BLOCK-IV INDIA AND ITS REGIONS THE PEOPLE'S UNIVERSITY

Introduction

INDIA AND ITS REGIONS

Block – IV covers India and its regions: East Asia, West Asia and Central Asia, and Africa and Latin America. It is appropriate to ask how India has dealt with its regions since the coming to power of Prime Minister Modi in 2014?

'Extended Neighbourhood': India has been 'pivoting' towards West Asia for the last two decades. West Asia is India's 'extended neighbourhood'. India's 'extended neighbourhood' is a well crafted policy. The aim is to build partnerships and avoid traps of regional rivalries and political conflicts. Relations were notable under the previous UPA government of Prime Minister Manmohan Singh; they have gained new scope under NDA-II. There are three clear discerned geographic zones of India's 'extended neighbourhood' policy: GCC and Israel; Iran; and North Africa.

Under Modi, UAE, Saudi Arabia and Israel are the focus of India's relations with the region. India is the third largest energy consumer in the world; and more than 60 per cent of its oil comes from West Asia. The Gulf Cooperation Council (GCC) has six countries – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE. They are all oil rich and offer tremendous business opportunities. GCC is home to some 8.5 million Indians who send billions of dollars home every year. Trade with GCC countries is growing; two-way trade had crossed \$107 billion mark in 2017.

Relations are growing beyond energy and trade. Foreign Minister Sushma Swaraj was invited by UAE to be guest of honour at the 46th session of the Council of Foreign Minister of Organization of Islamic Cooperation in March 2019 in Abu Dhabi. In August 2019, UAE conferred its highest civilian award 'Order of Zayed' on Prime Minister Modi. UAE occupies the pride of place in terms of India's growing relationships in the region. Economic and trade relations are very strong: UAE is India's third largest trading partner; the two-way trade last year was around US\$60 billion. It is also the fourth largest exporter of crude oil to India. UAE is home to 3.3 million Indians who sent \$17 billion of the total US\$69 billion remittances in 2018.

UAE and Saudi Arabia are becoming crucial to 'Make in India' strategy. UAE might invest as much as \$75 billion in the coming years. India's relations with Saudi Arabia are on the upswing since the historic visit of King Abdullah in 2006. Saudi Arabia is a key pillar of India's energy security, being a source of 17 per cent or more of crude oil and 32 per cent of LPG requirements of India. India's bilateral trade with Saudi Arabia was US\$ 27.48 billion in 2017-18, making Saudi Arabia its fourth largest trading partner. UAE and Saudi Arabia are emerging as key sources of investment in India. Saudi Arabia's oil monopoly, Aramco, proposes to invest \$44 billion in an oil refinery, acquire two LNG plants and purchase 20 per cent stakes in the Reliance oil. Crown Prince Mohammed Bin

Salman during his visit to New Delhi in February 2019 stated that he foresees up to \$100 billion worth of Saudi investment in India in the coming years. These are carefully developed relations. Since the 2010 visit of Prime Minister Manmohan Singh, Saudi Arabia is India's 'strategic partner'. Saudi Arabia is committed to India's energy security. Saudi Arabia is home to Islam's two holiest sites – *Makkah* and *Medina*. Several hundred thousand Indian Muslim pilgrims visit these holy sites to perform *hajj*.

Saudi Arabia, UAE and India share similar perception on the threats posed by the spread of religious radicalism and terrorism in West Asia and South Asia. Security cooperation is an emerging important area of cooperation between Saudi Arabia, UAE, Israel and India. India and Israel have intensified their defence and security cooperation in recent years. India is the largest buyer of Israeli military technology and weapons; the two countries are also involved in joint development of defence system. Surveillance and intelligence gathering and training are significant areas of cooperation. India had received inputs from Israel during the Kargil war in 1999. Modi became the first Indian Prime Minister to visit Israel in 2017; Israeli Prime Minister Benjamin Netanyahu visited New Delhi in 2019.

Iran is an important source of energy supply; India is an investor in Iranian gas fields – Farzad B and Shahid Beheshti. The large-sized Iran is a factor of stability in the Gulf region. Iran lies at the geocultural crossroads of the Islamic world – Central Asia, Caucasus, West Asia and South Asia. It exercises cultural and religious influence in the larger Arab world and Central Asia. India invested \$85 million in the Iranian port of Chabahar. The two berths, developed for containers and multipurpose cargo shipping, allow India land access via Iran to Afghanistan, Central Asian Republics and beyond into Russia. However, relations with Iran have been affected by Western approaches in particular the US sanctions on Iran.

North Africa is the third geographic zone for India's West Asia policy. Egypt is the largest in the Arab world and a leader of the Muslim world. India's relations with North African countries are cordial and trade is limited. Relations with other Arab countries are on the backburner; foreign policy under Modi is focused on strengthening ties with the economically dynamic and political stable GCC and state of Israel.

'New Great Game' in Central Asia: Narendra Modi became the first Indian Prime Minister to visit all the five Central Asian Republics in 2015. Energy resources including uranium supplies, a large market of consumers besides the geostrategic importance of Central Asia for larger Asian stability make the region important for India. India has deep stakes in the 'new great game' that is starting in Central Asia. The decision to join the China-led Shanghai Cooperation Organization (SCO) in 2017 is a piece of this strategic thinking.

'Look East' to 'Act East': On becoming Prime Minister, Modi transformed the two-decade old 'Look East' into 'Act East' policy – a decision to step up and expand the scope of relations with the strategically important East and South East Asian countries and their myriad regional groupings. The purpose of 'Act East' is to join the Asian value chain besides become a partner in the evolving Asian security architecture. 'Act East' aims to connect India to East Asia through better infrastructure, trade and regional institutions. Under Modi, India has made Indo-Pacific a key foreign policy and a strategic issue. It has been active and more vocal about free maritime navigation and a rules-based order for maritime security in the Indo Pacific, especially in South China Sea. 'Act East' puts India at the centre of stability and security of Indo-Pacific. South East Asian countries look at India as a factor of stability and security in the region. Under Modi, India has reached out to Myanmar in a big way – again for reasons of Indo-Pacific. Myanmar is India's gateway to ASEAN countries through Thailand and Laos; it is the only ASEAN country with whom India has both land and maritime borders. Andaman Islands lie alongside Myanmar's maritime boundaries. Further, Myanmar could provide China with land connection to India's northeast. China plans to build the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor inder its 'Silk Road' project. In short, Myanmar offers itself as central point of connectivity and transit between India, Bangladesh, China and Thailand.

Other Partnerships: Modi's diplomacy has equally been active towards the European Union. The Indian prime minister visited Germany and France in 2015. He successfully worked out the defence deal with France for purchase of fighter jets. Ties with Japan have seen tremendous upswing. In 2014, Japan and India entered into a "Special Strategic and Global Partnership". Significant progress in the areas of infrastructure cooperation, bullet train and nuclear energy and technology has taken place.

An important development in Indian foreign policy is the institutionalization of cooperation with Africa. The third India-Africa Forum Summit (IAFS) was held in New Delhi in October 2015 – with the largest ever participation from 54 countries at the highest level. At the Summit, Prime Minister Modi announced \$10 billion lines of credit, a \$100 million Indian Development Fund and \$500 million in grants besides 50,000 scholarships for African students. India-Africa relations gained a new purpose and dynamism. India has worked to finance projects, help in capacity-building and the number of African students, who annually receive fellowships under India's ITEC and ICCR programme, now runs into thousands. Especially Angola and Nigeria are important for India's energy security. Indian oil majors are working in all aspects – upstream and downstream – of petroleum industry in Africa.

In November 2016, India and Japan joined hands to "develop industrial corridors and industrial

network for the growth of Asia and Africa." India-Japan economic engagement with Africa, under the aegis of Asia Africa Growth Corridor (AAGC), is based on the premise of the rising strategic importance of Indo-Pacific. Through AAGC, India and Japan have offered Africa an alternative vision which is different from China's unilateral, debt-trapping and resource-grabbing Maritime Silk Road (MSR) project. India-Japan partnership is a "win-win scenario" in realizing Africa's growth opportunities. The continent is likely to present \$5.6 trillion of market opportunities and a population of over 1.52 billion consumers by 2025.

Relations with Latin America and the Caribbean (LAC) mark a paradigm shift in Indian foreign policy. India-Latin America relations have quietly changed in the last 15 years. There are complementarities and synergies which are helping the two countries to cement their cooperation. The two-way trade in 2017-18 had touched \$34 billion. India exported 12 billion and imported 22 billion. The trade has the potential to reach \$100 billion by 2025. More than the trade data, private business in the two continental-sized markets is realizing the possibility of value additions and complementarities. Imports from LAC are once again showing a surge: from \$25.73 billion in 2017-18 to \$36.45 billion in 2018-19. India imports crude oil, gold, copper and vegetable oils from Latin America. Latin America is the leading destination for India's vehicle exports at 3.76 billion. Mexico is the largest market for India's vehicle exports with 2.02 billion. India exports a billion-dollar worth generic medicines to Latin America; major Indian pharma companies have established joint ventures in the region.

A new world map of energy is getting drawn wherein consumers are in Asia and producers in North and South America. More Latin American crude is flowing into Asia. LAC region holds around 20 per cent of world's proven oil reserves. India sources around 15 per cent of its global crude oil imports from Latin America. Venezuela, Mexico, Brazil, and Colombia are the main suppliers. Footprints of Indian oil firms are spread all along the petroleum value chain and in all the oil producers.

Latin American guarantees India its food security. As India urbanizes, fertile lands are coming under urban construction. Cultural outlook and food habits India's expanding urban middle class is changing. The National Food Security Act, 2012 guarantees access to food to all. This is the biggest experiment in the world for distribution of food through a 'rights-based approach'. South America with its abundant lands and water resources can feed millions more. India imports large quantities of edible oil and lentils from Latin America – two consumables that are perennially in short supply in India.

Indian firms have invested over \$10 billion in Latin America in sectors such as energy, pharmaceuticals, chemicals, autoparts and IT. The Indian IT, BPO and KPO firms employ around 30,000 young Latin Americans, who appreciate the opportunity to learn and upgrade their skills. Latin American firms have invested about a billion dollars in India in areas such as multiplexes and auto parts.

UNIT-10 INDIA'S ACT EAST POLICY

Structure

- 10.0 Objectives
- 10.1 Introduction
- 10.2 Background
- 10.3 The 'Look East' Policy
- 10.4 From 'Looking' to Engaging East
 - 10.4.1 Political Engagement
 - 10.4.2 Economic Links
 - 10.4.3 Defence and Strategic Cooperation
- 10.5 Great Powers and the 'Look East' Policy
- 10.6 The 'Act East' Policy
- 10.7 'Act East' Policy and Regional Security
- 10.8 Let Us Sum Up
- 10.9 Some Useful References
- 10.10 Answers to Check Your Progress Exercises

10.0 OBJECTIVES

In this Unit, you will be reading about India's Act East policy. After going through this Unit, you should be able to:

- Importance of the 'Look East' policy as it was unveiled in 1994;
- the transformation from 'Looking East' to engaging East and its various dimensions economic, political and strategic;
- evolving security architecture in the Indo Pacific; and
- the 'Act Policy' under the Modi government.

10.1 INTRODUCTION

To understand what the Act East policy is all about that the Indian prime minister announced in 2014, it is necessary to know the background that led to the enunciation of this policy. The origins of this policy can be traced back to the early 1990s when India launched a major new foreign policy initiative called the 'Look East' policy. It was necessitated by a combination of factors such as economic, strategic and political. Cold War ended finally with the disintegration of Soviet Union in 1991; the curtain on socialism as a model of economic development came down; the 'licence-permit raj' that had guided India's development strategy for decades stood exposed in 1991 – the country had no foreign exchange to pay for its imports beyond two weeks. Per force, India had to launch itself on economic liberalization under the then Finance Minister, Dr. Manmohan Singh. Politics had to give way to economics. Economic globalization had gathered pace; many developing countries had liberalized their import-export regime, opened economies to foreign investment and were reaping higher economic growth rates. These circumstances made the government of Prime Minister P.V. Narasimha Rao look towards the dynamic economies of East and South East Asia. By early 1990s, the East Asia had emerged as the world's fastest growing and economically the most dynamic region in the world. The newly liberalized Indian economy perforce had to find ways to engage with this region. Although it took some time for the East Asian countries to appreciate India's likely role in contributing to regional security and also recognize its economic potential as a large market with abundant human resources. As the 'Look East' policy began to take root, it gradually became multidimensional encompassing economic, political and defence/strategic aspects. No doubt it was one of the most successful initiatives that India undertook in many decades. In order to expand the footprint of this policy, to further deepen relations by including several other dimensions, and to enhance its overall involvement in regional affairs, it became imperative for India to intensify its engagement. The 'Act East' policy thus is a reflection of proactive measures that the Indian government has been taking. It has become imperative for India to evolve a robust strategy to engage East Asia because this region will be the new global centre of gravity and developments here will have considerable implications even while the region undergoes fundamental shifts in its economic and security structure. In any case, India's stakes and interests in this region have been growing rapidly and that warrant greater attention.

10.2 BACKGROUND

The Act East policy may be relatively of recent origin but India has been looking to the east for over 2500 years in terms of interacting with East Asia. India's links with Southeast Asia and beyond had

been so vibrant that there are at least three countries that have derived their names from India, such as Indonesia (Indo-nesia-means archipelago), Singapore, and Cambodia (Khamboja). No other country has influenced in so many ways as India did during the ancient period the entire East Asian region. The Indian, Chinese and Japanese traders along with local merchants used to meet in the port cities of Southeast Asia not merely for commercial activities but for exchange of so many other things. Thus, in almost every walk of life, one can see Indian influence one way or the other such as art and architecture, language and literature, culture and civilisation, dance and drama, religion and spirituality and so on from Myanmar to China and from Japan to Vietnam. The vibrant links that marked relations between India and East Asia in general and Southeast Asia in particular for over the past two millennia were badly disrupted with the onset of colonialism. The colonial rulers imposed a new kind of relations that suited their commercial interests than worry about other bonds. Thus, only in the post-colonial era that concerted efforts were undertaken to re-establish the links. With this in mind, India took a series of steps to strengthen relations and to promote solidarity among Asian countries, which can also be considered as the first phase of India's engagement with East Asia in general and Southeast Asia in particular. The most important was the Asian Relations Conference that was convened in New Delhi in March-April 1947 by nationalist leaders spearheading the independence movement, which brought together leading personalities from across Asia. A Special Conference on Indonesia in support of its independence movement was held in January 1949, which helped in mobilizing the global public opinion against the Dutch colonialists. India was also one of the first countries to supply troops for the peacekeeping operation in Korea under the auspices of the UN in the early 1950s. Because of India's proactive steps and its neutral stand when the Cold War hot up, it was made the Chairman of International Control Commission that was set up under the 1954 Geneva Accord on Vietnam. As part of New Delhi's efforts to step up Asian unity, India cosponsored the famous Afro-Asian Conference (also-called the Bandung Conference) in April 1955. India was also instrumental in getting Japan back into the global mainstream post-World War II and also strongly supported Ho Chi Minh-led struggle against French colonial rule in Vietnam. India was one of the first countries to welcome and extend diplomatic recognition to the People's Republic of China after its emergence under the Chinese Communist Party in 1949. Thus, one can see active Indian involvement in East Asian affairs than any other region. To a large extent, India's initial foreign policy was heavily influenced by developments in East Asia.

