC-Mittal Energy Ltd (OMEL) and the Nigerian Government for a US\$ 6 billion oil-for-infrastructure deal. The essence of the MoU is sourcing of 450,000 BPD of equity oil and 200,000 BPD per day equity gas [totalling 650,000 BPD oil + oil equivalent and gas - equivalent to 32.5 MT] per year over 25 years. On its part, India will assist Nigeria in the establishment of a 2000 MW thermal power plant, a refinery and upgrade its railway infrastructure. In May 2006, OMEL was awarded two oil blocs.

The visit of the Inter-Ministerial Task Force was preceded by the visit of a similar team from Nigeria, led by its Minister of State for Petroleum Dr. Edmund Daukoru, to India in October 2005. Earlier, in March 2005, an Indian Petroleum delegation led by Shri Talmiz Ahmad, Additional Secretary, Ministry of External Affairs and comprising representatives from MEA, Ministry of Petroleum and Natural Gas, ONGC Videsh and IOC visited Nigeria. Some other Indian companies like ESSAR & STERLING have been allocated oil blocs in May 2007. In the upstream sector, ONGC Videsh (OVL) won a 15% stake in Block II of the Joint Development Zone (JDZ) of Nigeria and Sao Tome Principe. Separately, OVL is making efforts to acquire some other oil blocks in Nigeria (ONGC, 2005).

Traditionally, Nigeria has been a major supplier of crude oil to India, mostly bought on the spot market. In May 2005, Indian Oil Corporation and NNPC agreed on a contract for NNPC to supply 40,000 BPD to IOC. However in end 2007 the contracted supply was increased to 60,000 BPD. The Indian Oil Corporation (IOC) is discussing setting up a refinery in Edo State. Some Indian private sector oil companies, e.g., Essar, Mittal Investments etc are also pursuing refinery projects in Nigeria. A high level delegation from Nigeria visited India to attend India - Africa Hydrocarbon Conference from November 6-7, 2007.

Indian companies have sizeable investments in textiles, chemicals, electrical equipment, pharmaceuticals, plastics, fishing etc. The first Indian company, viz. K. Chellaram Company, was set up in Nigeria in 1923. India has assisted Nigeria through transfer of technology, machinery and expertise in the form of joint ventures and consultancy services. Nigeria is the largest destination in Africa of Indian manufactured products. Nigeria also imports more Indian pharmaceuticals than any other country in the African continent. Trade turnover continues to grow, including in computer components and software services, with large potential for Indian project exports in railways, power generation and electricity transmission, telecommunications, defence and machine tools (Ngozi Sams, 2010).

Petroleum India International (PII) has been involved in the maintenance of Port Harcourt and Warri oil refineries through the provision of technical manpower and training of Nigerian engineers. PII is also involved in the disinvestments of the National Oil Company. India and Nigeria have been discussing finalization of bilateral agreements for strengthening economic cooperation. These include the Trade Agreement, BIPA and DTAA. These agreements are likely to be finalized soon.

Kura (2009) spelled out that, in the recent past, an increased awareness and appreciation is evident in Nigeria about India's capabilities in the industrial and services sectors. Some noteworthy developments which have taken place recently include:

- a) Number of Agreements, such as state-owned Indian Oil Company to buy about 10 million tons in 2008-09 (and 13 million in 2012-13, onward) of natural gas from the Nigerian Liquefied Natural Gas (LNG) plant; exploring possibility of joint venture between the Indian Oil Company (IOC) and Nigerian National Petroleum Corporation (NNPC); corporation between India and Nigeria on latter's programme to promote small and medium-sized enterprises; reactivation of the Nigeria-India Joint Commission in order to facilitate the harmonization of various areas of economic interest between both countries; renovation of about 25 Jaguar jet fighters owned by Nigerian Air Force, which had been purchased at the cost of \$1 billion from India (Kura, 2009: 25).
- b) In August 2004, the management of the state-owned Ajaokuta Steel Plant was handed over to the Mumbai-headquartered Ispat Group of Companies, through its subsidiary Global Infrastructure Nigeria Limited (GINL). The technical management agreement provides for the Indian company to rehabilitate, operate and manage the steel plant complex for the next 10 years. The US\$ 4 billion plant, built by a Russian firm in 1984, has since been refurbished and production commenced with imported billets. In February 2005, the Nigerian Government also handed over the Delta Steel Company and the Itapke Iron Ore Mining Company to GINL. However, in April 2008, the Nigerian Government rescinded the concession of Ajaokuta Steel Company and NIOMCO. GINL have gone for arbitrations (Peoples' Daily, 2011:04).
- c) In technical terms, Nigerian President Obasanjo visits India in 2004 and those of Indian Prime Minister Manmohan Singh in 2007 have opened a new chapter in the two countries' bilateral relations. Moreover, Prime Minister Singh's visits constitute the first visit to Nigeria after 45 years from any Indian Prime Minister. These visits have reinvigorated and redefined relations within the context of the contemporary developmental and political challenges facing the two countries. These relations were further consolidated through the quick implementations of the agreements and recommendations that resulted from those visits (Kura, 2009: 26).
- d) MoU for corporation between Indian Department of Pharmaceuticals and Nigerian National Agency for Food and Drug Administration and (NAFDAC); beside oil exploration, Nigeria seeks Indian role in the development of its Railways and power industries (Jagranjosh, 2011).
- e) In September 2004, the Indian Oil Corporation (IOC) signed a MoU with the Edo State in Nigeria for setting up of an oil refinery. Since then two further meetings have been held between the two sides (The Economics Times, 2004).
- f) A high-powered 40-strong Nigerian delegation, including Ministers, senior officials and heads of corporations, participated in the Conclave on India-Africa Project Partnerships 2005 organised by CII in New Delhi from March 2-4, 2005 (Confederation of Indian Industry (CII), 2005).
- g) The National Small Industries Corporation of India (NSIC) has signed an MOU with the Kaduna State to promote, assist in the development of small scale industries in Kaduna

through technical and business partnerships, exchange of experts and transfer of technology (NSIC, 2005: 68).

- h) Indian companies have also shown interest in mining sector. MOS (Mines) Dr. S. Reddy held discussions with Nigerian Minister of Mines in October 2007. Taurian Group successfully participated in the bids for 4 coal blocs. Earlier, Ashapoorra started exploring Barites' for domestic use (Thisday, 2008).
- i) In technical terms, Nigerian President Obasanjo visits India in 2004 and those of Indian Prime Minister Manmohan Singh in 2007 have opened a new chapter in the two countries' bilateral relations. Moreover, Prime Minister Singh's visits constitute the first visit to Nigeria after 45 years from any Indian Prime Minister. These visits have reinvigorated and redefined relations within the context of the contemporary developmental and political challenges facing the two countries. These relations were further consolidated through the quick implementations of the agreements and recommendations that resulted from those visits (Kura, 2009: 26).

### Conclusion

The above lines have vividly explored the Indo-Nigeria relations that predated the independence of both countries. Those exchanges have come into being somewhere between 1950s and 1960s and lasted until today. Apart from energy-building measures, there are numbers of interactions between India and Nigeria in different levels: governmental non-governmental levels. India's plan of investing \$350 million to develop two oil blocks in the West Africa, the Indian Petroleum and Natural Gas Minister Murli Deora ratified agreement is proved after meeting his Nigerian counterpart Henry Odein Ajumogobia at Nigerian capital Abuja somewhere in 2010. Moreover, India is looking forward to partnering Nigerian National Petroleum Corporation (NNPC) through the Indian Oil and Gas Conglomerate – ONGC Mittal Energy Ltd. – for the establishment of a green-field petroleum refining plant. India is Nigeria's second-largest crude oil buyer. Out of the 116 million tons of crude oil consumed annually, about 11 to 18 million tones, representing 22-25 per cent of its total yearly imports, are sourced from Nigeria, which is Africa's largest energy producer. Nigeria, which is one of the members of 12-nation Organization of the Petroleum Exporting Countries (OPEC), was India's largest trading partner in Africa in the area of oil and gas sector. GAIL India was interested in setting up of petrochemical plants, LPG plants and LPG transportation pipelines, as Nigeria was embarking on its development of natural gas resources which are now underutilize

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### Abstract

The beginning of the 20<sup>th</sup> century witnessed a growth and proliferation of regional associations throughout the world indeed heralded the dawn of a new chapter in the annals of international relations. Spurred by the supreme successes of such enterprises in South East Asia and Africa, the nations of South Asia also desired a new collaborative enterprise, indigenous to their own. And the SAARC was born in 1985. However, right from the beginning, the SAARC has belied the hopes of its framers. And, even after almost 3 decades of existence, the aspirations remain unfulfilled. This research paper is an attempt to analyse the recent position of the SAARC in the realms of regional cooperation in South Asia.

**Key Words:** Regional cooperation; Indo-Pakistan relations; Mutual hostilities; Inter-state rivalries; Trade issues; Bilateralism; South Asian cooperative venture.

## Through a Looking Glass: Envisioning a New Direction for the SAARC

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The creation of the SAARC in the decade of the 1980s set the ball rolling for the realization of the dreams of regional collaboration in South Asia. The vision of an integrated South Asian Community was greatly desired in the hearts and minds of each and every individual in the vast sub continent. However, the reality has been far from inspiring, with the SAARC being relegated to the backburner of regional cooperation. Under such pervading circumstances, the construct of a vision for the SAARC in the twenty first century must impart a face to the SAARC—a set of values, norms and cultural attributes, that mean more than geography and boundary, a face that means a way of life, and an intellectual space called home. A sense of belonging must be infused in the hearts of the peoples as much as in the analysis of the policy makers.

This research paper seeks to analyse the multi dimensional problems besetting the SAARC, and whether the regional institution has truly succeeded in fulfilling its aims and objectives. A set of Research Questions must be professed in order to evolve a true understanding of the problem under discussion. These would include:

- i) The necessity of regionalism in the world dominated by the twin forces of globalization and liberalization?
- ii) What have been the experiments in regional organizations throughout the world?
- iii) What have been the reasons behind the creation of the SAARC in South Asia?
- iv) Why has the SAARC failed to realize its objectives?
- v) What have been the different dimensions of the bilateral relations existing between the countries of South Asia?
- vi) What role can India and the other member-states of the SAARC play in resolving the disputes, and making SAARC a viable regional organization of the 21<sup>st</sup> century?

In interpreting the questions and seeking to answer the necessary queries, *certain books and reading materials* have been sourced and utilized, in order to postulate a holistic study on the topic under consideration.

Political analysts and scholars have dealt with the concept of regional integration in South Asia and the internal-external dynamics of the SAARC from various angles. In *South Asia: Societies In Political And Economic Transition*, by Tan Tai Yong (ed) (ISAS Publications-2010), the focus is on

how the different member-states in the SAARC have conceptualised their unique orientations in the anvil of South Asia. In this exhaustive volume, different scholar-contributors have concentrated on the various points of interaction in the ambit of South Asian global trade, in the ambit of urban growth and governance in South Asia; and the financial sector reforms in South Asia. Quite in the same vein is the book edited by Ranabir Samaddar, *Peace Studies: An Introduction To The Concept, Scope And Themes*, (Sage Publications-2004). Focusing primarily on the notion of Peace, Security and Development, this analytical volume is an introspective endeavour on analyzing how all the member-states, grappling with the horrors of conflicts and internecine strife, must come together, forge a united path and resolve the crises, to establish eternal peace in the trouble torn region. A very recent exposition, *The South Asian Sensibility: A Himal Reader* (Sage Publications-2012), edited by Kanak Mani Dixit, is a critical study of how the divergent socio-economic-political aspects of the society evolve in South Asia. In this book, the various articles-i) Sanjoy Hazarika-“Far Eastern Himalaya: The search for distance and dignity,” ii) Khaled Ahmed- “The fractured image of Muhammad Ali Jinnah”, iii) Tenzing Sonam-“A Tibet of the mind”, iv) Kanak Mani Dixit-“Two Chairman And A People”; and a host of other articles by eminent luminaries seek to generate a new way to conceptualise the South Asian region and its multi-dimensional identity. *The Himal Reader* also seeks to enshrine the hope that the SAARC will prosper as a grouping that binds the heads of state and government in South Asia, to a regional collaborative purview. *After the analysis of the available material, the question which remains to be answered is whether there can be a way out, and whether the SAARC can evolve in a whole new avatar?*

*A certain descriptive-analytical methodology has been utilized in order to discuss the research topic under consideration. Certain queries have been addressed, and an empirical-descriptive methodology has been adopted in the course of the discussion.* Resource materials from books, journals, magazine, blogs on the website, and certain other web based material sources have been examined in the analysis of the research topic.

## **Introduction**

A good part of the initial years of the twenty first century will continue in the integration mode – it would close the door on old mindsets, it would build trust and camaraderie, it would reaffirm, that faced with the challenges of the new world order-be it globalization, unipolarity, or the post 2011 September realities, South Asia’s interests are identical and the states are the same. States in South Asia do not as yet have a “South Asia First” outlook. Each of the eight members must be relevant to the others. Cooperation, trade, exchange and interaction at all levels must be relevant in a South Asian context. Just as in Europe, Luxembourg is not overwhelmed by Great Britain or Germany, and every member identifies with their unique cultural and natural ethos, in South Asia too, major powers like India and Pakistan must factor in member states like Bhutan, and the Maldives in its policy priorities.<sup>1</sup> The regional organization will have the strength only to the extent that the heads of the state of the eight member states and their citizens agree to impart potency to it.

## ***The South Asian Experience***

At the very onset, the future relevance of the South Asian association would have to face a series of challenges that question its credibility as a pan-Asian entity. The first challenge is that whether the people do really desire a positive interaction, and are they really to work within a time – bound framework with clearly set goals. The second challenge encapsulates the fact that do we earnestly desire an extended economic space for the entire population of South Asia, and would it really be possible for us to have the shared intellectual preparedness that would be necessary in order to ensure the integration of the South Asian economies. In fact, unless these challenges are met and are resolutely solved, one would not be able to have a clear idea of the expectations, and only then one would be able to address these expectations, and set the necessary benchmarks.<sup>2</sup>

SAARC would be viable and utilitarian only to the extent that the members that the members are prepared to make it. The exercise for exploring the nature and shape of regional cooperation in South Asia, must be taken up in real earnest. SAARC will not be useful just because it is there. SAARC and the whole gamut of regional cooperation in South Asia will be pertinent only if the member states find it to be meaningful.

One distinct possibility open to the SAARC in the second decade of the new millennium is that the governments of the member states allow it to languish in failure. They could neglect SAARC's comprehensive institutional structure from lassitude and cynicism, or even deliberately undermine it by failings to hold their mandated meetings. Actually, the danger of lapsing into failure of the SAARC was evident in the long delay in attending the 11<sup>th</sup> SAARC Summit scheduled for January 2002, at Kathmandu, for the first time, since the 10<sup>th</sup> Summit held at Colombo in 1998. The protracted Pakistan-India conflict has maimed the SAARC since its inception, and the tensions between the two nations continue unabated. Fortunately, the voices of reason of those who see the potential of the SAARC meetings as providing opportunities for quiet diplomacy on high profile contentious issues seem to be growing in strength, and as the popular demand for expanded regional cooperation in all the member states, the governments of the SAARC states cannot afford to let the SAARC fail.<sup>3</sup>

Time and tide wait for none. Events and occurrences do not wait on the pages of a calendar, and go on flowing, irrespective of the alterations in the course of global history. Therefore, the events leading to the creation of the SAARC, and the subsequent resulting notions of regional cooperation in South Asia, have also witnessed a plethora of changes in their conceptualization and implementation.

### **The Vestiges of Cooperation in South Asia**

Over the past few decades, one of the abiding features of cooperation in the Indian subcontinent has been the pervading aura of conflict and mistrust among the member states of the SAARC, often derailing the process of integration and collaboration in the region. It is extremely unfortunate to note that conflict has remained the dominant mode of inter-state politics in the region. By establishing the SAARC in 1985, an attempt was made to translate the idea of regionalism into practice. However, the SAARC could not completely realize its potential as an integrated regional body. The disproportionate size of the economies of the member states and the fear of the unequal distribution of the costs and benefits of regional cooperation, has often culminated in the recalcitrant behavior of the South Asian nations towards the SAARC. Sadly enough, the member states have steadfastly refused to recognize the fact that the benefits of regionalism would outweigh its dangers and shortcomings. In reality, if the South Asian nations would have been able to forge an effective regionalism, built upon and around the strengths of the region, the rewards would indeed be significant and tangible for each and all. It would indeed be a win-win situation for If such a modicum of success is to be envisaged, it would be absolutely imperative to completely reformulate and restructure the existing frameworks of bilateral relations existing between and among the member-states. And this would inherently imply the refocus and reorientation of the existing trajectory of faith and collaboration among the South Asian nations.

### ***Experiments in Integration***

The dawn of the millennium sparked the wonderful prospects of extended and extensive cooperation among the various nations in the Indian subcontinent.<sup>4</sup> And this leads us to seek and analyse the divergent tracts of relationships emanating from across the different corners of this vast region. If one seeks to examine the various contours of relations among the member-states of the SAARC, the abiding image of the Bangladesh-Pakistan relation would indeed be extremely interesting. The past memories haunt the present political relations among the two nations. The ruling Awami League government of Sheikh Hasina Wajed in Bangladesh has often kept on generating the

memories of the 1971 genocide. However, it seems to forget that if one can aspire for a better future, as in today's global world, apart from formal state to state relations, people to people contact must be an important tool to enhance mutual understanding, build confidence and promote long term cooperation. It would also create a conducive environment for political and economic engagement. Pakistan, on its part, must be extremely sensitive to the national aspirations of Bangladesh, and not prove to be a thorn in the flesh for the latter.<sup>5</sup>

South Asia, one of the poorest regions in the world remains mired in inter-state conflicts that hamper the goal of regional cooperation, peace and stability. Pakistan and Bangladesh can contribute successfully to the amelioration of the crisis, by removing the irritants in their bilateral relations, and by moving forward for a constructive relationship, which might be a harbinger of regional stability.

As far as the relations that exist between the Himalayan kingdoms of Nepal and Bhutan are concerned, without a doubt, the issue of the Bhutanese refugees have remained a challenge for the cordial relations traditionally subsisting between the two countries. Since November 2007, under the the auspices the UNHCR, third country resettlement programme has been opted by the government of Nepal, as a humanitarian gesture.<sup>6</sup> Specifically Nepal has consistently maintained that the third country settlement is not a panacea for the permanent resolution of the problem. However, despite this nagging issue, the two countries have often collaborated significantly on enhancing trade and business engagements, and bilateral visits have augmented the deepening bonds, Both the countries have engaged themselves as the founding members of the SAARC, and have also joined the BIMSTEC as new members since 2004.

The island nation of Sri Lanka has often acted as a fulcrum on which the entire orbit of South Asian regional collaboration has revolved. As the two primary members of the SAARC, the bilateral relations subsisting between Pakistan and Sri Lanka merit a close scrutiny. Both Sri Lanka and Pakistan have had their run offs with India, and consequently this has brought the two countries together. In April 2015, in a joint press conference,with the Sri Lankan President Maithripala Sirisena, Pakistan's Prime Minister Nawaz Sharif announced the signing of six MOU s, between the two countries which would intensify cooperation in the fields of disaster management, cooperation in the atomic energy sector for socio-economic development anti-narcotics and academic collaboration, which in turn would improve the existing economic and trade relations between them. However, Sri Lanka's decision to cancel the on-arrival visa facilities for Pakistani citizens, in February 2015, has soured the amicability somewhat. In the final analysis, it can be safely incurred that with the perceived threat of "big brother India" hovering in the background, Sri Lanka-Pakistan relations would always mutually cooperative and exclusive.<sup>7</sup>

The relations between Nepal and Pakistan have also had some very interesting aspects. Following the establishment of the diplomatic relations among the two nations in 1960, their bonds of friendship and cordiality, propelled by understanding and cooperation, have strengthened. Besides being the founding members of the SAARC, periodic exchange of visits at various levels, the setting up of the Nepal-Pakistan Joint Economic Commission (JEC),the evolution of a Bilateral Consultation Mechanism, the creation of the Pakistan Technical Assistance Programme (PTAP), –have further strengthened the ties between the two nations.

Maldives, a small island-nation situated deep in the heart of the Indian Ocean, has been one of the most factors in determining factors in structuring the fate of the SAARC. Maldives, an archipelago of low lying coral atolls, located in the Indian Ocean, has always been a very strong presence in the anvils of the SAARC. One of the most essential aspects of this regional association has been to tackle the question of ecology and climate change. Maldives has constantly strived to push SAARC into a stronger commitment of combating the pitfalls of climate change, and in turn make a strong presence when the world would meet for a progressive deal on fighting green house gas emissions. At this juncture, the Maldives has also expressed its desire to hold bilateral talks with the SAARC members, including Indi, Pakistan and Nepal. However, one pertinent

question being faced by Maldives that what would happen if India takes the sub-SAARC route of BBIN (Bangladesh, Bhutan, India, and Nepal) in order to thwart Pakistan from throwing a spanner SAARC's development programme.<sup>8</sup> The BBIN concept leaves out the three other SAARC nations – Afghanistan, Sri Lanka and the Maldives – and obviously Pakistan. Given such a scenario, and in order to counter the ever-expanding threatening spectre of China,, it would be extremely prudent of India if it were to constantly and continuously engage with Sri Lanka and the Maldives, in a trilateral format. India can never wish away the fact that both Sri Lanka and the Maldives are crucial for her – as far as her maritime security and the growing clout of China in the Indian Ocean is concerned. And hence the Maldives remains an extremely important actor in the SAARC's scheme of things.

