



IPCS

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3 Years of the Modi Government

#3YearsOfModiGovt



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Foreword

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and

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Foreign policy is frequently envisaged as an extension of a country's domestic interests and economic concerns, and it becomes an important bellwether in assessing overall policy direction, be it social, economic or security. As India increasingly flexes its diplomatic muscle, perhaps as a natural extension of its growing economic confidence, it becomes important to gauge how policy has evolved from 2014 to 2017, and what returns on domestic and diplomatic investment can be witnessed in this period. This collection of writings by eminent and emerging Indian scholars and practitioners addresses these central concerns by critically evaluating the Prime Minister (PM) Narendra Modi government's performance on a range of domestic and foreign policy indicators.

Four themes can be discerned from a collective reading of the compendium.

First, continuity from the previous government seems to be an underlying theme in most assessments, though the authors arrive at a diverse mix of conclusions on success or failure. For example, on India's efforts to combat left-wing extremism (LWE), Dr Bibhu Prasad Routray says that the current government continues its predecessor's policies, centrally imposed and consistently failing to evolve "a solution with the participation of tribals affected by violence, community organisations, and grass roots politicians and activists." Similarly, by contending that the ruling dispensation is "carrying on the same pathologies" as its predecessor, Abhijit Iyer-Mitra disputes the notion that the government is assertive on national security and scores it poorly on defence management over the past three years. Acknowledging that a country's foreign policy does not sever all ties with the past when a new government is ushered in, Rana Banerji, Husanjot Chahal, Amb (Retd) VP Haran, Dr Pramod Jaiswal, Rajeshwari Krishnamurthy, Dr N Manoharan and Amit Ranjan weigh in on India's overtures to its neighbours - those that make up the South Asian

Association for Regional Cooperation (SAARC). Drawing from the initial, much-vaunted 'neighbourhood first' policy, they observe the Modi government's continuation of past policy and occasions when it broke tradition and tried new approaches, and how these have fared.

Dr Shamshad A Khan and Dr Sandip Kumar Mishra, in their assessments of how India has approached Japan and the Koreas, respectively, find a continuity of past trends and a slowing down of diplomatic momentum after the Modi government's initial demonstration of decisive intent, owing both to internal and external constraints. Amb (Retd) Ranjit Gupta writes that this government has been building on the strong foundation established by previous governments in India's links with West Asian countries, but also notes the lack of a critical effort to address longstanding foreign policy-related deficiencies that could hurt Indian interests in the long-term. In his assessment of India-EU ties, Amb (Retd) KP Fabian attests to the intensification of India's bilateral relations with key countries within the Union - a trend that is likely to continue - while recognising the limitations in dealing with the EU as a partner. Dr Manpreet Sethi speaks to nuclear weapons and energy issues and detects more continuity than change - it has followed the same general direction regardless of the party in power, which is a hallmark of Indian nuclear policy.

The second theme is where changes have taken place - these tend to be at the macro level, centralising decision-making, with good intentions but not matched by implementation or acknowledgement of ground conditions. Examples of this include Prerana Priyadarshi's analysis which finds significant strides in reviving the Indian economy since the downturn it took under the previous government. This improvement though is marred by failures in job creation and addressing agricultural issues, among other structural concerns. Sanjoy Hazarika and Niyati Singh consider the domestic and foreign dimensions of India's approach to dealing with the Northeastern states and BJP's increasing footprint in these traditionally Congress states. They write that there appears to be a strong emphasis on the Northeast under Modi, acknowledging at the same time a gap between policy action and actual implementation in the region. Niharika Tagotra's analysis of civilian nuclear energy initiatives follows the same trend - improvements since UPA-II but also a reluctance to attend to some persisting issues in the sector.

Garima Maheshwari's examination of India's environment policies notes that the good intentions of the government are clear; this proactive approach however has been marred by missteps in decision-making and allocations. Saral Sharma identifies three broad strands of India's policy towards Jammu & Kashmir (J&K) - a tough approach towards separatist elements; reliance on mainstream politics; and keeping Kashmir out of the India-Pakistan bilateral equation. He believes that as long as the Centre

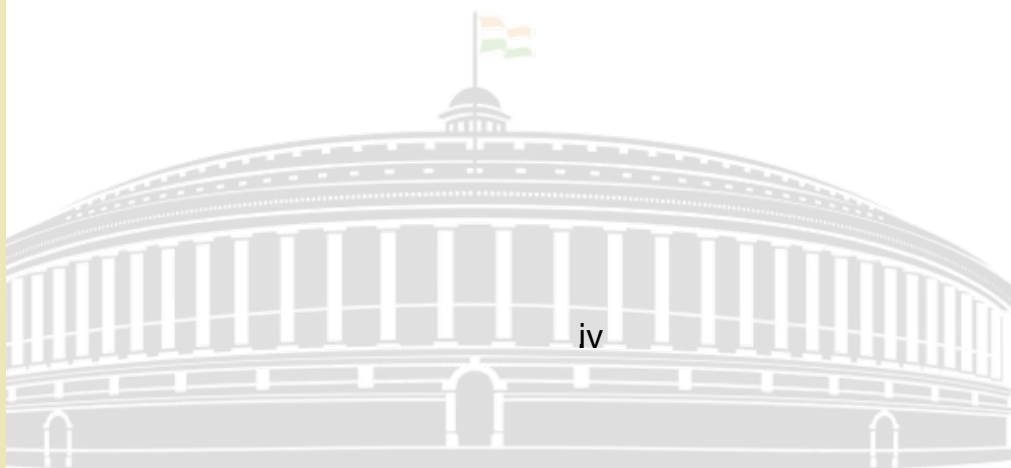
remains focused on a security-based solution to its Kashmir problem, tensions will continue unabated, with the possibility of further exacerbation. Highlighting the positives and negatives of the India-China bilateral, Amb (Retd) TCA Rangachari cautions that “If there is a lesson from the past three years, it is that India and China have to work together to accommodate differing, competing, even conflicting, interests in a cooperative arrangement.” Written before the Dolam standoff, his analysis has been prescient.

The third theme is where decisive changes have backfired and led to suboptimal results. Referring to Modi’s preference for bilateral trade negotiations over the multilateral, Mihir S Sharma argues, “...even this rhetorical emphasis on bilateral trade ties is not present when the Modi government’s approach to multilateral trade is examined. Here, in fact, it is easy to see this government as moving backward when compared even to its predecessor, led by Dr Manmohan Singh.”

However, it is not all pessimistic. The fourth discernible theme in some of these essays are the positives and evolving strategies too early to assess. Dr Vijay Sakhujia commends the government for shedding India’s former ‘maritime blindness’ and harnessing the maritime domain to facilitate forward movement in foreign policy and economic development. Prof Chintamani Mahapatra emphasises that “the fundamentals of the India-US strategic partnership are sound and durable,” and credits Modi with being “able to undo the damage caused to the relationship” under UPA-II. Amb (Retd) Rajiv Bhatia considers India’s multi-dimensional ties with the Association of Southeast Asian Nations (ASEAN). He concludes that while bilateral relations with most ASEAN countries are on an upward trajectory, more work remains to be done with regard to Myanmar, Indonesia, and the Philippines. Angshuman Choudhury focuses his analysis on the India-Myanmar relationship. He stresses that by boosting bilateral attention and expediting long-delayed project timelines inherited from the previous regime, Modi has upgraded India’s outreach to its neighbour, but uncertainty regarding the exact nature of the dividends this would pay remains. Amb (Retd) PS Raghavan notes that there is “strong strategic, political and economic logic in the Modi government’s thrust to consolidate the relationship with Russia, even as it seeks to strengthen relatively newer strategic links,” and that this has been achieved despite inheriting “some wrinkles in the traditionally smooth India-Russia strategic partnership.”

Whatever differences of opinion the authors may have on the topics covered in this compendium, what is clear is that foreign and domestic policies are subject to a wide range of factors that determine their ideation and execution. Further, a three-year period (ending in May 2017 as a timeframe for most assessments in this compendium) is not long enough to be necessarily instructive for a definitive evaluation of a

government's performance. In foreign policy, particularly, continuity is assumed, and the scope for significant change is limited. Having noted these caveats, in the ultimate analysis of PM Narendra Modi's three years in office, the four themes that emerge - continuity, change, success, and the lack thereof - reveal that while his personal drive has led to some policy innovation, there is considerable continuity that mirrors UPA-II's policies. There may be a new assertiveness in Indian policy initiatives, but the dynamism demonstrated in 2014 has waned, leading to a slowing of momentum and implementation.



Economy

Prerana Priyadarshi

Researcher, IPCS

When Narendra Modi took over as India's prime minister in May 2014, he had the mammoth task of reviving the Indian economy which had taken a beating under the United Progressive Alliance (UPA)-II regime. After three years of repairs and reforms, the current account deficit has been reduced to a historic low of 0.7 per cent; forex reserves are at an all time high of US\$ 360 billion; the consumer price index (CPI)-based inflation came down to 2.18 per cent in May 2017; and the Gross Domestic Product (GDP) stood at 7.1 per cent in the first quarter of 2017.

However, the economy is not just about macro economic growth; a closer study of three key sectors of the Indian economy (listed below) reveals another story:

- Industry
- Agriculture
- Financial institutions

Industry

In September 2014, the Modi government launched its flagship programme, Make in India, to encourage manufacturing of goods, both national and multinational, within India. Toward this, the government simplified manufacturing-related processes and checklists. An Investor Facilitation Cell was set up to guide and assist investors during the entire tenure of their business. Consequently, India's ranking on the World Bank's Ease of Doing Business list improved from 134 in 2015 to 130 in 2016.

Since then the number (and value) of industrial projects set up in the country has increased by 28 per cent since 2013; foreign direct investment (FDI) has accelerated to US\$ 60.08 billion in the last three years as against the US\$ 36.05 billion received in 2013-14; merchandise exports have also begun picking up after witnessing a fall of 5.5 per cent year over year (YOY) in November 2016 as against 10.43 per cent in 2013.

However, these numbers do not match the reality posed by the weak Indian industrial activity since 2014. According to India's Central Statistics Office's data, the annual IIP

growth rate was 1.1 per cent in financial year (FY) 2012, which has now fallen to 0.7 per cent in FY 2016. Industrial output is showing a slight growth in 2017 owing to the growth in the mining and quarrying sectors and the electricity segment with no contribution from the manufacturing sector.

Low growth in the manufacturing sector has immensely impacted the jobs in the country. Unfortunately, even the Make in India and Skill India missions have not helped the government achieve its target of creating 10 million jobs. Although 4,06,032 youths have been trained in FY 2016 (till 25 December) under the Pradhan Mantri Kaushal Vikas Yojana, unemployment has risen from 4.9 per cent in 2013-14 to 5 per cent in 2015-16. The number of beneficiaries of the Prime Minister's Employment Generation Programme (PMEGP) has fallen from 4,28,000 in 2012-13 to 3,23,362 in 2015-16 (a 24.4 per cent fall).

Agriculture

The response to the Modi government's Pradhan Mantri Fasal Bima Yojana (PMFBY) - an insurance coverage scheme for financial support to farmers in the event of notified crop failure due to natural calamities, pests and diseases - has been positive from states like Andhra Pradesh and Maharashtra, which have allocated INR 1,855 million in the state budget of 2016-17.

Another scheme, the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), was launched to increase the coverage of irrigation and improve water use efficiency. In January 2017, NITI Aayog laid out a detailed roadmap for implementation of the irrigation scheme, prioritising ongoing projects. The move is expected to fast-track PMKSY - 99 priority irrigation projects and 21 projects with a total irrigation potential of 5.22 lakh hectares were expected to be completed by June 2017 (the data is yet to be released).

Under the e-National Agriculture Market (e-NAM), the government also aims to link 585 (so far 417 markets from 13 states have been integrated) regulated agri-markets across the country to increase agricultural output and reduce production costs.

Despite the many initiatives, India's agri-GDP under the Modi government grew by just 1.7 per cent per annum, which is less than half of what was achieved during the final three years of the preceding UPA government (3.6 per cent). This in turn has hit farmers' income and led to an increase in demand for farm loan waivers. But a waiver is a temporary solution and it can erode credit discipline, make banks conservative towards lending to farmers and deteriorate the state's fiscal position.

Financial Institutions

The Pradhan Mantri Jan Dhan Yojana (PMJDY) (launched in August 2014) has shown impressive results: as of June 2017, 28.90 crore bank accounts have been opened with a total balance of INR 64564.09 crore in accounts. However, in the haste to achieve targets, banks did not perform proper checks, leading to duplicate account holders.

The government's Digital India project launched in July 2015 aims to eradicate corruption by ensuring digitisation and formalisation of the economy. Although e-payments picked up after the demonetisation announcement on 8 November 2016, they declined as soon as cash was replenished. Demonetisation contracted cash supply and slowed GDP growth but bore a few benefits such as increased digitisation, greater tax compliance and reduction in real estate prices. The number of persons in the tax net has increased by 91 lakh post demonetisation.