For a variety of reasons, the tempo could not be maintained. India's Non-aligned stand had limited appeal in the wake of intensifying Cold War in East and South East Asia. Almost every country in East Asia was affected one way or another by the Cold War marked by growing armed communist

movements and anti-communist crusades. Acting under Truman Doctrine of 'containing' communism, US led the South East Asia into the formation of the South East Asian Treaty Organization (SEATO) in 1954. Their Cold War perspective did not accept India's Non-alignment. Also, the Bandung Conference could be considered as the turning point as far as India is concerned because Nehru felt slighted as the proceedings of the Conference (which was held in Bandung in Indonesia) were dominated by President Sukarno and China's Premier Chou En-lai and hence the region's priority was downgraded in India's foreign policy. Further, a series of wars that India had to fight soon after forced New Delhi to focus on its security concerns in the immediate neighbourhood than proactively get involved in global affairs. India figured prominently when it extended diplomatic recognition to the Cambodian government that was installed by Vietnam after its military intervention that removed the dreaded pro-China Pol Pot regime in 1980. By then, considerable political and economic gulf had been created between India and East Asia. While East Asia was roaring ahead economically with unprecedented strides, India was stuck in a quagmire with mounting unemployment, illiteracy, and poverty.

10.3 THE 'LOOK EAST' POLICY

Fortunately for India, the Cold War came to a sudden end, which also coincided with an acute economic crisis that the Indian economy was faced with forcing it to undertake a number of initiatives to free it from the earlier so called 'licence-permit Raj'. One of the foremost tasks was to attract investments to spur growth and to increase the role of trade in economic development. For both the reasons, New Delhi had to turn to the region towards its east, which by then was emerging as the new centre of the global economy. That came about in the form of the much celebrated 'Look East' policy that then Prime Minister Narasimha Rao unveiled in 1991. Unfortunately, it met with limited success, for most East Asian countries especially the Southeast Asian felt India was of little consequence economically given its extremely limited interactions unlike other powerful economies such as the US, Japan, and China. Moreover, the change from state-led to a market-oriented economic development strategy was slow and tardy. Despite considerable economic liberalization, India was not considered an easy place to do business by the foreign investors due to state controls, entrenched vested interests, the red tape and rampant corruption, and extremely poor infrastructure unlike its counterparts in East Asia. Politically too India was seen to be playing a limited role as it had remained aloof from the region throughout the Cold War. In terms of relevance to security, the dominant perception was that it was inconsequential as most believed that the region will remain

peaceful with the end of the Cold War.

However, two developments in many ways helped India to augment its 'Look East' policy. One, the unexpected closure of huge American bases in the Philippines in 1992 created a kind of power vacuum. Two, it coincided with China, riding on its superlative economic performance and modernization of its military, becoming more assertive, especially with respect to its sovereignty claims over the islets in the South China Sea. As China began to replace others, such as Japan and the US, as the most important economic partner for most countries, many began to be concerned with excessive dependence on China. When India's long-term potential was just about to be recognized, the East Asian was devastated by the 1997-98 financial crisis. Consequently, despite India's efforts, results were not very encouraging. Yet, a notable aspect of this phase is that India managed to establish numerous institutional mechanisms with the regional organization the Association of Southeast Asian Nations (ASEAN) and many regional multilateral mechanisms that it was leading. India first became a Sectoral Dialogue Partner of ASEAN in 1992, full Dialogue Partner in 1996, and a member of the ASEAN Regional Forum (ARF), which was launched to address the security issues of the region.

10.4 FROM 'LOOKING' TO ENGAGING EAST

By the early 2000s, one could see a remarkable shift in perceptions about India for two reasons. One, the Indian economy had entered a high growth-rate phase attracting considerable attention. And two, growing security concerns in East Asia due to continued political flux, tensions over the territorial disputes, uncertainty about US security commitment, and due to lack of a regional balance of power. ASEAN, in particular, began to look at India as a potential economic powerhouse and hence as country with opportunities. Further, in view of its considerable military capability, India was seen as a stabilizing force in regional security.

This phase between 2000 and 2014 is notable because India was moving from 'Look East' to engaging east. It was no more limited to Southeast Asia and ASEAN but began to encompass the rest of East Asia. While China emerged as the largest trading partner, one can see a fundamental transformation in India-Japan relations, on one hand, and India-US relations, especially in the context of East Asia, on the other. A more robust, multidimensional policy with a multi-pronged approach

began to take shape. It included principally three main facets, which are briefly discussed below.

10.4.1 Political Engagement

In terms of political engagement, it can be regarded as a two-dimensional approach. Firstly to establish linkages with regional multilateral institutions, especially with ASEAN. In addition to the other noted above, India and ASEAN established what is called Summit Meetings in 2002 so that highest political leaders would interact on a regular basis. India also became the founding member of the East Asia Summit (EAS) that was launched in 2005, as a member of the ASEAN Defence Ministers Meeting-Plus (ADMM-Plus) created in 2010. Secondly, to qualitatively upgrade bilateral relations with select countries. The most notable among these were Singapore, Vietnam, Japan, Indonesia, Myanmar, etc.

10.4.2 Economic Links

The second dimension related to the economic links that India has forged. Since economic imperatives in a way were instrumental in the launch of the 'Look East' policy, New Delhi has strived hard to qualitatively improve them right from the beginning. The idea was to integrate with and partake in the East Asian economic dynamism. For diverse reasons, it had not been very encouraging in the first decade of the 'Look East' policy as it failed to attract huge investments that it had expected. The Chinese and Southeast Asian economies remained far more attractive than India. Things began to change steadily starting from the early 2000s by which time most countries had overcome the impact of the financial crisis and India's high growth rates attracted greater attention of investors. The Framework Agreement on Comprehensive Economic Cooperation that India offered to ASEAN in 2003 provided the impetus for enhanced trade between the two. It included three components—trade in goods, services and investments. Trade in Goods agreement became operational in 2010, which was envisaged to remove import tariffs on more than 80 percent of traded products between 2013 and 2016, and Trade in Services and Investments with ASEAN was finalized in 2013. Despite the slowdown in trade between 2015 and 2017 (a global phenomenon) together these agreements are expected to boost India's economic relations with the ASEAN countries. Bilateral trade went up from about US\$6 billion in 2000 to more than \$65 billion by 2016. Similarly, the FDI flows have also increased both ways in a big way. While inflows into India from the ASEAN countries between 2010 and 2016 stood about \$50 billion, Indian FDI outflows to ASEAN were more than \$40 billion during the period. Similar trends are also seen with respect to the other

countries of East Asia such as China, Japan, and South Korea. Yet, it must be pointed out that India lags far behind other large economies. For instance, China-ASEAN trade in 2016 was more than \$500 billion whereas with India it was paltry \$65 billion.

Thanks to the deadlock in closing the Doha Round of the World Trade Organization (WTO), regional trading arrangements (RTAs) have acquired enormous significance. Given East Asian countries' critical dependence on trade, the numbers of bilateral and regional multilateral trade agreements have proliferated in the past decade or so. India too has signed Comprehensive Economic Partnership Agreements (CEPA) with countries such as Japan, Singapore, South Korea, Malaysia, besides ASEAN as a grouping, and is negotiating with many others as well.

A noteworthy aspect is India's participation in the Regional Comprehensive Economic Partnership (RCEP) talks. Comprising 10 ASEAN countries and six of its partners who have entered into free trade agreements with ASEAN, RCEP aims at creating the world's largest free trade region. Started with ASEAN's initiative, after holding several rounds of talks, RCEP was expected to be finalized by the end of 2017. It has not. India walked out of the RCEP in the meeting held in November 2019 in Thailand complaining that its economic interests have not been addressed. India wants RCEP to cover trade in services besides it wanted to use auto trigger to check the feared the influx of cheap Chinese imports into India. RCEP is not yet dead; and India has not walked out of it forever. Once RCEP is finalized, it will then usher in the world's largest free trade area comprising nearly 50 percent of the world's population with more than 40 percent of global GDP share – in PPP terms more than both the US and the European Union combined. East and South East Asia, by any measure is the world's most dynamic region consisting of mega and rapidly expanding markets with more than US\$5 trillion of foreign exchange reserves. Moreover, this region is also marked by the development of strong value chains and production networks, which will help in expediting India's economic integration, attract foreign investment and transform India's manufacturing sector in particular. India has a lot of catching up to do to reap the benefits of an RCEP. In any case, there is no doubt that India's economic future lies with this region.

10.4.3 Defence and Strategic Cooperation

The third notable dimension of the 'Look East' policy is the remarkable transformation that has taken place in India's defence and security interactions. Indeed, defence/strategic links appear to be far more robust than economic or political aspects of the 'Look East' policy. It includes a wide array of

activities—joint exercises, training, high-level visits, security dialogues, strategic partnerships, and a few instances of arms export as well.

In the 1980s, many countries in Southeast Asia had expressed concerns about the expansion and modernization of the India Navy, especially because the base at Port Blair in the Andamans due to its close proximity to the geostrategically located Malacca Strait through which some 40 percent of global trade passes through. It was assumed that, given its capabilities, the Indian Navy could choke the Straight if necessary. Additionally, the end of the Cold War also provided New Delhi with an excellent opportunity to allay the above fears and rebuild defence links with these countries. It began with inviting senior officers from the prominent Southeast Asian navies such as Indonesia and Malaysia to the Andamans and soon it led to holding simple joint exercises, which have been incrementally deepening. Now, India not only holds a variety of exercises with most countries of East Asia both at the bilateral as well as multilateral level besides undertaking joint patrolling with Indonesia and Thailand close to the Malacca Strait to ensure the security of sea lines of communication. At the multilateral level, India began the naval get-togethers in 1995 at Port Blair biennially comprising navies from East Asia and more recently the islands states of the Indian Ocean. The second aspect of multilateral exercises are the Malabar joint naval exercises among India, the US, and Japan.

The second facet of defence cooperation is the training that Indian defence establishments impart. For instance, as part of the 1993 MoU, India trained the Malaysian pilots and ground personnel to fly MiG-29 fighter aircraft. Similar arrangements in other military fields have been agreed upon with several countries who undergo training at major advanced training institutes such as National Defence College and Defence Services Staff College, Indian Military Academy, etc. The third aspect relates to numerous Security Dialogues that India holds bilaterally and Strategic Partnerships that New Delhi has forged with several countries such as Japan, Indonesia, Malaysia, Vietnam, Singapore, etc. Finally, India has also begun to export certain defence hardware to countries such as Myanmar and Vietnam. The defence and security links and interaction, which have grown manifold over the years, are an indication of growing security concerns in East Asia where India is perceived to contribute to the regional peace and stability and India's own rising aspirations and growing stakes and hence play a suitable role to advance its interests. Thus, India's role in the emerging balance of power in East Asia becomes very significant as a result.

Check Your Progress Exercise 1

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) What were the conditions that necessitated the launch of the 'Look East' policy?

2) What are the various contours of the 'Look East' policy?

10.5 GREAT POWERS AND THE 'LOOK EAST' POLICY

'Look East' policy was not to simply develop strong political, economic and defence links; a number of developments in East Asia played a role in its formulation. There is a tectonic shift in the global balance of power. These developments have been effecting fundamental shifts to the regional economic and security architecture. India became part of this shift and, through its 'Look East' policy, sought to align its interests and stakes with this economically and technologically dynamic region.

One singular development of historical significance is the rise of China. The phenomenal rise of China as an economic and military power and its impact will have implications not merely for East Asia but for India too. It is not simply its rise that is causing concerns but its growing assertive actions, especially to its territorial claims, which have been contested by several countries, in the disputed East China and South China Seas have alarmed many countries. As a rising power, it is challenging the status quo and if history is any guide, quite often it has resulted in bloody conflicts. That could derail and threaten huge economic progress the region has made. In the wake of what is

considered the US steady downgrading of its presence in and commitment to the region's security, many perceive that India could potentially become a counterweight to China and contribute to regional stability. That is the reason why there is a lot more eagerness by ASEAN, Japan, Australia, etc., to involve a reluctant India in regional affairs. That way the 'Look East' policy owes its success to the tectonic shifts the East Asian region is witnessing since the end of the Cold War and less to India's diplomatic acumen and efforts. In any case, just because India's role is growing does not necessarily mean, it would lead to a confrontation with China. In fact, despite their engagement with the region for over two millennia, their relations had always been peaceful as the region offers enough strategic space for both to thrive. Yet, given not so friendly relations between the two and suspicions about each other, China will remain a factor in India's engagement with East Asia. On the other hand, countries such as the US and Japan have been urging India to enhance its involvement in East Asia. Almost every bilateral statement issued between these countries and India make several references to East Asian security and for greater cooperation to promote regional stability. As part of this multilateral engagement is the 'Quad'. Since 2007, India has been part of the quadrilateral security dialogue with Australia, Japan and US. Three of the 'Quad' viz. India, Japan and US have conducted joint military 'Exercise Malabar'. No one says it but 'Quad' is to balance the growing presence of China and work out a common security architecture in the Indo Pacific. 'Quad' is getting traction with agreement to upgrade it to ministerial level dialogue. At the core of 'Quad' is the idea to have and maintain an 'open, prosperous and inclusive Indo-Pacific'.

10.6 THE 'ACT EAST' POLICY

Against the above backdrop of the origin, evolution and various contours of the 'Look East' policy, the following will discuss the 'Act East' policy. It is but natural that questions arise why the 'Act East; policy has been announced and how it is different from the 'Look East' policy. It is nothing but an indication of India's stepped up engagement with East Asia. It may be remembered that the government, as in the case of the 'Look East' policy, has not unveiled a policy paper or what new things will be included in this. Thus, we need to depend on what are the new policies, if any that have been initiated to understand the significance of the 'Act East' policy. Nonetheless, it may be kept in mind that this policy is not a replacement of the 'Look East' policy but an extension of it. The idea appears to be to expand the purview of the new policy by bringing in new elements and facets that can further deepen India's relations with East Asia, on one hand, and strengthen those links that are weak. Quite obviously, it has been necessitated by India's rapidly growing economic and strategic

interests. Now let us look at the new aspects that are being emphasized.

As noted, East Asia is witnessing profound shifts and a notable aspect is its rapidly rising economic significance in the world. No question that this region will soon emerge as the major driver of global economic development. It is not simply the rise of China or India but the entire East Asian region comprising nearly 50 per cent of the world's population which is on the rise—a phenomenon unprecedented in history. The regional economic cooperation is growing leading to greater integration. It is these aspects that matter the most for India. If for instance, one takes the example of trade, India's trade with its immediate neighbours in South Asia (the SAARC countries) was less than 7 percent in 2016-17, whereas it was about 13 percent with the European Union and nearly 30 percent with East Asia. India's trade has been growing the fastest with this region than any other. Similarly, some of the major investors in India are from East Asia.