Afghanistan was inducted as the 8<sup>th</sup> member of the South Asian regional organization at the 14<sup>th</sup> SAARC summit held in New Delhi in April 2007. At the outset of the summit, a Joint Declaration was signed by the Afghan President Hamid Karzai and the leaders of the existing member-states, formalizing Afghanistan's entry into the regional association. From the beginning it was envisaged that Afghanistan's full membership of the SAARC would maximize benefits for the people of the whole region, and it would also lead to the renewed economic prosperity of the war ravaged nation.<sup>9</sup> In addition ,the ancient Afghan city of Bamiyan was anointed as the SAARC cultural capital for the year 2015. Gradually Afghanistan, shrugging off its lassitude and decades of violence torn ruins, is taking small but sure steps to emerge as one of the invaluable states in the Indian subcontinent. Afghanistan's reliance on the mechanism of the SAARC was quite clearly established when, in 2014 September ,the Afghan President unequivocally stated that his country would like to join hands with the SAARC, along with the Shanghai Cooperation Organisation(S.C.O.) in fighting terrorism and radicalism- the twin menaces affecting the entire world.

Afghanistan, situated at the nerve centre of Central Asia, has had serious implications for the security strategists in India, Pakistan, and the U.S. With China holding an observer status in the SAARC, it would be imperative for all the parties to ensure a crisis free, politically stable and economically viable state of Afghanistan. Afghanistan with its plentiful natural resources and its strategic situation, can truly emerge as one of the front runners for the creation of a vibrant and rejuvenated SAARC. However, this violent land continues to be rocked by terrorists, with the newly elected Afghan President Ashraf Ghani blaming the Islamic extremist group for the series of suicidal bombings leading to hundreds of casualties. One the other hand, China's increasing role in Afghanistan has set off alarm bells in India, and has prompted the latter to host the Afghan leader Ashraf Ghani at the earliest. All in all, Afghanistan, being at the epicenter of Asian politics, would also play a strategic role in the SAARC.

### *India and the Travails of Regionalism*

And finally, this brings us to the ultimate scheme of things – the role enunciated by India in the entire anvil of events in South Asia. The 2014 Lok Sabha elections in India was indeed a watershed in the history of her political evolution, nay of the entire world. After months of intense political speculations, the BJP, led by Narendra Modi swept to power in the country. The change of guard at the Centre, would not only herald far-reaching changes in India's internal-domestic sector, but would also strive to turn India's foreign policy aspirations and policies on their head

For long, New Delhi had followed an incremental approach in the execution of its foreign policy-gradual and graded. Under the aegis of Prime Minister Modi, this time tested approach is set to undergo multi-dimensional changes.<sup>10</sup> Right from the beginning of attaining the Premiership, Mr. Modi signaled his unequivocal desire to maximize outcomes, corner all that India can get or gain from any country, meet his counterparts more than halfway, even if that entails certain political risks. In short, Prime Minister Modi has categorically signaled his intent to align India's foreign policy with his expansive and ambitious domestic agenda. However, in envisaging such a framework, Mr. Modi would also raise expectations on delivery, an area where India has

lacked somewhat serious credibility. Be it attracting investments or taking up projects in other countries, especially in the neighbourhood, India's response has often fallen well short of the rhetoric. And it is herein that the ubiquitous "China Factor" has come into play in an extremely tangible way.

### **The China Factor In South Asia**

When Hu Jintao, China's former President had visited India in November 2006, he had stated that China would not seek 'selfish gains' in South Asia, and he called for an 'early settlement' of the border issue. However, subsequent Chinese word and deeds lend little credence to the notion that there had been a reorientation in China's policy. China continued to cultivate extremely close ties with India's neighbours, often engaging them in security and strategic partnerships.<sup>11</sup> China persisted with its rigid stance on Kashmir, where its rhetoric challenged India's sovereignty even on the territory east of the Line of Control. The scenario underwent a profound change in 2013, when the visit of China's P.M. Li Keqiang to India suggested that China would henceforth pursue a renewed approach of engagement. The one essential element that the "new" China would seek to emulate would be more strategic approach to its external environment. There was a clear perception that China would no longer perceive the international system as "unipolar" and would desire to engage with Washington on an equal footing. As a consequence China would seek to reshape the geopolitics on its South east periphery. The proactive geostrategy would be evident if India and China could find common ground in their overlapping peripheries. This would include issues such as negotiations on the border dispute, stability on the frontiers, cooperation under the Bangladesh, China, India and Myanmar Regional Forum (BCIM-RF), and cooperation over the future of Afghanistan. It must be realized that only through a reciprocal recognition of Sino-Indian security interdependence that the South Asian security dilemma can be managed. As the new government in New Delhi introspects on its China policy, it needs to assess the type of relationship that it wants to build with a stonger, more self-assured but not necessarily hostile China. India has also sought to expand and extend her zone of influence in the neighbourhood.

### **Indo-Pak – Intransigencies**

India and Pakistan have gradually steered closer together, with the bonhomie becoming evident in the Turkmenistan-Afghanistan-Pakistan-India (TAPI) GROUP OF Ministers. The Pakistani government has sought to address Indian concerns over the Lashkar-e-Taiba commander Zakiur-Lakhvi's possible release, by ensuring that he remains in prison. This would be seen positively by India, and create an opening for both the nations to climb down from their position of 'no-talks.' Yet concerns remain because Pakistan still wants the freedom to separatist groups in Kashmir. And that's why Modi's 'cricket diplomacy' is important.<sup>12</sup> Beneath the symbolism is a fresh attempt to rope Pakistan into the SAARC narrative. Given that the political environment in all neighbouring countries is quite in India's favour at this point, the idea is to push the envelope with Pakistan and get matters moving under the SAARC rubric. If Pakistan continues to be recalcitrant, then India would step up efforts at the sub-regional level by initiating projects such as the BBIN grid. On the bilateral plane, government insiders say India may be open to looking at the proposals for restructuring the dialogue mechanism. The Nawaz Sharif government had suggested creating a separate dialogue on Kashmir and terrorism, moving out of the composite dialogue structure.

There are counter-views to this perception in New Delhi. Indian security analysts categorically state that India is willing to explore the new paths of dialogue mechanisms only if Pakistan shows the intent to move forward on the SAARC economic cooperation agenda.<sup>13</sup> On another trajectory, New Delhi has decided to explore the limits of its influence in the Indian Ocean, with the Prime Minister sending serious overtures to Sri Lanka, Maldives and Seychelles, in a bid to link them to the Indian security matrix.

### *India's Neighborhood: A Cause For Concern?*

The renewed policy thrust on India's relationship with her immediate neighbours present an apt context to revisit the nature and forms of cross-border economic engagement. Regional trade and economic cooperation within the South Asian region remains the lowest in the world, despite several initiatives in the forms of treaties and agreements including the much talked about SAFTA. Most of these initiatives have adopted a bilateral or multilateral approach, wherein the perspectives from the bordering regions, have largely been ignored. One aspect that could stimulate cooperation between the countries of South Asia, but has remained relatively unexplored, is the identification and promotion of potential economic cooperation across the bordering regions on both sides, which in turn can be linked further to enhance regional integration. In fact, given India shares a traditionally unique relationship with other South Asian nations, it may consider utilizing the 'sub-regional initiative' to play a greater role within the region as situated within a sub-regional framework.

Under the stewardship of Prime Minister Narendra Modi it has become amply evident that the USA has emerged as the central focal point in India's foreign policy agenda. By showing a willingness to address US concerns, particularly on the economic side, the government is hoping reap the dividends across the entire world. In real terms, India is vigorously soliciting the USA's assistance in not only strengthening its own foothold, but also in tackling the huge economic disparity vis-à-vis China, the Asian giant. The USA is keen that India takes important domestic decisions to prepare the ground for consolidating supreme Indo-US ties. This would mean securing a positive economic message from the USA President identifying India as a stable partner, a preferred place to invest and do business in. This view was concretised and sanctified following USA President Barrack Obama's visit to India on the Republic Day, this year.<sup>14</sup> Clearly, P.M. Modi's achievement of a significant political gain, one which allows his government to unabashedly engage the USA, and thereby open up prospects for a historically closer alignment with Washington, would also, quite naturally have far-reaching implications for her in the ambit of regional integration.

In this paper, an attempt has been made to analyse the prospects of regional cooperation in South Asia, in the backdrop of all the prevalent circumstances. It is an undeniable fact that one of the fundamental pre requisites for peace and security in a particular region is the extent and influence of regional associations. Today's world is increasingly being dominated by the guidelines of the international financial institutions like the International Monetary Fund (IMF), and the World Bank. Given such a situation, it is imperative that the nations of the world must cooperate amongst themselves, in order to address the challenges posed by the pervading aura of globalization and fiscal liberalization. This cooperation can take place on a global scale; it can be realized through regional forums. The SAARC, created primarily to address the various persistent issues emerging in South Asia, must perform its role efficiently and comprehensively.

### **Conclusion**

For decades, regional cooperation in South Asia has been plagued by a host of malaises, most prominent among them being the nature of India-Pakistan relations. Thus initiatives must be taken to achieve a comprehensive breakthrough in the age-old hostilities between the two South Asia. Similarly, all attempts must be made to resolve all the outstanding bilateral disputes among the member-states of the SAARC, so that regional cooperation can proceed at a brisk pace. Political stability in the South Asian region and the satisfactory resolution of all the complex issues are important prerequisites for the effective functioning of the SAARC. This can be facilitated if the vision of a South Asian Community based on peaceful coexistence, economic cooperation, religious tolerance, and cultural understanding can be realized by the people's and governments of the region. Simultaneous action is necessary for consolidating functional cooperation, functional cooperation, for strengthening economic collaboration within the framework of the SAARC, and

for political dialogues necessary for ensuring agreement on the agreement on the principles and objectives, and for conflict resolution. Economic considerations must take precedence when hard-core politics cannot achieve the desired goals. And only with such concrete efforts, can the prospect of regional cooperation be realized.

In the new millennium, South Asia has also evolved into a new avatar. The new South Asia, punctuated by domestic upheavals, offers novel challenges to and opportunities for creating a secure and a stable region. Given such a scenario, all the nations of South Asia must shake off their stupor, boldly step forward and concentrate on building bridges among themselves, which in turn would have a positive spillover in the realms of regional cooperation. In the ultimate analysis, South Asia must leave behind their legacy of confrontation and conflict, and obtain from the world and also retrieve from its ancient culture and heritage, the traditions of trust, cooperation, development, peace and amity. And only in this way would it be possible for the SAARC to realize its fundamental objectives, and play a vital role in ensuring the overall socio-economic-political rejuvenation and rescutitation of the entire region of South Asia.

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**Abstract**

*At present, environmental concerns like climate change resulting from global warming, loss of biological diversity, deforestation, depletion of ozone layer and acid rain, which are all by-products of unsustainable global economic and industrial practices have assumed alarming proportions as they all have serious implications for the entire humankind. The process of globalization marked by alterations in the workings of global capitalism, rise of supra-territoriality, the reconfiguration of the power of the states along with indiscriminate consumption of energy resources have further accentuated this phenomenon of environmental degradation in various forms. This paper has tried to argue that if a conflict develops between a multilateral trade agreement and a multilateral or local environmental agreement, then it would be impossible for states to give preference to environmental agreement due to the structural constraints imposed by global capitalism. Several provisions contained in the WTO agreement have circumscribed the power of the states to enforce strict environmental standards. As the process of regulating and protecting the environment is inseparably connected with some form of control and regulation over unsustainable and indiscriminate use of energy resources and affluent consumption patterns, the existing nature of global capitalism has rendered states incapable of addressing these issues through effective controls at the domestic level.*

*Key words: Development, WTO, Neo-Liberal State, Environmental Governance.*

## Development, WTO and the Neoliberal State: The Challenges Before Environmental Governance

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There is no doubt that the interlinkages between trade, environment and development have assumed much larger significance with the advent of the process of globalization. Environmental degradation is to a large extent a natural corollary of unsustainable industrial development and profligate as well as indiscriminate consumption of energy resources, which have been sustained over a considerable period of time. In different parts of the world, environmental degradation is primarily a function of resource-and pollution-intensive forms of development coupled with poverty-driven rapid population growth. Hence environmental problems such as climate change, loss of biological diversity, deforestation, depletion of the ozone layer, acid rain and scarcities of fresh water, food and fuel wood are all by-products of global economic and industrial practices that have got accentuated as a result of the globalization process. The process of globalization marked by alterations in the workings of global capitalism, rise of supra-territoriality and the reconfiguration of the power of the states have important ramifications for the environment. The ongoing process of economic globalization has rendered traditional notions of governance performed by territorially based nation-states problematic. Viewed in this light, environmental governance constitutes an adaptive process that seeks to transform the prevailing patterns of global as well as local environmental politics. Therefore, any discussion of environmental governance, moderate or radical in its orientation, needs to be looked into from this background.

At present, environmental concerns like climate change resulting from global warming, loss of biological diversity, deforestation, depletion of ozone layer and acid rain have assumed alarming proportions as they all have serious consequences for the entire humankind. It is therefore no wonder that the UNDP Human Development Report 2007/2008 has unequivocally outlined climate change as one of the most defining human development challenge of the twenty-first century.<sup>1</sup> Interestingly, the UNDP Human Development Report 2007/2008 also mentioned that the poorest countries and the most vulnerable citizens will suffer at the earliest from the most damaging consequences of climate change although they have contributed least to the problem.<sup>2</sup> It is also pertinent to note that impacts of climate change have already been experienced worldwide and efforts to confront this threat would

draw resources of governments away from issues relating to development. The World Development Report 2010 entitled 'Development and Climate Change' also categorically outlined the challenges posed by environmental concerns like climate change, which if allowed to continue at its current rate will lead to rise in temperatures by at least 5 degrees centigrade from the pre-industrial levels by the end of the 21<sup>st</sup> century resulting in a vastly different world from what it is today, with extreme weather events, changing ecosystems, possible extinction of many species along with inundation of several low-lying island states.<sup>3</sup> Developing countries account for 80% of world population but only consume about one-third of world's energy resources whereas the industrialized developed countries account for 60% of all energy related carbon dioxide emissions with the United States alone being responsible for 20.9% of such emissions in 2004.<sup>4</sup> The most crucial question that needs to be analyzed in this context is whether it will be possible for developing states like India to devise strategies, plans and programmes to preserve and protect the environment from the deleterious impact of forces generated by the process of economic globalization.

The process of economic globalization has been accompanied by the ascendancy of a group of ideas associated with neoliberalism. The ascendancy of the neoliberal ideology since the early 1980's led to the emergence of 'Washington Consensus', which refers to the development approach that arose from the integration of traditional International Monetary Fund (IMF) concerns for macroeconomic stability (anti-inflation, anti-deficit policies) and the World Bank's agenda of efficiency enhancing reforms (openness, competition, deregulation, privatization). A typical package of IMF stabilization and World Bank adjustment includes policies like fiscal and monetary austerity, devaluation, trade liberalization, financial liberalization and banking sector restructuring, price liberalization, privatization, labour market deregulation, tax reform and reductions in subsidies.<sup>5</sup> The birth of 'Washington Consensus' reflected a clear but gradual shift in ideology towards neoliberalism that champions the role of the limited state in managing the economy. Since the 1980's, in many of the developed and the developing states, the influence of neoliberal ideas were experienced as far as economic policy making was concerned. The existing process of globalization has been marked by the domination of transnational market forces with significant cooperation of state power. As a result, the state has been instrumentalized to a considerable degree by the ideology and influences associated with economic globalization in its existing form, resulting in declining support for public goods in an atmosphere of strong sustained economic growth leading to various forms of environmental degradation. As it will be highlighted in this article, under the impact of the global market forces, the neoliberal states are not in a position to enforce environmental standards that are found to be incompatible with multilateral or local trade agreements.

In this connection, it is important to note that environmental degradation, which is largely a result of unsustainable and profligate patterns of resource use, is not only the degradation of an external or 'Other' habitat, but the degradation of the habitat of human beings themselves. Since environmental degradation is not a natural phenomenon and is largely driven by anthropogenic processes involving social, political and economic dynamics, any form of degradation to the environment constitutes a harm to the overall well-being of human beings themselves. Therefore, as environmental degradation constitutes a specific form of human degradation, any notion of environmental security must address the question of protecting the well being of human beings from such degradation.<sup>6</sup>

In any discussion on environmental security, the principle referent remains the human beings. In this way, environmental security constitutes a specific aspect of the more comprehensive idea of human security. The whole idea of Human Security can be deduced from the United Nations Development Programme (UNDP) 'Human Development Report' of 1994. The whole concept of Human Security is one of the central themes connected with the 'Human Development' approach, which arose in part as a result of growing criticism to the leading development approach of the 1980's that presumed a close link between national economic growth and the expansion of individual

choices. 'Human Development' paradigm emphasizes that people are the real wealth of nations and development is about expanding the choices people have to lead their lives that they value. As an important aspect of Human Development, the idea of Human Security emphasizes the sovereignty of the individual. If sovereignty of the state is at the heart of the traditional concept of security, sovereignty of the individual is at the heart of the concept of Human Security.<sup>7</sup> Viewed within the framework of Human Security, environmental security can be defined as the process of peacefully reducing human vulnerability to human induced environmental degradation by addressing the root causes of environmental degradation.<sup>8</sup> Seen in this light, environmental security is an important element of preserving Human Security. This paper would try to emphasize that environmental governance that is intended to promote and preserve environmental security can only be meaningful if it tries to harmonize both the developmental and environmental considerations within itself.

The paper would emphasize that supraterritorial capital, which is a product of the process of globalization, has attenuated the power of the states to take appropriate measures required for protecting and preserving environment. An important thrust of the paper is that environmental governance cannot be isolated from other forms of governance, particularly economic governance. It will be argued with appropriate examples that states like India, which are implementing neoliberal policies are in many ways are incapable of taking appropriate measures to mitigate the root causes of environmental degradation arising out of economic globalization as they themselves are agents promoting that process. Many of the provisions contained in the WTO agreement have circumscribed the power of the states to enforce strict environmental standards. Market access provisions contained in many multilateral trade agreements can to a considerable extent, limit the possibility of states like India to implement domestic and global environmental regulations as many of the provisions contained in those multilateral trade agreements directly contradicts many of the provisions contained in many multilateral as well as local environmental agreements. For example, one of the grave consequences of the Agreement on Agriculture (AOA) under the WTO is the transformation that has taken place in the shrimp farming industry in many parts of India. Although it is true that shrimp exports are a major source of foreign exchange earnings for a developing country like India, the damage that is done to the local environment where such farming takes place is huge, which includes destruction of mangroves, water, agriculture and fisheries as is illustrated by the problems experienced by the traditional fishermen of the Chilika Lake in Orissa. These unsustainable practices resulting in the transformation in the shrimp farming under the aegis of industrial agriculture, which the WTO seeks to promote directly contradicts article 2 (1) of the Kyoto Protocol to the UN Framework Convention on Climate Change that calls for promotion of sustainable forms of agriculture in the light of climate change considerations. Moreover, it is well known that many of the provisions contained in the Trade Related Intellectual Property Rights (TRIPS) under the WTO is incompatible with some of the provisions contained in the UN Convention on Biological Diversity. In such a scenario, from the standpoint of environmental governance, the crucial question is that if a conflict emerges over a local or a multilateral environmental agreement and a local or a multilateral trade agreement, which one of the two would receive preference. Within the structure of the global economy, will it be possible for states like India to override trade agreements and give preference to environmental agreements? These are some of the important questions that this paper would attempt to address.

### **What is Environmental Governance?**

The notion of environmental governance has attained significance in matters connected with environmental politics. Before outlining the concept of environmental governance, it is important to differentiate between the two terms government and governance. Review of existing literature on governance shows that the term can be used in several ways and has a variety of meanings. Anglo-American political theory uses the term government to refer to the formal institutions of the state and their monopoly of legitimate coercive power. Government is marked by its ability

to take decisions and its capacity to enforce them. In particular, government refers to the formal and institutional processes, which operate at the level of the nation-state to maintain public order and facilitate collective action. Governance, on the contrary, is primarily concerned with creating the conditions for ordered rule and collective action. The outposts of governance are therefore not different from those of government in their objectives. It is rather a matter of difference in processes.<sup>9</sup> While government functions only at the level of the state, governance can also take place even at the level of civil society and do not necessarily relies on formal sanctions of the state power.

Therefore, it becomes quite clear that the two terminologies of government and governance are far from being synonymous. Both governance and government refer to purposive behaviour, to goal-oriented activities and to systems of rule. But while government suggests activities that are backed by formal authority and includes police powers to ensure the implementation of duly constituted policies, governance refers to activities backed by shared goals, which may or may not derive from legal and formally prescribed responsibilities and that do not always bank upon police powers to overcome defiance and attain compliance. Governance therefore constitutes a more encompassing phenomenon than government. It embraces governmental institutions, but it also subsumes informal, nongovernmental mechanisms whereby those persons and organizations within its purview move ahead, satisfy their needs and fulfill their wants. Governance is thus a system of rule that is dependent on intersubjective meanings as on formally sanctioned constitutions and charters.<sup>10</sup> The essence of governance is to focus on governing mechanisms, which do not always rest on recourse to the authority and sanctions of government. In other words, governance means the capacity to get things done without the legal competence to command that they be done.<sup>11</sup> The whole idea of governance constitutes an innovative instrument for ordered rule and collective action that involves not only governments but also other informal non-governmental actors as well.