The health of India's banking sector remains a concern. Non-performing assets (NPA) have been increasing and banks' asset quality has been deteriorating. As per the CARE Rating's research report, the gross NPA ratio of 13 public sector banks rose by 143 per cent in the two-year period from March 2015 to March 2017. Only 5 of those 13 banks saw an increase of INR 50,000 crore between March 2016 and March 2017. To combat the grim situation of NPAs, India's Ministry of Finance released an ordinance on 4 May 2017 that allows the Reserve Bank of India (RBI) to enforce the Insolvency and Bankruptcy Code (IBC) 2016 on firms that fail to repay money borrowed from banks. Although the RBI's Internal Advisory Committee (IAC) has already identified 12 accounts of corporate borrowers (names undisclosed) for insolvency proceedings under the IBC, it will be interesting to see how the RBI will tackle the indispensable political-corporate nexus. NPAs have weakened growth in IIP because companies stuck with high debts are not keen to invest immediately even after the resolution of bad loans.

In its latest accomplishment, the government rolled out the Goods and Services Tax (GST) on 1 July 2017. Through a single tax system, the GST aims to reduce complexities and compliance cost of various taxes, lowers the tax rate and broadens the tax base, in turn increasing the tax revenue collection. However, proper implementation of the GST is crucial to prevent a setback for the economy.

Conclusion

Overall, through several initiatives and flagship programmes, the Modi government has been able to revive the economy and simplify the rules and procedures to initiate

economic reforms in the country. However, it has failed to provide jobs, uplift the farming community and save financial institutions from NPAs. The government will have to structurally address these concerns of the economy.



Left Wing Extremism

Dr Bibhu Prasad Routray

Director, Mantraya; Distinguished Fellow, IPCS

On 3 June 2017, India's Home Minister, Rajnath Singh, summed up his government's performance in the past three years with regard to the challenge of Left Wing Extremism (LWE), and said "...there has been a decline of 25% in LWE related incidents of violence and casualties to Security Forces dropped by as much as 42% during the period May 2014-April 2017 as compared to May 2011-April 2014." He also claimed that Naxal-affected states including Chhattisgarh have witnessed major developments that have completely destroyed (*kamar tod di hai*) the support system for Naxal activities.

While the data is indisputable, its presentation as a comparison to the previous United Progressive Alliance-II (UPA-II) regime is interesting. It does make the official achievements vis-à-vis the LWE challenge impressive. However, two key questions remain. First, is the official achievement as impressive as the home minister claims? Second, has the policy indeed been successful in weakening the extremist movement?

2014-2017

In May 2014, the Bharatiya Janata Party (BJP)-led National Democratic Alliance (NDA) government came to power. That year, 1091 incidents of Maoist violence took place, which was lower than 1136 incidents recorded in the previous year during which the UPA-II had been in power.

Such incidents of violence have continued to decline. However, the BJP claiming credit for the reduction in violence is unsustainable as the declining trend in Maoist violence had already begun in 2012. In fact, data from the Ministry of Home Affairs (MHA) demonstrates that the rate at which Maoism-related incidents declined was much higher during the UPA-II regime (1760 incidents in 2011 to 1091 incidents in 2014) than what took place during the NDA regime (1091 incidents in 2014 to 1048 incidents in 2016).

A comparison of the data of years 2015 and 2016 further demonstrates that the LWE

situation could actually be beginning to worsen rather than improve in the past two years. Civilian and security forces fatalities have increased by 20 per cent in this period. The first five months of 2017 witnessed the killings of more civilians by the extremists than in all of 2016. Two high profile attacks by the Communist Party of India (Maoist) (CPI-Maoist) in 2017 in Chhattisgarh's Sukma district and other incidents have already resulted in the deaths of 62 security forces personnel, which is almost equal to the number of security forces who lost their lives in 2016. Over the past three years, the area under CPI-Maoist domination has shrunk. However, the core areas that support the outfit's activities in a variety of ways have more or less remained intact. This does not unveil a spectre of optimism as far as the LWE scenario is concerned.

From an Action Plan to a Doctrine

The BJP's manifesto for the 2014 parliamentary elections had promised that the party, if voted to power, would "chalk a national plan in consultation and participation of the state governments, to address the challenges posed by the Maoist's insurgency." After coming to power, in June 2014, the home minister spoke of an "integrated action plan" and sought "commitment" of the states to "eliminate" LWE. A 29-point action plan finalised by the MHA included measures to make "full use of media — social, electronic and print — to demystify" the local populace from the CPI-Maoist's propaganda. The MHA floated the concept of 'smart counter-insurgent' by seeking to improve the security forces' tactical skills. It also called for a legal crackdown against non-government organisations (NGOs) that act as front organisations of the Maoists. Some more improvements were brought in in the next couple of months, when the home minister called for a new counter-Maoist doctrine with a goal to eliminate LWE "within the next three years." This was in 2014.

It took three years to unveil such a doctrine. Launched by the home minister on 8 May 2017, the new LWE doctrine, named SAMADHAN, stands for eight ways of combating LWE by ways of making the security forces more capable and making the counter-Maoist operations intelligence-based. The doctrine was hurriedly launched within two weeks of the 24 April attack in Sukma that claimed the lives of the 25 Central Reserve Police Force (CRPF) personnel. Although the doctrine is impressive for the uninitiated and serves as a demonstration of the government's resolve to get rid of the LWE problem, SAMADHAN, in its entirety, including the advice to the Intelligence Bureau (IB) to infiltrate the Maoist ranks, remains a mere compilation of the home minister's unimplemented directives since 2014.

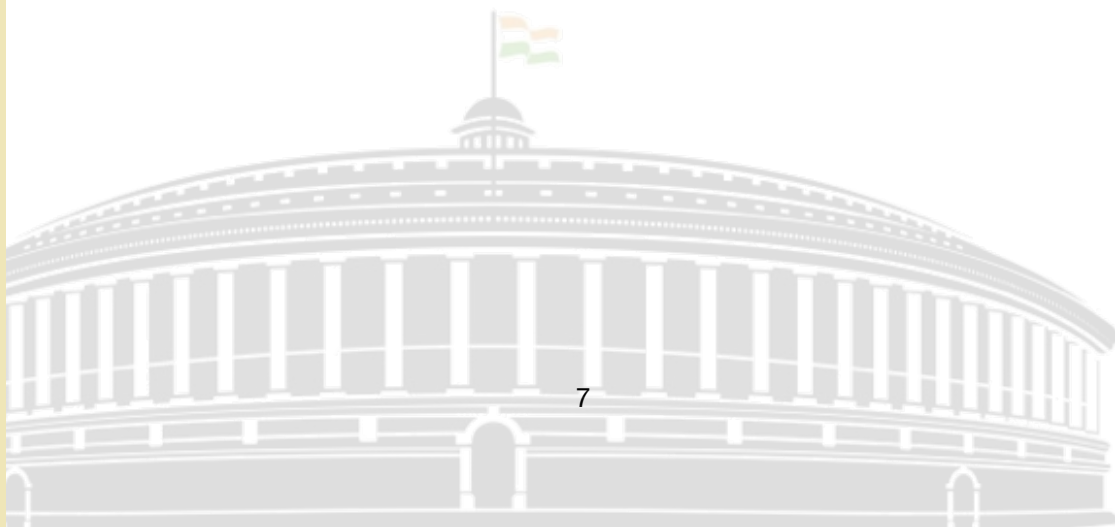
Imposing a Solution Vs Finding a Solution

There can be variety of explanations regarding the government's inability to find a solution to the problem despite setting several optimistic time-frames. These range

from the persisting weaknesses among the police and central forces to issues of intelligence gathering. Also apparent is a disjointed effort at the national level aptly demonstrated in the complaints made by various states governed by non-BJP parties like in Bihar and Odisha that New Delhi is not adequately supporting them either financially or logistically in their endeavour to deal with the problem. The larger problem with the approach to countering LWE, however, is at the doctrinal level.

New Delhi, instead of working towards evolving a solution with the participation of tribals affected by violence, community organisations, and grass roots politicians and activists, has been trying to impose a solution scripted in the national capital. Even while criticising the UPA-II regime's failure to deal with the LWE challenge, the NDA regime's policies appear to be a mirror image of its predecessor. Use of vigilante groups, increased deployment of central forces, and persecuting NGOs and activists working for the tribals in the remote areas have remained the hallmark of anti-LWE campaign. None of these strategies worked for former Home Ministers P Chidambaram and Sushil Kumar Shinde; and these are unlikely to work for incumbent Home Minister Rajnath Singh. Singh may justify such measures against the NGOs and activists as destroying the Maoist support system, but in reality these only alienate the tribals further and drain the security forces off the much needed local support.

In recent times, New Delhi has spoken of a 'permanent solution' to the militancy problem in Kashmir as well as India's Northeastern states. Interestingly, no such promises have been made with regard to the LWE issue. Perhaps the government, while indulging in self praise, realises that tackling the threat and imposing a solution of its liking would not be easy.



Northeast India

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A Google search of the keywords "Prime Minister Narendra Modi" and the "Northeast" throw up various headlines that include the following:

"Narendra Modi wants to make Northeast 'Gateway to Southeast Asia'"

"Northeast should be the 'New Engine' for India's growth"

"Northeast will play important role in India's Act east policy: PM Modi."

Under Modi, thus, there appears to be a robust emphasis on the Northeast as a place for change and where changes are taking place. However, what are these specific changes that are taking place as a result of efforts by the central government? This piece proposes to look at four major issues instead of a broad sweep of the region.

Act East, 'Look Northeast'

Historically, states in the Northeast have tended to support the Centre - whatever the political hue of the latter - because of the former's acute dependency on government funds.

Before 2015, the Bharatiya Janata Party (BJP) had never held power anywhere in the region except as an alliance partner, and that too in Nagaland. In the hill states, it was seen as too pro-Hindu and not respectful enough of Christians and other groups. It was

also perceived as being unfriendly towards the Naga movement. In Assam, it was viewed as a pro-trade, pro-Bengali Hindu party.

The BJP upsurge in the Northeast has led to the uprooting of the one-time dominant party - the Congress - from three strongholds in separate events. The BJP has formed governments in Assam, Manipur and Arunachal Pradesh (although it won the last two by manipulation); it shares power in Nagaland, while in Sikkim it has the backing of the regional party, the Sikkim Democratic Front (SDF).

The Congress is no longer seen as a party that can protect group interests nor is it understood as being in tune with the changing public moods, especially the youth's. This is where the BJP positioning Modi as a symbol of national change has made significant headway.

In Assam, with the promise of '*poriborton*' (change) from the 15 years of Congress rule and by cleverly playing the '*jati mati aru bheti*' (protection of community, land and base) card against a long-perceived insecurity vis-à-vis "illegal Bangladeshis," the BJP, together with its allies, the Asom Gana Parishad (AGP) and Bodoland People's Front (BPF), wrested an impressive 86 of the 126 assembly seats. The AGP-turned BJP leader Sarbananda Sonowal was catapulted into the chief minister's chair.

In addition, years of silent groundwork by the Rashtriya Swayamsevak Sangh (RSS) in Assam, Arunachal Pradesh, Manipur and Meghalaya paid off, easing the BJP's entry into both valley and hill areas. Eventually, Congress' Ibobi Singh who served three terms as chief minister, and the Congress in Delhi, were too slow to catch up despite being the single largest party.

The BJP's strategy showed flexibility, moving from its ideology of 'Hindi-Hindu-Hindustan' to the creation of the North East Democratic Alliance (NEDA) with various regional parties to move closer to its aim of a "Congress *mukt* Bharat." It strategically used symbols and issues identified with by people in the region such as Rani Gaidinliu, a Zeliangrong leader who resisted the British and Christian missionaries.

In terms of foreign policy, despite all the emphasis on transforming the PV Narasimha Rao-era slogan 'Look East' to an 'Act East' Policy (AEP), not much seems to have changed at the ground level.

Apart from opening a diplomatic mission in Guwahati and a 'surgical strike' in Myanmar in 2015, which drew silent rebuke from Yangon, the Centre has not been able to proceed as robustly as it had planned. However, it has initiated efforts for a proactive infrastructure policy with plans for smart cities and large highways, but

much of this is an outgrowth of past plans. Foreign investment is negligible in the region, although Bangladesh, Thailand and Japan have evinced some interest. The bid to connect the Northeast to Southeast Asia remains a work in progress, with large projects of connectivity and trade through air, road and rail (inland water with Bangladesh) needing far greater gestation time. However, government-sponsored 'summits', 'Act East Policy' workshops and advertising campaigns continue at the tax payers' expense.

Unfortunately, the AEP is unlikely to work till investors see that their money and people are safe (and in most parts of the world it is private investment and not public funding that drives growth). The extensive presence of the army and paramilitary in Assam, Nagaland and Manipur as well of the Armed Forces Special Powers Act (AFSPA), which provides security forces with sweeping powers, reinforces the sense in a potential investor that all is not well, to understate their view. That can change when the states and the Centre relegate the army to the barracks or the border, and laws like AFSPA to the record books of history. The Centre needs to trust the people and the governments of the region. Without that progress will be cosmetic, not sustained.