No question that India's economic future is in East Asia, however, economic links are weak when compared to the other big powers. 'Make in India' has become the leitmotif of India's foreign policy under Modi. In the 'Act East' policy that Prime Minister Modi has announced, economic relations are taking pride of place since they happen to be the weakest link. The announcement of nearly US\$ 35 billion investment in developing India's infrastructure in the next five years by the Japanese government was the most substantial outcome of Modi's visit to Tokyo in autumn 2014. It was followed by China's commitment to invest US\$20 billion during Xi Jinping's visit in September 2014, Modi said "I invited Chinese investment in infrastructure and manufacturing sectors. I am glad two Chinese industrial parks will be built in India....The five-year economic and trade development plan is an important step." Thus, the 'Act East' policy is clearly aimed at qualitatively increasing India's involvement in regional economic affairs. Low-level of integration with the rest of East Asia is being addressed on an urgent basis.

The second aspect in many ways connected to the above is poor connectivity between India and the countries of East Asia, which is a major impediment for relatively weak bonds. Connectivity is not simply physical such as road, rail, air and sea, but also includes institutional and people-to-people connectivity. Whereas India has fared better in forging institutional connectivity, it has a long way to go on other fronts. Currently, an all-weather Tri-Nation Highway is being built involving India, Myanmar and Thailand through the Northeast. Once that is completed, theoretically goods can travel all the way to Singapore covering all the countries in mainland Southeast Asia. It can also link up to southwestern China such as Yunnan. Secondly, many sea ports are being modernized and

expanded and new ones are being built along India's east coast. In terms of air connectivity, there is a large number of flights from almost all of major airports from India that fly but, unfortunately, most of them are limited to cities such as Bangkok, Kuala Lumpur and Singapore. For instance, there is no direct flight to Jakarta, capital of Indonesia, the largest country in Southeast Asia. Air connectivity is very important because it is the only way people-to-people contacts can be increased. As India's economic links improve, it is expected that air connectivity too will get better.

The third notable dimension of the 'Act East' policy is to engage the Indian Diaspora in East Asia. The immeasurable value of Diaspora as a bridge connecting the country of their origin and the country of their residence has come to be recognized only recently. In the case of India, the value of overseas Indians came into sharp focus in the 1980s when a large number of Indians who went to the Gulf countries consequent to the economic boom in the region and their remittances proved to be invaluable when India faced a major foreign exchange crisis. In the past few decades, the Indian Diaspora has carved a niche for itself as wealthy and highly educated across the world, which is also beginning to play a key role in Indian development. Whereas the previous governments set the stage to engage the Indian Diaspora, Prime Minister Modi is taking to a higher level through a number of proactive measures. Remarkably, contrary to the earlier bureaucratic approach, he is taking a personal interest. Visiting countries that have substantial Indian settlers and addressing them in public gatherings so that he can connect with them and so inject a sense of belongingness have been hallmarks of Modi's Diaspora policies. He managed to convey a strong message that, while the wealthy businesses can make use of immense economic opportunities that India as the fastest growing large economy can offer but also others too can bank on India if needed and the government will stand by them. Insofar as Southeast Asia is concerned, his two addresses to the Indian communities during his visits to Malaysia and Singapore are noteworthy since it was for the first time an Indian top leader has ever done. In both his speeches, he basically extolled the virtues of a new India that is democratic, rapidly transforming with youthful energy and commanding respect as it becomes militarily confident and economically consequential. In Malaysia, he said, "For me India is not confined to its territory. India also exists in every Indian in every part of the world. India is in you.... The spirit of India speaks in your deeds.... You reflect India's diversity of languages, religions and cultures. And, you stand together in a spirit of harmony. Not just with other Malay Indians, but also with all Malay people.... Your achievements have done us proud. You have toiled with your hands. With pride and dignity, you made your life here." And, "with every generation, you have achieved more success in politics, public life, government and professional services."

The fourth aspect is to enhance and capitalize on its 'soft power' potential in East Asia. The consciousness that India is an ancient civilization and that it had hugely influenced virtually the entire Asian region from Central Asia to East Asia has always been quite high. It is particularly more pronounced in the case of the region towards its east with which it had established links more than two millennia back. Strong historical, cultural and other connections associated with these are often said to be a pivotal source of soft power. India is one of those very few countries that can boast of age-old connections with Southeast Asia. The enormous cultural and influences that India exercised through these ancient links are far more enduring and robust and hence could potentially become repositories of soft power influence if nurtured and channelled appropriately. There is belated recognition in India that the ancient cultural and spiritual bonds could be made use of more gainfully. Thus, the strengthening of cultural and other links has become a part and parcel of the new revamped Act East policy.

In almost every country from Thailand to China and from Myanmar to Japan, one can see strong Indian influence in some form or the other. While its contribution to spirituality by way of Buddhism is most visible and prominent, it, in fact, spans vast areas to varying degrees—dance and drama, language and literature, art and architecture, dance and drama, rituals and superstitions, etc. It is noteworthy that the awareness about many countries in Southeast Asia as rich and abundant in resources is evident in the references that had been made in the ancient Indian epics such as Ramayana and Mahabhrata to Suvarnabhumi (golden land) and Suvarna Dweepa (golden islands). Many Hindu and Buddhist kingdoms rose across the entire region. Even after countries such as Indonesia and Malaysia became Islamic, Indian culture remains strongly rooted even today.

These connections that had remained vibrant for a long time and, importantly, were peaceful with no known attempts to subjugate from either side in any way. However, they were badly disturbed with the onset of colonialism in India and in East Asia (except Japan and Thailand). Subsequently, the links were altered in such a way that they mainly served the colonial interests. One of the central areas of the 'Act East' policy is to promote cultural, civilizational, linguistic and other relations, which would also contribute to people-to-people contacts besides advancing Indian interests.

Finally, because of political fluidity and considerable security uncertainty that the East Asian region has been witnessing since the end of the Cold War, many countries perceive that India can play a key role in promoting peace and stability in the region. Indeed, India's defence and security links and

cooperation have been growing steadily. Now there is growing realizing in India that, instead of simply forging these links, it could actually leverage its military might to advance its diplomatic interests. The defence diplomacy is becoming a significant dimension of the 'Act East' policy. The earlier hesitancy has been replaced by a number of proactive initiatives on this front. It is done both at bilateral and multilateral levels. For instance, India has provided a credit line of US\$600 million to Vietnam to augment its defence capabilities by supplying offshore patrol boats and other equipment. Similarly, India is also stepping up defence cooperation with many other countries. It is an indication of India's growing stakes in East Asian regional security and also to the upside it enjoys.

Check Yo	our Progres	s Exercise 2
----------	-------------	--------------

Note:	i)	Use th	e space	given	below	for	your	answer.

ii) See the end of the Unit for tips for your answer.1) How is the 'Act East' policy different from the 'Look East' policy?

 .,		

10.7 'ACT EAST' POLICY AND REGIONAL SECURITY

The 'Act East' policy is not merely forging better relations on diverse fronts with the East Asian countries but there are many other considerations too. The evolving regional security is one of them. It is generally considered that, although this region is witnessing unprecedented economic growth and progress, politically it is confronted with considerable uncertainty for numerous reasons. It is

here India is generally seen to have the potential to significantly contribute to regional security, especially in building a robust regional balance of power. It is generally considered that there is no reliable regional security architecture that can ensure peace and stability, while the region may While opinions witness political turbulence. vary, in the current circumstances a regional multipolarity wherein all great powers remain engaged and ensure that no one power becomes too dominant is the reality. As a result, a fundamental realignment of forces is already taking place in the wake of the decline of traditional powers (prominently the US and the former Soviet Union during the Cold War) and the rise of new power centres (such as China, India and Japan). The other significant development is regional multilateralism that is taking root in a big way both in the economic and security realms. While the economic multilateralism has made considerable progress, the security multilateralism has not come up to the initial expectation. It is a reflection of the East Asian region's enormous complexity and high expectations. Yet, no question that regional multilateral platforms have played a key role in bringing all stakeholders for face-to-face interactions, which have contributed to the building of confidence and promotion of transparency in security policies. Prominent among these the ASEAN Regional Forum (ARF) and ASEAN Defence Ministers Meeting-Plus (Plus are ASEAN's Dialogue Partners), which are pan-East Asian in nature.

Check Your Progress Exercise 3	Check	Your	Progress	Exercise	3
---------------------------------------	-------	------	----------	----------	---

Note: i) Use the space given below for your answer.

- ii) See the end of the Unit for tips for your answer.
 - 1) It is said that global balance of power is shifting to Asia. Do you agree?

2) Explain the importance of India's engagement with East Asia.

10.8 LET US SUM UP

Admittedly, the 'Act East' policy has acquired a bigger dimension than the earlier 'Look East' policy. Whereas the 'Look East' policy was initiated under certain circumstances when India was politically rudderless and in many ways isolated after the collapse of the Soviet Union and the end of the Cold War (and with that the Non-aligned Movement became redundant, which in any case had limited impact on international affairs). By then the economic imperatives became too acute forcing as the economy was in a desperate situation reeling under crisis due to short-sighted and utterly imprudent policies in the previous decades. New Delhi had to embark on a new economic policy guided by neoliberalism. It involved liberalization of import-export regime, removal of controls over foreign exchange rate, deregulation and privatization and attraction of foreign investment in the economy. East Asia was a natural choice, a region with which India had had age-old relations and also which had emerged as the most vibrant economically. However, the initial phase was disappointing as relations did not progress as expected. Certain developments, especially super power military withdrawal, the rise of China and fears of political uncertainty, immensely helped India. Thus, more than Indian diplomatic efforts, the ASEAN countries egged India to play a bigger role. The 'Look East' policy gradually began to take shape making a mark in political, security and economic fields.

By the time the 'Act East' policy was launched after Narendra Modi government came to power in 2014, India's relations had been consolidated with notable progress. Moreover, New Delhi is far more confident than ever before both militarily and economically and was willing to shoulder a bigger responsibility and also play a larger role in the region. Active engagement with ASEAN and other regional multilateral frameworks ensued. Under the 'Act East' policy, a number additional steps have been taken such as improved and expanded connectivity, enhanced use of 'soft' power, engaging Indian diaspora, building robust security relationships, and active participation in East Asian economic cooperation efforts, and an overall increased role in regional affairs. No question that the Look East/Act East policy will continue to acquire a lot more importance in India's foreign policy in the coming years even as the much-talked Asian Century is already upon us.

Ever since India launched the 'Look East' policy in the early 1990s, it has over the years evolved into a comprehensive, multi-dimensional policy encompassing political, strategic and economic aspects. Although this policy has gradually been expanded to the larger East Asian region, ASEAN has remains at the heart of this policy. The 'Act East' policy by the Modi government is an attempt to

further expand and qualitatively upgrade the relationship with East Asia in general and Southeast Asia in particular by including several other elements. Prominent among these is to increase the connectivity so that India becomes part of regional economic dynamism though greater participation in the regional value chain, and use cultural and other attributes, especially defence and security links, to enhance the soft power potential. Given India's expanding economic and strategic stakes along with profound shifts which East Asia is witnessing, New Delhi's engagement with and involvement in the region will likely to increase in the coming years.

10.9 SOME USEFUL REFERENCES

Ganapathi, M., "Look East - Act East' Dimension of India's Foreign Policy",

Indian Foreign Affairs Journal, Jan-Mar2015, Vol. 10 Issue 1, pp. 63-73.

Kelly, Andrew, "Looking Back on Look East: India's Post-Cold War Shift Toward Asia", *Journal of Diplomacy & International Relations*, Spring/Summer 2014, Vol. 15 Issue 2, p81-93

Ram, Amar Nath, Ed., "Two decades of India's Look East policy: Partnership for Peace, Progress and Prosperity (New Delhi: Indian Council of World Affairs: Manohar Publishers & Distributors, 2012)

Sikri, Rajiv, India's "Look East" Policy, *Asia-Pacific Review*, May 2009, Vol. 16 Issue 1, pp. 131-145

Jafferlot, Christophe, "India's Look East Policy: An Asianist Strategy in Perspective", *India Review.* April 2003, Vol. 2 Issue 2, pp. 35-68

Naidu, G.V.C., "India and Southeast Asia: From Looking East to Acting East" (with G. Sachdeva), in ed. David B.H. Denoon, *China, the United States, and the Future of Southeast Asia U.S.-China Relations*, Volume II (New York: New York University Press, May 2017)

______. "India and East Asia: The Look East Policy", *Perceptions: Journal of International Affairs*, Spring2013, Vol. 18 Issue 1, pp. 52-74.

______. From Looking to Engaging: India and East Asia (Paris: Institut français des relations Internationales, 2011)

Yong, Tan Tai, Mun, See Chak, "The Evolution of India-ASEAN Relations", *India Review*. Jan-Mar 2009, Vol. 8 Issue 1, pp. 20-42

Satu, Limaye, "India-East Asia Relations: Acting East under Prime Minister Modi?", *PacNet Newsletter, January* 2015, Issue 5, p. 2-12

Dutta, Anwesha, "India's North-East and Asiatic South-East: Beyond Borders; Look and Act East Policy: Potential and Constraints—Look East to Act East", *Economic and political weekly*; 2017, 52(16), pp. 24-24

Naidu, G.V.C., "India and Southeast Asia", International Studies, April 2010, 47(2-4), pp. 285-304

Naidu, G.V.C., "India and Southeast Asia: From Look to Act East Policy" in David Denoon Ed., China, the United States and the Future of Southeast Asia (New York: New York University Press, 2017).

10.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1) Your answer should be based on Section 10.4.

Check Your Progress Exercise 2

1) Your answer should be based on Section 10.6.

Check Your Progress Exercise 3

1) Your answer should be based on the reading and comprehension of the entire Unit.

UNIT 11 INDIA AND CENTRAL AND WEST ASIA

Structure

- 11.0 Objectives
- 11.1 Introduction
- 11.2 Central Asia: A Background
 - 11.2.1 Economy
 - 11.2.2 Polity and Society
 - 11.2.3 Geo-Strategic Importance
- 11.3 India and Central Asia
 - 11.3.1 Bilateral Relations
 - 11.3.2 Security Concerns
 - 11.3.3 Economic Cooperation
 - 11.3.4 Cultural Relations
 - 11.3.5 Obstacles to Economic Cooperation
- 11.4 West Asia: A Background
 - 11.4.1 Geostrategic Scenario: Wars and Conflicts in West Asia
- 11.5 India and West Asia
 - 11.5.1 India's 'Look West' Policy
 - 11.5.2 Landmarks in India's Policy
- 11.6 Let us Sum Up
- 11.7 Some Useful References
- 11.8 Answers to Check Your Progress Exercises

11.0 OBJECTIVES

Central Asia and West Asia are two distinct regions. The present Unit deals with India's relations with two very important regions viz. Central Asia and West Asia. These two strategically important regions are energy rich and form India's 'extended neighbourhood'. Meaning thereby that their stability and prosperity is essential for India's security and economic development. After reading this Unit, you would be able to:

• get an overview of the geography, resources, economy, polity and society of the two regions;

• understand the geopolitical and geo-economic importance of Central Asia and West Asia for

India;

know about India's security concerns and economic interests; and

analyze important bilateral relations.