The concept of governance has assumed significance in matters relating to environmental issues. In order to deal with different types of environmental concerns, there is need for taking collective action after accommodating diverse interests and it is in this respect that the concept of environmental governance assumes importance. The process of environmental governance is intended to accommodate and resolve various types of conflicts arising out of threats to environmental security. Environmental governance involves a wide range of actors, one of which is the state, in order to formulate strategies, plans and policies for protecting and preserving the environment. Environmental governance thus comprises of a multilayered pattern of governance where there exists collective actors at multiple levels with overlapping authorities, which involves states as well as other informal non-state actors with the objective of creating norms and rules to protect and preserve the environment. It is important to note in this connection that if environmental governance constitutes a novel experience that involves decision-making through continuous interaction between the community, the state and the global level, then the very process of environmental governance cannot exist in isolation from other forms of governance, particularly economic governance.<sup>12</sup>

### **Globalization and Environmental Governance**

The process of globalization has led to a reconfiguration of state power and it has important ramifications upon issues relating to environmental governance. As environmental governance refers to the process of decision making between the state and civil society through a constant interaction between the two, the process of globalization has made a serious impact upon it resulting in far-reaching transformations in relations between the state and the civil society. It is important to note that globalization constitutes a unique process marked by a substantial increase in trans-border relations. As a result, the process of globalization has led to transcendence of borders. From this perspective, global phenomena are those that extend across widely dispersed locations simultaneously and can move between places anywhere on earth pretty much

instantaneously. As a result, territorial distance and territorial borders hold limited significance under these circumstances. In this way, the process of globalization is linked with the emergence of supra-territoriality.<sup>13</sup>

Therefore, globalization, which has given rise to supra-territoriality, can be seen in countless situations of contemporary social life. For example, in the field of communications, telephone, internet, television, fax and radio enables individuals to establish contact with anyone throughout the world, irrespective of the territorial distance and the borders that lie between them. Likewise, on matters relating to global and local environment, the late twentieth century has brought about a number of anthropogenic alterations in the environment that are not constrained by territorial distance or circumscribed by borders. Since the late twentieth century, world affairs have acquired a global dimension alongside the old territorial framework. However, it does not in any way imply that territorial space has become completely irrelevant in contemporary times. Under the existing process of globalization, global spaces of the kind formed through telecommunications, transworld finance and the like interact with territorial spaces, where locality, distance and borders still continue to matter very much. Thus people have not discarded their affinities for specific territorial spaces while acquiring a global imagination. But the territorialist assumptions that underpin modern understanding of international relations have largely become untenable.<sup>14</sup>

The contemporary process of globalization is associated with a transformation in the power, functions and role of states and likewise they are being rearticulated and reembedded at the intersection of globalizing and regionalizing networks and systems. The metaphors of loss, diminution or erosion of state power can misrepresent this transformation or reconfiguration process. The process of globalization in its existing form by no means results in diminution of the power of the state. On the contrary, it only transforms the conditions under which state power is being exercised.<sup>15</sup> The state persists as an important actor and as such retains crucial ordering role in most conflict situations. However, increasingly, the state has itself been globalized and the policy orientation of the state has been pulled away from its territorial constituencies and shifted onwards, with state action characteristically operating as an instrument on behalf of non-territorial regional and global market forces, as manipulated by transnational corporations and banks, and increasingly by financial traders.<sup>16</sup> In particular, supra-territorial capitalism has cost the contemporary states one of its principal marks of sovereignty, which is complete and exclusive control over national currency and associated financial markets.<sup>17</sup> This process of reconfiguration of state power is occurring in the both the developed and the developing countries. The ongoing process of globalization has resulted in a transformation of the state-market relations within the states, which in turn creates significant consequences for matters relating to environmental governance. Therefore, the enervation of the power of the states to regulate the market as a result of the process of globalization has serious consequences for the environment.

Under the conditions of greater market access and mobility of capital as is being carried out under the various provisions of the WTO, capital can move freely, especially to places from where return in terms of profit is maximum. While considerable importance is being given to free trade and free movement of capital, environmental costs are rarely taken into account. Provisions like the Trade Related Investment Measures (TRIMS), Trade Related Intellectual Property Rights (TRIPS), Agreement on Agriculture (AOA) under the WTO do not give due consideration to environmental fallouts from free trade under the process of globalization. It is in this respect that the task of environmental governance becomes all the more challenging for states in the present situation.

### **WTO Provisions: Its Environmental Fallouts**

With deregulation of financial markets and foreign direct investment as a result of the globalization process during the 1980's, the possibilities for firms to disinvest in countries with high standards and relocate their factories with lower standards have increased markedly. There lies a fear that

greater relocation opportunities generated by deregulation of financial markets will reduce the incentive for firms to develop more environmentally technologies. It is no secret that trade liberalization results in large volume of export-import activities, enhancing economic growth and consumption. But the process of production and consumption as a result of trade liberalization tend to lead to greater pollution on a per capita basis. Uncontrollable levels of emissions of pollutants and utilization of non-renewable resources produce problems of uncompensated and unprecedented externalities of pollution like poor quality of air at local levels and greenhouse gas emissions that is affecting the global population. It is important to note in this connection that the WTO is essentially concerned with promotion of free and non-discriminatory trade and has been unable to integrate trade and environmental issues.

If one looks at the text of the WTO document, it would be worth noticing that the very word environment is mentioned only in the preamble of the agreement in a very cursory manner. Although the preamble of the WTO document explicitly talks about sustainable development in order to protect and preserve the environment, the various provisions of the WTO agreement promotes a kind of development, which seriously impairs any possibility of translating sustainable development into actual practice. The Agreement on Agriculture (AOA) is one among the various provisions of the WTO agreement, which has serious fallout upon the future of environmental governance. The AOA seeks to establish a fair a market oriented agricultural trading system and is further committed towards achieving binding commitments in areas such as market access, domestic support, export competition and on reaching an agreement on sanitary and phytosanitary measures. The AOA also provides for the fullest liberalization of trade in tropical agricultural products as agreed by the Mid-Term Review.<sup>18</sup> This is of particular concern for the developing countries as most of them are located in the tropical regions.

The process of globalization is leading to the concentration of the seed industry, the entry of global transnational corporations into agriculture, the increased use of pesticides and finally, increased debt, despair and sometimes even suicides among farmers in various parts of India. The new export oriented policies that are part of the process of globalization in agriculture have resulted in a shift in India from production of food crops to commodities of exports, such as cotton. Cotton cultivation has expanded to even semi-arid areas such as Warangal in Andhra Pradesh, where farmers traditionally grew paddy, pulses, millets, oil seeds and vegetable crops. This shift from the production of food crops to cash crops for commercial gains is likely to affect food security of developing countries like India. Further, the increase use of pesticides has the potential to cause damage to the ecology and human health by polluting the food chain.<sup>19</sup>

Another grave consequence of the AOA is the transformation that has taken place in the prawn and shrimp farming industry. This transformation in the shrimp farming is another example of the social and environmental costs of industrial agriculture, which the WTO through the AOA seeks to promote. Large scale shrimp farming with the intention of increasing the rate of exports cause damage to the local environment as it requires enormous quantities of fish to be caught at sea for shrimp feed, most of which is converted to waste that is poured into the sea, polluting the water and damaging the mangroves. Although it is true that shrimp exports are a major source of foreign exchange earnings for a developing country like India, the damage that is being caused to the local ecology where such farming takes place is huge, which includes destruction of mangroves, agriculture and fisheries besides salinization of water. The entry of export-oriented shrimp farming interests in the Chilika Lake in the Indian state of Orissa has resulted in unsustainable practices that threaten the very livelihood of the traditional fishing communities.<sup>20</sup> With more people from outside the traditional fishing community, including local mafia, businessmen, top administrators and political leaders of Orissa entering the business, the sense of ownership of the Lake has been lost. Chilika Lake has fast deteriorated from a common property resource regime into an open resource regime. These unsustainable practices in the shrimp farming, which the AOA under the WTO seeks to promote directly contradicts article 2(1) of the Kyoto Protocol to the UN Framework

Convention on Climate Change that calls for promotion of sustainable forms of agriculture in the light of the climate change considerations.<sup>21</sup>

Another important provision of the WTO, the Trade Related Investment Measures (TRIMS) aims to promote the expansion and progressive liberalization of global trade and to facilitate investment across borders so as to increase economic growth of all trading partners and ensure free competition. The TRIMS applies to investment measures related to trade in goods only. Under this agreement, every member state has to provide national treatment to all producers including those, which are non-indigenous in matters relating to trade and investments. TRIMS while promoting trade liberalization and greater movement of transnational capital has also made certain undesirable consequences upon the environment.

TRIMS provides for according national treatment to all producers, including those, which are non-indigenous in matters relating to trade and investments. This in a way curtails the ability of states to take appropriate environmental conservation measures. Also this particular provision contained in the TRIMS is in conflict with the Principle 11 of the Rio Declaration on Environment and Development that called upon states to enact effective environmental legislations.<sup>22</sup> Thus a crucial question that emerges here is that if it is seen that there is incompatibility between an environmental regulation and a multilateral trade agreement, then which one of the two is going to prevail? States may find it increasingly difficult to curb the environmental fallout from the activities of many transnational corporations, which have been given national treatment by the government where its production facilities are located.

Trade Related Intellectual Property Rights (TRIPS) under the WTO seeks to reduce distortions and impediments to international trade, to take into account the need to promote effective and adequate protection of intellectual property rights and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. The TRIPS agreement recognizes that intellectual property rights are private rights. Granting of patents rights to concerned parties constitutes one of the most important provisions of the TRIPS agreement and it has significant consequences as far as protection and conservation of environment is concerned.

Article 27 of the TRIPS agreement has provided that patents shall be available for any invention, whether product or process, in all fields of technology, provided that they are new, involve an inventive step and capable (useful) of industrial application. No exceptions can be made regarding patentability of any product merely because domestic law prohibits the exploitation of that particular product.<sup>23</sup> These provisions in the TRIPS have resulted in mushrooming of bio-prospecting' with scientists reinventing and patenting products as well as process using local knowledge which individual communities mostly in the developing countries have held for centuries. It also prevents such people from engaging in everyday activities such as saving seeds and exchanging knowledge. The various transnational corporations have consolidated their positions in the field of biotechnology research and are more likely to get patents in new areas in future. The various provisions in the TRIPS agreement directly clashes with some of the provisions contained in the UN Convention on Biological Diversity that specifically emphasizes the sovereign rights of the states over their own biological resources. The Convention on Biological Diversity further stated that states are responsible for conserving their biological diversity and for using their biological resources in a sustainable manner.<sup>24</sup>

Therefore, it becomes clear from the above analyses that some of the multilateral trade rules as outlined in the WTO agreement are in conflict with many provisions in the multilateral as well as local environmental agreements. The prevalence of the principles of free trade over environmental standards brings into sharp focus the problems associated with implementing what is known as sustainable development. Further, it makes the task of environmental governance intended to promote environmental security all the more challenging.

## Conclusion

This paper has tried to highlight that the process of globalization marked by the emergence of supraterritorial capitalism, the rise of supra-territoriality and the reconfiguration of the power of the states has important implications as far as the issue of protecting the environment is concerned. The WTO is the institutional expression of the commitment to free trade as outlined by the leadership of the rich developed countries. If one analyzes the various provisions of the WTO agreement like the AOA, TRIMS and TRIPS, then it becomes clear that they all have certain adverse environmental fallouts. In this connection, the most crucial question is whether it is possible to devise strategies, plans and policies that would protect nature from the deleterious impact of the global market forces that the WTO seeks to promote. This paper has tried to argue that if a conflict develops between a multilateral trade agreement and a multilateral or local environmental agreement, then it would be impossible for states to give preference to environmental agreement due to the structural constraints imposed by global capitalism. It has been already outlined that supra-territorial capitalism as a result of the process of globalization has attenuated the power of the states to regulate and control their economy to a considerable degree. Since the process of managing and protecting the environment is inseparably connected with some form of control and regulation over unsustainable and indiscriminate use of energy resources and affluent consumption patterns, the existing nature of global capitalism has rendered states incapable of addressing these issues through effective controls at the domestic level. Since the states practicing neoliberal policies are in many ways acting as an instrument for the promotion of global capitalism, it is virtually meaningless to expect that they would adequately act in a way that would protect nature from various anthropocentric activities. In this regard, the Copenhagen Accord on climate change signed on December 19, 2009 bears an important illustration. The Copenhagen Accord was reached at the 15<sup>th</sup> Conference of Parties (COP) under the United Nations Framework Convention on Climate Change (UNFCCC). However, the Copenhagen Accord reached after intense deliberations between the United States, China, Brazil, India, South Africa and many other states contains no reference to a legally binding agreement as some developing states and climate activists wanted and the text of the accord only recognized the necessity of limiting global temperature rise to not more than 2 degree centigrade above pre-industrial levels.<sup>25</sup> Quite strikingly, the accord does not spell out any penalties for states that fail to meet its promise.

It is important to note in this connection that contrary to neoliberal prescriptions, every market requires a framework of rules and the states undertaking neoliberal policies have created much of the regulatory framework in which transborder capital has thrived. In other words, a great deal of globalization would not have occurred or would have taken place very slowly if states have not sponsored the process. It is from this standpoint that one can witness the limitation of states as an agency for either ensuring sustainable development or adopting policies that are intended towards promoting environmental security. In fact, there seems to be a strong degree of two handedness in activities of the states undertaking neoliberal policies. On one hand, states facilitates or even encourages continuous, rapacious exploitation of natural resources while on the other, it seeks to create a virtuous external image by encouraging in various forms of environmental 'window dressing' and 'facadism'.<sup>26</sup> Moreover, state sponsored activities such as ecotourism and plantation forestry are hailed as being the epitome of sustainable development. States in South and Southeast Asia have used the 'green' image of these activities in order to promote rapid economic growth and also to simultaneously overcome local opposition to them. Indeed these green activities have been somewhat of a boon to political and economic elites who have cooperated closely in the establishment of timber plantation and ecotourism industries. The state therefore indulges in an oxymoron role whereby on one hand it tries to promote sustainable development while on the other, it indulges in indiscriminate exploitation of natural resources. It is in this context that the very idea of the role of state as a promoter of sustainable development becomes disputed. The crucial question that remains to be answered in this connection is whether



the state will function in the future mainly as an instrument for the proliferation of global capital, trade and investment or whether, by contrast, the state can recover its sense of lost balance in this globalizing setting so that the success of the markets will not be achieved at the cost of the well-being of the humanity at large.

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**Abstract**

The present government, which came into power in May 2014 has accorded high priority to India's Look East Policy (LEP). India's interest in the countries to its east is evident from the fact that it has undergone a paradigm shift in policy and is moving away from 'Look East' approach to "Act East" mode. India is not merely 'Looking East' but is now 'Acting East', thus, revising the title to 'India's Act-East Policy'. The Look East policy is now known as the Act East policy.<sup>1</sup> However, By changing the name of India's Asia policy from 'Look East' to 'Act East', Prime Minister Narendra Modi was signalling that he would be more proactive and purposeful than his predecessors in the region. To be sure, New Delhi has made much progress in reconnecting with Asia since the early 1990s. Yet the gap between potential and reality has steadily grown. So has the gulf between rising regional expectations of an Indian role in Asia and the political will in Delhi to measure up.<sup>2</sup> Regardless of India's instincts and intentions, Delhi has much to do before its Act East policy gains credibility in Asia – from the creation of a more business-friendly

## From 'Look East' to 'Act East': A Critical Analysis of India's Look East Policy

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### Introduction

Any nation that undertakes a change of course in its foreign policy does so under a certain set of circumstances, both internal and external. This usually happens when the international power stability is distressed by external catastrophic events, such as the collapse of the Soviet Union or the less tragic and more steady disequilibrium created by the rise of China. When the world enters such phases of disequilibrium in the international power structure, it forces nations into making policy manouevres, to protect its perceived national interest. Internal developments also impact upon foreign policy. In fact any nation's foreign policy is primarily driven by domestic priorities.<sup>4</sup> It is true today that the International power setup is undergoing a phase of power disequilibrium. The traditional ideas like empires, revolutions, imperialism, colonialism and wars that marked the passage of the last three centuries is no more effective today. The earlier phases were marked by new structures, which is highly integrated technologically, intimately connected with digital information flowing at the speed of light in all directions. This newly emerged power structure has given rise to the multipolar world with few dominant powers, diminishing the idea of super power. These few dominant powers are developing small groups based on their demographic and economic depth. In fact one such grouping is the G-20, comprising the top 20 countries in the world as per their GDP which is now a regular forum for discussing economic and fiscal policies.<sup>5</sup>

In other words, no one country wants to be a superpower today. The USA is a receding power, approaching to *lead from behind*<sup>6</sup> and delegating more security and military responsibilities to its allies. Similarly, Europe is in the throes of an economic downturn and busy trying to save the Euro and the imploding economies of Greece and other southern European states. The other great powers are not in a position to take over the role of a global hegemon or a manager and run the world as per a particular template or ideology. In reaction to China's rise, China is rather deliberate in not giving way beyond a degree because it worries about other major powers joining together to restrain, if not check it.

*environment to faster implementation of trans-border projects; from visa liberalisation to expanding defence cooperation. The East has its arms open and is ready to embrace India, but the sometimes it has been seen that the will of India remained tied by Delhi's political and bureaucratic inertia.<sup>3</sup>*

*Key words: Look East Policy, Act East Policy, North East India, India, China.*

Another significant mark of the post Cold War world is the acceptance of liberal market policies by virtually all states including China, Russia, Vietnam, India, Brazil, Egypt, Japan, Germany, France, Nigeria, South Africa and many more.

### **Initiation of India's Look East Policy**

In defining the context, let us recall that more than two decades ago, at a lecture in Singapore in September 1994, Prime Minister Narasimha Rao adumbrated a vision of establishing closer relations with the countries of the Association of South-East Asian Nations or ASEAN. This vision came to be called the *Look East Policy* or LEP<sup>7</sup>. The renewed vision to look for closer relations with states in India's extended eastern neighborhood was quintessentially India's response to domestic economic challenges and an external environment, punctuated by a unipolar world, brought about by the prostration of the Soviet Union and the death of the Cold War. Hence the economic

reforms of 1991 and the opening up of India's economy provided the impetus for reworking India's foreign policy. Confronted with multiple problems, economic and political, India adopted two parallel new paths - a domestic policy path of economic liberalization and the external policy path of the LEP to help expand India's trade and investment in the dynamic ASEAN region. These two choices have transformed India's economy and foreign policy in the past 20 years. Prime Minister Rao's statement in 1994 in Singapore is justifiably seen as a major shift in Indian diplomacy, comparable to non-alignment during the Cold War epoch. The economic reforms, initiated in 1991, started the cognitive operation of consolidation of the Indian economy with the planetary economic system. India's search for expanding global markets for Indian products, services and investments led to the LEP. It was a legitimate consequence of domestic compulsions and a changed external environment

As early as 1992, India had joined a limited "Sectoral Dialogue" with the 10-country grouping ASEAN. India's strategic engagement with ASEAN began with India's membership of the ASEAN Regional Forum (ARF) in 1996. ASEAN overruled objections from some of its other partners, particularly China, on India's admission to the ARF. The LEP, thereafter, started merging trade and economic involvement with issues of Geo-strategic significance. The geographical outreach extended further eastwards towards Australia and Oceania. A variety of institutions became operational for holding regular dialogue. Amongst this, the annual summit became the highest body. Separately, India is also a member of ASEAN Defense Ministers Meeting (ADMM) + 8 where the focus is on security, defence and strategic issues. As a Strategic Partner of ASEAN, India is actively associated with various ASEAN-led fora dealing with defence and strategic issues. These include the East Asia Summit, the ASEAN Regional Forum, ADDM+ (ASEAN Defence Ministers Meeting Plus) and the Expanded ASEAN Maritime Forum. India's defence ties with the region have expanded significantly. India is also having bilateral defence cooperation activities with ASEAN and other regional countries.

Still, India's Look East Policy received a new dimension during the Vajpayee-era, when Atal Behari Vajpayee became the Prime Minister of India in 1998 after NDA won the election. This is particularly from this time when India took off following the policy of Constructive Engagement with Myanmar, since Myanmar became a member of ASEAN in the year 1997, and therefore through Myanmar, India wants to establish economic linkages with other ASEAN members like Thailand, Singapore, Malaysia, Indonesia and others. In fact, Myanmar shares a 1643 kilometer long boundary line with India along the states of Manipur, Mizoram, Nagaland and Arunachal Pradesh, and hence it will not be a misunderstanding to say that Myanmar acts as a gateway to

the South East Asian region of the Indian Republic. If we proceed back to history, we will find that India's relation with Myanmar has gone through loads of ups and piles. Especially the military junta, that had ruled Myanmar for several years, was not in serious terms with India, since the latter had always defended the pro-democratic movements in Myanmar. However, after 1990s the situation changed, leading to the improvement in India-Myanmar relation to a certain extent, though inter-state tensions remain. Moreover, the signing of the BIMSTEC in 1997 during the premiership of I.K. Gujral, and later, that of the Mekong-Ganga cooperation in 2000 during the Vajpayee-period are the clear evidences of India's ASEAN-engagement, or rather India's constructive engagement in Myanmar. The most important and fruitful ramification of this engagement was visible when India was made the Summit Level Partner of ASEAN in 2002. It was, perhaps, for this reason that Yashwant Sinha, the then Foreign Minister of India, marked the year 2002 as the beginning of the 'Second Phase' of India's Look East Policy.

Meanwhile, the year 2004 marked the Dr. Manmohan Singh era in Indian politics. Dr. Singh during his tenure was keen to build up relations with the South East Asian nations, especially with Myanmar and Vietnam. Besides BIMSTEC and Mekong-Ganga Cooperation, India has initiated many important projects with Myanmar, like the opening of Tamu-Kalewa-Kalemmyo Highway (popularly known as Indo-Myanmar Friendship Road), the Tamantha river-valley project, gas line projects in the Arakan region and then along. India is too well-aware about the Sittwe Route of Myanmar, since control over this route will make India an easy entree to the region of Southeast Asia as a whole. In fact, after the democratization of Myanmar in 2013, the Indian government has offered a loan of US \$500 million to Myanmar for the political reconstruction of the nation. Likewise, the Manmohan-government has also maintained cordial relations with Vietnam, which is apparent from the various defense agreements which have been contracted between the Indian and the Vietnamese governments. Besides, India-Vietnam joint venture in oil exploration in South China Sea is a significant step taken towards the economic growth of the nation.

