



## Winds of Change in South Asia

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With Prime Minister Narendra Modi's decision to invite the leaders of the South Asian Association for Regional Co-operation (SAARC) member countries and Mauritius to attend the swearing in ceremony, the new Indian government made it clear that it does not want to deviate from the path of working towards bilateral co-operation with its neighbours. At the same time acceptance of the invitation conveys that SAARC leaders are expecting stronger ties with India. Due to contiguous borders and shared historical past, India and its neighbours share a litany of disputes. Discussions held in New Delhi between the Indian Prime Minister and SAARC leaders on 27 May 2014, underline the fact that the Indian government is committed to cordial and peaceful relations with neighbours; and will not hesitate to move forward to find amicable solutions to contentious issues. This Paper is an attempt to assess the National Democratic Alliance (NDA) government's policy priorities towards India's neighbours.

### **Pakistan and Afghanistan**

Pakistani Prime Minister Nawaz Sharif's visit to India has set the ground for improvement in the bilateral relationship between the two countries. The major issue between India and Pakistan is of terrorism. Pakistan's inability in dealing with terrorist threats to India, originating from the former's soil, is an area of deep concern. On economic front, trade between India and Pakistan is currently minimal and there is scope for its growth. Economic relationship between the two countries is not

moving ahead because Pakistan is yet to grant Most Favoured Nation (MFN) status which India granted to Pakistan in 1996. India and Pakistan need to explore opportunities and areas where the interests of the two countries converge. During their meeting on 27 May 2014 in New Delhi Indian and Pakistani Prime Ministers expressed hope to make progress in the economic, cultural and political fields.

Unlike Pakistan, India and Afghanistan enjoy a strategic and economic partnership. The question of Afghanistan and regional stability, following the draw down of United States - led International Security Assistance Force (ISAF) troops is a matter of concern to India. Its spill over could be chaotic for the region. With the withdrawal of ISAF from Afghanistan, India will face a challenge as India is one of the largest investors in Afghanistan and has undertaken several projects, including training and capacity building of its security personnel. It has high stakes in ensuring peace and stability in Afghanistan.

Indian government hopes to see the long-awaited Bilateral Security Agreement (BSA) signed between the United States and Afghanistan, as well as the Status of Forces Agreement (SoFA) with the ISAF, in order to “give a level of confidence” for international engagement in Afghanistan.<sup>1</sup> However, it appears that in post-2014 phase, the onus will fall on the Asian countries to take initiatives for stabilization and economic development in Afghanistan.<sup>2</sup> The present Indian government has to work with China, Russia and Iran besides Pakistan, to establish political stability in post-ISAF Afghanistan.

## **Bangladesh**

There are mixed responses from Bangladesh on Mr Modi becoming the Prime Minister of India. His Bangladeshi counterpart, Ms Sheikh Hasina, has expressed hope for further improvement in bilateral relations with India. But the leader of opposition, Begum Khaleda Zia, does not share a similar exuberance. The NDA government in India is yet to outline and state its policy towards Bangladesh, so it is a little early to make any predictions or an analysis about how the two countries are going to be engaged in future.

India and Bangladesh share 2,429 miles of land border, share 180 miles of maritime border, and also fifty-four rivers which flows from India into Bangladesh. Due to contiguous borders the

two countries have disputes over territories and shared water bodies. Most of these border related disputes exist since the partition of India in 1947. After liberation of Bangladesh in 1971, the two countries have tried to resolve border disputes, but with limited success. According to the 1974 Agreement signed by the top leaders, Mrs Indira Gandhi and Sheikh Mujibur Rahman, India and Bangladesh were to hand over the sovereignty of South Berubari and Teen Bigha corridor (178 x 85 sq meter) to each other respectively. Bangladesh handed over the sovereignty of the South Berubari to India in 1974; India has not been able to reciprocate because of pressures from domestic stakeholders in its regional policy. Instead of handing over Teen Bigha corridor to Bangladesh, India has given it on a lease. The agreement included exchange of enclaves, involving 51,000 people spread over 111 Indian enclaves in Bangladesh and 51 Bangladesh enclaves in India. India has granted 24-hour access to Bangladeshi citizens in the corridor. Though this agreement was signed in 2011, it is yet to be ratified by the Indian parliament.<sup>3</sup> Bangladesh's speaker Shirin Sharmin Chowdhury, who attended the swearing-in- ceremony of NDA government expressed the hope that the new government under Prime Minister Narendra Modi would take steps to ratify the treaty. The speaker also expressed the hope for implementation of India-Bangladesh treaty on sharing of waters from river Teesta.