A Matter of Meat

The issue of beef, beef-eating and cattle slaughter has assumed national importance. In the three Christian-dominated states of Meghalaya, Mizoram and Nagaland, where beef is the meat of choice, there is disquiet on the basis of Hindutva-guided restrictions.

Local leaders deny this with an eye on elections: BJP spokesperson David Kharsati of Meghalaya insisted it was a rumour spread by those with "vested interest(s)." In Nagaland, BJP chief Visasolie Lhoungu is quoted as claiming that such a ban would never be implemented because the "reality here is very different and our central leaders are aware of that."

Here is the rub: in its bid to win significant influence in states like Meghalaya and Nagaland that go to the polls in 2018, is the BJP saying that what it wants to apply to the rest of India is not applicable to the Northeast?

The Neighbourhood: Migration and Borders

The BJP has repeatedly - first in 2014, then in 2016 - brought up the issue of illegal Bangladeshi migration in public discussions. The BJP unit in Assam, in 2014, promised to identify and take action against all illegal immigrants in the state. Yet, its promise to protect Hindus, Buddhists, Sikhs and Scheduled Caste (SC) persons of

Bangladeshi origin has created surprise and drawn adverse reactions from different parts of the state.

If the party's rhetoric on the issue of Bangladeshi immigration is shrill, the government has tried to temper it with pragmatism. For example, the BJP was careful about not mentioning anything about the deportation of illegal Bangladeshi immigrants in its Vision Document for Assam before the 2015 state elections. This would seem a no-brainer: Bangladesh needs to accept the individuals being expelled. And that is not likely.

Additionally, the party has promised to complete the work on updating the National Register of Citizens (NRC) which has missed several deadlines, finish the work on barbed wire fencing along the India-Bangladesh border (only half of this has been completed so far), and increase deployment of Border Security Force (BSF) personnel four times over.

Two critical issues on migration need to be answered:

- How will the state ensure that a bonafide citizen will not be harmed or perceived as an illegal immigrant, as is happening with hundreds of Bengali Muslims who have been labelled as Doubtful (D) voters (a term whose exact mandate remains unclear)?
- If Bangladesh will not accept these so-called 'illegal immigrants' how can they be deported?

A few facts about Bangladesh speak loudly despite all the vitriol hurled at it: its current Human Development Index (HDI) is higher than that of Assam, thereby offering individuals a better standard of living now than in the past. For example, Bangladesh's maternal mortality ratio (MMR) is 194 while Assam's is 300. The Bangladesh government has also set up an Assistant High Commission in Guwahati, its second diplomatic presence in the region after Agartala in Tripura.

This indicates that the Centre places great emphasis on Bangladesh as a stable partner. The party's position may be strong but to the government in Delhi, security issues such as Islamist radicalisation and the potential threat of Northeastern rebels, who had set up bases in Bangladesh but were turfed out during Prime Minister Sheikh Hasina's current term, are as important as 'immigration'. Under Modi, Delhi has readily signed agreements with Dhaka, for instance, the 2015 Land Boundary Agreement (LBA) to exchange enclaves and land in adverse possession, and the 2017 Defence Cooperation Framework. In Guwahati, Chief Minister Sarbananda Sonowal attended a public event organised by the Assistant High Commissioner of Bangladesh.

In addition, the recent Citizenship (Amendment) Bill, 2016 that makes it less complicated to confer Indian citizenship on Bangladeshi Hindus is in contravention of the Assam Accord, which states that illegal immigrants heading in from Bangladesh post 25 March 1971 would be deported.

Concerns about deteriorating relations with China, with the possible escalation of the confrontation at Doklam, have also caused acute anxiety in the region. According to Shivshankar Menon, India's former National Security Adviser (NSA), the current stand-off at Doklam is 'serious' due to China's attempt to change the status quo at the tri-junction with Bhutan and its unwillingness to return to the status quo. India has an understanding with Bhutan that any attack on Bhutanese sovereignty will be considered an attack on India. However, Bhutan is also a very reluctant actor in this play-off between its two giant neighbours.

Secret Naga Accord

On 3 August 2015, the Modi government announced that an agreement had been concluded on the Naga issue. However, it later declined to give details, saying that it would be kept secret for the present. The reasons for secrecy are best known to the government and its contents have been the subject of speculation. It is truly crucial for the success of the final agreement for the government to work with all groups of Nagas, for that is where it will be truly tested. A consensual approach is needed, even if it does not end in a full consensus among all sides. As many views as possible need to be accommodated. It is surprising that some are even hailing this Accord without having seen its contents. The Naga response is muted, having seen such agreements before.

In response to a Right to Information (RTI) petition seeking details of the Accord filed by the Commonwealth Human Rights Initiative (CHRI) Coordinator Venkatesh Nayak, the Central Information Commission (CIC) upheld the government's decision not to reveal details, citing "compelling public interest."

Representation is another important factor to consider. While the Nationalist Socialist Council of Nagaland-Isak Muivah (NSCN-IM) is the most dominant armed group, there are others like the Nationalist Socialist Council of Nagaland-Khaplang (NSCN-K) which claim to represent Nagas. Konyaks regard the NSCN (K) as representative while the Angamis continue to look towards the Naga National Council (NNC). This divisive issue has to be resolved for long-term peace and acceptance of the final accord by all Naga tribes.

On 9 May this year, the NSCN-IM, in a press release, stated that they have accepted the idea of "shared sovereignty" and co-existence with India. The concept of "shared sovereignty," as understood from the NSCN (IM)'s perspective, implies that it can share in the central government's initiatives. However, does this substantially amount to anything beyond the idea of greater autonomy in centre-state relations?

While Modi posited the Nagas as "guardians of our eastern frontiers and our gateway to the world beyond" during his speech at the 2015 peace signing ceremony, the Accord remains shrouded in secrecy, casting a shadow on government concessions. New demands elsewhere have emerged.

There is an additional development that rises above these issues and is positive: more and more individuals are leaving the Northeast than ever before by a range of compelling reasons: poverty (despite the region's rich resources), poor infrastructure, and conditions created by AFSPA, among others. Although some of the migrants are at the receiving end of discriminatory treatment arising out of cultural ignorance and differences in facial appearance, they stay on. Others are coming out to join them.

The attitude of the Centre in some basic aspects appears unchanged from the previous regime: where, for example, does *poriborton* appear when considering the recent flood devastation in Assam where over 100 people have died? Floods are national problems not confined to one state. However, since the government appears to be stuck in a different nationalist narrative, more attention is now being paid to Ramkinkar Baij's statue of Mahatma Gandhi, erected in Guwahati decades ago, which was being dismantled because it presented a 'distorted image' of him.

There are limits to manufactured consent and manufactured peace.

Environmental Protection

Garima Maheshwari

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The last three years under the incumbent government led by Prime Minister Narendra Modi have seen several initiatives being taken in the field of environmental policymaking. To observers, it may often come as a surprise that there is a sharp polarisation between extremely positive initiatives on the one hand (like India's assertive position on climate change, ambitious climate action targets, bills institutionalising water for life, waste management and air pollution regulations), and clearly negative anti-people actions on the other hand (especially the regulation of natural ecosystems like coasts, forests and wetlands and erosion of people's rights). In reality, however, there is little contradiction between the two, as the past three years of the government have been marked by the development of a coherent strategy for making the environment an opportunity for capital accumulation.

Business Development Benefits at the Cost of Rights

The most recurrent theme of contention during the past three years has been the erosion of people's rights due to 'development' initiatives – a contention that was raised against the previous government as well. Arguably, this mode of 'regulatory development' is based on a command-and-control type approach wherein local-level claims to the environmental commons have been considerably eroded. They have come to be defined less by locals' ownership of environmental management practices and more by the mode of post facto participatory public consultations, which, in themselves, have never really been transparent.

A recent case-in-point would be the government's coastal development plans flagged in early 2016, which identify Coastal Economic Zones (CEZs) for industrial development opportunities near port facilities, as well as development of the local coastal communities. The latter seems more of an ironic formality flagged by the government since not only has there been no basic public consultation, even the envisaged plan appropriates coastal land as an unproductive space, ignoring the coastline's thousands of marine fishing villages and about a million-plus people engaged in fisheries-related activities.

This is not to suggest that the co-existence between local communities and environment does not automatically implicate the former for potential environmental harm caused locally; yet, the balance of costs and benefits in a contest between the communities and the state is far outweighed by the historical claims of communities to the commons, which is also institutionalised in the Indian constitution. Thus, any cost-benefit calculus deriving from this equation is defeated by the fact that institutions of community ownership have been legalised in the Indian system, which accord legitimacy to community claims. The same kind of legitimacy has clearly not been conferred on powerful business interests – who are not victims of a livelihood crisis – and they often find the state coming to their rescue by resorting to mechanisms like eminent domain.

Currently, with the government itself disregarding people's welfare, safety norms and the environmental repercussions of such development plans, it is worth questioning the ultimate purpose for which regulations are being revamped. And, if the government's coastal development plans sound like a capitalist accumulation process – as observed in the Nayak Committee Report – then its policymaking operations through notifications and rules contribute to such a process.

The most obvious example of this would be this government's turbulent dalliance with its series of Environment Impact Assessment (EIA) notifications. While India has had a long history of EIA manipulations, this government appears to be further seeking to systematise a convenient treatment of violators, instead of the earlier norm of taking up individual cases. Effectively, the EIA has regularised a system of environmental protection in which post facto payment of money for environmental violations does not address the permanent damage done to the environment, and businesses are guaranteed backdoor entry into the system.

Such a business development approach is also seen in other policy initiatives like the Model Building Bye-laws, whose dilution originates from online environmental clearances that obviate the need for actual site checks and place implicit trust in the builder; besides, automatic clearance of a proposal pending for more than a month is allowed.

Putting Environmental Protection on the Backburner

The past three years of the Modi government have seen various measures that have either sought to dilute environmental protection regulations or notify rules that lead to the degradation of critical natural ecosystems. It all began in the form of the TSR Subramanian Committee report, which recommended significant dismantling of key historical laws that protected India's environment. Subsequent policy measures

cohere with the dilution inspired by the Committee's recommendations.

Indeed, the dilution of protection of natural ecosystems is visible in the modification of the Wetland Rules of 2010, so that now the Centre has devolved all powers of wetland management to the states, who have been major violators of wetland conservation, and has notified the removal of the Central Wetland Regulatory Authority through which citizens were able to register grievances on mismanagement of wetlands.

When the government is not proposing such dilutions, it is coming up with innovations, albeit with little regard to local ecology. Many of these innovations are mainly being seen in the areas of forests and rivers. Notwithstanding little progress in the flagship 'Namami Gange' mission or the extent of corruption therein, rivers have been a highlight. The government's high-profile river-linking proposal, the hub of which is the Ken-Betwa river-linking project, would adversely impact the livelihood needs of the Bundelkhand region by diverting the upper Betwa basin waters to other regions of Uttar Pradesh, and would also lead to diversion of forest lands.

Forests have, independently, been at the centre of much debate, thanks to the passage of the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) bill which promotes compensatory afforestation in lieu of land diverted for non-forest purposes. Needless to say, this will completely flout the rights of the indigenous communities institutionalised under the Forest Rights Act (2006). Justifiably, the bill has been compared to a reversion to the draconian land acquisition laws of the colonial era.

Conclusion

The government's policy decisions seem to arise from a systemic and endemic disregard for environmental protection and the violation of people's rights that was created and entrenched by the previous regime. Thus, while three years of the Modi government have raised environmentalists' hackles, it is also worth noting that the majority of these environmental loopholes were in the system much before this government came to power.

Nonetheless, the government's frequent interventions reflect its keen engagement with environment, marking a break from the bureaucratic lethargy of the erstwhile regime. Its overall track record however shows that the government needs to combine its success and innovations with a concern for well-being of the people and the environment, instead of exacerbating and competing to outdo the follies of the previous regime.

Maritime

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During the last three years since the incumbent government led by Indian Prime Minister (PM) Narendra Modi came to power, ‘matters maritime’ have gained ascendancy, clearly suggesting that India’s political and ruling elite have shed the proverbial ‘maritime blindness’. New Delhi has undertaken a multitude of proactive initiatives at the national and international levels that straddle political, economic, security, technological and social domains. These initiatives have been driven by several competing political priorities, rising economic interests and India’s changing security dynamics vis-à-vis the international order. Among these, at least three issues merit attention:

- Maritime security
- International relations
- Economic development

Significantly, these form the core of a national maritime strategy, a foreign policy pivoting on the oceans, and the critical need to harness the resource potential of the seas for economic growth.

A number of other interconnected maritime issues such as climate change; rise of sea levels; and the Sustainable Development Goals 2030 in which Goal 14 titled “Conserve and sustainably use the oceans, seas and marine resources for sustainable development” – including its sub-goals which address marine pollution, protection of marine and coastal ecosystems, issues of ocean acidification, overfishing and illegal, unreported and unregulated (IUU) fishing, etc. – figure in various national programmes and joint statements with friendly nations, and are actively promoted by the Indian government as issues of ‘common interest’ or ‘matters of concern’ in multilateral forums.