Nevertheless, the year 2009 can be seen as a milestone, since in this year India and ASEAN finally signed Free Trade Agreement (FTA) in goods, besides revising the Maritime Doctrine of 2004. As a outcome of this doctrine, the Indian ships can now sail from the South China Sea to the Indian Ocean, which was not easily possible in the late age.<sup>8</sup>

### **From Look East to Act East**

Today, after the coming of the BJP-led NDA regime in power in May 2014, many new concepts and ideas have been inaugurated in the foreign policy of India, one of which is the 'Act East' policy. The present regime, under the Prime Ministership of Narendra Modi, aims at getting connected with the Indians residing overseas and requires to rejuvenate India's relation with the ASEAN members, which is further apparent from the lectures given by Modi during his various press conferences or the foreign tours. In fact Sushma Swaraj, the External Affairs Minister of India, during her official tour in Hanoi on August 2014, has clarified the 'Act East' policy of Modi by stating that the policy of 'Act East' would replace the age-old Look East Policy, since it is not enough to Look East but to Act East, i.e. to put India's Look East policy into action. This is, indeed, looked upon by many scholars as an active step taken forward with regards to India's Look East Policy in recent times. In fact, the Act East Policy has also been highlighted by Narendra Modi at the 12th ASEAN-India Summit held in Nay Pyi Taw of Myanmar on November 2014, where the Indian Prime Minister has also emphasized upon three 'C's - commerce, culture and connectivity. Also, India's presence in the meetings of the ASEAN Regional Forum (ARF) or that of the East Asia Summit (EAS) of 2014 - all these events repeatedly herald Modi's Act East Policy, thus revealing India's priority concern for the ASEAN group. In other words, Turned over the swiftly changing security dynamics in the region, Indian Prime Minister Narendra Modi rechristened the approach as the "Act East" policy, putting forward the importance of also seeking deeper ties with partners such as Japan, Vietnam, South Korea and also Australia.<sup>9</sup> Trade and

investment are two important pillars of the Act East Policy. ASEAN is India's 4<sup>th</sup> largest trading partner. Bilateral trade has topped US\$ 75 billion in 2013-2014, with both sides committing themselves to reach a trade turnover of US\$ 100 billion by 2015 and US\$ 200 billion by 2022. Beyond ASEAN, the East Asia Summit (EAS) has emerged as the larger institution, with ASEAN as its driver and hub. It includes not only ASEAN member-states but also China, Japan, and South Korea as well as India, Australia and New Zealand. This institution is now includes the USA and Russia. Thus as a part of the Act East policy, India has to nurture bilateral relations with ASEAN countries and others, deepen cooperation with institutions such as BIMSTEC, ASEAN and EAS and to craft strategic understandings with major powers such as China, Russia and the USA on the future of Asia. The architecture of Southeast and East Asian relationships has become complex and so has the evolving architecture of relations between India and countries in these regions. Whether EAS will someday pave the way for the formation of East Asian Community (EAC) or Asian Economic Community (AEC) or eventually even to Asian Community (AC) remains to be seen. Besides, India is also a member of Asia-Europe Meeting (ASEM) and is also interested in joining Asia-Pacific Economic Cooperation (APEC).<sup>10</sup>In other words, The LEP's changing profile and its increased geo-strategic significance has led to the demand for a more pro-active approach which has now referred to as the "Act East" policy. In its essence it means that India has to energize its LEP and act with more dynamism. The appointment of an Indian Ambassador to deal exclusively with ASEAN and the East Asia Summit signals this pro-active policy. This aspect has received much attention from Prime Minister Modi's government. The re-calibration of the LEP into Act East is visible. At the 12<sup>th</sup> ASEAN-India Summit, Prime Minister Narendra Modi stated: "*Externally, India's 'Look East Policy' has become 'Act East Policy'*".<sup>11</sup>Prime Minister Modi also said that 'India's Act East starts with Bangladesh'<sup>12</sup>, firmly indicating that Bangladesh will be integrated with the Act East policy. This is because, Modi's commitment to stability in the South Asian neighbourhood will not necessarily come at the expense of East Asian engagement. India's Northeastern states cannot be easily accessed from the mainland without Bangladesh's cooperation, so positive relations with India's South Asian neighbours will be crucial to enhancing its land connectivity with Southeast Asia.<sup>10</sup><sup>13</sup> In addition, since becoming Prime Minister, Modi has advocated a 'Look East, Link West Policy' pointing to a broader Indo-Pacific conceptualization of India's region.<sup>14</sup>

Thus, the LEP's new orientation as the "Act East" policy is underway. It is in fact a maturing of the LEP. But for the rhetoric to meet reality adequate resources have to be pumped into energizing this policy. There are two dimensions to this policy; one the overland connectivity and the other the maritime domain. India has to provide adequate resources to make our country a maritime power in the Indo-Pacific region and pursue the overland option with greater vigour. Myanmar is the key to the future of this policy. Myanmar is India's land-bridge to South-East Asia. The investment climate in Myanmar has improved with a more democratic regime in that country. Trade at the border town of Moreh is opening up and informal trade may soon come down, improving revenue and living conditions in our north-eastern states. Myanmar is already India's chief source of imported pulses. India-Myanmar trade has more than doubled in the last seven years and has crossed \$2 billion in 2013-14. But India remains Myanmar's distant 11th trading partner, despite being a neighbour with a 1700 Km shared boundary.<sup>15</sup>

### **Act East and India's North East**

The Act East policy has huge significance for India's north-eastern states also. It is therefore, important to emphasise the importance of overland connectivity, since maritime trade bypasses the north-eastern region. In the context of cross border transformation in the north eastern region of India physical connectivity is a very important component. The security dimension in the north-east of India has had a dampening effect on infrastructure projects and they are facing delays due to political, security and financial problems. Because of security concerns, the only infrastructure projects in the North-East so far, have been undertaken by Government's own agencies. While the Moreh-Tamu-Kalemayo Road, has been completed, other projects like the

India-Myanmar-Thailand trilateral highway, Kaladan multi modal project, Tamanthi hydroelectric project etc are facing delays due to political, security and financial problems. Partnerships with the Asian countries such as Japan, Korea, Thailand, Indonesia, Malaysia and Singapore can generate healthy competitive impulses to get some of these projects moving faster is a new focus of the Act East policy. India's North East region deserves special mention in her 'Look East' policy. The natural beauty and resources here are ideal for the development of Tourism Industry in states like Manipur, Mizoram, Nagaland, Sikkim, Arunachal Pradesh etc. However, the Indian government has been blamed by many for not giving much attention to this region, and as a result continuous and unaddressed grievances here have finally given rise to some local insurgent groups, which are inculcating anti-Indian feelings among the local people. Many of these insurgent groups are even having their bases in Myanmar, and China has been accused here for supplying arms and weapons to the insurgents, both in India and Myanmar, in order to carry out anti-government movements there. This can be seen as a kind of provocation to regionalism in both the countries, thus endangering their national solidarities. Moreover, Sino-Indian tension surrounding the Indian Ocean is a well-known fact today, and China is now trying to strengthen its hold over Myanmar in order to capture the huge Asian market as well as to expand its foothold on the Indian Ocean through Myanmar.

Another notable problem is the South China Sea-issue, which is truly an area of confrontation for India, China, Vietnam, Philippines and other countries, mainly because of the huge storage of oil, gas and other natural resources in the region. In 2011 India and Vietnam had signed an agreement between them on oil and gas exploration in the South China Sea, which had been opposed by the Chinese Government. In fact, confrontation between the Chinese warships and the India's INS Airavat in the water of South China Sea in the same year evoked serious concern in the international scenario. It must be mentioned in this regard that China, after making many denials, had finally signed the 'Code of Conduct' with regards to the South China Sea in 2002, and has also become a member of the East Asia Summit by signing the TAC. However, the South China Sea-problem, which had almost subsided since 2002, evoked again in 2010 after Hillary Clinton, the then US Secretary of State, declared the South China Sea-problem to be an international issue. However, the tension was somehow averted in the 2012-ASEAN Summit meeting, but the Sino-Indian tension regarding South China Sea still remains unresolved.

Besides, the Sino-Indian relations have been embittered by serious border-problems since the Cold War-period, which includes the Tibet-issue, the Kashmir and Arunachal problems and so on. However, the Sikkim-problem was resolved in 2006, but other problems still remain. Nevertheless, keeping in mind the need of the globalized-era, India has extended its helping hand towards China, which is evident from the events of Sino-Indian cooperation in the forums of BRICS, ASEAN and so on.

So far as India-Japan relation is concerned, it has been mentioned earlier that India has been sharing a friendly relationship with Japan since the era of pre-independence, and Japan had also helped in the freedom struggle of India. In fact, Japan has remained one of the important trading partners of India for years. Besides, Narendra Modi has recently paid a visit to Japan in 2014, that led to the re-strengthening of this relationship through the conclusion of several agreements, which affirms the development of 'Special Strategic Global Partnership' between the two. In fact, India and Japan have common security-concerns in the Indian Ocean as well as in the Asia-Pacific region, for which both have already signed a security pact in 2008 during the premiership of Dr. Manmohan Singh. In recent times, the Modi-government is carrying out negotiations with Japan for the purchase of the 'US 2' amphibious aircraft for the military purpose, which might have positive ramifications on India-Japan security relations.

Coming to the North East, it may be argued that although India's "Look East" policy is strongly rooted in national interests, it has been aiming towards the strategic importance of India's Northeast region. Prime Minister Narendra Modi in a recent visit to Tripura said the northeastern region of

India would be made a gateway of Southeast Asia. "An economic corridor would be established using northeast India, Myanmar and the adjoining regions. Northeast India would be a gateway of Southeast Asia in future," Modi said. He further claimed that the northeast "would not remain backward now... As the gateway to Asia, it had the potential to move forward in this century, which was being called the century of Asia...Towards this end, the government is keen on building modern infrastructure in the northeast, to unlock its potential." Elucidating the importance of the North Eastern Region, and on why it is important to the Look East - Act East Policy, Dr. Gupte and Yeravdekar noted, "The Northeast region has the potential to play the arrow head role in evolution of the 'Look East- Act East Policy', and in fact it would not be wrong to say that looking and acting east will begin from here. South Asian states such as Bangladesh, Nepal and Bhutan are so closely linked with Act East policy that they also need to be considered as part of the policy".

The biggest constraint in the NER, however, has been the poor state of infrastructure, governance and corruption. A number of studies on the Northeast has highlighted the problem of infrastructure, governance and corruption in the region. The vision of trade and prosperity cannot be realised without providing the region with world-class infrastructure and building a system of good governance. Tripura Chief Minister Mr Sarkar has rightly argued, 'The NE has not been suffering from lack of natural resources, but the attitude of the Centre has virtually undermined the sentiments of the people... owing to the absence of proper infrastructure, the full potential of the NE region could not be tapped'.<sup>16</sup>

Indeed, the infrastructure development is the most fundamental prerequisite for the meaningful involvement of the North Eastern Region in India's Act East Policy and Globalisation process. All these will require huge investment; and, therefore it is imperative that adequate fund flow for public investment needs to be assured. It is urging the policy makers and planners to formulate a comprehensive strategy for the speedy development of the region and deepen the engagement with the ASEAN countries. Infrastructure projects should be taken up on war footing without disturbing the social and cultural identities of the various ethnic groups of the region. The present author suggests a special fiscal package for massive public expenditure on infrastructure development and to avail more funds to state governments of the region through federal transfers. The new paradigm must entail a massive expansion of productive capacities of the region's economy. It has acquired urgency, when the Trade and commerce with neighbours and East and South-East Asian countries have enhanced and good prospects are waiting for the north eastern region.<sup>17</sup>

However, At this point of time, the 'Act East' policy appears to be driven by Delhi, and has perhaps not been able to inspire local people to the extent it should. There is enormous potential in Assam and Meghalaya for development. This is why there needs to be inspired imagination. We can imagine Moreh in Manipur becoming a border town with smart hubs for business buttressed by the concept of eco-tourism. This will generate local employment and attract visitors. Arunachal Pradesh and Nagaland are immensely beautiful and people there have great potential, but they often bemoan the lack of opportunity and infrastructure. It is here that long-term vision and imagination are critically required; a state that can develop sound infrastructure and business will benefit its people. Community tourism can assist people who are in dire need of resources. However, this imagination has to be generated and supported by the States which are best equipped to understand local realities. To establish conditions for development and peace, we will have to start locally, today.<sup>18</sup> India's North East region deserves special mention in her 'Look East' policy. The natural beauty and resources here are ideal for the development of Tourism Industry in states like Manipur, Mizoram, Nagaland, Sikkim, Arunachal Pradesh etc. However, the Indian government has been blamed by many for not giving much attention to this region, and as a result continuous and unaddressed grievances here have finally given rise to some local insurgent groups, which are inculcating anti-Indian feelings among the local people. Many of these insurgent groups are even having their bases in Myanmar, and China has been accused here for supplying



arms and weapons to the insurgents, both in India and Myanmar, in order to carry out anti-government movements there. This can be seen as a kind of provocation to regionalism in both the countries, thus endangering their national solidarities. Moreover, Sino-Indian tension surrounding the Indian Ocean is a well-known fact today, and China is now trying to strengthen its hold over Myanmar in order to capture the huge Asian market as well as to expand its foothold on the Indian Ocean through Myanmar.

On the other hand, connectivity remains a vital issue in the question of India's Act East/Look East Policy. India can connect to NER through Bangladesh, which is one of the most important route of connecting NER with the rest of India. As a result, the government of India has certain initiatives. India understand that Bangladesh is one country in South Asia where ending bitterness and hostility towards India is important. At the same time it is important for India to equip the the political faction in Bangladesh moving towards scuring the peace and democracy. The recent visit of the Indian Prime Minister to Bangladesh on 6<sup>th</sup> June, 2015 started on a positive note. The exchange of enclaves has been done and the possibility of an agreement on Teesta waters does not seem as remote as it was some years ago. It is important to note here that the land boundary and Teesta issues are residues of history and India is now prudent enough to solve the issues gradually. It is also important to note here that India needs to spend money on Bangladesh's economic development. Unless that is done, the issues that bedevil bilateral relations—illegal migration and conflict over resources—will escalate in the future. If only from the perspective of ensuring its security, India should spend freely on Bangladesh.<sup>19</sup> This is also important for India's connectivity programme within the framework of Act East Policy. As a part of the present connectivity programme of Government of India, Indian Prime Minister and his Bangladeshi counterpart, Sheikh Hasina, on 6<sup>th</sup> June, 2015 flagged off the Kolkata-Dhaka-Agartala bus service marking a historic moment in the bilateral relations between the two countries. The Kolkata-Dhaka bus service was introduced in 1999. Since then, there has been a demand for connectivity with Tripura. The successful run of Kolkata-Dhaka service brightened the scope for another service in the northeastern sector. The existing route between Kolkata and Agartala by road has been a complex one with an estimated distance of 1,650 kilometres. The journey through the narrow 'chicken neck' territory via Guwahati and Shillong takes around two days. But the new route via Dhaka, Rupganj, Narsingdi, Brahmanberia and Akhaura would bring down the distance to 470 kilometres.<sup>20</sup> This is undoubtedly a positive step towards linking NER with the rest of India contributing to the practical framework of India's Act East Policy.

### **The Future of Act East Policy**

The future of India's Act East policy has to be woven by the twin strands of economic participation and strong security ties. India must build a web of relationships with all nations, including China. With the historic visit of the Emperor and Empress of Japan to India, our Act East policy has gone into a faster lane with respect to Japan, the 3<sup>rd</sup> biggest economy and a technological power which are already taking on a transformational role in establishing infrastructure in India (Delhi Metro and the Delhi-Mumbai Industrial corridor). Today, security relations are also growing and India and Japan are on the threshold of achieving accord on a civil nuclear accord. Prime Minister Abe of Japan was the Chief Guest for the Republic Day festivities in January 2014. Japan possesses a key part to act in our Act East policy as a partner in economic and security cooperation, including defense supplies. The Republic of Korea (ROK) has likewise taken a crucial profile in our insurance. ROK has steadily invested in sectors like automobiles, white goods, electronics and mining, making a scar in the manufacturing sector. Aside from the free trade agreement with ASEAN, India has Comprehensive Economic Partnership Agreements (CEPA) with Japan and Korea. India is a founder member of the East Asia Summit (EAS) and is a member of the ongoing Regional Comprehensive Economic Partnership negotiations which groups together the 10 ASEAN countries, China, Korea, Japan, India, Australia, New Zealand. From the geo-strategic point of view, Indonesia and Vietnam are also key countries. India will have to nurture these

three crucial relationships because of the added dimension of security while building web of relationships with major countries, including China which is increasingly taking the lead in initiating moves for a larger economic and security architecture in Asia.

Act East policy will also have to meet the challenge of how to deal the proposed Trans-Pacific Partnership (TPP), led by the USA with 12 Asian-Pacific countries that include some ASEAN countries, Japan, Australia and New Zealand. If China joins the TPP, then India will be marginalized since China's trade with ASEAN and the USA US\$ 450 billion and US\$ 516 billion respectively. China-Japan, trade volume is over US\$ 300 billion. India is way behind but can hope to catch up if India's domestic economic growth picks up and we can sustain a GDP growth rate 7+%. The other domain from which new challenges to our Act East policy is likely to spring up is security.<sup>21</sup> The rise of China has led to a military buildup in Asia and arms transfers have gone up manifold, underlining the unstable security situation. China's Maritime Silk Route proposal involves building ports and other infrastructure assets in the sub-continent. China is preparing to deploy its maritime capability in the Indian Ocean. India's Act East policy must, therefore, incorporate countervailing measures which build military cooperation with the USA, Japan, Korea, Australia and ASEAN countries. The goal will be to inhibit China's projection of power and at the same time build cooperation on common areas of interest like combating piracy, maritime disaster management and keeping the Sea Lanes of Communication open for trade. India must also leverage its considerable cultural influence to engage all Asian countries. This aspect has so far not been fully leveraged. The Act East policy has acquired great relevance in the global geo-strategic space. Indubitably, it a pillar of India's foreign policy, competing with our South Asia policy and our policy towards the USA, Russia, China, Japan, the European Union and other Emerging Economies, giving India the necessary space to play its legitimate role as an emerging great power.

## Conclusion

So, while coming to a conclusion one must have in mind the gradual development of India's Look East Policy, which, though ran into rough weather during the Cold War-period, but eventually earned its position in India's foreign policy-domain, and today it has become one of the priority concerns for the Indian policy-shapers. Nevertheless, the involvement of China in the area of Southeast Asia has caused the situation sort of complicated. For example, China's support for the local insurgent groups, both in India and in Southeast Asia, or China's growing trade-relations with the ASEAN members – all these are the upcoming challenges which India has to face while sharing with the ASEAN-factor. Consequently, the Indian government has to be extra-careful while formulating and implementing its policies in this area. Nevertheless, the changes which have been brought out in India's Look East Policy over decades have, no doubt, aided in the socioeconomic development of India, and this has been possible through India's involvement in ASEAN, BIMSTEC and other regional assemblies. Still, how far the Indian government will be successful in realizing its Act East Policy by addressing the domestic as well as the international challenges is a matter yet to be called. This is true today that the reality of India-Myanmar land connectivity is increasingly getting a possibility as militancy and insurgency are on the descent in the area of North East, However, this is too true that without the development of Northeastern Region the Act East Policy cannot be successful. In conditions of strong connectivity, Trilateral Highway still remains an open inquiry and the region is in desperate need for ample development investments. This evokes in turn several questions over the progress of Look East Policy and connecting North East India to the world, most of which remain unanswered. At the local level also, India has to be more careful to distribute with the insurgents struggling against India to implement its Act East Policy. On 4<sup>th</sup> June, 2015 in a major ambush in Manipur's Chandel district, 11 armymen of 6 Dogra Regiment were killed and 10 others injured in an attack by militants. The attack took place near Moltuk on the Indo-Myanmar border. The ambush was laid by an unidentified terrorist outfit under Tengnoupal Police Station in the territorial dominion. Sources

said terrorists used heavy firepower in the attempt. The Army convoy was a road opening party and was attacked with rocket propelled grenades (RPGs) and heavy gunfire. If this variety of scenario continues, then it will be hard to implement India's Act East Policy. Special attention on the theatrical role of the Government of India has to be required to remove suspicion and to build confidence in the region where Bangladesh and Myanmar has to act as a very significant role. It may be mentioned here again that India's "Look East policy" has long shaped the nation's ties with the Asia-Pacific and the South East Asian nations. But Prime Minister Modi now pursues a more ambitious agenda based on stronger ties to Japan, Vietnam, Australia and ASEAN. In many respects, Prime Minister Modi's approach to the Asia-Pacific builds upon the policies of previous governments. However, his government has intensified its outreach to India's key partners, such as Japan, Vietnam, Australia and ASEAN. His key goals are to deepen economic ties with the Asia-Pacific in order to boost India's own economic growth, to balance externally against Chinese influence in the Indian Ocean, and to expand India's global role. While the Modi government must work quickly to ensure that 'Act East' goes beyond a rebranding of an existing policy, the upgraded policy signals India's intention to assume a greater role in the region. India is certainly wary of China's growing presence in the Indian Ocean and its relationships with India's South Asian neighbours. In light of this, India's Look East Policy can be conceived as part of an external balancing strategy against China. At the same time, Beijing is also displaying wariness towards India's growing relationships with key partners in East and Southeast Asia, particularly with Vietnam and Japan. While it is not in India's interests to engage in direct rivalry with China, it can be expected that an element of competition will continue to characterize the China-India bilateral relationship.

These stresses will also help to reinforce the relevance of investing in India's relationships with collaborators such as ASEAN and Japan. ASEAN will remain a vital part of India's Look East Policy. Chinese assertiveness on territorial disputes has given India the opportunity to enhance its strategic presence in Southeast Asia, and ASEAN states are more and more looking to India to play a balancing role in the area. Bilateral partnerships within individual ASEAN states, such as Vietnam and Indonesia, hold particular promise.

India's relations with Japan are likely to undergo the most change under the Modi government, especially in light of his personal association with Japanese Prime Minister Shinzo Abe. Japan's tense relationship with China has inspired it to reach out to India as a potential strategic partner. Equally the most advanced Asian naval power, and as a possible source of considerable investment and technological assistance, Japan offers India significant partnership opportunities as it switches its focus eastwards.