11.1 INTRODUCTION

Central Asia and West Asia are important regions in the present day world. The two regions together

possess more than two-third of the world's proven oil reserves and a considerable amount of natural

gas, which are vital for the functioning of modern industrial society. Oil imports account for nearly

two thirds of India's oil consumption and more than half of this comes from this region – mainly the

Persian Gulf. West Asia remains the biggest oil supplier to India; and this dependence on West Asian

oil supplies shall only increase in view of rising domestic consumption of oil. In sum, West Asia is

crucial for India's energy security.

Geographically, the Central and West Asian regions connect the Asian landmass with Europe and

Africa. Historically, major trade routes crisscrossed them. Peoples and cultures travelled through

these routes to India. Invaders came from Central Asia and Afghanistan and built strong and

prosperous empires in India. In recent times, this area is considered vulnerable to the rise of religious

extremism and terrorism. This has implications for regional stability and India's security. Pakistan's

attempt to increase its influence in these countries adds to India's security concerns. The Central and

West Asian regions are described by foreign policy establishment as India's 'extended

neighborhood'.

Central Asia and West Asia are both covered in this Unit. There are of course some commonalities

but otherwise the two are very distinct regions. Therefore, the present Unit describes and analyses

India's relations with these two very vital regions separately.

11.2 CENTRAL ASIA: A BACKGROUND

Central Asia comprises five republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and

Uzbekistan. These five nations emerged as independent states after the collapse of the Soviet Union

209

in1991. Central Asia is a vast geographic area spread over around 4 million square kilometers and having a total population of 70 million. The defining feature of Central Asia is its location: landlocked and at the crossroads of East, West, North and South Asia. Historically it has been the meeting ground of major world civilizations: the Chinese, Slavic, Turkic, Persian and Indian. In present times, it borders Russia and China, as well as the turbulent Afghanistan-Pakistan region.

Central Asia is rich in hydrocarbon resources. Kazakhstan has the twelfth largest proven oil reserves at an estimated 30 billion barrels; Turkmenistan's natural gas is estimated at 265 trillion cubic feet. Uzbekistan also has exportable gas; more important it has significant deposit of uranium and gold. Tajikistan and Kyrgyzstan are deficient in hydrocarbons but have abundance of hydro-electric potential.

Religious revivalism and radicalism are among the major challenges facing Central Asia. Central Asian populations are turning towards Islam after having endured more than 70 years of Soviet Communist atheism and repression of religious freedom. Both the Czarist Russia and the Communist Russia had followed the policy of 'Russsification' of Central Asian cultures. Ethnic Russian nationals and Russian language remained dominant in the areas of governance and culture. Since their formation, all the five Central Asian republics have lived under strong and repressive authoritarian regimes. Peoples' aspiration for freedom and representation has been crushed with iron hand. One cannot discount the threat of Islamist militancy and terrorist activities under the circumstances. There are radical and terrorist groups that are said to operate out of the volatile Afghan-Pakistan region.

11.2.1 Economy

Apart from oil and natural gas, Central Asia is a major producer and exporter of products like cotton, wool, meat, animal skins and leather goods. It also has considerable deposits of minerals such as uranium, gold, silver, iron ore, coal, copper, zinc, lead and manganese among others. The dissolution of the Soviet Union disrupted the exploitation and markets for these resources. Also, the region lost the managerial and skilled manpower to exploit and export these resources.

The performance of these countries on socio-economic development indicators is mixed. Kazakhstan with its significant export revenues has done better than others. Turkmenistan earns through gas

export. Kyrgyzstan and Tajikistan with limited resources lag behind. Uzbekistan is a potential leader in the region due to its central location (having border with all other Central Asian States and Afghanistan), large population and traditionally the focal point of Central Asian civilization and state systems.

11.2.2 Polity and Society

Central Asian republics are ruled by autocratic presidents; legislature and judiciary are not supreme and independent. Personal freedoms are limited; and press freedom almost nil. Having lived under Soviet tutelage and earlier under Czarist Russia, Central Asia republics are grappling with the monumental challenge of defining their national identity. Sometimes, they try to define themselves in terms of their language and culture. Domination of Russian language, script and culture during Soviet era has had distorting effects on their languages and cultures. Overall, there is a revival of their Islamic and Central Asian identity. Except Tajikistan, all other states are Turkic-speaking. Autocratic rulers fear the spread of pan-Islamic and pan-Turkic movements. They belong to the Soviet era communist party leaders and were part of the Soviet state apparatus. To their credit, the region remains stable. None of the republics has shown any movement towards democracy or development; and much less towards nationhood. Water scarcity, chaotic borders, environmental degradation and migration are some of the problems besides drug trafficking, which emanates from Afghanistan.

11.2.3 Geo-Strategic Importance

Central Asia is a landlocked region in the heart of Asia. In the nineteenth century, it was the battle ground for the two expanding empires – the Czarist Russia and the British Indian Empire. There ensued the 'Great Game' for power and influence. Because of its geo-strategic location at the crossroads of Russia, China, West Asia and Europe, and its hydrocarbon and other mineral resources, the region is witnessing an intense rivalry for influence among important global and regional powers, namely, the United States, Russia, China, Turkey, Iran, India and Pakistan. This is often referred to as the "New Great Game". Lack of an outlet to the sea makes these states vulnerable to intimidation from their neighbours, especially Russia, through which most of the existing trade and transit routes and oil pipelines pass. Search for alternative transit routes to minimize their dependence on Russia induces them to look towards their other neighbours – China, Japan and Korea. Central Asian

republics need investment and technology for development and friendship of US to balance security relations with Russia. US and its European allies offer security cooperation through NATO's Partnership for Peace Programme.

US sees Central Asian republics and Afghanistan as strategically important to keep a watch on China and Russia; more so, in the light of the growing proximity between the two countries. It also sees Central Asia as an important theater in the war on terrorism. It deems it necessary to check any extension of Iranian influence. Turkey has its own cultural expansion with the Turkic speaking populations in Central Asia. Russia and China consider the region their sphere of interest. The Shanghai Cooperation Organization (SCO) and Eurasian Economic Union (EEU) are mechanisms to keep Central Asia within Chinese and Russian fold. Central Asia is the 'strategic backyard' of Russia who describes as its 'near abroad'. Other regional powers such as Turkey, Iran and Pakistan are also in the fray in the Central Asia. There is asymmetry of interest and capability. And this is a major factor in the competition among states for influence in the region.

Check	Vour	Progress	Exercise 1	ĺ
CHUCK	I VUI	11021633	L'ACI CISC I	ı

Note: 1) Use the space given below for your answer.
ii) See the end of the unit for tips for your answer.
1) Explain the geostrategic importance of Central Asia.

11.3 INDIA AND CENTRAL ASIA

India was a late starter in building relations with the Central Asian Republics in the 1990s. India was beset with domestic economic difficulties associated with the transition from the state-regulated

economy to a liberalized economy. Central Asian Republics immediately upon their formation were also faced with political uncertainty. India does not have direct physical access to Central Asia; and this factor has proved an impediment in building strong economic, commercial, energy, tourist links with Central Asia. Overland trade is hampered by the denial of such a facility by Pakistan and war conditions that prevail in Afghanistan. Trade hence has been conducted with Central Asia through the time consuming and expensive routes – through China or northern Europe and Russia. India has finally achieved a breakthrough by securing access and developing the Iranian port of Chabahar. The port opens India trade with Central Asia, Afghanistan and all the way with Russia through the International North-South Transport Corridor (INSTC) – India has signed on the Ashgabat Agreement.

11.3.1 Bilateral Relations

Bilateral-level contacts were established immediately upon the birth of these nations in 1991. Scores of summit level meetings have taken place, which underscore the strategic importance India attaches to these countries. Besides the summit level meetings, there have been regular visits of officials, business and cultural delegations, and scientists and scholars from both sides. An important and decisive initiative was taken by India when Prime Minister Narendra Modi visited all five Central Asian republics in July 2015, combining it with his participation in the BRICS summit at Ufa, Russia. India's decision to join SCO marks a new level in India's engagement with Central Asia. Annual summit of SCO gives a regular platform to India to engage with leaders of these countries and discuss issues of bilateral and regional interest. It is hoped that with India now in SCO, close cooperation in security, defence, energy and trade would be established with all the Central Asian republics besides of course with Russia and China. SCO is a political, security and economic grouping. Its members are China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan, India and Pakistan. India is also in negotiations with the Russian-led Eurasian Economic Union (EEU) on the proposal for an India-EEU free trade agreement. EEU has a population of 183 million and an annual GDP (PPP) of US\$ 5 trillion. Member countries are: Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia.

India-Kyrgyzstan Bilateral Relations: Four basic agreements have been signed on defence cooperation; an MOU and cooperation agreement in the field of elections; an agreement on standards which was signed between Bureau of Indian Standards and Ministry of Economy of Kyrgyzstan; and

a cultural cooperation agreement. The two countries have also agreed to hold joint military exercises; the first one was held in Khanjar, Kyrgyzstan in 2015.

India-Uzbekistan Bilateral Relations: Uzbekistan is a large-sized country in terms of territory and population. It is the potential regional leader with borders with all other Central Asian states and Afghanistan. Sizeable Uzbek minority populations are found nearly all over Central Asia. India and Uzbekistan hold discussion on important bilateral and regional matters, e.g. the situation in Afghanistan. There are three bilateral agreements to boost cooperation between their foreign offices and in the field of culture and tourism. In 2014, India has also signed an agreement for import of 2,000 metric tonnes of uranium from Uzbekistan.

India-Kazakhstan Bilateral Relations: The two countries have agreements to boost cooperation in trade, energy, defence, railways and security matters. Kazakhstan, a leading uranium producer in the world, agreed to supply 5,000 tonnes of uranium to India during 2015-19. The two countries welcomed the setting up of the Joint Study Group between India and the Eurasian Economic Union on the feasibility of a Free Trade Agreement (FTA).

India-Turkmenistan Bilateral Relations: Turkmenistan is a potential supplier of natural gas to India. The two countries have the agreement on the US\$ 10 billion TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipeline project. India is expected to receive about 13 bcm per annum once the 1800 km pipeline is completed. They also signed seven pacts to enhance cooperation in defence, chemicals, youth affairs, sports, foreign services institutes, science and technology, Yoga and traditional medicine and tourism.

India-Tajikistan Bilateral Relations: India and Tajikistan have resolved to further their cooperation against terrorism, especially emanating from their neighbourhood – an obvious reference to Pakistan and Afghanistan. Agreements were signed for cooperation in culture and computers among other fields.

11.3.2 Security Concerns

Religious extremism and terrorism is a major threat in countries in and around Central Asia. A number of countries have been affected by it—India in Kashmir, Russia in Chechnya, China in Xinjiang and Uzbekistan and Kyrgyzstan in the Ferghana valley. Tajikistan endured a long drawn

civil war between the government and Islamic militants and the Uzbek president Islam Karimov barely escaped an assassination attempt in February 1999. Afghanistan under the Taliban had sheltered Osama bin Laden's *Al-Qaeda*. Pakistan, it is thought, is a safe haven and training ground for varieties of Islamic militant groups. Central Asian States readily joined America's Global War On Terrorism (GWOT) launched after the terrorist attacks in US on 11 September 2001 (9/11). Uzbekistan and Kyrgyzstan offered military bases and Kazakhstan gave other facilities when US sent its forces to Afghanistan to overthrow the Taliban regime in October 2001. India has formed joint working groups on terrorism with a number of countries including the US, Russia, China, Kazakhstan and Tajikistan. Besides, trafficking in drugs and arms is another security threat in Central Asia which impinges on India's security.

11.3.3 Economic Cooperation

India and Central Asia states have economic complementarities in terms of resource endowment, managerial and skilled human resources, and promising markets. India's main exports to Central Asia have been pharmaceuticals, tea, machinery and instruments and readymade garments. Major imports from the region are iron and steel, gold and silver, non-ferrous metals and fibres. These countries are short of managerial and skilled manpower. India can help Central Asian countries with its professionals and skilled manpower in fields like banking, insurance, construction, technical education and financial management, and mining.

Following are the major areas of cooperation:

Energy: India has emerged as the third largest energy consumer in the world and according to one study, its energy consumption is growing at the rate of 6 per cent per annum. The country imports three-fourth of its petroleum requirements. Central Asia and the Caspian region are emerging as an alternative source for the supply of oil and natural gas. The main oil and gas deposits in Central Asia are found in Kazakhstan, Turkmenistan and Uzbekistan. The Oil and Natural Gas Commission of India (ONGC) is preparing to participate in the prospecting of oil in Darkhan and Kurmangazi exploration blocks in the periphery of the Caspian Sea in Kazakhstan. India would also bid for a presence in the Asibekmola and Kozhasai natural gas fields. Turkmenistan, which has considerable natural gas reserves, is keen to build a gas pipeline through Afghanistan and Pakistan to India.

Kyrgyzstan and Tajikistan have enormous hydel power resources. In Tajikistan, each square

kilometre of the territory has up to 2 million KW hours of hydel power resources, which is a huge figure. The government of Kyrgyzstan has an ongoing programme to develop small and medium sized hydel power stations. The country looks towards India as a future source of finance and technology in this effort and above all as a large market for supply of hydel energy.

Pharmaceuticals and Healthcare: Another key area of cooperation between India and Central Asia is pharmaceuticals and healthcare. Mainly due to its efficiency and cost effectiveness, India has a competitive advantage in the global market in this field. Some of the Indian companies exporting pharmaceutical products to Central Asia are Claris Life sciences, Ranbaxy, Dr Reddys, Lupin Laboratories, Unique Laboratories and Aurobindo Pharma. Some of these companies are planning to set up manufacturing units in Central Asia itself. The pharmaceutical factory of the Kazakh-India joint venture Kazakhstan Pharma is in the process of completion in Almaty.

Other Areas of Cooperation: Information technology (IT) and technical training are the areas where India can make substantial contribution to the Central Asian states. Already there are agreements in this regard with Uzbekistan, Kazakhstan and Kyrgyzstan. India is building a software technology park in Kazakhstan. A memorandum of understanding has been signed between Kyrgyzstan and the Indian company Edurite Technologies for cooperation in the field of IT education. Under the ITEC programme India has allotted slots to all Central Asian countries for the training of their candidates in selected Indian institutes. Tourism, space technology, defence cooperation, food and cotton processing, environment conservation, disaster management and telecom are other emerging areas of cooperation.

11.3.4 Cultural Relations

Central Asia has India's soft power print. Historical and cultural links go back to the Indus Valley civilization. The theory of Aryan migration from around the Caspian Sea continues to be debated and explored further by historians on India. Buddhism was the dominant creed in the area before the advent of Islam. Islam came to India through Central Asia. With it came Sufism, music and literature, architecture, cuisine and fashion and, above all, people of different origins and ethnicity. For nearly a millennium, there remained a ceaseless flow of people, goods and ideas back and forth. Indian trade diaspora existed in Tashkent, Bukhara and other places all through the medieval period. These dense exchanges were interrupted by the onset of British colonialism in India and Czarist conquests of Central Asian *khanates* in the 19th century.