The issue of illegal migrants has been a constant irritant for India and Bangladesh. It is difficult to calculate or estimate the exact number of Bangladeshi migrants in India. According to one estimate, the number is between 15 to 20 million, with about 6 million in Assam.<sup>4</sup> Their presence has been the cause of ethnic and communal violence in Assam. During his electoral campaigns, Prime Minister Modi had made some statements on this issue.<sup>5</sup> The Indian government is yet to articulate its policy over the issue of illegal migrants from Bangladesh to India. However, Mrs Sushma Swaraj, the new External Affairs Minister, is schedule to visit Bangladesh shortly.

Bangladesh government has expressed hope for greater economic engagement between the two countries. The current bilateral trade between India and Bangladesh is around \$ 5.3 billion, with balance of trade tilting in favour India.<sup>6</sup> It has also expressed a hope that, like previous governments, the NDA government too would help Bangladesh to build and develop its infrastructure. Bangladesh has rich reserves of natural gas. India can provide technological assistance in its exploration. The natural gas can be imported into India, but there is a strong

resistance against this within Bangladesh. Indian public sector company Oil and Natural Gas Company (ONGC) is actively engaged in natural gas exploration activity in Myanmar. Dismayed with the progress, at one point of time, India did consider an option to re-construct a pipeline bypassing Bangladesh, but the additional cost and related problems have stymied that proposal. The new government has to engage Bangladesh on this project. Once it comes into operation, it would satisfactorily address energy demands of east and northeast India.

### **Nepal and Bhutan**

Foreign policy experts are generally of the view that a change in government in Delhi does not imply a fundamental shift in India's policy towards Nepal.<sup>7</sup> India-Nepal relations have traditionally been cordial and the two countries are inescapably intertwined by geography, religious beliefs, culture and tradition; and a change in regime in either country would not alter the foundations of their bilateral relationship. India's official position that 'a stable Nepal is in its best interest', remains unchanged.<sup>8</sup> The general perception is that Prime Minister Modi would refrain from supporting hard-line Hindu forces in Nepal and he is also keen to extend his support to Nepal's constitution drafting effort and ongoing peace building process. During a bilateral meeting with his Nepalese counterpart Sushil Koirala, the Indian Prime Minister had "expressed his appreciation for the political progress made in Nepal and conveyed his sincere hopes that the constitution would be adopted in the one-year time frame." Some Nepali Maoist leaders have also shown confidence in the Indian government and are anticipating improved Nepal-India relations in the future.<sup>9</sup> Expressing his hope in the new Indian government, Unified Communist Party of Nepal (UCPN) leader Ram Karki said: "It was Atal Bihari Vajpayee from Bharatiya Janata Party (BJP) who initiated the 12- point deal in New Delhi between the then CPN (Maoist) and the seven party alliance that led to the peace process. Since Modi also represents the BJP, he knows all about the dynamics of India-Nepal relations."<sup>10</sup>

Indian Prime Minister has already reiterated New Delhi's commitment to institutionalization of democratic order and development process in Nepal. He is keen to strengthen connectivity and other economic linkages between India and Nepal. To maximise the "gravitational pull" of Indo-Nepal trade, it will be logical to give priority to policies and projects that strengthen the border infrastructure. New Delhi is ready to pursue vigorous trade and economic partnership with Nepal.