Maritime Security Gains Precedence

Among the many threats and challenges emanating from or on the seas, PM Modi has flagged the threat of sea-borne terror and piracy as two major issues confronting the

international community. India's security and maritime interests are closely linked, and sea-based terrorism figures prominently in the national security calculus. The 2008 Mumbai terror attacks loom large in the minds of the government, and policymakers have supported efforts to ensure a robust coastal security apparatus.

Likewise, sea piracy off the Somali coast has been an issue of international concern and the Modi government has exhibited strong commitment by deploying the Indian Navy in the Gulf of Aden to ensure that the sea lines of communications passing through the Indian Ocean are safe.

At another level, numerous maritime challenges confront India – the changing balance of power in the Indo-Pacific region, and the Chinese Belt and Road Initiative (BRI) which includes the 21st century Maritime Silk Road (MSR) and the China-Pakistan Economic Corridor (CPEC). Furthermore, Chinese port access to Gwadar in Pakistan, Colombo in Sri Lanka, Djibouti in the Horn of Africa, militarisation in the South China Sea including issues of freedom of navigation, and proliferation of naval platforms in the Indian Ocean have attracted the attention of the Indian government.

Seas as Facilitators of Foreign Policy

At the foreign policy level, there is strong evidence of the government's desire to expand maritime security cooperation with neighbours and island states in the Indian Ocean through capacity building. This is built on a strong belief that such an approach can potentially lower the possibility of cataclysmic incidents and accidents at sea. This issue gains greater salience given that the scale and complexity of maritime challenges in the global commons are enormous and "international stability cannot be the preserve of single nation." India is of the view that all seafaring countries and their maritime security agencies must work collectively to ensure safe and secure commerce on the seas as a shared goal and responsibility. In this context, New Delhi has encouraged the Indian Navy and other maritime agencies such as the Coast Guard to build 'bridges' with friendly countries, and develop norms for cooperation with the aim of working together with like-minded forces.

The Modi government has formulated a proactive foreign policy which encourages capacity-building of coastal states such as Kenya and Tanzania and island countries (such as the Maldives, Mauritius, Seychelles and Sri Lanka) that lack necessary military wherewithal and therefore remain vulnerable to threats and challenges. New Delhi has proactively engaged major and smaller maritime powers and India has emerged as a formidable and reliable maritime partner. New Delhi has signed several bilateral maritime cooperation agreements for capacity-building, including MoUs that entail joint patrolling and conducting surveillance of Exclusive Economic Zones of

smaller countries and supporting their need for maritime domain awareness through information-sharing. Additionally, India has supported multilateral fora such as the Indian Ocean Rim Association (IORA) and the Indian Ocean Naval Symposium (IONS) in the Indian Ocean and the ASEAN-led East Asia Summit (EAS), ASEAN Defence Ministers Meeting (ADMM) Plus and the ASEAN Regional Forum (ARF) that address common maritime security issues and call upon member states to work together to address non-traditional security threats and challenges at sea.

Harnessing Oceans for Economic Development

PM Modi also announced his vision for the seas through 'Security and Growth for All in the Region' (SAGAR) which means sea, in Hindi. In this context, blue economy has resonated with the government and PM Modi sees the oceans as a catalyst for economic growth. He has likened the blue economy to the *chakra* (wheel) in the Indian national flag and has observed that development of coastal areas and island territories are the “new pillars of economic activity.” This has led to the national plan for ‘port-led’ development projects that link the hinterland with coastal areas.

In essence, the Modi government has availed the unique opportunity to highlight the role of the oceans and seas in national and international affairs. It has invested huge politico-diplomatic, economic and security capital to showcase India’s maritime prowess to the world and its commitment to support a rules-based order on the oceans that has the potential to unite the international community.

Jammu & Kashmir

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Since 2014, New Delhi's policy vis-à-vis Jammu & Kashmir (J&K) has broadly been a combination of a tough approach towards separatist elements; reliance on mainstream politics; and keeping Kashmir out of the India-Pakistan bilateral equation. Early on in its tenure, New Delhi cancelled a foreign secretary-level dialogue with Islamabad when the latter invited Hurriyat leaders for a consultation. The Bharatiya Janata Party (BJP) had its best electoral performance in J&K after winning 25 seats in the Jammu region. Yet, its alliance with the People's Democratic Party (PDP) has not been able to cash in on the opportunity to resolve certain continuing issues in the state. With the ongoing disturbance in the state, it is unlikely the government will alter its J&K policy before the 2019 Lok Sabha elections.

Domestic

After Indian Prime Minister (PM) Modi's invitation to Pakistan's PM Nawaz Sharif for his swearing-in ceremony, many Kashmiri leaders such as Omar Abdullah, Mehbooba Mufti and separatist Mirwaiz Umar Farooq expected that the BJP government might follow former Indian PM Atal Bihari Vajpayee's policy that combined elements of *insaaniyat* (humanity), *Kashmiriyat* (essence of Kashmir) and *jamhooriyat* (democracy). However, this did not happen. Then, the BJP and the PDP formed a coalition government in J&K, which the electorate in the Valley viewed as a betrayal by the PDP because the PDP had actively campaigned against the BJP during the elections. This sentiment of betrayal is at the root of the anger against the coalition government in J&K.

In a political outreach to the locals, PM Modi announced an INR 80,000 crore package for the state and invoked Vajpayee's policy at a public meeting in November 2015. This strategy did not bear results as some critical issues such as political engagement with the Hurriyat leadership and reaching out to Pakistan remained unresolved - resulting in differences being created between the alliance partners. Controversies such as regarding the construction of sainik colonies (accommodation for soldiers), separate townships for displaced Kashmiri Pandits further added to the growing sense of insecurity among the locals.

Mainstream politics is losing credibility in Kashmir mainly due to non-fulfilment of some promises made in the BJP-PDP 'Agenda of Alliance' and increasing separatist sentiments since the violent uprising after the killing of the Hizbul Mujahideen (HM) commander Burhan Wani in July 2016. Episodic killings of local parties' workers and civilians have generated fear among Kashmiris. Meanwhile, the absence of a strong political representation of the ruling coalition, lack of dialogue with different stakeholders etc have led to widespread alienation in the Valley. The abysmal voter turnout in the recent by-polls could be a direct manifestation of this growing phenomenon. Unsurprisingly, the PDP's stronghold, South Kashmir, is witnessing the worst phase of militancy in recent years.

Moreover, the current situation in J&K has exacerbated internal regional differences within the state. Both Jammu and Ladakh regions have held the ongoing disturbance in the Valley responsible for negatively impacting their economic, tourism and development-related activities. More recently, protests were held in some parts of Ladakh demanding Union Territory (UT) status for itself, which suggests growing impatience in the region. Also, an absence of an intra-regional dialogue and persisting disturbance in Kashmir could further widen these differences.

External

After India called off the foreign secretary-level talks in September 2014 after Hurriyat members met the Pakistani High Commissioner in New Delhi, Pakistan followed an aggressive agenda to internationalise the issue. Pakistan's PM Nawaz Sharif glorified Wani as a "symbol of the latest Kashmir Intifada" in his speech at the 2016 UN General Assembly.

Similarly, Pakistan's security establishment has been openly propagandising its Kashmir agenda. For instance, in February 2017, Pakistan's Inter-Services Public Relations (ISPR) released a video titled *Sangbaaz* (stone pelters) as a "tribute to Kashmiri struggle" to celebrate the Kashmir Day. Incidents of ceasefire violations and infiltration attempts have also witnessed an upward trend since 2016. Although the "surgical strikes" post the Uri attack put Pakistan on the back foot, it seemed to be have done so only temporarily because Pakistan did not stop sending terrorists across the border.

Islamabad continues to mention Kashmir domestically and internationally at forums such as the Organisation of Islamic Countries (OIC), European Union (EU), etc to counter New Delhi's diplomatic offensive to isolate Pakistan on the issue of terrorism. Although Pakistan is critical of India's J&K policy, the US and the international community have largely been cautious regarding the Kashmir issue given Islamabad's

own duplicitous policy on Afghanistan and its track record on terrorism. However, West Asian countries such as Saudi Arabia and Iran have raked up the issue in the recent past, much to India's diplomatic chagrin.

Looking Ahead

The government's J&K policy has gravitated more towards the law and order problem since July 2016, allowing security agencies for clearance and to contain the situation. According to official data, local militants have outnumbered foreign ones with 110 from Kashmir and 90 from Pakistan. At least 88 local youth took up arms in 2016, mostly after Wani's killing. Over 60 militants from different terror groups have been killed in the first six months of 2017. While a range of political and security-related factors have led to this situation, the predominant narrative among local Kashmiris has been that they view the government's policy of using excessive force, use of pellet guns etc as unjustified.

In the present circumstances, New Delhi might find it difficult to initiate a dialogue process in the state. The outcome of the Srinagar by-poll and the postponement of the Anantnag one may have further aggravated political insecurity in the Valley. A clear manifestation of the politically charged atmosphere in Kashmir can be witnessed via the locals' response to the government's J&K policy. Their actions probably indicate that if political negotiations are rejected and the focus remains on a security-based solution in the Valley, there could be further boycotting of polls, and public opinion in the region could sway towards supporting protests that could turn violent.

So far, New Delhi has managed to tackle the external involvement in J&K, but it will require an innovative solution to address the internal dimension of the Kashmir issue.

Defence

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The ruling Bharatiya Janata Party (BJP) in India has been seen to be very assertive on national security. On closer analysis, however, the BJP's track record over the last three years reveals continuity more than change.

Procurement and Economics

For example, in the purchase of the Rafale fighter planes, the initial requirement for 126 aircraft was reduced to a mere 36, casting doubts on the combat efficacy of the type due to reduced numbers. No action seems forthcoming on the alarmingly depleting combat numbers of the fighter fleet. Other deals including the Apache and Chinook transport helicopters, and two different howitzer barrel types - the M777 and the K-9 - were done without retiring current equipment, causing both capacity duplication and complicating logistics. Surprisingly, the howitzers bypassed competent indigenous private sector vendors in favour of external vendors despite the on-paper commitment to indigenisation. The recapitalisation of the navy similarly continued on the path set by the previous government, based on indigenous hull designs but with the overwhelming majority of high-value-additions on board - the engine, weapons and electronics - coming from abroad. As before, there seems to be no standardisation of parts to create the economies of scale required for local production.

What is surprising is that a government that touts its economic credentials has done nothing to rationalise the extraordinarily wasteful patterns of defence spending or enforce fiscal discipline on the military. It remains to be seen if the recently released 'Strategic Partnership Policy' will in fact be implemented unlike its predecessors.

Operations

Unlike the previous administration, both internal security forces and the military seem to feel a greater sense of confidence in their ability to carry out 'out-of-the-box' operations. The clearest example of this has been the logical and legally justified use of a human shield in Kashmir with both the army and government backing the officer who carried it out. This is both a morale booster and a sign that this government,

unlike the previous dispensation, is willing to give local commanders much leeway so long as they act within the law.

Similarly the government has also displayed greater confidence in making public cross-border punitive strikes into Pakistan. The previous administration, the United Progressive Alliance (UPA), claims it too authorised such strikes but did not trumpet them openly. As several commentators noted, both announcing and not announcing such strikes come with a set of advantages and disadvantages. However the 'bold' BJP seem to have been just as unsuccessful as the previous UPA in being able to dissuade Pakistan from using terror as a tool of state policy, continuing to use staid force-on-force options, not being able to push the military to think out-of-the-box.

On the other hand, as several commentators have observed, India's internal security is not getting attention. The Central Reserve Police Force (CRPF) - the country's primary counterinsurgency force, was without a director for months, getting one only after the 2017 Sukma attack by Maoist terrorists on CRPF personnel in a repeat of the previous Dantewada and Darbha massacres, continuing a pattern where internal security forces seem to go in blind without proper equipment, planning or intelligence. While the prime minister has called for greater intelligence cooperation between agencies, movement on the ground is hard to see.

Public Diplomacy

The public diplomacy angle of security operations - both internal and external - has been severely lacking. The frequently justifiable use of force has been eroded by the lack of articulation by both the home and defence ministries as well as by the military. For example, the use of pellet guns - critical in crowd control in Kashmir - faced a serious public opinion challenge in the Indian press. The government though, instead of laying out the tactical and legal case for the usage of such weapons, seems to have retreated into a shell with the home minister counselling avoidance of the use of these weapons, providing no alternatives.

Defence Diplomacy

Defence diplomacy has seen continuity with the UPA. There has been no progress on the communication and logistics agreement with the US. This means at least three things: 70 to 80 per cent of the combat effectiveness of the equipment purchased from the West remains unavailable to the Indian armed forces despite high premiums paid on them. Equally, it severely limits the learning to be gained in joint exercises with the West as restrictions on data and intelligence-sharing limit joint-ness. Moreover, the more sensitive electronic warfare algorithms developed from an extensive surveillance

programme of common adversaries remain out of India's reach.