India remains part of the imagination and literature in Central Asia; so do cities like Tashkent and Bukhara and others in Indian literature. The Soviet Revolution of 1917 and India's Independence in 1947 helped revive and reestablish some of these contacts. India was one of the few countries allowed by the Soviet Union to have trade and cultural contacts with the Central Asia. Indian maintained its consulates in Tashkent and Almaty. The great Indian Sufi saint Amir Khusrow is a household name in the region. Indian films and music is very popular throughout the region. India enjoys lots of good will and Indian visitors are received with warmth.

India offers scholarships for study in India including under the Indian Technical and Economic Cooperation (ITEC) Programme to students and young professionals of these countries for study, training and human capacity development. ITEC has made notable contribution to economic and social development in beneficiary countries. There is scope for Indian companies to participate in infrastructure building projects related to construction of railways, roads, highways, power stations, transmission lines, renewable energy, nuclear power etc. Some of these projects are funded by international agencies and multilateral banks like ADB, EBRD, IBRD, IDB, AIIB and NDB. There are other sectors such as oil and gas, information technology, pharmaceuticals and textiles, and tourism which have considerable potential areas of cooperation.

11.3.5 Obstacles to Economic Cooperation

Despite considerable potential, the level of actual trade and investment between the two regions has been very low. The entire Indian exports to Central Asia is less than two per cent of its total exports while the imports account for only 1.5 per cent of the total Indian imports on an average basis. One of the main hindrances in the way of economic cooperation between India and Central Asia has been the non-availability of hard currency and the lack of conversion facility services. To overcome the scarcity of currency, India has extended credits to each of the Central Asian states. But it has either not been fully utilized or is considered insufficient. Lack of proper information channels and mechanisms has also been one of the impediments in furthering cooperation. However, absence of direct rail, road or sea link has been the most important obstacle in India's relations with Central Asia. The existing route through Black Sea is time consuming and costly, though time tested and reliable. The shortest and most economical route for India would be through Iran. Iran has fairly good networks of road and railway, which are directly linked to Central Asia through Turkmenistan.

India acquired two berths at the Iranian port of Chabahar to facilitate trade with Central Asia and Afghanistan and access to the north-south transportation corridor which can take Indian goods all the way to Russia.

On the whole, economic and cultural relations remain modest; the full potential of these relations have yet to be realized. Absence of a land route remains a major hurdle. India's membership in the SCO and cooperation through EEU should facilitate close cooperation with Central Asian republics.

Check Your Progress Exercise	ercise 2	Exercise	Progress	Your	Check
-------------------------------------	----------	----------	-----------------	------	-------

Note: i) Use the space given below for your answer.
ii) See the end of the unit for tips for your answer.
1) Make an analysis of India's economic relations with Central Asia.
IINIVEDCITY

11.4 WEST ASIA: A BACKGROUND

West Asia is the most volatile and conflict prone region in the world at present. In the past it witnessed the birth of three great religions – Judaism, Christianity and Islam—and some of the greatest civilizations in human history – Egyptian and Mesopotamian. The region saw high watermark of achievement under the Babylonian and Iranian Empires in the ancient times and the Abbasid and Ottoman Empires in the medieval times. The decline of the Ottoman power during the 19th and early 20th centuries led to an increase in the influence of British, who considered it as the "western flank" in the defence of their British Indian Empire. With the discovery of oil in Iran at the

beginning of the 20th Century, followed by more substantial finds around the Persian Gulf, the region became the focus of interest for the old as well as the emerging great powers.

11.4.1 Geostrategic Scenario: Wars and Conflicts in West Asia

Islam is the dominant religion and identity in West Asia. However, the region has significant sectarian and ethno-cultural diversity. Broadly speaking, the four distinct ethno-cultural groups in the region are the Turks, Persians, Arabs and Israelis. The first two account for the states of Turkey and Iran. The Arabs are spread over more than 20 states across West Asia to North Africa. Israel is a Jewish state that came into existence in 1948. While the *Shias* are a majority of the population in Iran, Iraq and Bahrain, *Sunnis* are preponderant in all the Arab states. These divisions have led to political tensions and conflicts in the region. There have also been rivalries within the Arab world. After the Second World War, the secular, anti-colonial and pro-Soviet forces led by Gamal Abdel Nasser of Egypt and the *Baathist* Syria and Iraq dominated Arab politics. The Arab's defeat in the 1967 Arab-Israeli war and oil price hike in 1973 saw the political and economic ascendance of the oil-rich conservative Gulf monarchies that are closely allied with the US.

The main conflict in the region is on the question of the Arab-Palestinian demand for independent statehood. This is opposed by Israel that accuses them of terrorism. The US and the West in general is the main supporter of Israel. Arab defeats in the 1967 and 1973 wars and the failure of Israel-Palestinian negotiations are regarded by many to be the root cause for the rise of terrorism and religious extremism in the region. There are other factors, such as rising population, socio-economic stagnation, and absence of mechanism for popular participation in majority of the states that have led to popular alienation. The dominant US military presence in this region (including in the Muslim Holy places) has been deeply resented by the Muslim *Ummah* over the world. This has prompted the US to withdraw its forces from Saudi Arabia. The continuing divisions among the Palestinians and the intransigence of Israel have led to an intractable situation and hopelessness.

The end of Cold War produced only more wars and destruction in West Asia. First came the Iraqi invasion of Kuwait and the First Gulf War in 1991. Thereafter, it is a long list of countries engulfed in civil wars, external interventions, regime change with no prospects of peace and security ever returning to them. For nearly three decades, West Asia is characterized by a high degree of political instability, breakdown of regimes and forced regime change and foreign interventions. The internal security situation in Syria, Iraq and Yemen remains very precarious. The regional powers and local

outfits are all fighting proxy wars on sectarian and tribal/ ethnic lines, providing money and weapons to their favoured groups. The extra-regional players such as the US and Russia are involved in internal conflicts, backing rival sectarian and ethnic factions, changing regimes and imposing regimes of their choice.

In fact, there are multiple fault-lines in West Asia: Arab/Palestine versus Israel, Saudi/GCC versus Iran, *Shia* versus *Sunni*, US versus Russia, regional versus extra regional powers, and moderate vs. fundamentalist elements. The result is intractable conflicts and large-scale instability. These wars and myriad conflicts have direct bearing on India's security. India has to do fine balancing between its traditional close relation with Arab/ Palestine and emerging partnership with Israel, between Iran and Saudi Arabia and between precarious governments, for instance, in Libya and Syria and their various armed adversaries.

There is a sense of alienation and despair amongst the vast swathe of Arab population. Arab world has a large young population, what is called the 'youth bulge'. This young population has found internet and social media as medium to express itself and reach out to others. Autocratic rule, denial of basic freedoms, poor governance, corruption and high levels of unemployment, lack of quality education and skills and high cost of living produced popular political upheavals which came to be called 'Arab Spring'. Arab Spring began in 2010 with popular protests in Tunisia. Regimes changed in Tunisia, Egypt and few more places. Arab Spring however did not bloom; liberal democracy did not come to any one of the countries. It is back to square one. Rather, entire societies e.g. Libya, Syria, Iraq, Lebanon, Yemen seem to have regressed into political chaos and despotic rule. It is an unending nightmare for people with violence and warfare continuously going on and getting intense with the involvement of foreign powers.

11.5 INDIA AND WEST ASIA

West Asia is part of India's 'extended neighbourhood'. The region is important for India because of its geographical proximity and historical-cultural affinity, energy supplies, India's expatriate labour as well as present day security concerns and economic interests. Following are some of the main economic and security related issues.

Oil Supplies: Uninterrupted supply of oil at reasonable price is vital for India's economic health in view of its heavy dependence on imports from the region. Any conflict in the region, such as the Arab-Israeli war, Iran-Iraq war and Kuwait crisis, can disrupt oil supply and/or a price hike, imposing additional burden on the Indian economy.

Remittances: There are more than seven million Indian migrant workers in the Gulf region. Their annual remittance of US\$ 80 billion is the highest source of foreign exchange earnings for the country. India is the top remittance receiving country in the world. The safety and wellbeing of the large Indian community is a major priority for India. Any tension in the region, or in India's relations with these countries, may have negative consequences for these migrant workers and also for the Indian economy. Besides, in view of the violence and volatile political situation, India has to be ready with contingency plans to evacuate thousands of its citizens from conflict zones.

Religious Extremism: The rise of religious fundamentalism and its political manifestation in the form of *jihadi* radicalism and terrorism is a cause of grave concern to India. India has its large Muslim population and there is ongoing militancy in Kashmir. India fears radicalization of sections of its Muslim population. Pakistan, under the slogan of Pan-Islamism, tries to exploit the situation. It is evidenced by the sympathy shown by the OIC – Organization of Islamic Cooperation – with Pakistan's stand on Kashmir issue.

Commercial Links and Trade Routes: India has substantial trade with West Asia. The liberalization of the Indian economy has given further boost to these commercial links. The region accounts for more than 25 per cent of India's global trade. Major imports are hydrocarbons while wheat, non-basmati rice, textiles, and engineering and manufactured goods are the main exports. The Indian construction companies have got contracts in the region. The Persian Gulf and Suez Canal are the main waterways through which bulk of India's international trade is carried out. Hence, the safety of these routes is vital for the country. In the age of air travel and transport, West Asia has become an integral link in India's westbound air service. Iran is emerging as an important transit route in our interaction with Central Asia.

11.5.1 India's 'Look West' Policy

After independence, India under the policy of Non-Alignment extended a hand of friendship to the countries of West Asia which were resisting the Cold War pressure to join rival military blocs. This led to close relations with Nasser's Egypt and Baathist Iraq. India's consistent support to the Palestinian cause created a favourable image of the country among the Arab people. This, coupled with the historical ties and the vigorous commercial links, has helped India build vibrant relations with almost all the countries of the region. In 2005 India adopted the 'Look West' policy, which has been given a thrust under Prime Minister Narendra Modi who has visited the region several times.

There is a new context and hopes for robust cooperation between India and the West Asian countries. There are many factors behind the fundamental shift in West Asian strategic thinking. Twentyfirst Century is the 'Asian Century'. East Asia, South East Asia and India are among the dynamic economic regions of the world. There are scientific and technological breakthroughs also in this part of the world. First, South and East Asia are replacing Trans-Atlantic as the main markets for West Asian oil and gas. This is the most significant structural change in the global energy market. Second, due to the rising economic and political profile of the Asia (mainly China and India) and the fiscal problems faced by the European economies and Trump's 'America first' policy, West Asia increasingly relies on China, India and other Asian powers for security guarantees to the region. Several GCC states have entered into defence cooperation agreements with India. Third, in the wake of the Arab Spring and the endless crisis in Egypt, Iraq, Libya and Syria, the monarchical states in the Gulf consider India and China to be more reliable interlocutors than Western states. Fourth, radical and extremist religious and political forces have become a common threat to not just India but West Asia as well; in particular, the nearby GCC countries look at India as a source of security and stability against religious militancy and terrorism. Finally, some basic institutional mechanisms are being set; the first Ministerial Meeting of Arab-India Cooperation Forum was held in the Bahraini capital Manama in January 2016.

Check Your Progress Exercise 3

Note: i) Use the space given below for your answer.

- ii) See the end of the unit for tips for your answer.
- 1) Delineate the relations between India and West Asia.

••••	•••	• • •	• • • •	•••	•••	• • • •	 		• • •	 	 	• • •	• • • •	 • • • •	 • • • •	• • • •	• • •	• • •	 • • • •	• • • •	• • • •	• • • •	• • • •	• • •	• • • •	• • • •	• • • •
	•••	• • •	• • • •			• • • •	 		• • •	 	 	• • •		 	 		•••	• • •	 	• • • •				• • •		• • • •	
		• • • •					 		• • • •	 	 	• • •		 	 				 			• • •					
							 			 	 			 	 			• • • •	 								
							 			 	 			 	 			• • • •	 								
							 	· • • •		 	 			 	 			• • • •	 								

11.5.2 Landmarks in India's Policy

Palestine Issue: India has extended moral and political support for the creation of a viable state of Palestine alongside Israel. India shares the perception that the question of Palestine is at the core of the Arab-Israeli conflict. India became the first non-Arab State to recognize the Palestine Liberation Organization (PLO) as "the sole legitimate representative of the Palestinian people" and allowed it to open its office in New Delhi in January 1975. The PLO Office in New Delhi was accorded full diplomatic recognition in March, 1980. India accorded recognition to the State of Palestine in November 1988 and the PLO Office in New Delhi started functioning as the Embassy of the State of Palestine. In the wake of establishment of the Palestinian National Authority (PNA), India opened its Representative Office in Gaza on June 25, 1996, for ensuring effective coordination with the PNA. India has supported the Middle East Peace Process since its launch with the Madrid Conference in 1991. It has also endorsed all the subsequent peace agreements between Israelis and Palestinians. The Palestinian leadership has been frequent visitors to India. India has extended financial and technical assistance for development works in Palestine areas. The country offers scholarships to Palestinian students under ICSSR scheme and slots for training courses under the ITEC Programme.

Israel: India had recognised the Jewish State of Israel way back in 1950. But, it established full diplomatic relations only in 1992. Since then there has been an upswing in the relations between the two countries in view of the common concerns about religious extremism and global terrorism. Israel and India have developed close 'cooperation' in intelligence gathering and sharing and counterinsurgency operations. India has become a major buyer of Israeli armaments. India imports critical

defence technologies from Israel. There are regular exchanges between the armed forces and defence personnel. India has recently bought spike anti tank missiles, and Barak Missiles, for navy, and also tested the Barak 8 missile system. India's Air Force is now awaiting clearance to buy two Phalcon airborne surveillance radars from Israel while the army is waiting for approval to buy 8,356 Spike anti-tank guided missiles from Israel's Rafael Advanced Defence Systems, along with 321 launchers. There is a considerable potential for Indo-Israeli cooperation in the field of science and technology, particularly in areas such as dry land farming, horticulture mechanization, protected cultivation, orchard and canopy management. There has been a spurt in high level bilateral visits in the recent times. President Pranab Mukherjee visited Israel in October 2015. Prime Minister Narendra Modi became the first Indian head of government to visit Israel in 2017. In 2018 Israel PM Benjamin Netanyahu came to India.

Iraq Crisis: India and Iraq established close political and economic relations during the 1970s and 1980s. Incidentally, both concluded Friendship Treaties with the erstwhile Soviet Union—India in 1971 and Iraq in 1972. At one point of time, Iraq was the source of 30 per cent of India's oil needs and home to 90,000 Indians working there. It was the only Arab country that consistently supported the Indian position on Kashmir. Indian firms got some of the biggest contracts in the country. Hence, the 1991 Iraqi invasion of Kuwait presented a difficult choice for the Indian foreign policy. The consequent oil price hike put serious strain on India's balance of payments position. India favoured a peaceful political settlement, but ultimately went along with the UN Security Council Resolutions 661 and 678 which condemned Iraqi invasion and authorized the 'use of force' against it. Throughout, India maintained that "unwise and unjust" UN sanctions against Iraq should be lifted and was sensitive to the suffering of the Iraqis. During the 2003 US invasion on Iraq, New Delhi expressed its concern about the US military action because of its likely human and material implications and its possible impact on oil prices. US and the 'coalition of the willing' invaded Iraq; India maintained that any military action should have had UN authorization. India refused to send its soldiers to Iraq. Neither supporting the United States nor condemning it for its illegal aggression on Iraq, the Indian Parliament passed the famous 'ninda' resolution. The resolution did not condemn but deplored (ninda) US military attack on attack. It was sort of a middle path by the government of Prime Minister Atal Bihari Vajpayee.