Indian Prime Minister Narendra Modi's recent visit to China<sup>22</sup> was high on specifics and low on rhetoric. With a stack of 21 business agreements worth more than \$22 billion signed, Modi seems to have adopted the advice of foreign policy experts to base Sino-India bilateral relation on a more pragmatic standing. Rather than resorting simply to *Hindi-Chini Bhai Bhai* sentiments, Modi has made it clear that China should be treated more as a "partner" in India's long road to development especially in infrastructure. This visit saw significant government-to-government pacts in railways, mining and minerals, establishing sister city relations etc. India even announced an electronic visa on arrival for Chinese visitors. However, during the visit no significant step was taken regarding the boundary issues between the two countries. Although there were talks of setting up a hotline between the military headquarters of the two countries, the Chinese side remained largely silent on India's suggestion that China must reconsider its approach on some of the issues that hold India back from understanding the full potential of India-China partnership. At the same time there was no response to the Indian PM's proposal for clarifying the *Line of Actual Control (LAC)* or on the *stapled visa policy*<sup>23</sup> to people from Arunachal Pradesh (which China refers to as South Tibet). These are important issues and India needs to find a way to get the Chinese to engage in a resolution on these vital security issues. Presently, India doesn't have

the economic or military power to counter China. However, what India has is its geopolitical importance in Asia, which both the US and China are trying to leverage. India should use this to straighten its relationship with China.

It may be noted here that Beijing in recent years is reasserting its military power and activities in the South and East China Sea, the US is helping its allies and partners to realign themselves militarily. There is a fast growing defense network in the region comprising China's adversaries whose strategy seems to be isolating Beijing. Japan, which reinterpreted its Pacifist constitution last year is now all set to affirm its right to "collective self-denial". This stands for Japan could provide military assistance to its allies like the US in a warlike situation. A significant step forward is the rewrite of the Guidelines for US-Japan Defense Cooperation. The revision incorporates cooperation, including defense against ballistic missiles and maritime protection. For Japan it underscores Washington's reassurances that it will stand by Tokyo in case of a military showdown with China. China has gone a step further by enhancing its strategic cooperation with Australia. Japan will now operationally aid Australia, especially in shell of any attack on Australian vessels while operating in US military in South China Sea.

According to reports, the US might expand its current training exercises in Southeast Asia, which will include multilateral military exercises in the region. For example, bilateral naval exercises conducted by the US Navy such as the annual *Cooperation Afloat Readiness and Training* (CARAT) will now call for multiple countries in Southeast and South Asia, including Bangladesh, Brunei, Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Timor-Leste. Now this coincides with India's reinvigorated focus on its 'Act East' policy. It is drawing India closer to not only Japan and Australia in the Pacific but also to smaller Southeast Asian nations, most of whom have contended territorial claims with China (like Vietnam). In response to the US-led *Trans-Pacific Partnership* it has likewise come up with competing free trade accords like the *Regional Comprehensive Economic Partnership* (RCEP) that includes ASEAN members apart from Australia, China, India, Japan, New Zealand and South Korea. China's immediate projects, the *Silk Road*, the Economic Belt-serves the same motive of bringing countries into the Chinese economic fold. China will find a convergence in India's need for investment to accentuate its growth with its own stake to hold bigger influence to India by offering economic assistance. Beijing has already stated its desire to get India on board in its infrastructural activities as a first step. Beijing will further look at India playing a larger part in its *Asian Infrastructure Investment Bank* (AIIB). China even proposed that areas of common interest could be found in India's 'Act East' policy and the *belt and road*<sup>24</sup> initiative. China said that the two countries, India and China could deepen involvement on the *belt and road*, within the framework of AIIB. Chinese opinion, even suggests collaborating in infrastructure and joint ventures by the two nations in Africa, Latin America and the West Asia.

Quite evidently Beijing's insistence about common points of overlap between the two countries is to spur China of any friction with India in its *Act East policy*. This is possibly a point India should leverage. China is working with Pakistan to construct a *Sino-Pakistan Economic Corridor* across the Karakoram ranges in Pakistan-occupied Kashmir (PoK) and tying with the Arabian Sea at Gwadar. New Delhi – while being mindful of not appearing as well close to the America's rebalance strategy – should use its partnership forged as a result of Act East policy to get Beijing to commit that none of its relationships in India's neighborhood will cause an untoward impression on the nation. This is exactly what China would expect from India, while it operates in Southeast Asia. Additionally the hope is that with Chinese companies investing in India, there might be business pressure on Beijing to be more aware of infrastructure projects in territories sensitivities in India, such as Arunachal Pradesh. While it will withdraw a while for the two nations to break up their decades old boundary issues, India should hold on to its *Act East policy* to deepen links with rural areas in China's periphery. This will be the initiatory step towards getting Beijing to be alert of its own activities in India's neighborhood.<sup>25</sup> Thus to conclude it may be said that India's Look East Policy is having two dimensions. First is the External dimension, which essentially

concerns relations of India as a whole with ASEAN (comprise of Myanmar, Thailand, Cambodia, Laos, Malaysia, Singapore, Indonesia, Brunei, Vietnam and Philippines) and East Asia which includes China, Japan and South Korea. The second dimension, which is the internal angle is about development of North East India that makes it a viable gate way for the rest of India to ASEAN & East Asia.

There are several issues that need to be addressed in order to make 'Act East' a success: *First*, India needs to 'Act East' from *within*, i.e. in its Northeastern region. Connectivity between northeast and other Indian states is still incomplete. While Myanmar is India's gateway to Southeast Asia, India's northeast is its gateway to Myanmar. A major bottleneck in that regard is that even capitals of the northeastern states are not completely connected through road, rail, and air with one another and the rest of India. Guwahati and Kolkata are the only common links to northeastern cities. With such components missing within India, lack of connectivity with Southeast Asian countries becomes even more difficult. Connectivity with Southeast Asia can be realized only after intra-regional connectivity is ensured inside India.

*Secondly*, infrastructure development is an important component of the 'Act East Policy.' In this regard, India and the Southeast Asian countries have initiated several projects; however, implementation has been very slow. For instance, the Chennai-Dawei Sea Port Project is still in the initial stage. So is the India-Myanmar-Thailand trilateral highway.<sup>26</sup> The government has recently extended the project deadline from 2016 to 2018. Another major project to boost the connectivity between India and Southeast Asia is the Kaladan Multi-Modal Transit Transport Project. Once fully operational, it will link the Indian state of Kolkata to Sittwe port in Myanmar and will be extended up to the Indian state of Mizoram.<sup>27</sup> Maritime connectivity with Indonesia could further contribute to India's connectivity plans. This is important, as Indonesia's Aceh province is less than 90 miles away from India's southernmost islands. *Thirdly*, people-to-people connectivity lies at the core of the 'Act East Policy'. Nalanda International University<sup>28</sup> and Buddhist tourist circuit can contribute immensely to 'Act East', provided the projects are implemented with rigor. *Fourthly*, despite improved economic stature at the international level, India has been consistently denied Asia-Pacific Economic Cooperation (APEC) membership, which does not augur well for it. From India's side, there is a need to persuade ASEAN member states to push for its membership. Strategists view that it is the "right time" for India to join the APEC bloc and become fully integrated into the global economy, Furthermore, India has to strive hard to gain a key position in the newly established BRICS<sup>29</sup> Bank.

Though 'Act East' seems to be providing the necessary thrust to India's eastward engagement, India has to quit sitting on the fence on issues of strategic importance for the neighborhood. Joint defense production and collaboration in defense Research & Development would help India firm up its capacities and also find lasting partnerships in the area. Indonesia, Japan, Singapore, and Vietnam are potential collaborators in that area. Robust people-to-people contacts and solid military and economic conflict with the region are the key to India's aim to turn a benign force of consequence. It is significant to realize that 'Act East' does not entail getting into fights and oppositions; it entails creating an enabling environment for peace and prosperity.

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7. India's Look East Policy dates back to the early 1990s when India, under the premiership of P.V. Narsimha Rao, had declared the 'New Economic Policy' for the country with Dr. Manmohan Singh as the then Finance Minister of India. The phrase 'Look East' actually denotes India's policies towards the South East Asian countries like Malaysia, Indonesia, Singapore, Myanmar, Brunei Darussalam, Philippines, Thailand, Vietnam, Laos, Cambodia etc. However, emphasis is also being given on the East Asian countries like China, Japan and others. The process was, however, accelerated further during the premiership of Atal Behari Vajpayee when India came much closer to the ASEAN (Association of Southeast Asian Nations), and finally when Dr. Manmohan Singh became the Prime Minister, emphasis was given not only to the 'Look East' but also towards the 'Look West' policy where the main focus was on the countries of the Middle East. However, at present Prime Minister Narendra Modi has focused on the concept of 'Act East Policy' which is evident from the recent speeches of Sushma Swaraj, India's Minister of External Affairs, and also from Modi's foreign tours, especially to Myanmar.
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20. Kolkata-Agartala bus service via Dhaka flagged off, *The Times of India*, 7th June, 2015
21. *Opcit. n.1* , Pinak Ranjan Chakravarty
22. May14th 2015-May 16th 2015.
23. China has recently justified as "goodwill" gesture its policy of issuing stapled visas to residents of Arunachal Pradesh, saying such a policy does not "undermine" the positions of both India and China which have disputes over big parts of that area. China has been issuing stapled visas to residents of Arunachal Pradesh, which India has been protesting, maintaining that it does not recognise such visas. China issues stapled visas to residents of Arunachal Pradesh as it claims that the state is "disputed," even as India continues to denounce the stance.
24. One Belt, One Road (Chinese: N&^Nī ; pinyin: Yídài yílù), also known as the Belt and Road Initiative; abbreviated OBOR) is a development strategy and framework, proposed by People's Republic of China that focuses on connectivity and cooperation among countries primarily in Eurasia, which consists of two main components, the land-based "Silk Road Economic Belt" (SREB) and oceangoing "Maritime Silk Road" (MSR). The strategy underlines China's push to take a bigger role in global affairs, and its need to export China's production capacity in areas of overproduction such as steel manufacturing.

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29. BRICS is the acronym for an association of five major emerging national economies: Brazil, Russia, India, China and South Africa. The grouping was originally known as "BRIC" before the inclusion of South Africa in 2010. The BRICS members are all developing or newly industrialised countries, but they are distinguished by their large, fast-growing economies and significant influence on regional and global affairs; all five are G-20 members. Since 2010, the BRICS nations have met annually at formal summits. Russia currently holds the chair of the BRICS group, and will host the group's seventh summit in July 2015.

### Abstract

*With a renewed interest in the development of the Zokhawathar-Rhi region for legalization of border trade between India and Myanmar, a number of points come to the forefront: existing extent of border trade, transportation issues, socio-economic development of the region, so on and so forth. As a part of the study conducted by the Jadavpur Association of International Relations and the Maulana Abul Kalam Azad Institute of Asian Studies, in understanding the pros and cons of the region in the broader Look East policy, this paper provides a macro and micro understanding of the individual interests and trade policy preferences at the Zokhawthar-Rhi trading point.*

## What Determines Individual Border Trade Policy Preferences at Zokhawthar-Rhi?

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### Introduction

In today's globalized world, the one word that gets the economy running and the politics rolling is "connectivity"; Connectivity over the World Wide Web, pleas for a much famed-defamed one currency zone like the Euro, to just name a few. Sooner than later, the leaders of the world and the diplomats across the globe have realized the utmost significance of connectivity as a people-to-people development. It is individuals that determine the rise or fall of its incumbent government, and the fulfilment of economic welfare goals for a sustainable future. Therefore, every policy that seeks to find a stable hold amongst its citizens, needs to consider a comprehensive ground level reality of individual interests and preferences.

India's Look East Policy is a hob-nobbing topic amongst academicians, journalists and policy makers. The reason primarily being the access of a trade route that can make the flow of indigenous goods profitable across borders, especially the North Eastern region (NER) of India,

which connects to China, Myanmar, Bangladesh and Thailand. This development of international trade through the region has been heavily concentrated upon by several regional organizations, like the ASEAN<sup>1</sup>, BIMSTEC<sup>2</sup>, SAARC<sup>3</sup>. Credible infrastructural and communication developments have been established in place, to convert the "Look East" into a sufficient "Act East" policy. Still, a comprehensive outlook for the development of the NER in its rightful perspective is a little lacking. Connectivity, in its truest sense, comprise people. An all-inclusive trade policy ought to consider the basic rule of a political economy model - 'it must contain a description of individual preferences over the domain of policy choices available to policy makers'<sup>4</sup>.

This report of the preliminary Zokhawthar (Mizoram, India)-Rhi (Myanmar) field trip, conducted in collaboration with the Jadavpur Association of International Relations (JAIR) and Maulana Abul Kalam Association of Asian Studies (MAKAIAS), strives to provide an all-inclusive outlook on the development of full-fledged legalized the border trade in the region. The paper will be divided into the following sections: the first section deals with the research question the report seeks to explore, the second section briefly enumerates the context of the analysis, the third section provides a literature review to understand the context comprehensively, the fourth section elaborates on the hypotheses and findings, and the fifth section offers a conclusion with suggestions of future research on the subject.

The expansion of trade relations between India and Myanmar has been in the radar of the Ministry of External Affairs, Government of India, from the inception of the Look East Policy in the 1990s. The first ever agreement signed between the two countries in 1994 established border trade on the basis of 'equality and mutual benefit'<sup>5</sup>. Article 1 of the agreement decided on four



trading points across the long border: Moreh (Manipur, India)-Tamu (Myanmar), Champhai (Mizoram, India)-Rhi (Myanmar), and two others that were to be decided mutually in due course of time. With the agreement in place for two decades now and a free flow of jointly decided goods across the borders, several reports on the context of border trade between India and Myanmar has been extensively researched and published. From a macro trade policy perspective, the Moreh (Manipur, India)-Tamu (Myanmar) border under the 1994 agreement has flourished as a more flamboyant border trade point. The Zokhawthar (Champhai)-Rhi region has remained minimalist, to that extent, but deserves special attention with the recent announcement of a new composite Land Customs Station by the Commerce and Industry Minister, Nirmala Sitharaman, in March 2015. With a renewed vigour in pacing up the border trade at the Zokhawthar-Rhi trade point, it is essential to look at the ongoing and future border trade between the two countries holistically. This paper undertakes a bottom-up approach to explore and answer the most important question as it remains: What determines individual border trade policy preferences at Zokhawthar-Rhi?

### Context

The Zokhawthar-Rhi trade point is one of the border trade routes, agreed upon between India and Myanmar, through the 1994 Agreement. Unlike the Moreh-Tamu route, the Zokhawthar-Rhi trade route took about a decade to become functional<sup>6</sup>. Following the commencement of the trade route, a composite<sup>7</sup> Land Customs Station (LCS) at the Zokhawthar, Champhai district, Mizoram, India, was established to ensure smooth flow of legal border trade from 2008<sup>8</sup>. The official agreement decided on the following items of exchange at the border (Source: Department of Commerce, Government of India):

1. Rice
2. Pulses and Beans
3. Chana
4. Mustard and Rape seed
5. Ground Nut
6. Fresh Vegetables and Fruits
7. Garlic and Onion
8. Reed Broom
9. Sesame Seeds
10. Betel-Nuts
11. Turmeric
12. Dried Ginger
13. Coriander
14. Dried Chilly (including in powder form)
15. Wood in the rough, whether or not stripped of bark, timber, wood roughly squared, wood sawn or chipped lengthwise, sliced of a thickness exceeding 25mm
16. Bamboo
17. Tomato
18. Sunflower seeds
19. Resin
20. Catechu
21. Betel leaves

Later on, the number of eatables were increased to 40.

Zokhwathar is a small border village in the Champhai district of Mizoram. It is about 28.5 kilometres from the Champhai town and has a proposed two lane national highway under development to connect the village to the main town<sup>9</sup>. The current conditions of the road between two are ridden with landslides and are kaccha<sup>10</sup> ones, which are a peril for movement, to say the least. On conversing with the local people, it is easy to assess that the road is hardly accessed by the locals on a daily basis. Dr Rebecca Lalhmingmawli, Assistant Professor of Economics, The Government Champhai College, mentioned that the road is currently used for mostly tourism and religious purposes to visit the Rihdil by locals, and by businessmen who engage in border trade with Myanmar. She showed hope about the fast paced development of the road between the border and Champhai as a result of World Bank funding<sup>11</sup>, and on the wake of announcement of the new composite Land Customs station. A better road and an all integrated LCS bear sufficient ground for a legalized border trade to flourish between India and Myanmar through Zokhawthar-Rhi, reiterates Dr Lalhmingmawli.

It is warranted to make a distinction between border and border area trade before delving into further enquiry. While the former involves trade in regionally produced goods that helps build 'vertical linkages between local resource base, production structure, and trade', the latter reduces the economic pleas of the people living on both sides of the border<sup>12</sup>. And, it is only through the development of the latter that a more formal and legal border trade between two countries can commence. The current figures of border area trade between Zokhawthar-Rhi show that several goods that are not sanctioned on paper are exchanged between the two sides, sometimes in form of informal trade, and at other times, through individual barter system. Most of these goods relate to textiles, fertilizers and pharmaceutical products, pointing to individual requirements on both sides of the border. To avoid the additional costs of transfer of these goods from the mainland, the traders make way for these goods across the border through illegal means. In turn, the profits are reaped by the South East Asian countries and China, which sell such goods at a much cheaper price than the mainlands. This leaves the holistic economic development of the border region minimalist and lacking, with severe deficit in local trade. The Champhai district, immediately bordering Myanmar, provides a promising ground in this regard.

The district of Champhai gains its name from the possession of a flat land with a vast stretch of paddy field at its foothills<sup>13</sup>. Given the nature of hilly terrain and dense forest area that covers the rest of the state, the flat land is considered a boon by the locals. Until 1998, Champhai served as a sub-district under undivided Aizawl. The district is divided into four rural development blocks: Ngopa, Khaizawl, Champhai and Khawbung. Following the birth of the Champhai district and the chain of events under Indo-Myanmar Trade Agreement and the establishment of a composite LCS at Zokhawthar-Rhi in 2008, it can be very well said that the region is young, developing and thirsty for economic development. The thirst is best corroborated by a decadal change in population growth of 29.9% in the 1991-2001 census and 16.65% in the 2001-2011 census, respectively<sup>14</sup>. In numbers, the 2001 census recorded a maximum population of 26,465 persons, which grew to a 32,115 in the 2011 census. Along with that, a sex ratio of nearly 999 in the urban areas and a 95.91% literacy rate shows the immense potential that the district holds to pave a way for a legalized border trade<sup>15</sup>. To explore and analyze the same, this paper argues that only when the socio-economic well-being of the people of Champhai be enhanced, can a border trade be legalized to its fullest.

### **Literature Review**

Before exploring the nitty gritty of the factors that determine border trade in the region, it is important to situate the individual preferences in terms of two classic factor endowment political economic models: the Stolper Samuelson and the Ricardo Viner theorems. Simply put, the Stolper Samuelson theorem elaborates on factor mobility, stating that a country with an abundant factor

(labor or capital) tends to benefit from free trade as compared to one with a scarcity of the same. That is to say, abundance of labor or capital seeks to find its way into different skills, services and categories of employment, with free trade. On the contrary, Frieden and Martin elaborate on the Ricardo Viner theorem, emphasizing on the specificity of factors (labor skills, for example) in one country, that leads to a more protectionist attitude amongst the people<sup>16</sup>. Even though a specific factor adds to comparative advantage of an economy, the inability to shift gears adds to the weariness of the labor. The landlocked economy of Mizoram is a glaring example of the Ricardo Viner model, where people have developed certain skills and cultural attitudes over centuries, and are not able to accustom and adapt to new skills adeptly.

Scheve and Slaughter make an interesting point by differentiating the Stolper Samuelson and Ricardo Viner theorems in terms of factor income with respect to 'factor type' and 'industry of employment'<sup>17</sup>, respectively. Contra Frieden and Martin, the authors claim that specific factors or a particular industry of employment does not necessarily increase the affinity for trade barriers. They associate a comprehensive approach of individuals towards trade policy preferences based on their asset ownership. According to the authors, assets like housing demands are not decided by the skill acquisition of labor or industry of employment, instead it is a decisive factor in showing people's preferences for free trade and increasing employment opportunities in their home town. Such an approach does find immense relevance in the context of Mizoram, where agricultural and cultivable lands continue to be the most economically fruitful assets owned by the people. This raises an important question - which of the above two explanations, labor skills or asset ownership, find relevance in the trade policy preferences of the Mizos?

Another well-acclaimed political economy work by Hainmueller and Hiscox have furthered the possible connection between levels of education and openness of attitude for free trade, claiming a non-linear effect of education on individual attitudes. The authors hold that education plays an important role, not only in skill acquisition of individuals, but in shaping their attitude towards free trade. Conducting their findings across primary, high school and graduate education, the highest negative effect for protectionism was found amongst the college educated individuals, who portrayed more tolerance towards foreign trade and cosmopolitan views of the world<sup>18</sup>. To that extent, high literacy rates and a credible sex ratio<sup>19</sup> makes Champhai a potential trade hotspot in the broader context of the Look East Policy.

The three seminal political economy works cited here undertake a bottom-up approach, and merely provide a preview of the several fold answers that can be attempted at answering individual trade policy preferences. By no means, does one explanation hold more significance over the other. Rather, it seeks to approach the issue of formulating a trade policy from several angles - factor specificity, asset ownership and educational attitudes, respectively. This paper seeks to adopt a comprehensive outlook by incorporating all the three approaches in understanding the future of border trade in the Zokhawthar-Rhi region.

Data on literacy of males and females, sex ratio, permanent<sup>20</sup> and semi-permanent households, possession of two wheelers, four wheelers, access to internet, banking services and electricity across households, and the varied forms of employment (household industry, cultivators, agricultural laborers, other and non workers<sup>21</sup>) have been collected for all the four rural development blocks of Champhai from the 2001 and 2011 census. The primary reason of collecting these variables from the census lay in understanding the impact of education, employment and the material well being of the people in the region.