What is worrying is there is not one single factually argued rationale against the signing of these agreements or a cost-benefit analysis that has emerged in the Indian public sphere where the BJP seems to have picked up the worst strains of the UPA's reflexive 'anti-Americanism', talking about 'strategic autonomy' and 'mistrust' in obstructive, goal-post shifting, esoteric terms without bothering to propose a tangible path forward.

Similarly the cross-border "surgical strikes" by the army in September 2016 were ridiculed mostly because the effects of said strike were not made public in order to gauge their effectiveness. This repeats a pattern seen with the sinking of a "terror boat" in 2015 - which was also characterised as hype. Clearly then the NDA is either relatively immune to a negative news cycle, or does not seem to learn from mistakes. Sadly this conveys the message, perhaps incorrectly, that it is spin-doctoring failures.

Human Resources

The general pool of human resources available to security forces in the country remains abysmal. The BJP has shown no more interest in reversing this situation than past governments. There seems to be no willingness to shift from quantity to quality - investing instead on training and transforming the military into a 21st century fighting force, with the military remaining a lumbering 1940s-style beast. The government does not seem to comprehend that it is human investment that leads to technological advances and not the other way round.

Conclusion

Clearly, three years of the NDA government have been a disappointment for the security management of the country. Defence planning is a sphere where India's capacity deficit is acute, and the BJP's capacity deficit on this score seems worse than the national average. While it is not performing worse than the previous government by any stretch of the imagination, it is certainly not performing any better either, carrying on the same pathologies. This is despite the BJP's legislative majority and the fact that none of the course corrections require any form of legislation. Clearly then the 'strong on security' tag is much undeserved.

Nuclear Policy & Diplomacy

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Democracies often undergo swings in policies with a change of government. India's nuclear policy, however, in both its dimensions - weapons and power generation - has enjoyed broad support across political parties. The pace of development of these programmes may have varied depending on the personal inclination of the leadership, but the general direction of the policies has mostly remained the same irrespective of the party in power. India's ability to conduct nuclear tests in 1998 was enabled by the continued support given to the programme by leaders of all hues while occupying the prime minister's chair between 1948-98.

More recently, the broad-based consensus on nuclear weapons-related issues has been demonstrated through the continuing validation of India's nuclear doctrine. This was first articulated in 1999 (and officially accepted with slight revisions in 2003) under the National Democratic Alliance (NDA) government led by Prime Minister (PM) Atal Bihari Vajpayee. The change of administration in 2004 with the coming in of the United Progressive Alliance (UPA) government headed by Dr Manmohan Singh did not lead to any alteration in the doctrine over his terms (2004-2014). Subsequently, PM Narendra Modi has yet again expressed his support for the doctrine despite the noise made by his party during the election campaign about a possible doctrinal revision.

The PM's endorsement of the doctrine, especially its attribute of no first use (NFU) early in his tenure was the right move to set the record straight on India's nuclear strategy. Given that India believes that nuclear weapons are meant to deter use of similar weapons, the principle of NFU is grounded in sound political and military logic. Using them first is sure to bring back nuclear retaliation from India's nuclear-armed adversaries, both of whom have secure second strike capabilities. Hopefully, India's leadership will continue to understand and uphold this simple logic even as India is passing through not-so-benign nuclear developments in the neighbourhood. Even if the adversaries develop ostensibly counterforce capabilities, the NDA government would do the country a favour by steadfastly declining to go down the route of nuclear war-fighting.

Instead of effecting any doctrinal changes, the focus of India's nuclear strategy must be on capability build-up to further the survivability and reliability of the nuclear arsenal and to lend credence to the promise of assured retaliation. To its credit, the NDA government has retained the momentum on capability as evident in the regular testing of delivery systems. Its focus has also rightly been on the full operationalisation of INS Arihant as well as making future additions more potent to enhance the credibility of deterrence.

As regards India's nuclear power programme, the NDA inherited the major breakthrough achieved through a full operationalisation of the Indo-US civilian nuclear cooperation agreement, including a waiver granted by the Nuclear Suppliers Group (NSG) to its members to do nuclear trade with India. The UPA had already captured the new opportunities through the signing of the memorandum of understanding (MoU) on peaceful nuclear cooperation with as many as 11 countries by 2011. However, the nuclear accident at Fukushima and the subsequent enactment of the Civil Liability Nuclear Damage Act (CLNDA), which was imbued with many strict provisions that the nuclear industry considered unfriendly for investment, significantly slowed India's ability to encash the cooperation agreements.

On its occupation of the seat of power, the NDA - whose main constituent party, the BJP, when in opposition had been responsible for the stridency of the CLNDA - began to take steps to resolve some of the hurdles to the rapid expansion of India's nuclear energy programme. In order to address liability concerns, the government issued new clarifications on the provisions in 2015, besides creating an insurance pool to assure nuclear industry in 2016. PM Modi also used his visits to the major nuclear supplier countries to allay their fears. However, the results have been slow, running into further problems because of the flux in international nuclear industry. Even as price negotiations with AREVA were being worked out, it was taken over by Electricite de France (EdF). Organisational and procedural realignments at their end are sure to slow the finalisation of the contract with India. Meanwhile, in another blow, Westinghouse declared bankruptcy earlier this year, placing in jeopardy India's cooperation with the Toshiba-Westinghouse consortium.

Owing to these developments, India has not yet been able to start construction of any imported reactor. However, in an attempt to keep some of the targets on track, the NDA government has approved the construction of 10 indigenous nuclear power plants of 700 MWe each. This is a good move and will boost local nuclear industry. In fact, it would be best if the Nuclear Power Corporation of India Ltd (NPCIL), the national nuclear builder and operator, is able to show the capacity to build these plants with no financial overruns and time delays since nuclear power is today competing in the mind space with fast expanding renewable energy.

One major disappointment for the NDA has been its inability to secure NSG membership for India. On this issue, they seem to have run into the China Great Wall even as proactive Indian nuclear diplomacy was able to bring around some of the other countries that had earlier expressed reservations about India's inclusion. China, however, remains intransigent for now and some clever diplomacy will be required to make a breakthrough here.

One such idea could be to prepare India to step into the nuclear export market with its own wares. India could be a nuclear supplier even without being an NSG member. It certainly has the requisite expertise especially in small and mid-sized nuclear reactors that could be suitable for many countries. In case the need for financial and fuel support to enable export of Indian nuclear reactors is felt, India could explore the possibility of partnering with some other nuclear suppliers such as Rosatom or even a Chinese company. In the next two years, the NDA administration could put in place a nuclear export strategy for India and provide a new direction and momentum to national nuclear policy and diplomacy.

Civil Nuclear Energy

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In July 2014, months after the National Democratic Alliance (NDA) government returned to power, Prime Minister (PM) Narendra Modi visited the Bhabha Atomic Research Centre (BARC) in Mumbai and declared that nuclear power would be an essential part of India's energy security. The initiatives taken by the current government are reflective of this intent. While most of these initiatives are a continuation of the previous government's policy push in the nuclear energy sector, many other initiatives undertaken by the current regime go a step further. It is however important to note that the present government remains conspicuously silent on issues such as improving regulation and transparency in the nuclear sector, and no major policy break from the previous government can be identified in this issue area.

Nuclear Diplomacy

Continuing with the nuclear diplomacy that was initiated by the previous United Progressive Alliance (UPA) government, PM Modi has signed civil nuclear deals with over ten countries. Of these, the India-US and India-Japan nuclear agreements removed some significant bottlenecks in the fuel and technology imports for the sector.

Under the India-US nuclear agreement signed in January 2015 during President Obama's visit to India, the two countries were able to reach an understanding on the issue of civil nuclear liability. The Indian side agreed to set up a nuclear insurance pool to the tune of INR 1,500 crore under the Civil Liability for Nuclear Damage Act (CLNDA), which was fundamental in assuaging the concerns of foreign and domestic investors regarding the issue of liability in the nuclear sector.

This removed a major bottleneck for private companies and the visit subsequently saw the initiation of commercial negotiations between Westinghouse and the Nuclear Power Corporation of India (NPCIL). The personal bonhomie between President Obama and PM Modi is said to have played an important role in the matter - both leaders circumvented domestic political opposition and were able to ultimately forge a consensus on the liability issue.

The India-France nuclear deal signed in 2010 was again a legacy of the UPA government inherited by the Modi government. The deal had been stuck in limbo because the reactor vessels used by Areva were sourced from Japan and in the absence of an India-Japan civil nuclear arrangement, the supply of these vessels was not possible. A permanent resolution to the issue was achieved in December 2015 when India and Japan signed a landmark civil nuclear agreement, bringing six years of negotiations to a successful end. This was an important exception for India as it became the only non-NPT country to sign a nuclear deal with Japan. While the agreements did see a long-drawn process of negotiations between the countries - a period that spanned the regimes of both the UPA and the NDA - diplomatic efforts led by Modi and his emphasis on forging deep personal engagements with the leaders were fundamental in the successful culmination of most of these negotiations.

PM Modi's efforts at using diplomacy to secure nuclear deals however suffered a setback when India's diplomatic push for securing a membership to the Nuclear Suppliers Group (NSG) hit a roadblock. A major opposition to India's bid came from China and a group of other countries including Ireland, Austria and New Zealand. While the benefits from NSG membership for the domestic nuclear energy sector is debatable, there is no doubt that the failure at achieving its intended goal caused India major diplomatic embarrassment.

Policy Push for Nuclear Power

Besides diplomatic overtures, certain important initiatives have also been taken at the domestic front to streamline the flow of investments to the sector. The push for the ratification of the Convention on Supplementary Compensation for Nuclear Damage (CSC) in February 2016 was a step in this regard. While the convention was signed in 2010, its ratification saw a delay of six years owing to the government's lack of political will. The 2016 ratification reflected the current government's intent to implement and abide by the convention in its entirety.

The government has also attempted to alleviate concerns regarding the provision of sufficient investment by announcing a yearly budgetary allocation of INR 3,000 crore to nuclear energy for the next two decades. Making the announcement during his 2016 budget speech, Finance Minister Arun Jaitley categorically stated that the government was looking at nuclear energy as a power source for long-term stability. Recently, the government announced its plan to set up 10 indigenously developed Pressurised Heavy Water Reactors (PHWRs), an initiative that is expected to fast-track India's nuclear power programme and provide a much needed push to the domestic nuclear industry by generating manufacturing orders to the tune of INR 70,000 crore and creating over 33,400 jobs in the country. The units, developed in fleet mode, will

be one of the flagship Make in India projects, and will aim to link India's nuclear power sector with the indigenous industrial capacities in high-end technologies.

Unaddressed Issues

It is not just the economic and political realities that act as an obstacle to nuclear energy - the social mind-set also stalls its development. The lack of transparency in the functioning of the sector is the primary cause for the trust deficit between the public and the nuclear energy sector. Misinformation or the lack of information about the sector adds to the distrust in a post-Fukushima world. Some fundamental long-pending reforms still remain unaddressed. The issue of increasing accountability in the sector - by increasing the regulatory powers of the Atomic Energy Regulatory Board (AERB) and making the atomic energy institution more accountable to the public - remains pending, while the Nuclear Safety and Regulatory Authority (NSRA) bill which lapsed in 2014 with the change of government is yet to be re-introduced in parliament. The continuing problems with the L1 system of procurement, which has been flagged by the private sector as the reason behind the never-ending delays in the construction of domestic power plants and spiralling costs, have also not been taken up.

Thus, while there is no doubt that the Modi government has undertaken some important steps to further the generation of nuclear energy, with PM Modi personally leading some diplomatic initiatives, the reluctance of the government to attend to some of the persistent issues in the sector is a major gap in the Modi government's policy push for the nuclear sector.

Trade Negotiations

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In the three years since Narendra Modi was swept to power with an unprecedented mandate, the conduct of India's foreign policy has been given a new energy. Mr Modi has been an indefatigable traveller, and his administration has sought to build or repair relationships with many of India's neighbours and partners.

It is difficult to claim that any grand strategy underlies this energy, which seems rather to respond to the demands of the moment than anything else; but it could well be argued that Mr Modi sees foreign policy essentially as an extension of his immediate domestic priorities. These can be summarised as the following: first, to ensure fewer constraints on the development of India's economy, and the creation of more jobs in the formal sector to employ the country's ever-increasing population of young people; and second, to raise India's profile and inculcate a new sense of pride in nationhood.

It is the first of these two priorities that is of concern here. Under Mr Modi's administration, economic relations have taken on a primacy in foreign policy. On his visits to various countries, he has stressed his government's efforts to improve the business climate in India, and has determinedly pitched for an increase in foreign investment. There has been much talk of improving bilateral trade ties with a series of trading partners - though sadly little action.

Yet even this rhetorical emphasis on bilateral trade ties is not present when the Modi government's approach to multilateral trade is examined. Here, in fact, it is easy to see this government as moving backward when compared even to its predecessor, led by Dr Manmohan Singh.