By December 2011 American military forces withdrew from Iraq, bringing an end to the Iraq War. The war led to sectarian violence and displacement and poverty for millions of Iraqi civilians.

Elected civilian governments proved sectarian in their composition and policies. A deadly civil war raged. New forces emerged; most significantly the Islamic State in Iraq and the Levant (ISIL). ISIL operated across Iraq and Syria and attracted thousands of foreign *jihadists* into its ranks.

India's trade and economic relations with Iraq slumped after the invasion of Iraq in 2003 but picked up after 2010, mainly due to increased crude oil imports. Iraq was India's 15th largest trading partner in 2016-17. Apart from oil, India imports raw wool and sulphur from Iraq and exports cereals, iron and steel, meat and meat products, pharmaceutical products, agro chemicals, cosmetics, gems and jewelry, ceramics, machine tools, electrical machinery, transport equipment, electronic goods, handicrafts, sugar, tea, garments to Iraq. More than 80 Indian pharmaceuticals companies are supplying medicines and a number of Indian hospitals treat Iraqi patients.

There have been number of high-level political visits between the two countries in recent years. Prime Minister of Iraq, Nouri Al Maliki paid a state visit to India in August 2013 heading a strong business delegation, which resulted in the signing of four MOUs - Cooperation in Energy Sector; Cooperation between the two Foreign Ministries; Cooperation between the Foreign Service Institutes of both sides; and Cooperation in the field of water resources management. Ministerial level visits ensued thereafter.

Iran: Geographically, historically and culturally Iran has been closest to India, among the countries of West Asia. After the Islamic Revolution of 1979, a large consensus between the two countries has emerged on various global and regional issues. Incidentally, India's perception of Iran is in congruence with the Russian position, which differs with the US characterization of Iran as a 'rogue state' or 'axis of evil'. Iran is India's most viable transit option for trade with Central Asia and Russia. New Delhi-Moscow-Teheran signed an agreement in St. Petersburg in 2000 to send Indian cargo to Russia via Iran through the North-South Corridor. Once this new corridor becomes fully operational it could boost Indian trade with Central Asia as well as Central Europe. India and Iran have exchanged regular high level visits.

Prime Minister Dr. Manmohan Singh had attended the 16th Non-Aligned Movement (NAM) Summit held in Tehran from August 28-31, 2012. Prime Minister Modi paid a milestone bilateral visit to Iran from May 22-23, 2016. The two countries signed 12 MoUs/Agreements. India, Iran and Afghanistan inked a Trilateral Agreement on Transit and Transport. The historic agreement to develop the strategic port of Chabahar in Iran will halve the time and cost of doing business with Central Asia

and Europe. Prime Minister Modi met the Supreme Leader Ayatollah Khamenei and President Rouhani. Joint Statement titled "Civilizational Connect, Contemporary Context" was released. In December 2017 the Iranian president Hassan Rouhani inaugurated the first phase of the Chabahar port, opening a new strategic route connecting India, Iran, and Afghanistan bypassing Pakistan. **This is the first port that India will operate outside its territory.**

India's trade with Iran is dominated by import of Iranian crude oil, which continued despite sanctions. The bilateral trade between the two countries was US\$ 12.89 billion during 2016-17. India imports petroleum and its products, inorganic and organic chemicals, fertilizers, fruits and nuts, glass and glassware, natural and cultured pearls, precious and semiprecious stones, etc. and exports rice, tea, iron and steel, organic chemicals, metals, electrical machinery, pharmaceuticals, etc.

Gulf Cooperation Council (GCC): The GCC was formed in May 1981 by the six Gulf monarchies of Saudi Arabia, Kuwait, United Arab Emirates (UAE), Qatar, Bahrain and Oman. GCC states are all Sunni and conservative Islamic monarchies, opposed to Iranian Shia revolution and, in recent years, have come under increasing pressures from extremist Islamic groups and terrorists. This has created a common ground between these countries and India. The GCC has also been among India's top trading partners. More than 42 per cent of India's oil imports come from the six Gulf Cooperation Council (GCC) states; among India's top five oil suppliers three are GCC states – Saudi Arabia is the largest supplier of crude and Qatar the largest supplier of natural gas. GCC is critical for India's energy security.

The GCC is India's largest regional trading partner. Bilateral trade was \$104 billion trade in 2017–18. The GCC accounts for more than 54 per cent of India's foreign-exchange remittances amounting to \$37 billion in 2017. Prime Minister Narendra Modi visited UAE in August 2015, his first to Gulf and first visit by an Indian Prime Minister to UAE after a gap of 34 years. The two sides aimed to increase bilateral trade by 60 per cent in the next five years and UAE intends to invest \$75 billion into India's infrastructure development.

Indians are the largest expatriate community in the Gulf States – an estimated 7.6 million: 2.8 million in Saudi Arabia and 2.6 million in the UAE. They remit huge amount of foreign exchange earnings which is crucial for the emerging power India. The safety and security of the Indian nationals is an important foreign policy priority for India. Due to security reasons thousands of Indian expatriates had to be evacuated from conflict-prone Iraq, Kuwait and Yemen in the past. In recent times these

traditional relations have come to include security and defence cooperation. India has entered into 'strategic partnerships' with Gulf countries on issues like counter-terrorism, money laundering, cyber security, organized crime, human trafficking and anti-piracy.

Check Your Progress Exercise 4

Note: i) Use the space given below for your answer.								
ii) See the end of the unit for tips for your answer.								
1) Describe India's relations with the GCC.								
I HE PEOPLE'S								

11.6 LET US SUM UP

Central Asia and West Asia are distinct regions with different dynamics. Both have close geographical, historical and cultural links with India. India has vital political, strategic and economic stakes in these two regions. Central Asia has emerged as an arena of intense rivalry among major global and regional powers. This is called the 'new great game' reminiscent of the 'great game' played by imperial Britain and Czarist Russia for control and expansion over Central Asia. It is also witness to an upsurge in religious extremism and international terrorism. These have serious implications for India's security.

India is heavily dependent on oil imports and remittances on West Asia, in particular the Gulf countries which is home to some eight lakh Indian citizens. High consumption levels in the countries particularly the GCC countries and India's growing export in the age of liberalization and

globalization have created immense opportunities for Indian business and industry. No doubt, India's presence and influence in this region would be a crucial step in the direction of it becoming a global player. West Asia is at the heart of India's 'extended neighbourhood' policy.

11.7 Some Useful References

Ziegler, Charles E. (Ed.), *Civil Society and Politics in Central Asia*, The University Press of Kentucky, Kentucky, 2015.

Isaacs, Rico & Alessandro Frigerio, *Theorizing Central Asian Politics: The State, Ideology and Power*, Palgrave Macmillan, 2019.

Burghart, Daniel L. & Theresa Sabonis-Helf, Central Asia in the Era of Sovereignty: The Return of Tamerlane?, Lexington, US, 2018

Omelicheva, Mariya Y., Democracy in Central Asia: Competing Perspectives and Alternative Strategies, The University Press of Kentucky, Kentucky, 2015

Roy, Meena Singh (Ed.), Emerging Trends in West Asia: Regional and Global Implications, Pentagon Press, 2014

Singh, Sanjay (Ed.), West Asia in Transition, Institute For Defence Studies & Analyses, Pentagon Press, 2018.

Abhyankar, Rajendra & Azadeh Pourzand, *Protests and Possibilities: West Asia and India*, Gateway House Research Paper No. 8, March 2013.

11.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1) Your answer should be based on subsection 11.2.3.

Check Your Progress Exercise 2

1) Your answer should be based on subsections 11.3.3 and 11.3.5.

Check Your Progress Exercise 3

1) Your answer should be based on Section 11.5 and subsection 11.5.1.

Check Your Progress Exercise 4

1) Your answer should be based on subsection 11.5.2.

UNIT 12 INDIA'S POLICY TOWARDS AFRICA AND LATIN AMERICA

Structure

- 12.0 Objectives
- 12.1 Introduction
- 12.2 India-Africa Relations
 - 12.2.1 Importance of Africa
 - 12.2.2 Evolving Relationship
 - 12.2.3 India in Africa
 - 12.2.4 India-Africa Trade
 - 12.2.5 Collaboration in Energy
 - 12.2.6 Security Cooperation
- 12.3 India-Latin America Relations
 - 12.3.1 Economic Ties
 - 12.3.2 Diplomatic Ties
 - 12.3.3 Defence Ties
- 12.4 Let Us Sum Up
- 12.5 Some Useful References
- 12.6 Answers to Check Your Progress Exercises

12.0 OBJECTIVES

For the emerging power India, the importance of the two hitherto untapped regions, namely Africa and Latin America has assumed unprecedented importance. After going through this Unit, you should be able to:

- Understand the importance and place of Africa and Latin America in India's foreign policy and trade policy;
- Identify areas of mutual cooperation and interests between these two regions vis-à-vis India;
- Explain the geo-strategic importance of African countries for India; and
- Explain the reasons for enhanced trade and investment relations with Latin American countries.

12.1 INTRODUCTION

Since the beginning of the 21st century, the growing interdependence explains the significance and depth of the evolving relationship between India and countries on the African continent. The interdependence has manifested itself in economic, developmental and politico-strategic spheres; and at bilateral, plurilateral as well as multilateral levels. Growing significance of Africa for Indian economy is partly because of acceleration of pace of India's economic liberalization post 1991. India's search for resources especially mineral and energy and securing access to the markets in African nations for its exports explain a lot of India's policy initiatives towards Africa. These economic exchanges have underwritten India's economic growth story and produced positive results such as the total foreign exchange reserves of more than US\$400 billion at the end of 2018. Similar economic processes explain the burgeoning economic and trade relations between India and the countries of Latin America and the Caribbean (LAC)

Bourgeoning Indian middle class constituting roughly over 200 million, increasing demographic dividend, improving bilateral and multilateral ties with nation-states and a steady growth of 7-8 per cent are some but few factors that have convinced African and Latin American states to increasingly look towards India for improved partnerships. Both Latin American and African nations have for long been seeking more diplomatic representation from India. During 2004-14, India promised to set up diplomatic missions in Dominican Republic, Ecuador and Uruguay. It was not the case until recently, when Prime Minister Narendra Modi announced opening of 18 new embassies in the African region and New Delhi started taking the demands from countries in Latin America – a region India neglected for long. These are signs of India which has gravitated towards being among the 'leading' powers at global stage.

12.2 INDIA-AFRICA RELATIONS

India's Africa policy over the past few decades has oscillated between passive and a reluctantly reactive one at best. Strategic apathy towards the African continent was obvious on many fronts. Not only did countries in Africa not feature in New Delhi's larger foreign policy matrix; until recently there wasn't any significant attention paid to the continent. Indian leaders seldom travelled to African nations and very rarely did they feature in conversations surrounding New Delhi's foreign policy ambitions. The narrative of India's contemporary relationship with Africa is dominated by the historicity of their interactions — the centuries old trade partnerships, socio-cultural linkages built by

a thriving diaspora, solidarity and support during Nehruvian era for anti-colonial, anti-racism and anti-apartheid struggles of African peoples, and the shifting geopolitical tides with the Non-Alignment Movement (NAM).

The fact remains that India and Africa constitute one-third of the world's population. A large majority of them are in their youth. Indeed, India and Africa ought to have a significant part of the global youth population in this century. Their future is likely to shape the course of this world to a great extent. Africa's development is a huge opportunity for India, just as Africa's resources, including oil and minerals, power India's economic growth and create wealth and jobs in Africa. The continent's progress has the ability to add great stability and momentum to the global economy and benefit India as well.

Since 2010, more than 25,000 Africans have been trained or educated in India. The Pan Africa enetwork, which now connects 48 African countries, is becoming the new highway of regional connectivity and human development. India has emerged as a major and rapidly growing source of foreign direct investment (FDI) in Africa. Indian tourist flow to Africa has also increased.

India-Africa relations are enjoying an unprecedented renaissance, founded on shared economic interests and longstanding historical ties. Two-way trade has grown from \$5.3 billion in 2001 to some \$70 billion in 2013, though it still remains much below China's trade with the continent (which stands at over \$200 billion). Technical cooperation and training are set to further expand the ambit of shared interests. For the African Union (AU) and its 54 member states, the Third India-Africa Forum Summit (IAFS) in October 2015 was a powerful message of New Delhi's commitment to promote closer economic ties, reflecting the priority accorded to Africa by the government of Prime Minister Narendra Modi and is commitment to build on the development affinities between the two regions.

In the past few years, a combination of factors have infused energy in this otherwise jaded relationship. Most important is the economic growth of the continent that was estimated to be 3.2 per cent in 2018. Africa also houses six of the world's fastest growing economies — the World Bank estimates Ethiopia will grow at 8.2 per cent, Ghana 8.3 per cent, Cote d'Ivoire 7.2 per cent, Djibouti 7 per cent, Senegal 6.9 per cent, and Tanzania 6.8 per cent in 2018.

12.2.1 Importance of Africa

Africa is important for India in geostrategic, economic and political terms:

In geostrategic terms, Africa is critical to India's security, especially the Horn of Africa region, because of its proximity to India. The threats of radicalism, piracy, organized crime emerge from this region.

From economic perspective, Africa can help India in diversifying its energy sources, which is one of the stated objectives of India's Integrated Energy Policy. Africa also contains rich reservoirs of valuable minerals, metals including gold and diamond. Further, the Continent is an attractive destination for Indian investments in mining, agriculture, forestry and land. Africa has ample agricultural land, which can address India's food security. India is looking at leasing land in Africa to overcome the land deficit that India faces in terms of arable land. Indian business has reported acquired large tracts of land for cultivation of cash crops for exports.

In geopolitical terms, support of Africa is crucial for India to become a 'leading' power in global affairs. For example, support of the 55-member strong African Union is crucial for India's aim of gaining a permanent seat in UNSC. Africa provides an opportunity for India to display its 'soft' and 'hard' power. India has contributed enormously to UN Peacekeeping missions over the world. India has been actively involved in peace and stability of African countries through UN Peace keeping operations. Africa again is the principal focus of India's capacity building initiatives in developing world. India has provided a large number of scholarships to African students to study in India. A single country like Sudan has more than thirty thousand men and women who graduated from Indian universities. Africa is also the largest beneficiary of India's ITEC programme.

Check Your Progress Exercise 1

Note: i) Use the space given below for your answer.

Why is A fries important to India? Explain

ii) See the end of the Unit for tips for your answer.