Keeping the analysis confined to decadal changes across two census owe to the commencement of border trade from 1994. In fact, with the formal establishment of the trading point in 2004, there is an increasing interest in the comprehensive development of the region. Individual preferences for achieving a minimum, comfortable standard of life can be found in people's willingness to travel to Aizawl for higher education and for securing future service jobs provided by the state

government. As a part of their cultural upbringing, Mizos are inherently community oriented and give an immense priority to their own societal and economic development. To that extent, the comparative advantage of the Champhai district lays in its highly educated and socially and culturally sound population, who are willing to accept new infrastructural developments to make their village a gateway for the Indo-Myanmar border trade.<sup>22</sup>

To analyze the development of the pre-requisite socio-economic well being of the people of Champhai, the following hypotheses have been formulated:

Hypothesis 1: If there is an increase in literacy levels, then there will be an increase in influx of the population to other working sectors from cultivation and agricultural labor, in urban areas.

The intuition for the first hypothesis is simple and straightforward. The more educated and skilled individuals always seek to look for jobs in secondary and tertiary sectors over primary ones. Government of Mizoram has created several opportunities for educated youngsters to participate in government services.<sup>23</sup> Therefore, the possible development of a legalized border trade on a much larger scale, unlike the current scenario, will generate employment in several governmental institutions, and forms a welcome opportunity for several Mizo traders on the Indian side.

Hypothesis 2: If there is an increase in population movement to other working categories, then the possession of permanent households in the urban areas will rise.

The term ‘Other working’ categories is by itself vague and broad. The definition by the DCHB elaborates on it as an umbrella term for employment opportunities other than owning an agricultural land or working as a wage laborer, to the people of the Champhai district. The number of land owners will always be a handful as compared to wage laborers working on them. Thus, given the nature of seasonal agricultural activities in the hilly terrain, a permanent job in any other sector is more welcoming. If the same is made available through trade and commerce activity by the government, the per capita income is bound to be steady and on a rise. This will provide an opportunity for expenditure on more pucca houses than semi-permanent ones.

Hypothesis 3: If there is an increase in permanent households, the material possession of household assets, like four wheelers and internet, will increase in the urban areas.

The third hypothesis is a derivative of the first two, elaborating on the preliminary economic development of Champhai. Intuitively, individuals think of acquiring expensive household assets when he/she can afford to take care of a permanent household. Therefore, the higher the per capita income and number of permanent households, higher will be the asset possession. With personal four wheelers on the road apart from commercial ones, transportation on the hilly roads, either for economic or tourism reasons, will become easier.

**Table 1: Comparison of employment types by number of persons**

<i>Employment categories</i>	<i>Number of persons (2001)</i>	<i>Number of persons (2011)</i>
Household industry workers	267	267
Cultivators	13814	8677
Agricultural laborers	655	1762
Non workers	10362	17908
Other workers	6470	9162

## Findings

The first hypothesis finds credible evidence through the data collected on literacy and employment from the 2001 and 2011 census. About one third of the population has found way in the “other worker” category over the two decades. Table 1 shows that the number of cultivators have gone down, and there is a significant increase in the number of individuals in “other worker” category,

which is an indicator of the skilled labor absorption in the economy. At the same time, it is important to note that the number of wage laborers and non workers have significantly increased. This shows the lack in comprehensive economic development of the region, with a substantial population still finding no permanent employment opportunities. Looking at the graphical representation of the rural development (RD) block wise employment (Figure 1, Appendix), an interesting trend can be seen in two particular RDs, Champhai and Ngopa. Both register a high sex ratio and literate population. Ngopa is also the most populated village in the district, making it an epicentre for various kinds of employment. Champhai registers the highest rate of people shifting away from agricultural activities. This definitely shows a shift in preferences of the individuals living in the region along with infrastructural developments taking place over two decades.

Figure 2 (Appendix) shows an increasing trend in permanent households over the entire district of Champhai. A visit to the Champhai town gives a concrete idea about the livelihood of the people - apart from cultivation and trading, there is a large scale movement of students to Aizawl for education, and other individuals for daily work across different towns of the district - but people always come back to their home town<sup>24</sup>. The evidence is supported by the increase in population and per capita income of the state across the two decades in analysis (Figures 3 and 4, Appendix). With a more stable income and increasing employment opportunities, individuals stay back in their home town than migrate to other parts of the state or mainland India. The second hypothesis therefore gives us a strong reason to believe that both the state of Mizoram and the district of Champhai are performing on an upward curve in terms of economic development, that needs to be tapped accordingly for channelizing border trade through the region.

The third hypothesis can be analyzed using Figures 2 and 5 (Appendix), respectively. Three bumps on possession of household assets across the Champhai, Ngopa and Khawzawl urban regions can be noted, where both electricity and transportation have found sufficient way into the lives of the people. This shows the infrastructural conduciveness for a commercial development in the region. Increasing income and permanent households have paved a way for a more stable life for the people in the region too. Yet, caveats like non existence of something as important as internet connectivity ought to be mentioned. This is not only a specific problem in Champhai, but the entire state, where internet connectivity is hardly steady. With higher tele-density and communications development, individuals have access to internet through their phones, but a stable broadband connection is simply missing in the town.

## Conclusion

In hindsight, it is therefore interesting to note that the announcement of the new composite LCS comes at an extremely ripe time when the people of the region are conducive to the infrastructural development of the state, and the economy is on an upward curve, providing ample hope of employment opportunities to the people. The socio-economic development of the people of Champhai needs to be taken care of keeping their individual preferences in mind. Some of the important points regarding the same have been mentioned below.

Primarily, the first and foremost point pertains to the kind of goods mutually decided between the two countries for exchange. Amongst the various items listed, there is no mention of medicinal plants that grow in abundance in the North Eastern region. While the local medicines are available in plenty, the more important pharmaceutical items are not easily available to the people in the border area. This makes it important for both the centre and state to invest in research and development of medicinal plants in the North East, and establish more accessible health centers near the immediate border area, to avoid barter exchanges and informal trade in pharmaceutical items. Health, along with literacy, are two of the most important criteria of human development index. And a healthy lifestyle in a region infiltrated with drug abuse and HIV, should be the primary concerns on the region's comprehensive development.

Secondly, as data shows, the past two decades have served as a favorable ground for both development and growth of the economy along with the changes in individual interests and preferences. In a culturally rich region like the NER, with its vibrant tribal history, it is extremely important to be cautious about development without hurting the sentiments of individuals. Mizos are community oriented and are more open to development when their daily concerns are taken care of by officials than an imposed order. For example, if the religious sentiment across the Zokhawthar-Rhi region demands trading points to be closed officially on Sundays, it ought to be respected. Only when the individuals in the region feel comfortable in their skin and achieve a decent standard of life, can a large scale legal border trade be realized.

Thirdly, Mizoram is the most peaceful state, in terms of security and insurgency issues, in the NER. While Manipur has thousands of battalions posted across the state, Mizoram has hardly a few hundreds<sup>25</sup>. This makes the region more accessible for development of a trade route, with lesser security infringement concerns, than Manipur. But one of the most important barriers that overcomes such positive developments is the language barrier amongst the Mizos and the people from mainland India. While it is true that the Mizos and Chins on the immediate side of the India-Myanmar border share the same or a very similar language and have no problems in communication, the language problem will be an issue once a formal and larger scale of border trade commences in this region. This is to say, the transportation of goods from mainland India to the border of the NER in the future needs to be brought about by roads in construction and after trading contracts have been established. If there is a major language issue between the contractors, vendors and the traders, there ought to be communication breaks or mis-communications, that may be used by the illegal traders. Thus, English as a second or third language must be introduced in schools on a broader scale to make communication between people easier. English speaking and writing classes also need to be introduced in the border region for the middle aged population. This needs to be a conscious and continuing strategy of development by the state and centre to avoid a backlog in the process.

Future research on the issue should consider the above points in context and carry out survey research to list out the primary, middle and least priorities with respect to interests and preferences of the people in the region. An individual survey research may shed light on more important points than covered under this report. This report has concentrated and shed light only from the aspect of individual interests and preferences for trade policy developments. A comprehensive or a more extensive report of the same also needs to consider the issues of drug abuse and prevalent health diseases in the region, to understand the proper channelization and utilization of resources in border trade development.

## Notes and References

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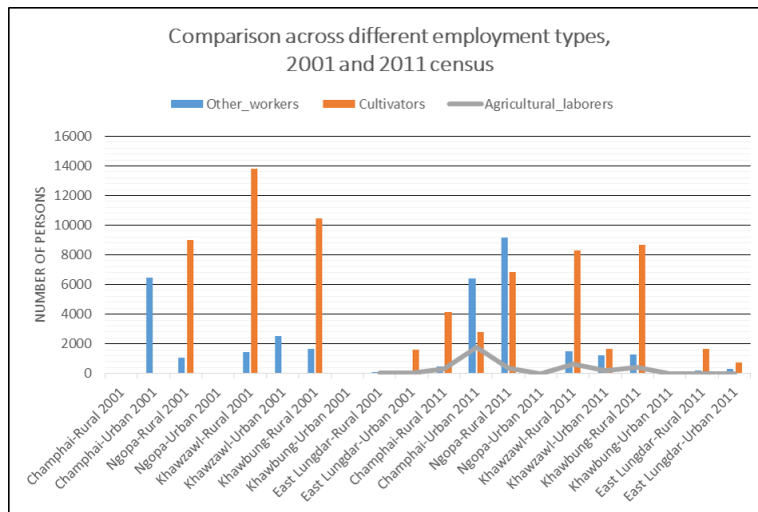
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19. Census of India, Primary Census Abstract, 2001, 2011
20. As per DCHB 2011, permanent households are those whose walls and roofs are made of pucca materials; Semi-permanent households are made of other materials than burnt bricks.
21. As per DCHB 2011, Household Industry is defined as an industry conducted by the head of the household herself/himself and or by the members of the household at home or within the village in rural areas and only within the precincts of the house where the household lives in urban areas; a person is classified as Cultivator if he or she is engaged in cultivation on land owned or held from government or held from private persons or institutions for payment in money, kind or share. It includes effective supervision or direction in cultivation; an Agricultural laborer is one who works on another person's land in kind or wage or share; Other workers are involved in other kinds of work that the first three; and Non-workers are those who have not been engaged in any productive work for the time period recorded.
22. The author has been conversing with locals about their opinion on making Champhai a more developed town, and the possible pros and cons of an increased border trade.
23. The author has been conversing with locals about their opinion on making Champhai a more developed town, and the possible pros and cons of an increased border trade.
24. The author has been conversing with locals about their opinion on making Champhai a more developed town, and the possible pros and cons of an increased border trade.
25. The author has been conversing with officials regarding security issues in and around Champhai.

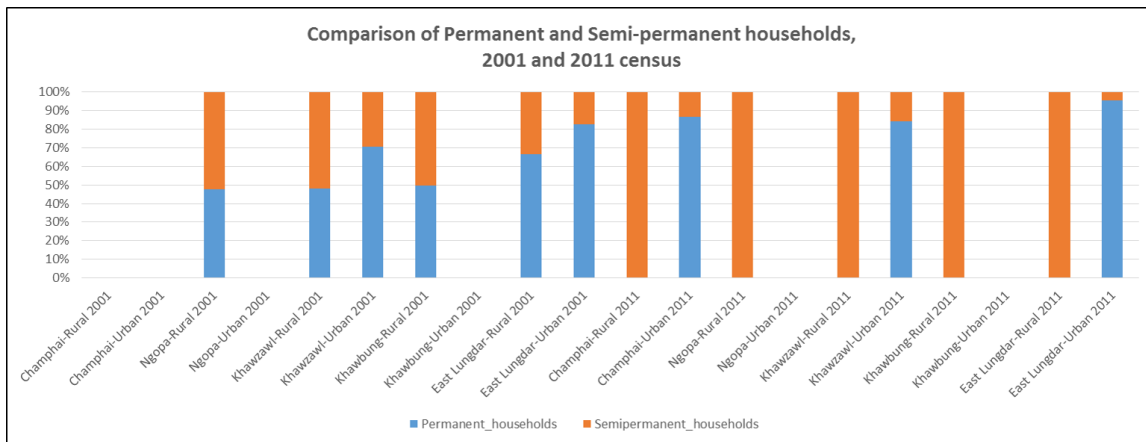
**\*APPENDIX**

(Source of data: District Census Handbook, Primary Census Abstract 2001 and 2011)

**Figure 1: Comparison of Employment Types**



**Figure 2: Comparison of Different Households**



**Figure 3: Decadal Population Change**

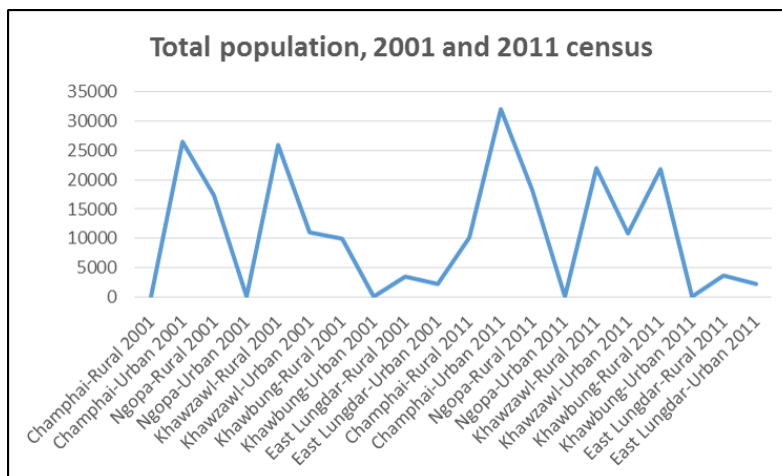




Figure 4: Per Capita Income

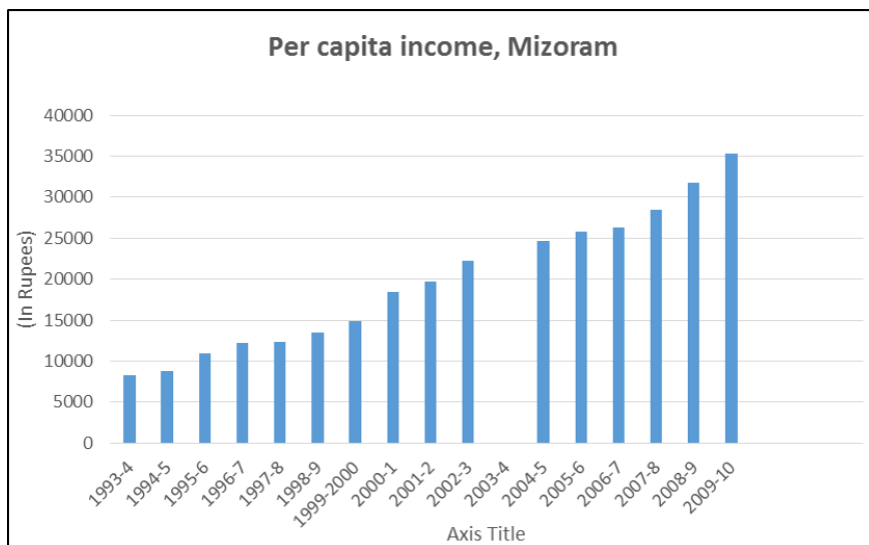
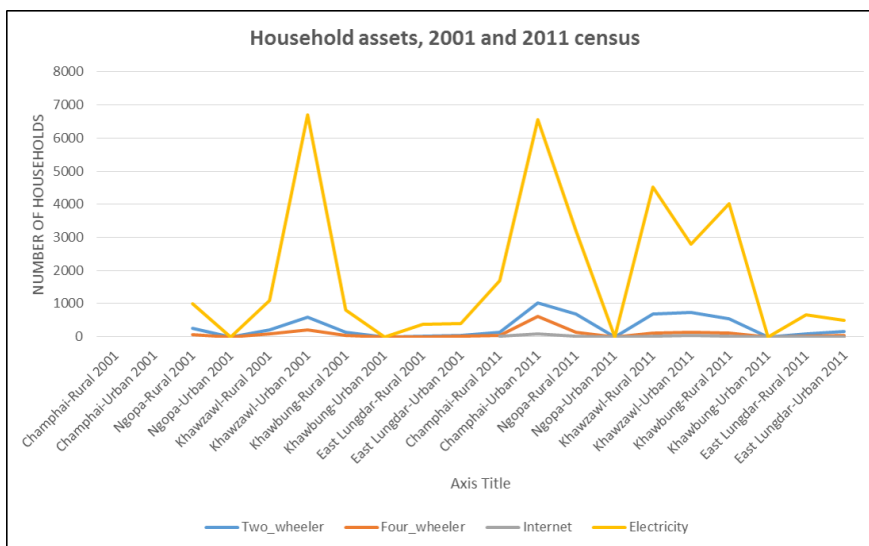


Figure 5: Household Assets



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### Abstract

*India's official freedom as a sovereign state on August 15<sup>th</sup>, 1947 did not just bring about political, social and economic independence but also important imperatives came up as important decision making point for the nation. Among all other important considerations what was probably considered as secondary or even tertiary was the country's nuclear policy. For as a national stance what was most definite after Hiroshima Nagasaki was India was against atomic bombs and treated nuclear world as detrimental to India's non-violence spirit and ethos, culture and prerogative. Although India could avoid direct involvement and straightforwardness for some initial years but it could not keep it's ambiguity for long. Probed by strategic threat or mere power ambition is debatable, but India unleashed itself as nuclear power defying many international efforts to resist it from growing as one. Given the diversity and compulsion in political and scientific thinking, the nuclear policy of India is definitely beyond mere science and research it covers India's political, economic, foreign policy and treats that as an all encompassed entity. India was not just strictly driven by domestic politics and power ambition but also strategic regional and global threat perception.*

*Key Words: Nuclear Policy, India, Regional Threat.*

## India's Nuclear Policy: A Tryst between Domestic Politics and Strategic Regional Threat Perception

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### Introduction

The bombing of Hiroshima, Nagasaki on August, 1945 shook the world with atomic bombing killing 90,000 lives at one go and perishing two cities within days. A world was christened to deadliness in new avatar, which was grim and ghastly but that did not however, stop the countries from not embracing it and rather nuclear weapons became the new name from 'modern power status'. During the cold war period firstly United States of America and Soviet Union enjoyed unrestricted freedom of using any means on their behalf to engage in their war of establishing supremacy over the other. After a point when in the new paradigm nuclear power status translated for the state's national vis-à-vis military power the nuclear race no longer remained restricted to the two superpowers. Taking cue from the 'war' as even in the classical Clausewitzian concept, it is finally the military power of the state which provides the capability of 'continuation of political commerce, a carrying out of the same by other means' and 'war is a mere continuation of policy by other means'.<sup>1</sup> The cold war did not have a singular or pointed effect on only these two major powers as they were participants, other countries also, soon got involved as direct or latently and were affected inevitably. However it would be cliché to say that the world of nuclear weapons is discriminatory. The perception of inequality was very much reflected in behaviour of almost all states, but the capacity to express it in form of revolt or policy action or even latent war was impossible for the states as they lacked the power to do so. At that time frame the world was bearing heavy imprints of shattered states after second world war or heavy colonial hangover and of course direct or indirect waves of heavy lashes by USA or Russia to belong to their power blocks. The major decision or dilemma of taking a stance was faced by the middle powers. These were states with sizeable resources or having intractable conflicts that could not be left to the United Nations or some other regional organization or

to states with an ambition to graduate to the status of major power. India possessed and met all the three conditions and hence qualified at once as one of the full-proof country to resist the iniquitous nuclear regime right from the beginning.

### Inception of Nuclear thinking

There might be severe contradictions relating to this above perception as some scholars claim

that India resisted nuclear regime and actively led the non alignment movement as nuclear warfare was grossly antagonistic to Indian principle of non violence. Soon after becoming an independent country it stepped to the front lines of the movement for universal nuclear disarmament. Writing in Harijan in September, 1948, India's most prominent political and spiritual leader Mohandas Karamchand Gandhi reiterated, "I regard the employment of the atom bomb for the wholesale destruction of men, women and children as the most diabolical use of science" <sup>2</sup> It took India to maintain a hiatus of almost 27 years to drift from its said spirit of non-violent anti nuclear stance. As a leader of non-aligned movement from time to time India championed its stark protest in participating in nuclear arms race, but Gandhi's non-violence looked coveted in servility in spite of his protest to nuclear weapons as late in his life when he was asked by an army general on efficacy of non-violence vis-à-vis an enemy who has no use of it, he answered 'you have asked me to tell you in a tangible and concrete form how you can put over to the troops under your command the need for non violence. I am still groping in the dark for an answer. I will find it and give it to you some day...' <sup>3</sup> In 1948 India introduced a resolution in the United Nations (UN) General Assembly that stressed the need for effective international control of atomic energy. India remains a firm proponent of global disarmament based on principles of non-discrimination, universal acceptability and effective compliance.