Nepal needs to gear up to tap the vast potential of trade and economic opportunities available in India and drive maximum advantage from existing treaties to reduce the trade imbalance. “In spite of the geographical proximity and willingness to do so by both the countries, Nepal has not been able to take advantage of these opportunities due to several problems such as: acute shortage of electricity, weak productive capacity, inadequate infrastructure, low Foreign Direct Investment (FDI), complex rules and regulations etc.”<sup>11</sup>

Both India and Nepal are keen to tap the huge hydropower potential available in hilly terrain of Nepal. For the same, proposal on energy cooperation has already been forwarded recently by the government of India. Nepal has 83,000 megawatts (MW) of potential hydroelectric capacity, out of which about 40,000 MW is economic and technically viable.<sup>12</sup> Despite having the huge potential, Nepal’s hydropower production hardly goes beyond the 700 MW.<sup>13</sup>

India and Bhutan are conscious of each others economic and strategic interests, and seem determined to strengthen the old, special and trusted relationship. There are no controversial issues between India and Bhutan, but the growing Chinese economic clout is of concern to New Delhi. Bilateral relations between Bhutan and China have historically remained stressed due to border conflict and both countries do not maintain official diplomatic ties. However, aiming at strategic gains China is keen to settle bilateral border disputes and establish its diplomatic relations with Bhutan. Bhutan is “no more a protectorate” of India. India’s Bhutan policy must be carefully “calibrated” and most importantly it should not be a nightmare for India’s security calculus in the region.

During the meeting with Prime Minister Tshering Tobgay of Bhutan on 27<sup>th</sup> May at New Delhi, the Indian Prime Minister assured constant support for Bhutan’s socio-economic development. Both the leaders, “affirmed their mutual security interests, and agreed to closely coordinate and cooperate on issues relating to their security interests.”<sup>14</sup> This view has been reiterated during Prime Minister Modi’s two-day visit to Bhutan on 15-16 June 2014. Addressing a joint session of the Bhutanese Parliament Indian Prime Minister assured that “the change of government in New Delhi would not alter the dynamics of India-Bhutan bilateral ties. Both India and Bhutan “agreed to continue with their close coordination and cooperation with each other on

issues relating to their national interests, and not allow each other's territory to be used for interests inimical to each other.”<sup>15</sup>

### **Sri Lanka and Maldives**

In line with India's stated foreign policy, India has followed a clear policy of non-interference in internal affairs of Sri Lanka and tried to engage the Sri Lankan government towards a political resolution of the Sri Lankan Tamil issue. In the first meeting between the two leaders, the Indian Prime Minister requested the Sri Lankan President to “expedite the process of national reconciliation in a manner that meets the aspirations of the Tamil community for a life of equality, justice, peace and dignity in a united Sri Lanka. Early and full implementation of the Thirteenth Amendment and going beyond would contribute to this process”.<sup>16</sup>

Unlike the previous coalition governments, the present Indian government has a clear majority in parliament and is not constrained by the views of the State government of Tamil Nadu while formulating policy towards Sri Lanka. This is evident from the fact that, despite opposition from Tamil Nadu political parties including the Chief Minister who said that it would “deeply upset the sentiments of Tamil People again”,<sup>17</sup> invitation was sent to President Rajapaksa to attend the swearing-in-ceremony. The previous United Progressive Alliance (UPA) government abstained from United Nations Human Rights Council (UNHRC) voting against the Human Rights violations in Sri Lanka in March 2014, stating that this is an “intrusive approach”<sup>18</sup> towards a sovereign country.

There was an expected and explicit reaction inside Sri Lanka about Mr. Rajapaksa's presence in New Delhi. For instance, the main opposition party the United National Party (UNP) pointed out that President ‘Rajapaksa deviated from promises made during his New Delhi 2010 visit and as in the past he cannot mislead the new Indian government’.<sup>19</sup> During his visit to India on 9 June 2010, the Sri Lankan President ‘reiterated his determination to evolve a political settlement acceptable to all communities in Sri Lanka’.<sup>20</sup> But the progress has been extremely slow owing to the Sinhala hardliners' consistent opposition to any step towards initiating a political dialogue with the Sri Lankan Tamil minority. Since the Tamil National Alliance (TNA) is dissatisfied with Sri Lankan government's efforts to resolve the Tamil issue, the Chief Minister of Sri Lanka's Northern

Province Mr. Wigneswaran rejected the offer of the Sri Lankan President to accompany him to India.