1.	Why is Africa important to India? Explain.

•••••	 	
• • • • • • • • • • • • • • • • • • • •	 •••••	••••••
	 	•••••

12.2.2 Evolving Relationship

The foundations of India-Africa relations were laid by Mahatma Gandhi, who believed that there will be "commerce of ideas and services and not of raw materials and goods like imperialist powers". India has consistently maintained ever since that it shares Africa's dreams and India-Africa cooperation is a genuine two-way partnership. Pandit Jawaharlal Nehru talked about Afro-Asian solidarity and that provided strength to India-led Non-Alignment Movement (NAM). Policy during that era till about 1960 was considered to be "ideational" and "pragmatic". During 1970-1990, India shifted its attention to Sough Asia and an inward-looking foreign policy that resulted in neglect of India-Africa relations. Though, India during this period continued its relentless support against racism and apartheid regime in South Africa. The start of economic liberalization in early 1990s opened new opportunities. It was India's private sector that took lead and pushed India's attention towards the region's economic and strategic importance.

The decade of 2000s saw strengthening of relationship between India and African countries. Strategies adopted by Indian government were as follows:

- Pan African level engagement;
- Partnership with regional organization;
- Development partnership through IBSA and BRICS;
- Bilateral engagement with countries; and
- Involving Indian communities and Indian Diaspora.

The institutionalization of India-Africa relationship started with engagement with African Union. The initiative was partly in response to China's growing presence in Africa. It is to be noted that China also initiated the Forum for Africa and China Cooperation in the year 2000.

12.2.3 India in Africa

The 52nd Annual African Development Bank meeting in Gandhinagar, Gujarat in May 2017 shifted the spotlight back to India's relations with the 55 countries in Africa. India's historical ties with this region are well known. Economic engagement with African countries has increased in the last two decades with a large number of public and private sector companies from India investing in Africa. Trade has seen a five-fold increase from \$11.9 billion in 2005-2006 to 56.7 billion in 2015-16. India engages with African countries at three levels: bilateral, regional and multilateral. Multilateral engagement was launched with the first **India Africa Forum Summit (IAFS)** in 2008. The third IAFS hosted by the Government of Indian (GoI) in 2015 revealed the agenda that would help to empower Africans and bring Africa and India closer in the future. During the summit, India pledged \$10 billion in concessional lines of credit to African countries.

Important to note is that India's engagement with the continent is consultative and is, to a large extent, driven by the demands of the African countries. Further, India postulates that its partnership is an amalgam of African development priorities in keeping with the African Union's long term plans and the Africa Agenda 2063, as well as India's development objectives. There is no doubt that India's engagement is highly appreciated by all countries in the African continent. As Akinwumi Adesina, President of the African Development Bank, noted: "This cooperation is both a mutual privilege and priority" and that it is a "pleasure to partner with such an inveterate and committed investor in Africa."

Prime Minister Narendra Modi's major focus is economic diplomacy based on 'Make in India' campaign. It has assumed critical importance when it comes to inviting investments, fostering innovation, enhancing skill development and creating super manufacturing infrastructure in India to become part of global supply chain. It covers wide gamut of industries and sectors ranging from engineering to biotechnology, defence manufacturing to entertainment and so on. This has the potential to impact Afro-Asian relations: first, by adding value to raw materials rather than exporting them to other countries and re-importing such goods at higher prices; and second, reduce its commodity trade dependency that the African states and the African Union (AU) need to take note of for its likely impact of such cooperation with India.

Check Your Progress Exercise 2

Note: i) Use the space given below for your answer.

1) How is India leveraging its relationship with African countries?

12.2.4 India-Africa Trade

ii) See the end of the Unit for tips for your answer.

There are numerous initiatives undertaken by India to improve and facilitate economic ties between the two regions. 'Focus Africa' programme was launched by the Government of India (GoI) in 2002 in order to strengthen trade ties between the two continents; and to jointly identify areas of engagement for bilateral trade and investments.

India-Africa Forum Summit, a major initiative by India has been result of such efforts. The Summit brought over 45 African states together with India to strengthen the friendship and engagement between the two regions.

In 2009, India launched the **Pan African e-Network Project (PAENP)**, conceived by former President of India, A P J Abdul Kalam. The project, with a budget of approximately US\$125 million, is entirely funded by India and aims to provide satellite connectivity, tele-education and telemedicine services to the African countries. It also supports e-Commerce, e-Governance, infotainment, resource mapping and various other services. The project has presently been commissioned in 47 countries.

Between 2005-06 and 2015-16, total trade between India and Africa increased five-fold and stood at

\$52 billion by March 2017. Alternatively, India's exports to Africa went up from \$14 billion in 2008 to \$23 billion in 2017 – CAGR of whopping 5.6 per cent. On the import side, the figure was \$20 billion and \$28 billion during the same period.

The favourite export destination for India remains South Africa - \$3.5 billion accounting for nearly 16% of India's total exports to Africa as of March 2017. Other major export partners have been Kenya, Egypt, Tanzania and Nigeria.

During the period 1996-2016, cumulative Indian investments in Africa amounted to \$54 billion, led by Mauritius followed by Mozambique, Sudan, Egypt and South Africa.

India-Africa Forum Summits (IAFS) have forged ties with 55 African states through the AU. This has provided a major platform for India including its private sector companies to forge multiple level relationships in these African nations. The figure of Indo-African trade stood at record high of \$75 billion in 2015.

During the IAFS of 2015, held at New Delhi, the Modi government announced \$10 billion concessional grant to African states for the next five years. Consequently, the number of Indian businesses registered in Africa moved several notches up and also the country opened the duty-free access to 34 African states for the Indian markets. India's cumulative investment in Africa is estimated at \$50 billion – considered to be more than China's.

12.2.5 Collaboration in Energy

Africa is energy rich. India's interest in Africa is driven by natural resource needs especially of energy. Indian involvement in Africa is economic in nature focussing mainly on resources such as oil and minerals. Indian economic diplomacy has a target of resource-seeking especially in West Africa. Motive of Indian FDI can be summed up as resource-seeking but some changes are being seen currently in this regard. Top sectors receiving Indian FDI include coal, oil, natural gas and metals. Oil and gas exploration is a new frontier in India-Africa collaboration. India imports oil, minerals and agricultural raw materials. Renewable energy sector is a major driver of Indian investment in some countries. Developmental assistance from India is helping African nations to secure access to renewable energy resources. In doing so, India's motive is to create access to extractive resources among others. The strategy for accessing Africa's energy sector is same with China. But, regardless

of the competition in the energy sector India has still managed to maintain the energy ties with Africa.

Africa accounts for 26 per cent of India's total crude imports. The Gulf of Guinea, which is often described as the Persian Gulf of Africa, has become a significant region from the point of India's energy security. Among the states from the Gulf of Guinea, India imports 12 per cent of oil requirements from Nigeria, which has emerged as the foremost exporter of oil to India among the African states. Indian Oil Corporation Limited (IOCL), the largest oil refiner, has doubled the import from Nigeria at 60,000 barrels a day and so has Hindustan Petroleum (HPCL). ONGC Videsh Limited (OVL) and Mittal Energy (MEL) had made a joint bid at oil exploration ventures in two blocks in Nigeria in 2005. However, MEL gave up its oil block in Nigeria while OVL has stayed on. OVL has invested quite substantially in equity assets in Côte D'Ivoire, Nigeria, Angola and Gabon in the Gulf of Guinea and North African states such as Libya and Egypt. Similarly, operations of India-focussed/based private players such as Essar in Nigeria and Madagascar and Reliance in Sudan have further underscored how the Indian oil companies are steadily expanding their interests in Africa's petroleum sector.

In Sudan, it started initial investments of \$750 million with 25 per cent stakes in Greater Nile Petroleum Operation Company and collaborated with the Chinese, Malaysian and Sudanese companies to exploit oil. The previous National Democratic Alliance (NDA) regime overlooked opposition to India's investments in Sudan from human rights activists and the left parties. By now India has developed stakes in the oil sector of Southern Sudan as well as Sudan.

India's initial efforts, including helping to build an oil pipeline project of 741 kilometer worth \$200 million from Khartoum to the Port Sudan and subsequent attempts to maintain cordiality of ties with Sudan and South Sudan have started paying dividends. Angola is the second largest oil producer in Africa with the third largest oil reserves. It is the second largest oil exporter to India after Nigeria.

Over the years India has been involved, to a limited extent, in training Africans in the field of renewable energy technologies. During the visit to Tanzania, Prime Minister met a group of "Solar Mamas" trained by the Bare Foot College (an Indian Non-Governmental Organization). India has trained over 375 illiterate and semiliterate rural African women as solar engineers or "Solar Mamas". These women are able to fabricate, install and maintain household solar electrification systems. India is hoping to expand initiatives like this, as they form the core of India's approach to development

cooperation with Africa. In the past too, India has been engaged with African countries mainly through providing support in human resources development through skills transfer programmes in diverse fields.

Check Your Progress Exercise 3

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) Trade and ener	rgy are important to	India and Africa rela	tions. Discuss.	
				• • • • • • • • • • • • • • • • • • • •

12.2.6 Security Cooperation

The waters of the Indian Ocean connect India with Africa. In recent years, maritime security and terrorism have been top on India's foreign policy agenda. Prime Minister Modi's visit to Nairobi, Kenya in July 2016 was marked by the signing of a Memorandum of Understanding (MoU) on defence cooperation by the two countries. This is significant as India and Kenya face a number of common security challenges. Terrorism and radicalisation is a problem that is experienced by both the countries. Kenya has suffered a number of terrorist attacks. In 1998, the US embassy in Nairobi was attacked, followed by 2002 hotel bombing in Mombasa.

Kenya has also faced a number of attacks after it joined the African Union Mission in Somalia against the Al Shabaab terror group in 2011. The most prominent were the attacks on Westgate mall in Nairobi in 2012 and Garissa University in 2015. Similarly, maritime security challenges such as piracy and illegal, unregulated and unreported fishing are important areas of concern for both India

and Kenya. Cyber security, combating narcotics and human trafficking are other areas of cooperation agreed upon by the two sides. The MoU signed intend to facilitate staff exchanges, training, hydrographic surveys and equipment supply.

While in South Africa, Prime Minister Modi proposed to expand the defence cooperation to include joint manufacturing of defence equipment both for domestic needs and also to cater the regional and global demand. However this is not a new proposal; India had signed an MoU in defence cooperation with South Africa in 1996. That agreement did not move beyond supply of defence equipment from South Africa to India. To a large extent this was due to the Indian government blacklisting South African defence firm Denel in 2005, due to alleged kickbacks given by the firm during the purchase of anti-material rifles in 1999. In 2014 this ban was lifted by the Indian government as the investigations failed to corroborate charges against the firm. It is hoped that the cooperation among the defence industry of the two countries will blossom after the strong interest expressed by Prime Minister Modi and the South African President Jacob Zuma in this field.

The AU and its member states have adopted two key policy documents in recent years that outline the continent's objectives in economic, security and political terms, and which are the bases for engagement with external partners. (i) First, **Agenda 2063**, the overarching 50-year vision for the continent, aims to end all conflicts on the continent by 2020; eradicate poverty by 2025; double the intra-African trade by 2022; transform economies through industrialization and create jobs. The document envisions 'an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena'. A skills revolution, science and technology, world-class infrastructure and the blue and green economies are important dimensions of this continental vision.

(ii) Second, as Africa rediscovers its maritime domain, it has also adopted the **2050 Africa Integrated Maritime Strategy (AIMS)**. This reflects a growing realization of Africa's geopolitical significance in a changing environment and the need for African states to exert greater control over their geographical space (including waters). Fundamental to the strategy is the peaceful settlement of disputes. But its aim is to mobilize states to build a thriving maritime economy and to realize the full potential of sea-based activities in an environmentally sustainable manner. AIMS aspires to a Combined Exclusive Maritime Zone, improved integrated coastal zone management, coherence between sectoral policies within and between regional economic communities, and fundamentally right of access to sea and freedom of transit for goods of the landlocked states. Both Agenda 2063 and

2050 AIMS are springboards to identifying areas of cooperation with external actors.

Check Your Progress Exercise 4

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) India-Africa relations in defence have grown under Modi government. Discuss.	
	•••••

12.3 INDIA-LATIN AMERICA RELATIONS

Over the past two decades, both India and Latin America have undergone fundamental transformations and are moving forward in a stable and predictable trajectory of growth and prosperity. Economic liberalization nd globalization has opened opportunities for meaningful economic and political engagements between the two regions. There is a positive change in the perceptions that the new India and the new Latin America and Caribbean region (LAC) have of each other, discovering complementarities and synergies between their respective markets and mindsets. The entry of the Indian Information Technology (IT) and pharmaceutical sectors into Latin America, in addition to their investment models, has inspired confidence among Latin Americans who are apprehensive about an inflow of both Chinese goods and immigrants.

India perceives Latin America as a long-term contributor to its energy and food security and a strong market several hundred million consumers; while India offers a large and growing market for Latin American businesses, which need to exploit this potential more seriously. Latin American nations

have long been seeking more diplomatic representation from India. During the Prime Ministership of Manmohan Singh, India had promised three new Indian diplomatic missions — in Dominican Republic, Ecuador and Uruguay — in 2010. However, nothing much happened over the years. With Prime Minister Modi's announcement of opening of 18 new embassies in the African region, it is time New Delhi also looked into the demands from the LAC — a region India has neglected so far, but needs to improve its relationship with them at a time when it is aspiring to become a global power.

Post-independence, both India and Latin American countries found themselves in different situations. While the Latin America came under US hegemony, India started the Non-Aligned Movement (NAM) and established friendly ties with Soviet Union. This created a wedge between the two. To top it, the Latin American countries could not come together as a unit and continued to grapple with their individual problems, some showing capitalist tendencies and a few others leaning to socialism. India, being a closed economy then, did not matter much although there were a few occasional engagements in the international fora. A few of them joined the NAM and India supported their cause on the UN and so on. Pandit Nehru visited Mexico in 1961. It still did not help much, until Indira Gandhi's odyssey to eight Latin American countries in 1968, that stands out as the high point of Indian diplomacy with that region. She described her visit as a "Voyage of Discovery."

With the end of the Cold War, end of military dictatorships in Latin America and relative decline of American influence, the focus of LAC countries shifted to their economic fundamentals, regional integration and equitable development. By 1990s, the whole LAC region had undergone democratization; and democratically elected governments were responding to popular aspirations for development and equity. India's opening up of its economy in the early 1990s also created opportunity for the growth of trade and commerce with far away regions. Bilateral trade increased from a few hundred million dollars in 1990s to less than \$1 billion in 2001 to \$46 billion in 2017-18.

India cooperates with the LAC at various plurilateral aand multilateral forums such as IBSA, BRICS, G20, UN and G77 to name a few. Essentially, both India and the LAC find common ground as developing nations and seek to forge relations along the lines of South-South Cooperation (SSC). At various multilateral forums, these nations offer each other support and call for reformation of the international financial institutions (such as IMF and World Bank) and global governance bodies (such as the United Nations Security Council) so as to tender developing nations with a greater voice in the international sphere.

12.3.1 Economic Ties

Quietly and without fanfare, India has moved to set in place a series of preferential trade agreements with sub-regional blocs and individual countries with the specific aim of increasing trade between India and the LAC region.