Groomed by Gandhian ideals India's first Prime Minister Jawaharlal Nehru approached the country's progress with a finely balanced image of modernist and world leader of singular and moral structure. To strike the fine balance even before India gained independence both Bhaba and Nehru wanted to win for their country all prestige, status and economic benefits associated with being a nuclear power. In order to avoid tarnishing the image of Nehru as a major proponent of global peace the plan and scientific set-up which was maintaining a strict ambiguity of whether an economically poor India was growing nuclear bomb or not was solely left to the custody of brilliant and ambitious physicist Homi J. Bhaba, who was only answerable to the Prime Minister. So apart from making India potent and capable militarily and scientifically Nehru maintained minimalist policy and expressed his fear of nuclear power amounting to genocide and nevertheless worried that 'one accident, one irrational move or one wrong move might very well spell an end for everything living' <sup>4</sup> Guided by autonomy and independence in decision making were pillars of his foreign policy. His misgivings against any great power monopoly stemmed from his structural antipathy for great power antipathy for great power chauvinism in international system. Nehru also disliked the idea of total dependence on west for India's energy needs. As an idealist he extended his support towards total test ban treaty. According to the socio-political context Nehru and Bhaba at that point had majorly two aims; one was to mediate international rivalries and to intervene in their context so that Indian interests could be advanced. Secondly in order to approach the nuclear question on geopolitical and *realpolitik* basis to on whether to contain Indian power by military and diplomatic basis or not. With remarkable prescience, Bhabha wrote very early in life, 'When nuclear energy has been successfully applied to power production, in say, a couple of decades from now, India will not have to look abroad for its experts but will find them ready at hand' <sup>5</sup>. As a scientist, familiar with *realpolitik*, Bhabha was convinced that India's voice will be heard in international gatherings only if India became powerful and had nuclear weapons. Bhabha told Raja Ramanna, 'We must have the capability, we should first prove ourselves and then talk of (Mahatma) Gandhi, non-violence and a world without nuclear weapons'. <sup>6</sup> In a paper delivered in the 12th Pugwash Conference in January-February 1964, Bhabha elaborated his views as follows: 'Nuclear weapons coupled with an adequate delivery system can enable a state to destroy more or less totally the cities, industry and all important targets in another state. It is then largely irrelevant whether the state so attacked has greater destructive power at its command. With the help of nuclear weapons, therefore, a state can acquire what we may call a position of absolute deterrence even against another having a many times greater destructive power under its control' <sup>7</sup>. Homi Bhabha was able to influence not only stalwarts in the scientific community, but also political leaders to his way of thinking. SS Khera, former Cabinet Secretary, is of the view that

those who knew Dr. Homi Bhabha and worked with him were aware of his urge to work towards having everything ready for the bomb. According to Raja Ramana, 'there was never a discussion among us over whether we shouldn't make the bomb. How to do it was more important, for us it was a matter of prestige that would justify our ancient past. The question of deterrence came much later. Also, as Indian scientists we were keen to show our western counterparts, who thought little of us those days, that we too could do it'.<sup>8</sup>

Although this trend of 'keeping the option open' and the calls for international abolition was couched either in moralistic terms drawn from indigenous traditions or in secular language of liberal internationalism, both imparting a strong idealism but it also carefully complemented the ability India needed to hide as a capability to produce fissile materials for nuclear weapons as well as wide range of technologies that a full-fledged deterrent would require. So the question in the first twenty years was not at all about whether India wanted nuclear regime or not but it took the turn as how India wanted.<sup>9</sup> Probably this question was answered in mid 1960's, when the humiliating defeat in border war with china left India already infuriated the shock waves of nuclear testing in at Lopnor ranges in Sinkiang, China travelled to Himalayas in no time. Jolting from 'atoms for peace' motto an young Prime Minister Atel Bihari Vajpayee, then an young parliamentarian said "the answer to an atom bomb is an atom bomb and nothing else"<sup>9</sup> However even after such trial Nehru remained publicly opposed to nuclear weapons, nine days before his death he gave an interview stating "we do not make nuclear weapons and I do not think we ever will".<sup>10</sup> Lal Bhadur Sastri after succeeding Nehru tried to hold on to no nuclear weapon status and even appointed his foreign minister Sardar Swaran Singh to attain guarantee of the two major super powers in the face of dilemma which India was facing from its nuclear antagonistic neighbour. Swaran Singh's initial comments suggested that such guarantees would materialise but with time what was only proved was no guarantee would materialise. Like President Lyndon Johnson reassured India by declaring "the nations that do not seek nuclear weapons can be sure that if they need our strong support against some threat of nuclear blackmail, then they will have it"<sup>11</sup> this vague suggestion was most certainly not important as a coming deliberation over India's nuclear policy. However after not receiving guarantee from the major powers India quite evidently shifted from it's no weapon policy and that was only validated when it refused to join the 'no-nuclear -testing' bandwagon in the name of non-proliferation treaty on grounds of discrimination. , the draft indicated that the attempts to promote non-proliferation would be merely a first step toward the ultimate goal of universal nuclear disarmament. As discussions on the proposed treaty progressed, India added another qualification: nonnuclear states should be able to carry out 'peaceful nuclear explosions.' The United States firmly opposed this last proposal on the grounds that no meaningful distinction could be made between 'peaceful' and 'non peaceful' nuclear explosions. The nuclear threat situation worsened when another threat frontier opened along Himalayan lines again in 1965, with breaking out of border war with Pakistan and China owing its moral support to Pakistan. The Nuclear Non-proliferation Treaty (NPT) came into force on March 5, 1970. The government of India refused to accede to the terms of the treaty because it failed to address India's misgivings; specifically, the continued nuclear abstinence of the nonnuclear states was not linked to explicit reciprocal obligations by the nuclear weapons states. Although India's argument was couched in moral terms, a more pragmatic consideration-namely, keeping its nuclear weapons option open-guided its decision not to sign the treaty. The fear of Chinese war was more accentuated and most Indian strategists apprehended a same fear that without using its nuclear weapons and without unleashing the kind of war which would be regarded in the West as the crossing of the provocation-threshold, China may subject a non-nuclear India to periodic blackmail, weaken its people's spirit of resistance and self-confidence, and thus achieve without a war its major political and military objectives in Asia. Thus it would not be wrong to presume that the Chinese threat, Indo-Pakistan war, lack of guarantee from the superpowers quite got India to shift from its moralistic international standpoint of strictly refuting nuclear weapons. Almost every Prime Minister publicly upheld jettisoning the nuclear weapons and

relying on super powers as supreme but India never resented from developing the best technology so that it can be ready when required.

### **India Goes Nuclear**

Such a murky path led to May, 1974 when India not quite surprised the world with its first nuclear testing, carefully tagged as 'peaceful nuclear explosions'. The ecstatic Indian press responded as The Times of India boomed "Thrilled Nation Lauds Feat", The Sunday Standard declared "Monopoly of Big Five Broken", Indian Express reported "India's nuclear blast has catapulted her into the front rank of nations, no longer is she dismissed as a 'pitiful giant'" and more ambivalently Hindustan Times suggested, "Nation is Thrilled?".<sup>12</sup> Although India officially and unofficially maintained this as a strictly peaceful explosion and only for peaceful uses of nuclear energy, the international community did tend to put little or no importance to such declarations. After 1974 blasts, the international community, especially China and Soviet Union were mute and critical, Pakistan responded with testing within four days and U.S.A was grossly and openly critical with imposing economic and military restrictions. Canada did cut off all the nuclear co-operation. After 1971, India's victory over Pakistan in the war provided India with a lot of confidence and Indira Gandhi marked that as the suitable time to make its presence in south East Asia as one of the prominent emerging power. Also India sought it right as it saw a nexus amongst U.S, China and Pakistan against India. As a third world country it definitely took India to a respected platform affirming India could bear its cost and also unleashed the fear of further proliferation and disturbed the fragile strategic equilibrium present in South Asia.

After the tests of 1974, a lot of international and national upheavals paved the path for India to maintain status-quo for sometime but was always faced with the national and international situations leading to place India in such a position that it had to be always ready for nuclear weapons. The Soviet invasion of Afghanistan in 1979, and India seeking military help from Soviet Union paved the way for arms cooperation and military cooperation and arms trade between U.S.A and Pakistan. The situation thus called for India to have a nuclear edge over Pakistan. However under perception of threat and domestic ambition of growing as a more nuclear capable country while Indira Gandhi was taking major initiatives for scientific and technological development of missiles, her son maintained duplicity which was prominent in his action plan. While he advocated for a nuclear free world by 2010, and posed such proposals in United Nations which was least reciprocated by the major powers, he simultaneously also supervised and invested heavily in development of nuclear technology. In 1987, operation Brassstacks, however did not quite elaborate on the nuclear issue. It was not that India could breathe free and keep only domestic indications in mind when it tried to decide on nuclear issue, in 1990 the Jammu and Kashmir crisis and involvement of India with Pakistan again opened the door or a border skimmers and the porous border was open to insurgents, this instigated a constant guard and vigilance and also oiled the already lost trust between the two. The civil war in Afghanistan and constant aid by U.S.A and China to Pakistan left India utilize all ways possible to ensure its border security and find all means possible to uphold its prestige in South East Asia.

The end of cold war marked a dramatic shift in the geopolitical and power play scenario in the world all together. A unipolar world with United States as supreme power block left a serious blow to Indian foreign policy, which unofficially belonged to Soviet Union power block. Defying NPT and upholding a serious 'no compromise on discrimination' policy India treated nuclear weapons as officially indispensable. In 1996, the nuclear controversy rekindled with Comprehensive Test Ban Treaty in 1996, and India refusing to sign. The end of cold war marked the last nuclear testing by Russia in 1991 and United states maintaining a test ban moratorium under congress mandate since 1992. The draft of CTBT did not discuss the existing stockpile. Two factors explain the Indian shift from support to rejection of the CTBT. At one level, as has already been discussed, the Indians were acutely concerned about the "entry into force" clause and the likely effects of

this upon their nuclear weapons program. The other concern dealt with the spate of Chinese nuclear tests just prior to China's accession to the CTBT. The Indian strategic community correctly inferred that the Chinese were willing to accede to the treaty only because they had reached such a level of competence in their weapons development that they felt no need to test further. The biggest dichotomy that has set India treat CTBT rightfully averse to its sentiments was that in 1995, the budget of U.S.A government provided financial back up for the NIF technology drive and sanctioned \$13 million in support of stockpile stewardship programme. U.K was an ally to the U.S and had its testing in Nevada; U.S. France refrained from conducting tests between 1991-1995, however conducted tests within 1995-1996, before acceding to CTBT.<sup>13</sup> China also made a public commitment that it would negotiate a CTBT only after 1996 and resounded its decision not to suspend any nuclear tests till then. So the behaviour of the P-5 states indicated a clear unity in intention that they would conclude a CTBT only when they have absolute technology for further developing and improvising nuclear weapons.

### **The 1998 Tests and Aftermath**

Given the absolutely changed geo-political scenario in the post cold war era, when India conducted its series of tests in 1998, it was an outcome of both national security imperative and domestic political stability. India was ready for these tests since the late 1970's it but that did not happen due to instability in coalition government and also under international security pressure. In 1998, India conducted five tests including a thermo-nuclear one. It can be debated, on how far was the 1998 tests a policy response of the BJP towards the degrading security environment as nuclear progress was already included in the election mandate. The degrading strategic triangle dilemma did get expressed in opinions expressed by the then ministers as George Fernandes, who treated China as the major threat and did not bring Pakistan in the threat ambit. Bharat Karnad resounded the same thought stating Pakistan is not powerful enough to deshape the nuclear design in south Asia or is not capable enough to wage a war. But the Nuclear testing by Pakistan, code named as 'Ghauri' built with Chinese/ North Korean technology was powerful enough to destroy twenty-six cities of India at one go.<sup>14</sup> Hence except the left oriented parties the BJP government did not meet with any major opposition. Whether it was Ghauri or China or just India's step ahead to belong to the nuclear front lines which is alternatively coined as power symbol is tough to argue but definitely findings state that had the U.S satellite not found the test preparations, Narasimha Rao would have conducted the same in 1995 itself. The Prime Minister then claimed that the explosions were continuation of the policies which wanted India to be self-sufficient and independent and the 1998 tests were only a testimony to that. India had long been subjected to the proliferation because the major powers were discriminating and never stopped from extending helping hand to India's immediate allies , China and Pakistan. Also India's scientific and technological progress was also a very important aspect which needed a test and the test was an endowment by Indian scientists and Engineers.

### **Conclusion**

India under regime of Nehru and Bhaba was faced with ideological and practical dilemma of whether to approach nuclear weapons and support it in the open or not. However since independence India has been evidently working towards acquiring nuclear status. India's nuclear program all along has been driven by a clear inter-play between domestic political aspirations as well as situation of India in international security scenario. As Ashley J. Tellis, suggests, Indian nuclear posture over time has been driven by global nuclear regime, demands imposed by regional security, regional nuclear threats and character of bilateral relations with key powers in the international system. So India has long past the question whether nuclear power is needed or not, it most definitely is.<sup>15</sup> As Arundhuti Ghosh suggested that, as long as we live in a nuclear world we would need nuclear weapon for our security. That is probably the most realist take on the issue but simultaneously absence of a transparent strategy, domestic scientific and technological capabilities

and bureaucratic pressures are likely to be constant with Indian nuclear policy. The future apprehensions regarding India's nuclear take remains almost impossible to predict as the strategic position and relations with its two most important strategic threats continue to be instable and changing. U.S has entered into a treaty with India on nuclear end but that too remains too vague to guide India in any predictable unidirectional way. But what is most certain is it is most needed to keep the national security as a priority over anything else in order to decide on a country's nuclear policy. As India's traditional idealism suggested that India should oppose any form of global proliferation of such deadly weapons, probably that is impossible to be rekindled in this global setting but nevertheless it is still the biggest spirit of hope. The development of nuclear power though was not with the direct and obvious end to developing weapons and announcing military might. While geo-strategic considerations vis-à-vis China and Pakistan are no doubt important in Indian strategic thought, Indian nuclear policy has been the product of a larger domestic narrative that pre-dates the bitter animosities that have marked these specific bilateral relationships. There is a deeper discourse regarding the need to embrace science and harness technology and use them as tools of progress and development. As Itty Abraham argues, central to the 'production of the state through technology' was the production of the atom and the scientific knowledge attained in the process would 'transform an independent nation to a modern state. The fact is, to the leadership of an independent India, Indian science was what would overcome the legacy of backwardness that the colonial British regime had bestowed upon it and in doing so would achieve the highest symbol of modernity. It was believed that the key to rapid and sustainable economic development lay in the development of a high energy supply capable of feeding the needs of a burgeoning economic power. Atomic energy was the key to acquiring this energy supply that could propel the nation onto the path to prosperity. Much of this also coincides with the Nehruvian vision of India as the 'pivot of Asia' and a leader of the 'non-aligned' third world that needed to be seen as a confident, flourishing and more importantly, successful democratic republic. Nuclear energy has been at the heart of the post colonial Indian project of modernity and nation building. The Indian nuclear project though has been full of contradictions given the wide nature of its scope ranging from strategic ambiguity to overt nuclearisation. Indian nuclear policy has in effect been a microcosm of the reconciliation between its purported civilisational heritage of *moralpolitik* and aspiration to acquire greater standing in the world order. Decades of grappling with the problematique have demonstrated that the two need not be in conflict with each other. So while possessing nuclear warheads, India could still propose and push for a global multilateral disarmament agenda in keeping with the vision of a nuclear weapons-free non-violent world order. While it is amply clear that the day such a multilateral arrangement comes to pass India will whole heartedly endorse it, it is also quite clear that till the day such an arrangement comes to pass India shall not compromise on developing its strength in the realm of ballistic missiles and missile defence systems. The geopolitical constraints of being neighboured by two nuclear weapons states prohibit any complacency on that front.<sup>16</sup>

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COMMENTS

## The Defining Partnership of the Century: Brief Analysis of President Barack Obama's Visit to India

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The three day visit of President Barack Obama seemed to become the symbol of Indo-US solidarity in the 21<sup>st</sup> century. With President Obama becoming the first sitting U.S. President to visit India twice along with attending the Republic Day parade as the chief guest, the meeting paved the way for the resolution of certain key issues and hoping to bring about a stronger and mutually gainful relationship between the world's largest democracies.

Mr. Narendra Modi who was sworn in as India's Prime Minister on May 26, 2014, calling an end to the era of coalition politics, went ahead to improve India's relations with the most powerful country in the world and inviting the President of the United States of America as the chief guest at the Republic Day celebrations of 2015.

Addressing the people of India as 'sisters and brothers of India' President Obama seemed to entice the whole nation with his aura and personality, offering the much needed 'breakthrough' in bilateral relationship. The 'new chapter' in Indo-US relationship was built upon a series of achievements that India made, with the United States pledging to be reliable friend and partner in assisting India development and rise. The positive trajectory in bilateral relations included the resolution of the impediments pertaining to the liability of nuclear reactor suppliers in the event of an accident and the tracking of fuel supplied by the United States making it easier for companies to invest in India's nuclear power sector. In response to Prime Minister Modi's 'Make in India' program, the U.S.-India Defense Technology and Trade Initiative (DTTI) focused on co-producing and co-developing in military-industrial sectors. The visit is also to boost up Indo-US economic relations with President Barack Obama pledging \$4 billion in loans and investments and supporting jobs in both the countries. Speaking to the U.S.-India Business Council President Obama mentioned about the growing trade relations, bringing about a win-win situation for both the countries. Trade between India and the United states has increased about 60 percent in last few years and presently stands at almost \$100 billion a year. In addition to increasing people-to- people contact, the two nations vowed to work together in dealing with the non-traditional security threats such as tackling terrorism and addressing climate change issues.<sup>2</sup>

During the visit, President Obama also upheld India's inclusion as a permanent member in the UNSC, emphasizing the greater role of the youth in the development of a nation specifically mentioning the role of women in the progress of a nation-state. Reiterating the vision of Mahatma Gandhi and Martin Luther King Jr, President Obama called for peace to reside in the world, shunning inequality of all sorts and celebrating the common values, the power of freedom and knowledge.

The renewed emphasis of the US administration towards India, addressing India as 'not just natural partner but best partner' also highlights the current power shift in the international order

from the West to the East where such a partnership is mutually beneficial. Again, with the turn of the century, the Asia Pacific region which is regarded as the seat of power in the 21<sup>st</sup> century has turned into a hot-bed of 'cold confrontation'. It can be argued that United States wants to actively engage India as a part of its strategy towards the Asia Pacific. Last year during Prime Minister Modi's visit to the United States of America, the leader of both the countries acknowledged the imperative for freedom of navigation in the South China Sea region. The latest meeting highlighted the shared vision of the two countries towards the Asia Pacific and the convergence on issues in the East Asia region, sending a strong signal to China's rising assertiveness in the Asia Pacific and South China Sea.

India too, has been wary of China's activities along the border and its muscle-flexing in the region, including its friendly attitude towards Pakistan. Hence the reinvigorated relationship with the United States of America is vital to balancing Chinese assertiveness in the region and boosting up India's confidence as a major player in a region. One of the prominent area of convergence between the U.S. Rebalancing to the Asia Pacific and India's Look East Policy is that both these policies aim to realizing national interest through a more stable and secure Asia where their economies would be interdependent on each other for the purpose of mutual gain.

However, given the fact that India is still a rising power, it should refrain from taking sides in any major power disputes that might occur in the region. Any likely occurring friction should be settled through diplomatic means. A cordial relationship with the neighboring states is an absolute necessity for maintaining peace and stability in the region and also for India's ascendance to power.

In the globalized neo-liberal world order of the present century, the progress of nation states are intrinsically linked to one another by virtue of a number of factors such as economic, strategic, cultural, social among others. The compulsions of globalizations are such that it calls for nations across the world to work together and alleviate problems that are common to them. This is necessary for mutual advantage and development. India and the United States seemed to have realized this after a prolonged era of skepticism towards each other and therefore the step that the leaders of the two countries have taken towards building mutually beneficial bilateral relations is commendable and noteworthy.

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COMMENTS

## Border Trade in Rhi-Zokhawthar: Wide Gap Between Goals and Realities

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Ambitious plans have been firmed up by the Indian government to boost ties with Myanmar as part of the larger plan of integrating with the neighbouring country. Border trade has been envisaged as an essential ingredient to fulfill the objective. Several townships and villages have been identified along the Indo-Myanmar border spanning the border states of Arunachal Pradesh, Nagaland, Manipur and Mizoram to implement the plan. The blueprint has supposedly been chalked out and funds sanctioned for building the necessary infrastructure. A field visit to Zokhawthar, however, revealed that a wide gulf exists between the goals and the existing situation.

### Trends of Border Trade

Mizoram is one of the four states in the Northeast bordering Myanmar. It is one of the most peaceful states in the region and so it was quite natural for the government to select a township in the hill state for promotion of border trade. At Zokhawthar, as many as 62 items have been listed for border trade. Media reports and official briefings in New Delhi would give the impression that trade is flourishing and about to take a giant leap. The ground reality is however different.

First, informal trade is several times more than formal trade as is the case at other places along the 1643 kms long border. Officials and traders said that betel nut and some eatables like potato chips were the only items officially imported from Myanmar with the quantum being "3-4 trucks every week," but the value of each consignment is not allowed to exceed \$ 20,000. Most of them did not know the answer when asked if any item was officially exported to Myanmar. Further, they were unable to explain why a limit has been imposed on the quantum of goods that can be imported. They added that demand was "extremely low" for some goods on both sides of the border but "very high" on some other items. Discussion with a cross section of people indicates that medicines are greatly in demand across the border which is traded unofficially. One cannot but be amazed by the number of medicine shops that have mushroomed in Zokhawthar, a township only 28 kms ahead of the border. Although shop owners refused to disclose information, it can be surmised that there could be two reasons for the high demand of medicines in Myanmar. In Chin State, the region in Myanmar continuous to the eastern border of Mizoram, the supply of medicines is erratic. Some doctors are seen in a few towns, according to an NGO activist, as also schools and teachers and quite unlike the situation in areas further north in the Naga inhabited region where the government has hardly any presence. But it is easier and cheaper to procure medicines from Mizoram. Second, it is possible that some medicines are exported for the manufacture of narcotics. This could well be an imitation of the trend in Manipur where actified tablets are smuggled out in large quantities for their high ephedrine content. Ephedrine is a necessary ingredient for the production of some synthetic drugs.