Apart from the contentious political issues, engagement between the two countries is of mutual interest. The brief discussion held in New Delhi on 27th May between the leaders underlines this fact. Some of the initiatives such as continuation of Indo-Sri Lanka Free Trade Agreement, humanitarian and development assistance by India ('India provided 500 crore rupees grant for rehabilitation and resettlement of Internally Displaced Persons's' (IDPs)<sup>21</sup>, US\$800 million credit facility for the Railway projects in Sri Lanka and Trilateral Maritime Security Cooperation between India, Sri Lanka and Maldives, are important for strengthening the bilateral relations. Implementation of the 500 MW Sampur Coal Power project in Trincomalee and India-Sri Lanka fishermen are some other issues that merit attention of the new government.

India and Maldives have maintained cordial relations for long. This is reflected in the discussion held between the Indian Prime Minister and the President Mr. Abdulla Yameen Gayoom. Since the security interests of both the countries are interlinked, the issue of maritime security was given importance. The Indian government has extended its support to oil exploration to address scarcity of fuel and energy. The Maldives President came to power in 2013, which is the second democratic Presidential election held in the country. Therefore, sustaining the democratic process is an important issue for India.

### **Conclusion**

Invitation extended to SAARC member countries for the swearing-in-ceremony of the Indian government has sent a clear message that Indian foreign policy aims for peaceful and friendly relations with its neighbours. By inviting the SAARC leaders, the Indian Prime Minister has driven home the point that implementation of pro-active and pragmatic economic agenda to build self-reliant and self-confident India, has to include neighboring countries. The meetings held in New Delhi between the leaders helped in carrying forward the dialogue on developmental and contentious issues and affirmed that India is committed to mutually beneficial developmental and security agenda in the region. There are many bilateral and regional issues such as terrorism, poverty, border disputes etc which have become major challenges for South Asia. Unless these

challenges are addressed, development and security of this region will remain jeopardized. As peace and development have to go hand in hand to improve the lives of millions of poor in the region, the discussions were a good beginning. However, implementation will also depend on South Asian leaders' willingness to work together to develop instruments of regional and bilateral co-operation.

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Disclaimer: Views expressed are of author and do not reflect the views of the Council.*

### Endnotes:

<sup>1</sup> Alyssa Ayres, "The Foreign Policy Inbox of the Next Indian (a Modi?) Government", in Asia unbound of *Council on Foreign Relations*, Retrieved from. <http://blogs.cfr.org/asia/2014/05/09/the-foreign-policy-inbox-of-the-next-indian-a-modi-government/> accessed on 26 May 2014

<sup>2</sup> Ibid

<sup>3</sup> See 'India-Bangladesh Relations: Towards Increased Partnership' Retrieved from <http://www.anantaaspencentre.in>. Accessed on 28 May 2014.

<sup>4</sup> Goswami, Namrata 'Bangladeshi Illegal Migrants in Assam' Retrieved from [www.idsa.in](http://www.idsa.in) Accessed on 28 May 2014.

<sup>5</sup> Also See 'Regional Competition Likely to Drive India-Bangladesh Relations, despite Prime Minister's election rhetoric's' Retrieved from <http://www.janes.com/> Accessed on 28 May 2014.

<sup>6</sup> Ibid.

<sup>7</sup> Y Ghimire, 'What Modi means to Nepal', *Indian Express*, New Delhi, 24 May 2014.

<sup>8</sup> Ibid.

<sup>9</sup> Foreign Secretary's opening remarks during the Media Briefing on Prime Minister's meetings with the Leaders of the SAARC member countries and Mauritius, Retrieved from <http://www.mea.gov.in/media-briefings.htm?dtl/23369/Foreign+Secretarys+opening+remarks+during+the+Media+Briefing+on+Prime+Ministers+meetings+with+the+Leaders+of+the+SAARC+member+countries+and+Mauritius>, Accessed on 01 June 2014.