Signs of this backsliding were visible early on in Mr Modi's term, when commerce ministry negotiators single-handedly held up the World Trade Organisation's (WTO) trade facilitation agreement, in an attempt to get the rest of the world to agree to India's right to stockpile enormous amounts of grain as part of the public distribution system (PDS). This was sold as a right-to-food issue, but in fact emerged from Mr Modi's conviction that public procurement of grain was an essential tool to ensure his continued popularity in rural areas. It was clear at that very point, just a few months

into the new government, that multilateral trade negotiations were not to be considered a priority.

Subsequent developments were even more disquieting. Commerce Minister Nirmala Sitharaman made it clear that the burst of trade agreements that had been negotiated, signed or initiated over the previous decade or so would need to be reviewed. Partly this was a product of concerns openly raised by various stakeholders over India's free-trade agreements (FTA) with the Association of South East Asian Nations (ASEAN), which some claim 'benefited' India less than it did the other parties to the agreement. In a sign that Mr Modi's government preferred bilateral to multilateral deals, there has been little movement on pushing this FTA forward into new domains such services, and instead efforts have been made to rework bilateral investment treaties with dozens of countries.

It is certainly undeniable that movement on other multilateral agreements has been stalled. Negotiations with the European Union (EU) have broken down on various issues to do with protectionist impulses from India's automotive and dairy sectors as well as demands for concessions from the big information technology companies. Since, instead of this complex multilateral enterprise the Modi government has shown a preference for dealing with individual governments, some hope attached to post-Brexit contact between New Delhi and London - though that, too, seems unlikely to prosper in the immediate future thanks to both sides being fairly intransigent on the question of migration. India wants more and easier visas as part of any deal, and the Conservative government in Whitehall is mindful of the fact that many of its voters supported Brexit precisely because they wished for less migration into the UK.

India has, of course, never been particularly enthusiastic about the great plurilateral trade deals that seemed to be becoming a feature of the global order under the previous dispensation in the US. It had no intention of joining the Trans-Pacific Partnership (TPP), and the commerce ministry even claimed erroneously the TPP was likely to make little difference to Indian exports. This cynical approach may seem to be validated by the rise of Donald Trump, and his dramatic denunciation of such deals - which he followed up by taking the US out of the TPP. But it would be unwise to declare the era of mega trade negotiations over. Even the TPP may have a surprising afterlife - once domestic consensus is achieved in so many countries over regulatory harmonisation and behind-the-border changes, it would be futile to expect that it would have no influence on future negotiation.

Indeed, it is reported that discussions for the plurilateral trade deal known as the Regional Comprehensive Economic Partnership (RCEP), to which India is a party, have begun to feature some of the aspects of the TPP in terms of regulatory issues that

New Delhi is least comfortable with. In general, New Delhi's generally negative positions at RCEP negotiations has led to much publicised comments from foreign diplomats about the possibility that RCEP might even move forward without Indian participation.

The Modi government's preference for bilateral trade discussions over multilateral or plurilateral trade deals is a reflection, perhaps, of the prime minister's penchant for personal diplomacy, as well as a certain smugness in the New Delhi establishment about the indispensability and bargaining power of a fast-growing India. But the larger arguments, from India's point of view, in favour of multilateral and plurilateral deals have not lost any force in the past three years, however much they may have been ignored.

India needs to embed itself in a world trading system that has gone on without it. It needs behind-the-border international deals in order to force its own antiquated regulations and systems to change. And it is far more likely to get a good deal by taking the initiative at the WTO or in forums like the RCEP than through sporadic and inconsistent bilateral negotiations. Hopefully, in the two years that remain of his term, Mr Modi will expand his notion of economic diplomacy sufficiently.

United States

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Narendra Modi's landslide victory in the 2014 general election raised many eyebrows in relevant circles about the future of India's relations with the US. The United Progressive Alliance-II (UPA-II) government had already witnessed a bottom low in its relationship with the US in the wake of a dysfunctional economic policy, rampant corruption allegations, and a diplomatic row sparked by the arrest of an Indian diplomat by the New York police.

Many were watching the Modi wave during the election campaign, and some foreign leaders, including those from Europe, had already begun to engage with Modi as the prospective prime minister. Washington, however, was still very cold towards him. The Barack Obama administration in the US was not in a hurry to politically engage a man whom they had denied a visa consecutively for nine years.

Modi-Obama: Expanding the India-US Strategic Partnership

The scenario changed completely when Modi emerged as a leader who would rule India for at least the next five years. Several foreign policy analysts wondered whether Prime Minister Modi would be interested in seriously engaging the US. However, he has clearly demonstrated that he thinks out-of-the-box, takes bold steps, and springs surprises when he promptly accepted President Obama's invitation to visit the US during their congratulatory conversations.

Modi's first visit to the US as India's prime minister was a grand success. In one stroke he was able to undo the damage caused to the relationship and restore the momentum of an India-US strategic partnership. His address to a huge gathering of Indian Americans in New York, penning an article in the *Wall Street Journal* to woo corporate US, one-on-one conversations with a host of CEOs, the summit meeting with President Obama, and the release of a joint statement titled '*Chalein Saath Saath*' ('Let's Walk Together') had a magical effect on the bilateral relationship. All stalled dialogues, including ones related to energy, defence, trade and investment, were resumed.

The two governments set an ambitious goal to elevate bilateral trade to the level of US\$ 500 billion, even as defence trade spectacularly picked up and India was able to purchase high-tech weaponry. Military exercises expanded both in number and sophistication. The two countries displayed their resolve to take defence and security ties to newer heights by seeking joint research, co-development and co-production of defence items in India.

Prime Minister Modi and President Obama met several times at various international forums, and the chemistry between the two leaders was laudable. This was certain to push the momentum of the cooperative relationship.

The two countries have openly displayed their determination to combat international terrorism, particularly groups like the Islamic State (IS) and Pakistan-backed terrorist outfits. More significantly, they discussed China's muscle-flexing - while this might have surely annoyed the Chinese government, it spoke volumes about the new assertiveness in India's foreign policy. And although India and the US are not interested in forging an alliance against China or in taking measures that would appear to be for the containment of China, they are no longer reticent in speaking against developments that would adversely affect the freedom of navigation and provisions of the United Nations Convention on the Law of the Sea (UNCLOS).

Prime Minister Narendra Modi is to be credited for yet another diplomatic innovation in India-US relations - President Obama was invited to be the chief guest at India's Republic Day celebration in January 2015. Never before had an Indian prime minister extended an invite a US president to this function, although visitors from Pakistan and even China have had the opportunity in the past. Even though this was a symbolic gesture, its significance cannot be underestimated in the field of diplomacy.

One of the key developments during the Modi-Obama summit in January 2015 was the release of a Delhi Declaration of Friendship and a Joint Strategic Vision for the Asia-Pacific and the Indian Ocean Region, elevating the geographical space of the India-US strategic partnership. Such comprehensive defence and security cooperation and the expansion of the geographical areas for potential bilateral cooperation were the Modi government's achievements.

Modi-Trump: Challenges and Prospects

The election of Donald Trump as the 45th US president has brought new challenges to the Modi government. The Indian American community in the US played an important role during the 2016 presidential election campaign. Candidate Trump was rarely critical of India as compared to his critical remarks on China and Pakistan and a host

of other countries. Once Trump won the election, the Modi government showed no complacency in seeking to build bridges with the new occupant of the White House.

India's National Security Adviser (NSA) Ajit Doval and Foreign Secretary Dr S Jaishankar promptly touched base with their counterparts and other relevant officials to keep the strategic partnership, trade and investment ties on track. Several of the the Trump administration's policies – including his economic policy, guided by the “America First” principle, social policy to restrict immigration, transactional strategic approach towards allies and partners, initiatives to raise visa fees for foreign workers, reduction/elimination of tax incentives to companies hiring foreign workers, and the decision to walk away from the Paris Climate Accord - pose enormous challenges to the Modi government.

Despite the hurdles that these developments will bring to the bilateral relationship, the fundamentals of the India-US strategic partnership are sound and durable. Both Trump and Modi consider terrorism the principal threat to their national security as well as to global peace and stability. Moreover, China's assertiveness in the South China Sea (SCS) and its attempt to build a new colonial empire through the One Belt, One Road (OBOR) initiative have alerted India and the US that this will have to be dealt with it through a coordinated approach without resorting to unmanageable conflict. Significantly, the bipartisan consensus in the US is in favour of strengthening the strategic partnership with India and the national political consensus in India also favours strong ties with the US. Thus there may be periodic turbulence between India and the US on certain issues, but the new paradigm of their bilateral relations in the post-Cold War and terrorism-ridden scenario is not going to face any existential threat.

Pakistan

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Despite flash-in-the-pan initiatives like the May 2014 invitation to South Asian Association for Regional Cooperation (SAARC) heads of government at its inauguration and the 'out of the box' Lahore visit in December 2015, the incumbent Indian government's relations with Pakistan remain mired in a bitter stalemate. Both sides seem caught in a test of wills, promoting opposing visions of how relations can be normalised, and pursuing mutually exclusive, self-sufficient narratives on why talks between the two end in mutual recrimination instead of mutual understanding. For Pakistan, it is the resolution of the Kashmir dispute, whereas India accords higher priority to terrorism.

Ironically enough, during the 2013 election campaign in Pakistan, public opinion there did not think obsessively about India. When India approached elections in 2014, there were credible assessments about the possible victory of the Bharatiya Janata Party (BJP). Sections of the intellectual elite and media even projected that détente had a better chance of succeeding whenever strong leadership existed in both countries. However, an almost visceral dislike of Indian Prime Minister (PM) Narendra Modi persisted among hardliners as they expected a turn towards ultra-nationalism in India. A year down the line, even this grudging optimism had eroded. Escalated military confrontation along the Line of Control (LoC) and International Border (IB), provocative incidents like the attacks in Uri, Pathankot, and now, the Kulbhushan Jadhav abduction, have confirmed the worst fears that no silver lining can be found in a relationship so burdened by history.

Talks between Indian PM Narendra Modi and Pakistan's PM Nawaz Sharif - on the sidelines of the July 2015 Ufa summit - saw a much delayed resumption of the engagement process between the two countries. However, the way the Ufa resolution was played up, over-emphasising terrorism and underplaying Kashmir, put the Pakistani side on the defensive. After Ufa, new redlines about when to meet with the All Parties' Hurriyat Conference and what to do or not do with them led to the cancellation of the foreign secretary-level talks that were slated to be held in

Islamabad in August 2015. Also, terror incidents with an evident Pakistani hand, in Gurdaspur, Punjab, and in Udhampur, Jammu & Kashmir, saw a familiar pattern of tension being ratcheted up.

PM Modi's surprise visit to Lahore in December 2015 signified a clever use of symbolism to generate impetus to the peace process. As the first visit by an Indian prime minister to Pakistan after 11 years, it was welcomed by major opposition parties and civil society in Pakistan. However, predictably enough, spoilers from across the border soon threw a spanner in the works. On 2 January 2016, a major militant attack was carried out on the Pathankot Air base in India by suspected Jaish-e-Mohammad (JeM) militants. Though a Pakistani Joint Investigation Team (JIT), including officials from the Inter-Services Intelligence (ISI) and Military Intelligence was allowed to visit the site in March 2016, the promise to assist in investigations on the Pakistani side never materialised. In fact, a report in *Pakistan Today*, a pro-establishment newspaper, quoting a source within the JIT, even alleged that this was a 'false flag' incident, stage-managed to give Pakistan a bad name.

Pakistan's bad name as a state sponsor of terror is globally acknowledged, especially after nine years of feet-dragging in the trial of the seven accused in Pakistan in the 26/11 Mumbai attacks case. Arch terrorist Zaki-ur-Rehman Lakhvi was granted bail. Trial judges keep getting changed. As one of Pakistan's most respected police officers, Tariq Khosa, who headed their Federal Investigation Agency (FIA), remarked in August 2015, "Pakistan has to deal with the Mumbai mayhem, planned and launched from its soil. This requires facing the truth and admitting mistakes."

Though Pakistan was forced on the defensive when Kashmir began to simmer again, an opening presented itself. The mention of Balochistan during PM Modi's Independence Day speech in August 2016 was seen as a menacing challenge. Buoyed by new promises of Chinese support, the Pakistan Army probably did not want to let it go unanswered. Plans for Kulbhushan Jadhav's abduction from Iran may have been set in motion. Earlier, a Karachi underworld criminal, Uzair Baloch had been arrested and taken into the Pakistan Army's custody, as part of the cleanup operations undertaken by Pakistan Rangers. Pakistan is now claiming Jadhav was mixed up in the Karachi terrorist violence as well.

Pakistan suffered a setback though, in the International Court of Justice's (ICJ) provisional relief judgment at The Hague in May 2017. Asserting jurisdiction under Article 36 (1) of its statute, the ICJ stayed Kulbhushan Jadhav's execution and ruled that 'spies' or 'terrorists' cannot be excluded from consular access under the Vienna Convention. This completely vindicated the Indian position.