Besides medicines there are other items like solar panels, chicken, baby food and urea that are in high demand across the border. Shops in Zokhawthar have been found loaded with Chinese made garments, food items, energy drinks, shoes, cell phones that were smuggled. Once in a

while, young boys riding the Chinese made Kenbo two wheeler are also seen in the highway and in the town without registration numbers. Among all these items, the case of the export of LPG cylinder was found to be most striking. A system has developed which facilitates not only the regular availability of these cylinders to customers across the border in Myanmar but also refueling without any hassles. According to a shopkeeper, cooking with the Indian cylinder is cheaper than the alternatives available in Myanmar's Chin State. The ingenuity of the border inhabitants has found expression in the amalgamation of products as well. For instance, at a time when the Maruti 800 is on its way out in other parts of India, it is a preferred vehicle in the hill state. After some years of use, the engine becomes weak and consumption of fuel increases. To overcome the drawback, these engines are replaced by new ones from Myanmar. While some residents said they were from Japan, others were of the view that they were made in China. A similar case was noticed with the imported tube light which was a common item in the electrical shops in Zokhawthar. But the shops discard the accessories that come along with the tube and replace them with Indian items since they are more durable. A combination of many factors has contributed to this scenario along the Indo-Myanmar border. Official bottlenecks have encouraged the traders to adopt the informal route. The border is porous and the free border regime that is in vogue along the entire border allows citizens to travel up to a distance of 16 kms on both sides of the border. Of course, this is the official policy but it goes much beyond what has been prescribed. Students from Zokhawmai, a township across the border study in a school in Zokhawthar since the standard of education is considered better in India and cheaper as well. This is similar to the situation in some other parts of the border in other states. Residents of Zokhawthar find it easier to visit a skin specialist at Tiao across the border than travelling all the way to Champhai. Likewise, Myanmar citizens are often found visiting the Champhai District Hospital for serious ailments, especially those related to stomach diseases. People on both sides of the border not only hail from the racial stock, but share the same culture, language and customs. Social intercourse has been on since historical times, and trade has added another boost to the existing relationship as it seemed. Like most regions in the Northeast, Mizoram does not suffer from poverty but there is unemployment. It is one of the most remote states in the country, quite akin to the border districts of Arunachal Pradesh. Likewise, on the other side of the border in Chin State, much remains to be done with regard to infrastructure although it can be said with certainty that the situation is much better than the Naga inhabited region contiguous to Nagaland and Arunachal Pradesh. Trade has undoubtedly emerged as an avenue of earning for many sections in a region where employment opportunities are meagre.

### **The Way Ahead**

First, it is absolutely necessary to understand the local dynamics before framing policies and setting targets. Mizoram and Chin State are among the most remote and inaccessible regions in both the countries. It would be erroneous to assume that these states could be used immediately as the launching pads for promoting trade and business with other parts of the countries. It makes sense to conduct a study identifying the local needs and how to carve out a space for Indian goods including locally produced commodities in Mizoram. The immediate objective should be make Mizoram self sufficient economically and reduce its reliance on the Centre as a special category state. A sudden jump in the volume of trade looks a bit difficult but there is scope in the long run. In the entire exercise, extra caution should be given to ensure that locals become stakeholders and benefit from the schemes. This will ensure long term viability and support for implementation of the policy. The Indian government is engaged in building a road from Rhi to Tidim in Myanmar but there is hardly any corresponding activity in Mizoram. All that was apparent were a few JCBs along the Zokhawthar-Rhi road cutting the hills for broadening of the road. It will take another three years for this project to be completed and there's much to be done along the narrow meandering path connecting Champhai to Aizawl. It goes without saying that once the Rhi-Tidim road becomes operational, there will be a greater influx of Chinese made

goods into the hill state. They are undoubtedly cheaper and would have an advantage over Indian goods as the prevailing scenario indicates. There is less rationale in trying to compete immediately with the imported garments, shoes and eatables from Myanmar because they are cheaper and easily available than the Indian items. There are multiple channels on the hilly border through which this informal trade is conducted. It is simply not possible to guard every inch of this inhospitable terrain. Mizoram is a peaceful state without the Armed Forces Special Powers Act which bars the security forces from exercising extraordinary powers. But, as the field study reveals, there could be a huge scope in the export of solar panels, LPG cylinders, baby food and medicines since they are greatly in demand on the other side. Schools and health centres on the border would undoubtedly be in great demand but they cannot be viewed from the prism of business and profit. There is hardly any logic in turning a blind eye to the informal trade which is true not only of Zokhawthar-Rhi but everywhere else along the Indo-Myanmar border. Traders opt for the informal route because the official procedure is cumbersome and yields less profit. It is necessary to accept the fact that fencing of the border is neither desirable, nor a feasible proposition. This is something that will not be understood by officials, policy planners and journalists sitting at a far-off location. Policing the border is also not possible with the inadequate resources available with the Assam Rifles. Incidentally, narcotics and weapons are also brought in through Champhai and taken to different destinations as an official confirmed. Recent seizures of consignments yielded sophisticated assault rifles including the American M-16. Therefore, the only option is to accept the ground reality, fine tune the current policy and explore strategies for putting an end to the proliferation of drugs and small arms. Civil society organizations must be roped in and their cooperation ensured. This is not to suggest that informal trade would draw to a close immediately but a beginning would be made to reduce the volume. The current volume and trends of trade indicate that Moreh in Manipur is set to emerge as the biggest centre along the Indo-Myanmar border. Work on installation of an integrated check post has been on as also other schemes to equip the town to handle larger volumes of trade. After Moreh, Zokhawthar appears to be the only town on the border where trade could be promoted since it has better infrastructure than any other town. Socio-economic and political conditions at places like Pangsau Pass in Arunachal Pradesh or Longva in Nagaland which have also been identified by the government may not facilitate trade and business activities immediately. Mizoram is one of the safest regions in the Northeast and relatively free from militant activities. Connectivity to the hill state is bound to improve after the completion of the road and railway projects in Assam through the hill districts of Dima Hasao and Karbi Anglong.

In a nutshell, border trade in Zokhawthar is in need of a review since the official policy does not seem to be in sync with the ground reality. It is erroneous to assume that trade will pick up immediately since population is less and the regions on both sides of the border are among the most remote in both the countries. The need of the hour is to frame long and short term implementable programmes taking the local ambience into consideration. At no point of time should local interests be sacrificed for larger goals since such policies have always been counter-productive in the Northeast. Border trade must also be the means to the end of fostering national integration and putting an end to alienation.

COMMENTS

## India-Sri Lanka: The Way Forward

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Many scholars believe that the 21<sup>st</sup> century would be an Asian age, with a gradual shift of power from the west to the east. While some say that the 'Great Game'<sup>1</sup> has already begun featuring the veteran hegemon and the new-age ruffian, widely understood in terms of power transition and rise of another nation in the far-east, South Asia presents an interesting picture. The caucus of South Asian democracies are fast emerging as decisive players in the changing contours of world politics. India and Sri Lanka, and their bilateral relations has intrigued many scholars, inspiring a great body of research and literature. The strategic location of Sri Lanka and India's presence as the largest littoral state in the Indian Ocean region has naturally intertwined their security concerns and correlatives. In this commentary, we shall try to look into the security concerns which have shaped this bilateral relation, fostered by certain systemic impositions, domestic liabilities and individual decision-makers, with primary focus on the last decade. The final part of the essay would try to look through the prism of policy alternatives for India to court Sri Lanka and gratify these concerns.

India has shared quite an amicable relation with Sri Lanka since their respective independence in the late 1940s<sup>2</sup>. While nascent Sri Lanka was largely west-oriented, India pursued a non-aligned foreign policy. Subsequently, under the leadership of Shri S.W.R.D. Bandaranaike and her daughter, Sirimavo Bandaranaike, Sri Lanka cemented a fruitful relation with India. The Indian leaders, Pandit Nehru and Indira Gandhi shared great rapport with their Sri Lankan counterparts which contributed to greater goodwill among these nations. Indira Gandhi recognized Sri Lanka's rights over the small island of Katchchativu in 1974, despite the strong opposition of the regional parties of Tamil Nadu.<sup>3</sup> However, the relations deteriorated with the election of J. Jayewardene and the execution of his insidious pro-western policies which threatened the strategic designs of India in the Indian Ocean Region. India was absolutely against any extra-regional presence in South Asia. This propelled the formulation of the 'Indira Doctrine',<sup>4</sup> what many consider to be a loosely coagulated South Asian equivalent to the 'Monroe Doctrine'. Furthermore, the anti-Tamil riots in the 1980's, the rise of the LTTE and pressure from the domestic parties of South India, entangled the nation in the Sri Lankan ethnic predicament. The Indian mission failed in Sri Lanka, resulting in further deterioration of relations and serious security threats.

Since the 1990's, India has pursued a policy of non-intervention in the internal affairs of Sri Lanka. Besides, much of India's foreign policy was metamorphosed by its liberalization policies. India was open to new alliances and partnerships in the post-Cold War age. India also emphasized on non-reciprocity in dealing with smaller South Asian states, under the auspices of the Gujral Doctrine. In spite of a gradual revival of relations with the turn of the century, Sri Lanka moved into the arms of Pakistan and China. India's reluctance to enter into a defense agreement with Sri Lanka in 2004 proved to be a major thaw in the bilateral relations. Sri Lanka signed a defense pact with Pakistan in 2008. The Rajapaksa Government sought a military solution to the LTTE problem, resulting in a civil war in Sri Lanka. Without sufficient assistance from India, Sri Lanka received massive economic support and offensive weaponry from China and Pakistan. Chinese investments fostered the economic growth of Sri Lanka, while the 'Red Umbrella' provided diplomatic

support to the Rajapaksa Government against multilateral sanctions. In this game of nerves, Sri Lanka kept its cards close to its chest, while serving its own purposes, attending to Chinese interests and warding off India.

*Maritime Security* forms a core sphere of Indo-Sri Lanka bilateral relations. Over the years, New Delhi has had a one-point agenda. The Indian Ocean Region has been one of the most important component of India's national security. As mentioned above, successive governments in India have protested against the presence of foreign powers in the region, especially in Sri Lanka. The Rajapaksa Government had allowed Chinese Submarines to dock in Colombo twice, in September and November, 2014 on way to counter piracy patrols to which India raised strong objections.<sup>5</sup> Furthermore, Trincomalee has seen extra-regional presence since 2008 raising eyebrows in New Delhi. This growing Sino-Lanka entente has put Indian policymakers in a fix.

Another vital component of the Indo-Sri Lanka bilateral relation is '*Maritime Infrastructure*'. The key to securing Indian interests in the island nation lies in grabbing the right opportunities and fostering greater cooperation in projects such as development of ports, upgradation of port facilities, highways, etc. While India failed to make the right moves, Sri Lanka obtained foreign investments from China and partnered with them in developing their ports in Colombo and Hambantota. China has invested about \$4 billion in the past five years, replacing Japan as the highest investor in Sri Lanka. The recent Chinese 'One Belt One Road' initiative, involving the creation of an ambitious 'Maritime Silk route' is worth mentioning. The 'politics of routes' in South Asia, extending from the Asia-Pacific, involving a number of Indian neighbors including Sri Lanka, has raised concerns in the corridors of power in New Delhi.

In the run up to the presidential elections of Sri Lanka in 2014, Mahinda Rajapaksa vouched for a non-aligned foreign policy in his campaign manifesto, '*Mahinda Chintanaya*'. Noted experts like Peshan Gunaratne have highlighted the clear Chinese tilt in his foreign policy initiatives.<sup>6</sup> Maithripala Sirisena's electoral victory and foreign appreciation largely rested upon his campaign promise of a neutral foreign policy and not covert Chinese tilt. The recent Modi-Sirisena summits in 2015 have opened up a new chapter in the bilateral relations. India has now adopted a strand of 'Cultural Diplomacy' in its relations with Sri Lanka, wherein the ancient Indo-Lanka ties and the rich, shared tradition of Buddhism has been emphasized.<sup>7</sup>

India needs to work simultaneously on a four-pronged strategy to maintain healthy diplomatic relations with Sri Lanka and fulfill its strategic interests as well, which include: precedent, propaganda, partnership and proliferation. India has a fair bit of experience with regard to miscalculated policy initiatives in Sri Lanka. Thus, rational choices must be made while taking decisions, giving due importance to domestic compulsions and national interest. A continuous process of dialogue and people-to-people contact must be instituted between the two nations. India must employ its soft power to attract cooperation, foster constructive growth and create conditions for Sri Lanka to balance and grow rather than bandwagon with particular powers, which would ennoble Indian policies rather than breed animosity among the Sri Lankan populace. India does not need to compete with China, but necessary steps must be taken to curtail the dominating paramountcy of Chinese presence in the island. It should pursue policies and partner with Sri Lanka to develop infrastructure and connectivity in the region which would guarantee Indian interests. The recent agreements between India and Sri Lanka, to develop Oil tank facilities which would help refuel visiting ships at Trincomalee Port, are sound initiatives. The greatest takeaway is the '*Civil Nuclear Deal*', facilitating cooperation in "*Peaceful Uses of Nuclear Energy*",<sup>8</sup> which has magnified the strategic quotient and importance of the bilateral relations. The Sri Lankan initiative to enter into a civil-nuclear deal with India has far reaching consequences for political arrangements in Asia. Furthermore, India needs to formulate a broader, coherent 'Indian Ocean' policy to assuage its concerns. The 'Indian Ocean Naval Symposium' and the trilateral maritime security cooperation initiative between India, Maldives and Sri Lanka are significant multilateral engagements. Project Mausam seems to be a befitting construct of India's policy

aspirations. India's renewed synergy in establishing its pre-eminence in the Indian Ocean Region is visible through the 3-nation visit of the Indian Prime Minister to Seychelles, Mauritius and Sri Lanka.<sup>9</sup> It is incumbent upon India to proliferate its influence in this region and carry along nations like Sri Lanka in this endeavor.

Scholars believe Sri Lanka's relation with China would be more economic in nature, rather than India, with whom it will try to forge a multidimensional relation. Sri Lanka's biggest asset can either become India's greatest vulnerability or catapult its aspirations in the region. It rests upon the wisdom of the Indian policymakers to make sure that the '*Pearl of the Indian Ocean*' does not coalesce with the '*String of Pearls*'.

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COMMENTS

## North East Insurgencies: An introspection

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North East region of India (seven sisters comprising of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura) is reckoned to be the hatching grounds of insurgencies. The strategic importance, dwelling of myriad tribes and ethnic groups, lingo-religio-cultural diversity, inhospitable terrain, proximity and nexus with Bangladesh, Myanmar, Bhutan and China are exposed hallmarks for the promotion and growth of insurgent and secessionist activities in these areas. Few are indigenous and rest is promoted/abetted/sponsored by external forces. It remained a fact that being a part of India, feeling of alienation still persists in some pockets and the entire region is yet to adequately assimilate with the rest of India. Among the threats posed to our national security the first is the Red Corridor (the Maoist extremism), the second is the Azadi Movement of the Kashmiries and the third is the North East insurgencies. As per a recent study carried out by the Centre for Development and Peace Studies there are about 100 insurgent groups in this region, out of which only 38 are active. More acute problem makers are only a dozen of outfits. The recent gusty action against the army (June 4/Chandel, Manipur) reportedly at the behest of N S C N (K) and the retaliatory action carried out by the Indian authorities' surcharged the area. Formation of the United Liberation front of West south Asia and S S Khaplang's presence in Myanmar further concerned us. Hasina's government's strong posture against the militants in Bangladesh was not cherished by the Inter Services Intelligence, Pakistan as they lost their launching pad and alternatively Myanmar was chosen. Not only N S C N (K) members but also important ULFA leaders like Paresh Barua is stated to be in Myanmar. The region is becoming a trouble spot and play ground for our neighboring countries.

An insurgency is a rebellion against the constituted authority or the established order. It is considered as a force or group who is determined to pose law and order problem and often a serious threat to national security. It may be a civil resistance group or a group of disobedient citizens, vocal and more articulated against a state policy. Insurgents are a dedicated, highly motivated and trained group of individuals and also earned rebellions. They carry out pre judicial movements and activities both overtly and covertly. Subversion and creating pockets of influence are common practice adopted by them. Their prime targets are vital installations, opponents, politicians opposed to their ideology or objective, any one creating hindrance in their path, informers and the security forces. Whether an uprising can be attributed to an insurgent activity shall depend upon the clarity of the professors, actions and other overtures. Paul Wilkinson defined insurgency as a relatively value-neutral concept denoting a rebellion or rising against any government in power or the civil authorities and general manifestations as low-intensity conflict rather than a full scale conventional warfare. It is the discontent of a group who are using violence to achieve goal or objective.

Davi Kilcullen in his report titled "Three Pillars of Counterinsurgency" submitted to the United States Government Counter Insurgency Conference (Washington/ Sept 28, 2006) highlighted about three forces, (1) those who are committed to the insurgent, (2) those committed to counter-insurgency operations and (3) those who simply wish to get with their lives. He further went on prescribing three ways to combat this menace, namely (A) the security – a strong trained and well equipped

force. (B) Political will that is strong determination and well chalked programmes to thwart the threat and (C) Economic development. He further stressed on unity of command and unity of efforts. Many thinkers advocated for launching of developmental works so that the livelihood, social security, proper living environment and above all peace and tranquility can be restored. Cessation of the frustrated areas like fair democratic rights, equal treatment, and eradication of corruption, antipathy and neglect, embodiment of proper justice and above all restoration of identity crisis are pivotal areas upon which acute attention is needed.

The Indian independence and the partition of India gave rise to several conflicting issues; some of them are still prevailing. The Britishers cleverly categorized these areas as "excluded areas". North East derives some complexes and the people of this region were not totally aligned with India. The alienation of North East can be attributed to neglect: not adhering to their problems, social alienation, economic deprivation, land issues, antipathy, unemployment problem, outsider's influx and administrative neglect. The vote bank policies of the political parties are another cogent point. The inapt handling by the Central as well as the state authorities is another point which is often being voiced by the groups. Few aboriginals sub-sects were not treated carefully giving them scope to nurse neglect, alienation and antipathy. The cultural and social aspects vary from place to place and the existence of dwelling of ethnic sects, in pockets, gave rise to harbor militant path. The region has four thousand and nine hundred kilometer international border mainly hilly and forested which prior to independence allowed free access. The influx of foreigners gave rise to parochialism. The original inhabitants started losing their control in the heartland, thus, promoted serious threat to identity crisis. The international borders are manned by the security forces but the exodus continues. India's border management is still a debated area which need act management, be it the North East or the other borders including the coastal security aspect. The people of the area generally are hostile and inhospitable towards the Indian security forces. Taking care of the local populace is yet to be learnt by this agency whereas the insurgents could create "Pocket of influence" in their area of operation.

The south west of the north east states is vulnerable to Bangladesh . The promotion of unfriendly relations with Bangladesh became a matter of concern to the protagonist of south block. The rise and activities of Islamic fundamentalist groups and their collusion with pan Islamic organization as well as the Inter Service Intelligence, Pakistan changed the total scenario. Hasina Government's strong determination to curb and thwart fundamentalism provided certain relief to us. The insurgent groups since long using Bangladesh and Myanmar as their grooming ground, safe heaven and also procurement of arms, ammunitions and explosives. Bangladesh became practically a launching pad courtesy the ISI Meghalaya, Tripura and the Cachar are more vulnerable areas. Arunachal is another state having international border (IB) with China (Tibet) and Myanmar. Nagaland and Mizoram are also having borders with Myanmar. China has been claiming 90,000 sq.km area in Arunachal Pradesh and they have also eyed upon Chumbi Valley of Western Bhutan. China does not recognize McMohan line at all. China's ill intension is clear as they are yet to recognize Sikkim as one of the states of India. These frustrated issues need to be permanently resolved through negotiations avoiding the path of war. Of late the Rohingya Muslims exodus into India came to surface. Their connection with Indian Mujahiddin (Buddhagaya Blast/July 7,2013), arrest of Khalid Mohammad on nov 18, 2014 at Hyderabad are pointers. Bhutan is also being used as safe shelters by the NDFB(S), KLO and other subversive outfits of Assam and West Bengal. The demand for a "Nagalim" (Greater Nagaland) that includes Manipur's Ukhrul, Tamenglong, Senapati, Chandel districts became a bone of contention. Intermittent ethnic clashes became a security threat.

Narcotic peddling, illegal arms ammunition- explosive trading, pumping of FICN, Hawala transaction are rampantly carried out by the insurgents of this region. China remains the main source of arms supply not only to North East insurgents but also to other militant groups. The NIA could confirm from Anthony Shimary (NSCN-IM) arrested on March 26,2011 that the North East insurgent

groups are procuring arms from Chinese companies. In 1996 a huge consignment (1,800 weapons/ costing \$ 500,000) which landed at Cox Bazar was intended by the NSCN(IM) to Norinco, one of the biggest arms manufacturing company of China. Half of this consignment was seized by the Bangladesh security. Both Bangladesh and Myanmar are recognized arms transit countries. The United Wa State Party(UWSP) founded in the year 1989 with the Wa National Council (former member of the Communist Party of Burma) is also another conduit of arms procurement. UWSP has got well nexus with China. Both the Koren National Union (KNU) and the Kachin Independence Army (KIA) of Myanmar are also exposed for arms dealing. North East as well as other militant/ subversive organizations does procure arms ammunition from these sources. This process is still continuing. Of late, reports indicate escalation and making inroads of the CPI (Maoist) activities in certain pockets of Assam. Assam is also in turmoil. The manifestations of Islamic jihadi groups and the pumping of jihadi funds to the state, needs apt handling. The sudden spurt of militant activities at the behest of the National Democratic Front of Bodoland ( I K Sanghbijit faction) unnerved the state as well as the central authorities. This group as per report recently imparted arms training in Myanmar.

India's "Look East Policy" fostering relationship with Bangladesh and Myanmar, Parleys with China and other diplomatic endeavors are nevertheless earned some positive results yet there are few bruises. The prime focus of the hour in North Eastern region should be on good governance, security including enhanced border management, developmental projects initiation, fruitful diplomacy, trustworthy bilateral relationships with neighboring countries, taking care of the citizens of te areas, job orientation on one hand and on the other part generation of hard actionable intelligence, consolidation of security forces and overall forging, rapport with the local population. Dialogues with the insurgent groups should be pro-active. Strong political will is a must. Idiosyncrasy of any nature needs to be removed.