<sup>10</sup> 'A chance to better Nepal-India ties,' *Kathmandu Post*, Retrieved from <http://www.ekantipur.com/the-kathmandu-post/2014/05/23/news/a-chance-to-better-nepal-india-ties/263129.html>, Accessed on 30 May 2014.

<sup>11</sup> Excerpts of the speech by Hon. Sunil Bahadur Thapa, Ministry of Commerce and Supplies, Government of Nepal delivered at a program hosted jointly by the Embassy of India, Federation of Indian Chamber of Commerce and Industries, and Nepal India Chamber of Commerce and Industries - See more at: <http://www.thehimalayantimes.com/fullNews.php?headline=Nepal+and+India%3A+Boosting+ bilateral+trade+&NewsID=414758#sthash.sSyXPHI2.dpuf> - See more at: <http://www.thehimalayantimes.com/fullNews.php?headline=Nepal+and+India%3A+Boosting+ bilateral+trade+&NewsID=414758#sthash.mjwZdE4.dpuf>, 30 May 2014.

<sup>12</sup> 'Nepal Hydropower Overview, Hydroelectricity Investment and Development Company Limited', Retrieved from <http://www.hidcl.org.np/nepal-hydropower.php> Accessed on 16 June 2014.

<sup>13</sup> Ibid.

<sup>14</sup> Foreign Secretary's opening remarks during the Media Briefing on Prime Minister's meetings with the Leaders of the SAARC member countries and Mauritius, <http://www.mea.gov.in/media-briefings.htm?dtl/23369/Foreign+Secretarys+opening+remarks+during+the+Media+Briefing+on+Prime+Ministers+meetings+with+the+Leaders+of+the+SAARC+member+countries+and+Mauritius>, 01 June 2014.

<sup>15</sup> Joint Press Statement on the State Visit of Prime Minister of India to the Kingdom of Bhutan (15-16 June 2014), Retrieved from <http://www.mea.gov.in/in-focus-> Accessed on 18 June 2014

<sup>16</sup> Government of India (2014), Transcript of Briefing by Foreign Secretary (May 27, 2014), Ministry of External Affairs, New Delhi, , Retrieved from <http://www.mea.gov.in/media-briefings.htm?dtl/23372/Transcript+of+Briefing+by+Foreign+SecretaryMay+27+2014> Accessed on 28th May 2014

<sup>17</sup> The Hindu (2014), "Invitation to SAARC Countries Sparks Row, but BJP Holds Firm", The Hindu, New Delhi, 23rd May 2014, Retrieved from <http://www.thehindu.com/news/national/invitation-to-saarc-heads-sparks-row-but-bjp-holds-firm/article6037900.ece>. Accessed on 25th May 2014.

<sup>18</sup> Government of India (2014), Explanation of Vote by the Permanent Representative of India to the UN Offices in Geneva, Amb. Dilip Sinha at the UNHRC on Agenda Item 2 on the resolution on Promoting reconciliation, accountability and human rights in Sri Lanka, March 27, 2014, , Ministry of External Affairs, New Delhi, Retrieved from <http://www.mea.gov.in/Speeches-statements.htm?dtl/23150/Explanation+of+Vote+by+the+Permanent+Representative+of+India+to+the+UN+Offices+in+Geneva+Amb+Dilip+Sinha+at+the+UNHRC+on+Agenda+Item+2+on+the+resolution+on+Promoting+reconciliation+accountability+and+human+rights+in+Sri+Lanka>. Accessed on 28th May 2014.

<sup>19</sup> TBC (2014), "Sri Lanka cannot mislead India under Narendra Modi unlike with Congress government, Lankan Opposition says", TBC London Retrieved from <http://www.tbcuk.net/?p=31816> Accessed on 28th May 2014

<sup>20</sup> Government of India (2010), India-Sri Lanka Joint Declaration, June 09, 2010, Ministry of External Affairs, New Delhi, Retrieved from <http://www.mea.gov.in/bilateral-documents.htm?dtl/4087/IndiaSri+Lanka+Joint+Declaration>. Accessed on 27th May 2014

<sup>21</sup> Ibid.