'Focus LAC': In 1997, the Indian Ministry of Commerce launched its premiers export promotion strategy called the 'Focus LAC'. 'Focus LAC' aimed at:

- sensitizing the organizations, viz., export promotion councils, chambers of commerce & industry, EXIM banks, ECGC, etc involved in trade promotion efforts;
- granting various incentives to Indian exporters and launching of export promotion measures;
- focusing on the Latin American region with added emphasis on major trading partners of the region; and,
- focusing on the following major product groups for enhancing India's exports to the LAC: textiles including ready-made garments, carpets and handicrafts; engineering products and computer software; and chemical products including drugs/pharmaceuticals

In the following years, India signed the Preferential Trade Agreement (PTA) with Mercosur and another PTA with Chile. At present, several Indian companies are making investments in the region in the sectors of IT, mining, agrochemicals, manufacturing, energy and pharmaceuticals. For instance, ONGC Videsh, Wipro, Infosys, Mahindra, Cadilla among others are present in Brazil; Tech Mahindra, Dr Reddy's, Wipro, Sun Pharma are present in Mexico; Mahindra & Mahindra, Tata Motors, Maruti Suzuki and Godrej are present in Chile. Together, Indian investment in the region exceeds \$15 billion across sectors.

Indian companies have established a presence in the LAC region and currently employ some 35,000 Latin Americans. In contrast to China, which has flooded the LAC market with cheap manufactured goods and has voraciously sought to acquire raw materials in the region, India's approach is more nuanced. Though China has invested some \$250 billion in the region and trade is projected to hit the \$500 billion mark in the next decade. In contrast, the 25 Indian IT companies operating in the LAC region alone employ some 20,000 locals. On the flip side, twenty Latin American companies have invested nearly \$1 billion in India in steel, multiplexes, bus assembly, auto parts and electrical motors.

In Argentina, there are 14 Indian companies, seven of which are in the IT and IT-enabled services sector, employing some 7,000 individuals, and the rest in various manufacturing areas, from pharma to cosmetics to agro-chemicals. Venezuela has also dramatically increased its exports of crude oil to India becoming the fourth major crude supplier to India. In total, some 35,000 Latin Americans work for Indian companies in the region today—more than half in IT, business process outsourcing and knowledge process outsourcing.

The 'Focus LAC' programme has renewed and expanded over the years. It has been accompanied by the availability of funds under the Market Development Assistance (MDA) scheme, which was aligned to 'Focus LAC' in 2006. Revisions in 2013 raised the ceiling of eligibility of those wishing to avail themselves of such funds. While these economic ties are something of a success story, the focus on trade could lead to the relationship becoming purely transactional. This, in order to auger well for long-term relations, the economic impetus has to be accompanied by political focus.

Chile is currently the fourth largest trading partner of India in the LAC region, with 89 per cent of its exports comprising products from the mining sector. LAC accounts for around 20 per cent of India's oil imports. Though there is no comparison between trade ties that China shares with the region, New Delhi is making amends in some areas. In 2016, India beat China in pharma exports. That year India's exports were \$651 million in comparison to China's \$404 million.

Trade flows between Mercosur and India grew 252 per cent since 2008, reaching a record level of \$14 billion in 2017. The expansion of trade has been balanced, with no chronic trade deficits for any of the partners. Indian exports to Mercosur are concentrated in the chemical, plastic, pharmaceutical, steel, automotive, textile and apparel sectors, while India imports from Mercosur soybean oil, oil, sugar, mining and steel products.

FDI from Latin American countries in India is estimated to be around \$3 billion, according to Ministry of External Affairs, Government of India. Although 'multilatinas' (Latin American multinational corporations) have raised their global profiles significantly over the past two decades, they tend to be disproportionately engaged in the energy, mining and agricultural sectors—all sectors in which India has regulatory restrictions on investment by foreign firms.

In terms of development financing and bilateral lending, China's involvement in the region is significantly higher. The Inter-American Dialogue, an American think tank, estimates that Chinese lending to the region is over \$150 billion, in contrast to a meager \$500 million provided by India in project financing. This cannot simply be attributed to the smaller scale of development financing by India, as India has extended lines of credit worth over \$7.7 billion in Africa.

Check Your Progress Exercise 5

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) Have India's economic ties improved with Latin America recently?								
	••							
THE PROPERTY OF THE PROPERTY O								

12.3.2 Diplomatic Ties

India's political interaction with Latin America has had, in the past and to the present day, the focus on boosting exports. That is the reason, analysts felt that India's relations with LAC countries are becoming transactional. In more recent times, however, political engagement has been aimed at such issues as reforms in International fora, such as the United Nations Security Council (UNSC). This has led to India's interests being focused on Brazil, which has become a partner of India in such groupings as BRICS (Brazil, Russia, India, China and South Africa) and IBSA (India, Brazil and South Africa). India and Brazil, along with Germany and Japan, constitute the G4 – the group that seeks expansion of the UN Security Council. It is argued that UN Security Council continues to reflect the power balance of 1945 and that of 2019. IBSA is a grouping of three multiethnic democracies which are emerging economies too to coordinate their efforts in geopolitical areas such

as maritime security and developmental goals such as alleviation of poverty and income distribution. BRICS has a different leitmotif: it is a grouping which makes the world a multipolar world. This growing engagement with Brazil however, it is felt, is needed to be matched by equivalent engagements with other countries in the region.

Bilateral diplomatic ties were severely hampered in the 20th century through a combination of factors: geographical distance, language barrier, unfamiliarity with a very different culture, and a lack of economic and cultural interaction and the absence of a cultural and linguistic diaspora outside the Caribbean nations of Trinidad & Tobago, Suriname and Guyana. This is perhaps understandable as India in its post-independence period and until the late1990s was constrained by a lack of diplomatic resources, domestic economic weakness and more urgent foreign policy priorities. The emergence of India as an economic power in its own right and bolstered by a huge increase in bilateral trade with the LAC region, now has given added impetus to enhanced diplomatic relations.

New Delhi, traditionally shunned by Latin diplomats as a "third-world backwater," developed a new sheen as the capital of the global south. The number of LAC missions based in New Delhi increased from 12 in 2002 to 18 in 2009, and India's missions in the region doubled from seven to fourteen. A preferential trade agreement between India and Chile went into effect in 2007, and another between India and Mercosur followed in 2009.

Since coming to office in 2014, the Prime Modi intensified an outreach to the LAC region that had been slowly gathering pace since days of the Vajpayee government. An indication of India's keenness is evident from the intensive interactions with the region in the last few years—encompassing a visit by Modi to Brazil in July 2014 for BRICS Summit and another one to Mexico in 2016 and then to Argentina to attend the G20 summit in 2018. Presidential, vice presidential and senior ministerial level visits have regularly and frequently been organized for the region. This has bolstered not only the trade and economic relation but is also expected to strengthen diplomatic and political ties.

In 2014, Foreign Office Consultations were held with Colombia, Bolivia, Nicaragua, Mexico, Chile, Ecuador, Argentina, Guatemala, Uruguay and El Salvador and a Joint Commission Meeting (JCM) was held with Mexico. In 2015, Foreign Office Consultations (FOCs) were been held with Costa Rica, Honduras and Barbados and a Joint Commission Meeting was held with Suriname. Senior ministers have visited several countries including Mexico, Colombia, Venezuela, Ecuador, Guatemala, Jamaica and Dominican Republic, while there were visits by Foreign Ministers of Mexico, Guatemala and Suriname to India.

Check Your Progress Exercise 6

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) How have India improved its diplomatic ties with the LAC region?

12.3.3 Defence Ties

A new emerging area of cooperation is defence. Defence cooperation between India and the LAC region is limited but holds huge promise. India's purchased three Embraer EMB-145 aircraft for its domestic Airborne Early Warning project. India and Brazil have the potential for cooperation in respect to defence production, research and development or even joint military exercises. It is to be noted that under IBSA banner, India, Brazil and South Africa have carried out some three joint naval exercise called 'Ibsamar'. 'Ibsamar' coordinates the three navies in anti-piracy, interdiction, and safety of the sea lanes of communication between the three countries across two oceans viz. South Atlantic and Indian Ocean. In fact, to the entire LAC region, India has much to offer in respect of training, sale of equipment (lethal and non-lethal) and overall security cooperation. Indeed, as the potential for pirate attacks increases in the region and the spectre of terrorism looms large, Indian expertise in these spheres could be of considerable interest to the region.

In contrast to China, India's military training links with the region are limited. China has actively encouraged officers from the region to attend its training schools for specialized and staff training. India has not accorded sufficient priority to the same with an attendant absence of presence and profile in the region. China's policy of encouraging military training links has built-up a cadre of

officers who may now be open to considering purchases of Chinese weapons and it may be no coincidence that China's arms sales to the region have soared. These sales have been supported by a sustained Chinese diplomatic effort, which has targeted not just military stipulated requirements but also the political leadership of certain countries, such as Argentina, Bolivia and Venezuela, who have been amenable to Chinese arms sales as a way of asserting independence in an area hitherto dominated by the influence of the US.

Among the more prominent sales of defence products have been:

- 1. The sale of two Mahindra Rakshak armoured vehicles and one Mahindra Rapid Intervention Vehicle to Guyana Police Force.
- 2. The sale of 139 Ashok Leyland 4x4 trucks to the Honduran army.
- 3. The sale of Mahindra 4x4 vehicles to Argentina, Uruguay and Belize.
- 4. The sale of 29 Mahindra Marksman vehicles to the Chilean Carabineros Special Forces.
- 5. The sale of 2 civil model Dhruv helicopters to Peru.
- 6. The sale of 7 Dhruv helicopters to Ecuador.
- 7. The sale of 3 Chetak helicopters to Suriname.

The sale of the Dhruv to Ecuador was widely hailed, and rightly so, as a major breakthrough for Indian arms exports. The deal ran into technical difficulties soon after. Similarly, the sale of Chetaks to Suriname was plagued by poor contract management and "financial and administrative obstacles" which led to the helicopters being ready long before pilots were ready to be trained, leading to a delay in delivery of the helicopters. Even the sale of the Mahindra Marksman to Chile has had its share of controversy as a litany of complaints about poor visibility, security flaws and off-road performance. These are aspects such as maintenance and after sale service that India needs to take care if it wants to sale its military equipment in the region, which otherwise offers itself as being a large and a promising market.

Notwithstanding India's lack of strategic interest in LAC, as well as uncertainty about inter-regional groupings, India's importance in LAC will continue to grow. There are economic complementarities; Latin America has a large class of consumers; India has positive image in the region besides Latin America is a source of energy, minerals and metals needed for 'Make in India' programme. Relations will continue to grow; and the trajectory will be driven by the evolving global economic landscape in which India becomes an increasingly important source of trade and investment. Progress

on these fronts is likely to remain gradual and on a country-by-country basis. India needs to back its economic successes with a political vision.

Check Your Progress Exercise 7

Note: i) Use the space given below for your answer.

ii) See the end of the Unit for tips for your answer.

1) What efforts is India making towards improving its defence ties with Latin America?								
						•••••		

12.4 LET US SUM UP

Over the past two decades, both India and Latin America have undergone fundamental transformations and are moving forward in a stable and predictable trajectory of growth and prosperity. Latin America has started a more autonomous and assertive foreign policy with a firm belief in a multi-polar and multilateral world. This has led to a positive change in the perceptions that the new India and the new Latin America have of each other, discovering complementarities and synergies between their respective markets and mindsets. It is expected to help revive high growth and open more business opportunities under the current global economic environment in which India has assumed a place of importance for being pro-business and pro-investment.

Africa's development in recent years has been impressive. There are many inspiring models and examples of African success stories in sustainable development and empowerment of people, especially youth and women. India has emerged as a major investor from the developing world in

Africa, surpassing even China. It is notable that India's lines of credit to Africa cumulatively stand at upwards of \$8 billion. Vast resources and availability of arable land has the potential to power Africa's prosperity, as much as it will help become a major source of meeting India's rapidly growing demand. Forging alliances and developing partnerships in human resource development, creating skills and capacities in Africa in areas including agriculture, food processing, textiles etc will help African region to expand exports to India and other countries.

12.5 SOME USEFUL REFEENCES

Badri-Maharaj, Sanjay (2017). India's Relations with the Latin America-Caribbean Region Prospects and Constraints, IDSA Occasional Paper No 45, New Delhi, April.

Africa Economic Brief (AEB) (2011). India's Economic Engagement with Africa. Volume 2, Issue 6.

Pham, J Peter (2007). India's Expanding Relations with Africa and Their Implications for US Interests. American Foreign Policy Interests, 29: 341–352.

India-Africa Economic Relation: Nature, Drivers and Challenges, IOSR Journal Of Humanities And Social Science (IOSR-JHSS), Vol 23, Issue 6, Ver 5 (June. 2018), 08-18.

Anwar, M A, (2014). Indian foreign direct investments in Africa: a geographical perspective. In Rogerson, C M and Szymańska, D eds, Bulletin of Geography. Socio-economic Series, No. 26, 35–49.

Beri, Ruchita, ed (2016). India and Africa: Common Security Challenges for the Next Decade.

Williamson, E, (2010), The Penguin History of Latin America: Revised Edition, Penguin Books, London.

Siddiqui, H. "India, LAC Countries can Together Become a Formidable Global Economic Force", Ministry of External Affairs, 18 August 2014. See http://mea.gov.in/in-focus-article.htm?23937/India+LAC+countries+can+together+become+a+formidable+global+economic+force

Bhojwani, D (2015). Latin America, The Caribbean and India: Promise and Challenge, Pentagon Press, New Delhi.

Desai, R (2015). "A New Era For India-Latin America Relations?", Forbes.com, 25 June. See, http://www.forbes.com/sites/ronakdesai/2015/06/25/a-new-era-for-india-latin-america-relations/#79fe612629d4

Marcella, G (2012). "China's Military Activity in Latin America," Americas Quarterly, Issue on

China's Global Rise: Implications for the Americas, Winter. See, http://www.americasquarterly.org/Marcella, (Accessed December 29, 2016)

Africa and India: Forging a Strategic Partnership, October 2015, Brookings India, New Delhi.

Ramchandani, R R (1990). India Africa Relations, Kalinga Publications, Mumbai.

Masawi, Rumbidzai (2017). India–Africa Relations and Challenges of Sub-Saharan Africa, The International Journal on Green Growth and Development. 3:1, 21-40

Bhatia, R (2015). Third India-Africa Forum Summit: A Critical Evaluation. Indian Foreign Affairs Journal, 10:4, October–December, 368-382.

Tharoor, S (2014). Foreword. In India-Africa Enduring Partnership: Emerging Areas of cooperation, in A Biswas, ed., Gyan Books, New Delhi.

Pant, Harsh V and Yamini Sharma (2017). India and Latin America: Where Ignorance is not Bliss, Issue Brief 197: September, Observer Research Foundation.

Ganguly, Sumit, ed (2012). India's Foreign Policy: Retrospect and Prospect, Oxford, New Delhi.

12.6 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1) Your answer should be based on subsection 12.2.1.

Check your progress Exercise 2

1) Your answer should be based on subsection 12.2.3

Check your progress Exercise 3

1) Your answer should be based on subsections 12.2.4 and 12.2.5

Check your progress Exercise 4

1) Your answer should be based on subsection 12.2.6

Check your progress Exercise 5

1) Your answer should be based on subsection 12.3.1

Check your progress Exercise 6

1) Your answer should be based on subsection 12.3.2

Check your progress Exercise 7

1) Your answer should be based on subsection 12.3.3.