Though Jadhav may not be immediately hanged, the Pakistan Army seems in no mood to react rationally to this verdict. Consular access is unlikely to be given. The Sajjan Jindal track-II initiative was seen in the Pakistani media as too surreptitious, and a move without the blessing of their military establishment. It would be unreasonable to expect the civilian leadership in Pakistan to construct any diplomatic or legal strategy where the Army is on a different page. Positions in Pakistan seem to be hardening, with the Khyber Pakhtunkhwa Assembly passing a resolution demanding Jadhav's execution. Due to this case, relations may worsen before they get better.

Over the past three years, the incumbent government in India has tried various hard-line postures. This does not seem to have worked. An alternative approach for India would be to make talks with Pakistan 'periodic' or almost routine, without any expectation of outcomes. However, before that India must set its own house in Kashmir in order, quelling the unrest in south Kashmir.

After the ICJ verdict humiliation, albeit temporary, an assessment is needed, possibly through a new track-II outreach to the appropriate quarters, on what would be the minimum terms of Indo-Pak engagement the Pakistan Army could live with. A way forward could then be sought through a mix of gradual, middle-of-the-road approaches, vis-à-vis long-pending or contentious bilateral issues, accommodating reasonable expectations on both sides based on abiding national interests.

In the present ambience of unmitigated hostility, even small steps in this direction seem unlikely.

Bhutan

Ambassador (Retd) VP Haran

Former Indian Ambassador to Bhutan

Bhutan, like other neighbours, watched with interest and some anxiety as the National Democratic Alliance (NDA) swept the polls in May 2014. Indian Prime Minister (PM) Narendra Modi was an enigma to them. They were unsure of what the Modi government's foreign policy would be. Bhutan was no exception. The invitation to South Asian leaders for the swearing in ceremony was a reassuring message from the new government that it attached the highest priority to strengthening relations with neighbours. Bhutanese PM Tshering Tobgay's visit to Delhi and his meeting with PM Modi reassured him about the continuity of India's policy towards Bhutan.

To give practical effect to the 'neighborhood first' policy, Modi chose Bhutan for his first foreign visit as prime minister, less than a month after taking office. On the eve of the visit, PM Modi said he was looking forward to his "first ever visit to Bhutan and to nurturing and further strengthening India's special relations with Bhutan." The visit, arranged at very short notice, went off smoothly and achieved this objective. PM Modi laid the foundation stone for the 600 MW Kholongchu HEP; announced that India would set up a national level digital library in Bhutan; and that there would be no embargo on export of essential items like rice, wheat, milk powder etc to Bhutan. By the time visit was over, Bhutan was confident that India's policy towards Bhutan would continue. Subsequent developments have proved this assessment right. Meaningful progress has been achieved in the ongoing development projects, security cooperation and in the decisions announced during the visit.

Cooperation on mutual security concerns has been progressing satisfactorily in the interest of both the countries. Law enforcement agencies on both sides of the border have stepped up sharing of intelligence to keep a tab on terrorist and other anti-social activities along the border. Infrastructure for the promised National Digital Library of Bhutan has been put in place and steps are underway to make the library operational soon. India-assisted development cooperation projects are proceeding well and Bhutan should be able to meet the targets for the 11th Plan which ends by June 2018. Continuing high-level exchanges with Bhutan, Indian President Pranab Mukherjee paid a successful visit to Bhutan in November 2014.

Bhutan has shown keen interest in opening a consulate in Guwahati. Recalling the historical ties of cooperation and friendship, Bhutan's PM Tshering Tobgay said in the inaugural ceremony of Namami Brahmaputra festival in Assam in April 2017 that he has asked the Indian government to allow the opening of Bhutan's consulate in Guwahati. People on both sides of the border have had close contact for several centuries and have economic and cultural exchanges on a daily basis, taking advantage of the open border. India has decided to accept Bhutan's proposal to open the consulate. This would be welcome news to Bhutan.

Hydro power is the most important area of India-Bhutan bilateral economic cooperation. During his visit, PM Modi said hydropower cooperation with Bhutan "is a classic example of win-win cooperation and a model for the entire region." Three India assisted HEPs – Chukha, Kurichu and Tala – with a total capacity of 1416 MW are presently operational. They account for 13 per cent of Bhutan's GDP and a third of its exports and have contributed immensely to Bhutan's development. India buys all the surplus power from these projects. At Bhutan's request, in 2008, the then Indian PM Manmohan Singh during his visit to Bhutan agreed to India working with Bhutan to set up additional 10,000 MW of generating capacity by 2020. This commitment was reiterated during PM Modi's visit. This target of 2020 was unrealistic even when conceived, as injection of massive funds for these projects would have overheated the Bhutanese economy. Implementation would need to be stretched out and this is understood by both sides.

Presently, four projects are under execution. Of these, the 720 MW Mangdechu is expected to be commissioned on schedule in 2018. The 1200 MW Punatsangchu 1 and 1020 MW Punatsangchu 2 have fallen way behind schedule, due mainly to geological surprises encountered during construction. Commencement of work on the Kholongchu project, for which PM Modi laid the foundation stone, has been delayed and needs to be sped up. Unlike earlier projects that are inter-governmental, Kholongchu and three other projects are to be executed as joint ventures (JVs) between Bhutan and Indian public sector undertakings (PSUs). Progress on the other three could build on the model developed for Kholongchu. The national transmission grid being implemented with Indian assistance is progressing well.

Bhutan does not favour entry of private companies in the energy sector. Reports on privatisation of Indian PSUs is causing some anxiety in the context of PSU involvement in JVs, as Bhutan does not want to end up having to deal with private companies a few years later. Reassurance regarding PSUs involved in JVs would help clear the air. Progress is necessary on the other projects identified as part of the 10,000 MW programme, even if implementation is taken up later.

Tariff for power supplied by Bhutan is considered low by some Bhutanese who see reports in Indian media about the high cost of power generated in India and the cost at which India exports power to Bangladesh and Nepal. Tariff is fixed as per a mutually agreed formula based on cost of generation, agreed rate of return, increase in tariff in adjoining region of India, etc. Policymakers in Bhutan recognise the importance of an assured market at an agreed tariff and would not like to leave power trade to the vagaries of market fluctuations.

Bangladesh has also shown interest in setting up a major HEP in Bhutan, with the aim of importing power generated from the project. This will be possible only if power is allowed to be transmitted through India. India has responded positively to the proposal, making both Bhutan and Bangladesh happy.

India has announced draft guidelines for cross-border trade in electricity. Since it involves trade in power with India's neighbours, it would be useful to consult them. Regulations should facilitate trade on commercial lines and provide for transmission of power across India by Bangladesh, Bhutan and Nepal, its BBIN Initiative partners. This would be in accordance with India's desire for greater economic integration with its neighbours.

Focus is required on some long pending bilateral issues/projects like problems faced by Indian traders, the integrated check post at the Jaigaon/Phuentshoeling border, indiscriminate and unscientific mining of Dolomite in Bhutan causing serious problems in northern West Bengal, etc.

In overall terms, India and Bhutan have worked together closely over the past three years to further their common interests. "Bhutan and India share a very special relationship that has stood the test of time," PM Modi said in Bhutan. The positive developments since his visit testify to his statement.

Bangladesh

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Unless there is a change in the form of government or there occurs a marked shift in the global or regional political order, the foreign policy of any 'normal' country maintains continuity with its past. However, certain adjustments are made to accommodate visions of the new political leadership and to address day-to-day matters in foreign policy. As nothing has happened in the last three years that can influence the existing global or regional order, India's policy towards Bangladesh is in continuation with what it was under the Dr Manmohan Singh-led United Progressive Alliance-II (UPA-II) government (2004-2014).

Settlement of the India-Bangladesh Boundary Dispute

After Indian Prime Minister (PM) Narendra Modi took office on 26 May 2014, his government's first challenge on the foreign policy front was the ratification of the Land Boundary Agreement (LBA) with Bangladesh. The LBA protocol was signed by the UPA government in 2011. During his election speeches, particularly in constituencies bordering Bangladesh, Modi had stated that his government would not compromise India's territorial sovereignty. However, soon after taking charge as prime minister, he realised the difference between electoral rhetoric and policy-related realities. His government supported the ratification of the LBA by the Indian parliament, despite opposition from some of his supporters in Assam.

Later, in June 2015, the prime minister himself went to Dhaka to exchange the ratified documents with his Bangladeshi counterpart, Sheikh Hasina. The land swap exercise resulted in the exchange of 111 Indian enclaves (with a total area of 69.44 sq km) in Bangladesh with 51 Bangladeshi enclaves (with a total area of 28.77 sq km) in India and preservation of the status quo on territories in adverse possession. With the adjustment of adverse possession in the implementation of the Protocol, India received 11.23 sq km of land and transferred 9.17 sq km of land to Bangladesh. In this land swap exercise, India gave around 40 sq km to Bangladesh.

Before the exchange of the ratified documents of the LBA, in July 2014, India and Bangladesh also concluded their disputes over the Exclusive Economic Zone, which,

unlike the LBA, was resolved through a verdict by the Permanent Court of Arbitration (PCA) at The Hague. In its final verdict, the PCA awarded 19,467 sq km of the total 25,602 sq km sea area (76 per cent) to Bangladesh, leaving 6,135 sq km (24 per cent) to India. The judgement also allowed Bangladesh a 200-mile Exclusive Economic Zone. The government of India chose to accept the verdict.

Economic Engagement

Growing engagement between Bangladesh and China do influence India's policy towards Bangladesh. India increased its economic engagement with Bangladesh in a bid to keep Bangladesh out of China's sphere of influence. During PM Modi's 2015 visit to Bangladesh, the two countries signed 22 agreements and Memorandums of Understanding (MoUs). Earlier, in 2011, India provided US\$ 1 billion Line of Credit (LOC) to Bangladesh, which was increased to US\$ 2 billion in 2015.

Furthermore, in 2017, during Hasina's New Delhi visit, the two countries signed 35 agreements and MoUs. India announced the third (a new) concessional LOC of US\$ 4.5 billion to Bangladesh. This is mainly in priority sectors to bring India's resource allocation to Bangladesh to over US\$ 8 billion by 2023.

Between the two bilateral visits, on 14 October 2016, Chinese President Xi Jinping landed in Dhaka. During his visit, Bangladesh and China signed 27 agreements and MoUs between the two governments, and Chinese state-owned and private entities signed 13 agreements mostly with Bangladeshi private enterprises. In total, the two countries signed 40 agreements and MoUs worth over US\$ 25 billion.

Security and Defence

More than the increasing numbers of Chinese industries in Bangladesh, it is the presence of the Peoples Liberation Army Navy (PLAN) ships in the Bay of Bengal that worries India. The presence of PLAN ships has been possible due to China-Bangladesh defence engagement, which has been growing since 2000. To secure its strategic interests in the Bay of Bengal, India is also engaging with Bangladesh on defence and security-related issues.

After two Chinese submarines joined the Bangladesh navy in November 2016, the then Indian Defence Minister Manohar Parrikar visited Bangladesh from 30 November to 1 December 2016. His delegation included the vice chiefs of the Indian army, air force, and navy along with the director general of the coast guard.

During Hasina's 2017 visit to New Delhi, India and Bangladesh signed two agreements

and seven MoUs. India announced a LOC worth US\$ 500 million to Bangladesh for procurement of defence goods. The Bangladesh Nationalist Party (BNP) and others criticised this. Interestingly, an almost similar defence deal was signed between Bangladesh and China in 2002.

India has repeatedly expressed its support for Bangladesh in its fight against militancy. In May 2016, India's foreign secretary went to Bangladesh when then US Department of State's Assistant Secretary Nisha Desai Biswal was in Dhaka. At that time, although denied by the government officials of the two respective countries, the media was rife with a rumour of India-US cooperation in tackling militancy in Bangladesh.

Teesta River Issue

In September 2011, India and Bangladesh agreed on a new percentage of water-sharing from the trans-boundary Teesta River. The deal was not agreed upon because West Bengal's Chief Minister Mamata Banerjee refused to accept it citing that she believed that Bangladesh would get 33,000 cubic feet per second (cusec) of water annually, instead of the 25,000 cusecs originally agreed upon.

Since then, Bangladesh has been trying via all diplomatic means to persuade Banerjee but the chief minister has not yet changed her position. During her visit to India in 2017, Hasina began with the Teesta River water issue although she could not clinch the deal. In Bangladesh, the non-conclusion of the Teesta issue is being considered as a sign of India's indifference towards Bangladesh's national interests.

Looking Ahead

In the last three years, like in the past, India's policy towards Bangladesh has continued with India's 'over' dependence on the Awami League leadership instead of engaging with others as well. A tactical shift is needed to adjust with the emerging socio-political reality in Bangladesh.

Nepal

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Narendra Modi's electoral victory in May 2014 generated positive vibes throughout the region. His invitation to the heads of governments of the South Asian Association for Regional Cooperation (SAARC) member-states to his swearing-in ceremony and making Bhutan and Nepal his first official foreign visits clearly highlighted his prioritisation of India's neighbourhood. In this context, this article assesses India's relations with Nepal during the past three years.

Continuity and Change

As prime minister, Modi's first public statement on foreign affairs was about Nepal, on Twitter, where he said that he was committed to strengthening relations. Unlike his predecessor, Dr Manmohan Singh, who failed to visit Nepal even once in his decade-long tenure, Modi visited Nepal twice - in August and November 2014 - becoming the first Indian prime minister to visit the country in 17 years. He enchanted the Nepalese people with a rousing address in Nepal's parliament, which was the first such address by a foreign leader. Like in the past, Modi also assured India's commitment to Nepal's economic development. He announced a soft loan of US\$ 1 billion and assistance in several infrastructure development projects in Nepal.

During this visit, Modi also agreed to review, adjust, and update the 1950 Indo-Nepal Treaty of Peace and Friendship, which was deemed 'unequal' by generations of Nepalese leaders, and other bilateral agreements. He also reactivated, after a hiatus of 23 years, the Joint Commission that was formed in 1987 at the foreign ministerial level with a view to strengthen, understand and promote cooperation between the two countries for mutual benefit in the economic, trade, transit sectors and the multiple uses of water resources.

Within a few months, Modi visited Nepal again to attend the 18th SAARC Summit. He inaugurated an Indian-built 200-bed trauma centre, provided a helicopter to the Nepal army, and a mobile soil-testing laboratory.

India was quick in its response to the devastating 7.9 magnitude earthquake in April

2015 that caused massive destruction and claimed thousands of lives in Nepal. Within hours of the calamity, Modi spoke to the then Nepalese Prime Minister Sushil Koirala and the then Nepalese President Ram Baran Yadav assuring them of India's assistance. Within six hours, India dispatched a team of the National Disaster Response Force (NDRF) along with relief material. India's total relief assistance amounted to US\$ 67 million, and it committed another US\$ 1 billion (one-fourth as a grant).

Despite such increased engagement and assistance, Nepal continued to blame India for interference in its domestic affairs. Nepal's claim to an equal share over a disputed tri-junction - Lipu-Lekh Pass - also caused controversy. Lipu-Lekh was mentioned in the China-India joint statement during Modi's visit to China in May 2015. The joint statement read, "The two sides agree to hold negotiation on augmenting the list of traded commodities, and expand border trade at Nathu La, Qiangla/Lipu-Lekh Pass and Shipki La." Nepal, under pressure from its media, civil society and political opposition, demanded that China and India remove the mention of Lipu-Lekh from their joint statement, arguing that it threatened Nepal's sovereignty and territorial integrity. However, Indian experts counter-argued that both China and India have been referring to Lipu-Lekh Pass as one of their border trading points since 1954. Indian experts have pointed to Nepal's position on Kalapani and Lipu-Lekh Pass as being politically motivated, especially given how ultra-nationalist groups have been involved in spreading anti-India sentiment and demanding a 'Greater Nepal' to gain political mileage.

Unrest in Madhes, a region bordering the India-Nepal border, which propelled anti-India sentiment among the ruling elite, led to deteriorating bilateral relations. The Madhesis waged a 135-days long 'non-cooperation movement' along the border, which halted the entry of fuel and other essential supplies to Nepal from India. Kathmandu's ruling elite claimed that the 'blockade' was imposed with Indian support as India did not welcome the new non-inclusive Nepalese constitution that had triggered the Madhesi protest. Despite denials of this allegation by both Madhesi leaders and New Delhi, the dramatic end of the 'blockade' before then Prime Minister KP Sharma Oli's visit to Delhi clearly lent fuel to such allegations.

Though Modi began his tenure concentrating on India's neighbours, he later became occupied with building relations with bigger powers. Although Dr Singh had failed to visit Nepal even once, his government spent considerable time following the political developments in Nepal. Dr Singh's government played a great role in ensuring a smooth political transition in Nepal. However, the Modi government was not able to take control of the situation in time and intervened in the last minute, when it was too late. Modi sent the foreign secretary as the Prime Minister's Special Envoy, but he

failed to deliver positive results.

Modi subsequently tried to control the damage. He invited Oli for a six-day visit to India before his scheduled China visit. However, Modi was unable to convince Oli to address Madhesi demands. Oli visited China a few weeks later and tried to challenge the Indian monopoly by signing an agreement on trade and transit with Beijing. This has been one of the major failures of the Indian government under Modi which will have long-term implications for India. However, India was successful in toppling the Oli-led government, forging an alliance between the Nepali Congress and Communist Party of Nepal (Maoist Centre). Sher Bahadur Deuba and Pushpa Kamal Dahal 'Prachanda', the respective heads of the two parties, agreed to serve the remaining tenure of 18 months on a rotational basis.

India-Nepal relations were normalised after Prachanda was elected prime minister for the second time. India's then President Pranab Mukherjee and Nepalese President Bidya Devi Bhandari exchanged state-level visits. During Prachanda's tenure, India accelerated the pace of development projects in Nepal and provided additional power supply to meet Nepal's severe power crisis. With this, Nepal's growth rate was raised from a mere 0.8 per cent to 7.5 per cent, the highest in 13 years.

Conclusion

India-Nepal relations during Modi's tenure have had mixed fortunes so far. While he was successful in winning over the Nepalese during his first visit, he later became trapped in controversies. He was appreciated for his support to the people of Nepal during the massive earthquake, but criticised on the issues related to Lipu-Lekh. He received appreciation from the Madhesis for supporting their demands for an inclusive constitution and standing for democracy and social justice, but could not deliver the desired results. With the rise of Modi and the Bharatiya Janata Party's (BJP) thumping victory in Uttar Pradesh, there were apprehensions that India might impose 'Hinduism' on secular Nepal or might attempt to revive the Hindu monarchy there. However, such fears have turned out to be unfounded.

India has tremendous leverage in Nepal. It is still Nepal's largest trading partner and contributes significantly towards the country's development. New Delhi has played a crucial role in Nepal's major political transitions, be it the overthrow of the autocratic Rana regime; restoration of democracy in 1990; abolition of monarchy; or the mainstreaming of the Maoists. It should play its role to bring stability and development in Nepal, which will eventually serve India's prime interest: security. It also needs to manage its perception in the Nepalese media and among the country's public to contain the rise of anti-India propaganda.

Afghanistan

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Bilateral relations between India and Afghanistan have been characterised by ‘friendly engagement’ and underscored by positive public perception in both countries; this has continued after the Narendra Modi-led National Democratic Alliance (NDA) government took office in May 2014. Even then, emerging realities in and related to Afghanistan necessitate innovative action from both countries in at least three key sectors:

- Political
- Economy and developmental partnership
- Security

Political

Overall, over the past three years, political relations between India and Afghanistan have witnessed more flow than the perceived ebb. Both countries held national elections in 2014. The new dispensation in India treaded cautiously during the Afghan presidential election and also during the initial months of incumbent Afghan President Ashraf Ghani’s presidency. The commonly held perception at that time was that this caution was due to President Ghani’s overtures to China and Pakistan. However, India demonstrated strategic patience and gauged developments; it continued with its developmental assistance and engagement in Afghanistan.

Meanwhile, as President Ghani’s disenchantment with the establishment in Pakistan grew, he began investing relatively more effort towards strengthening Afghanistan’s relations with India. Since May 2014, several high-level visits have taken place between the Indian and Afghan governments, including those of India’s vice president, prime minister, external affairs minister, national security adviser (NSA), and minister of law and justice; and Afghanistan’s former president, incumbent president, chief executive officer (CEO), NSA, deputy foreign minister, and army chief. Recently, the Indian ambassador to Afghanistan met Gulbuddin Hekmatyar, the leader of the Hezb-e-Islami Afghanistan (HIG), soon after the latter signed a peace deal with the Afghan government. This was the first such interaction between the two sides, and given that

Hekmatyar, who is now politically vocal and active in Afghanistan, has enjoyed the patronage of Pakistan's Inter-Services Intelligence (ISI) throughout his years as a terrorist, the meeting demonstrates New Delhi's constructive approach towards the Afghan peace process. Moreover, it can also be viewed as part of India's broader efforts to play a greater, more proactive and responsible role in the overall regional stability and cooperation.

The overarching theme of Indo-Afghan political relations over the past three years has been that of camaraderie and productive exchanges. To build on this and ensure continuity, it would be useful to diversify engagements/cooperation to multiple levels and formats.

Economy and Developmental Partnership

Since 2001, India has spent US\$ 2 billion on development assistance in Afghanistan. The past three years have seen continuity on this front. The previous government in New Delhi initiated numerous infrastructure projects in Afghanistan, including the construction of Route 606, the new Afghan parliament complex and the Salma Dam (officially, the Afghan-India Friendship Dam); the establishment of the Afghan National Agricultural Sciences and Technology University (ANASTU); and investments in small development projects and skill-building-related initiatives.

After taking charge in 2014, the Modi government ensured completion of key pending projects such as that of the parliament and Salma Dam – both of which Prime Minister (PM) Modi jointly inaugurated with President Ghani during his visits to Afghanistan in 2015 and 2016, respectively. Visas for Afghan businesspersons and tourists were further liberalised; 500 scholarships were announced for the children of the martyrs of Afghan security forces; restoration of the Stor Palace was completed. In 2016, India pledged an additional US \$1 billion in assistance to Afghanistan. To overcome the obstacle of land contiguity posed by Pakistan, the India-Afghanistan Air Freight Corridor became operational in June 2017, which has shipped agricultural produce, pharmaceuticals, medical equipment etc.. Additionally, India has steadily been working with regional countries on developing landlocked Afghanistan's connectivity to facilitate trade and movement of goods. In 2016, India, Iran and Afghanistan signed the Trilateral Agreement on Establishment of International Transport and Transit Corridor (the Chabahar Agreement) and by September 2017, India will begin shipping 35,000 containers of wheat to Afghanistan via Iran's Chabahar port.

At present, bilateral trade between India and Afghanistan stands at US\$ 700 million. New Delhi's economic relations with Kabul have been overshadowed by the

development partnership, which is characterised in part by the view that sustainable development in Afghanistan requires long-term investment in the country. Economic relations will eventually have to evolve into one where the trade and investment component is bigger in proportion than the aid money India spends in Afghanistan so that both countries can benefit. Currently, all sectors of the Afghan economy need a sustainable boost. These matters could be partially addressed by developing a conducive environment (for instance, ease of doing business on issues such as formalities and joint ventures) and encouraging businesses and educational institutions (both small and big) from India and elsewhere to expand their footprint into Afghanistan.

The telecom sector is a potent area of cooperation given India's efforts in this sector in Afghanistan since 2001 and especially now given the NDA government's Digital India initiative. Three months after India launched the South Asian Satellite, the Afghan Ministry of Telecommunications and Technology has reportedly requested India to launch a special satellite exclusively for its use. Cooperation in the textile sector too has potential. India's textile market is expected to touch US\$ 250 billion by 2019, and Afghanistan is looking to revive its textile sector. A visit by Ms Smriti Irani - India's union cabinet minister of textiles as well as minister of information and broadcasting – who is popular in Afghanistan as a television actor - would be an excellent step in public diplomacy and useful to kick off cooperation on this front.

Security

Bilateral engagement in security-related issues has seen continuity and some enhancement. Although India is hesitant to supply lethal weapons to Afghanistan, it delivered three unarmed Cheetal helicopters and four refurbished Mi-25 assault helicopters to the Afghan Air Force (AAF) in April 2015 and December 2016, respectively. In 2016 and 2017, New Delhi participated in multiple Russia-led regional multilateral meetings aimed at addressing the security situation in Afghanistan and its neighbourhood, in addition to participating in other ongoing initiatives. Meanwhile, the new administration in the US may be considering different ideas regarding Indian participation in resolving the security situation in Afghanistan. India, too, is evaluating its options.

To that end, it might be useful for India to develop a framework of engagement that envisions human security in the broader ambit of security cooperation. Periodic consultations and exchanges could be held on short and long-term issues and involve Afghan local leaders, civil society members, police personnel and professionals from medical, telecom, education sectors. India enjoys tremendous goodwill in Afghanistan and New Delhi must try to find innovative and varied ways to enhance it, especially in

the public diplomacy area. Cost-efficient methods could be explored for this purpose. Simple initiatives like visits by Indian cinema and television stars (even to promote their movies) could provide a sense of normalcy in the prevailing tense circumstances. India can certainly 'afford' to be more proactive in Afghanistan, but proactiveness can be practised smartly. India should demonstrate confidence strategically and also continue to engage with Afghanistan in its unassuming style.

Sri Lanka

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In May 2014, the newly elected Indian Prime Minister (PM) Narendra Modi kickstarted his tenure by inviting the heads of all South Asian Association for Regional Cooperation (SAARC) countries for his swearing-in ceremony, suggesting that contact with neighbours should be made a matter of routine rather than treated as exception. This has held true most aptly for Sri Lanka, with seven bilateral state visits on record between the two sides in three years.

Inheriting an unfortunate legacy of three difficult decades of mistrust between India and Sri Lanka, PM Modi's commitment to restructure ties with its island neighbour deserves credit. A closer look at specific deliverables on four key issues of deliberation between the two sides will create a fuller picture.

The Tamil Question: Moving Beyond

Before the 2014 Indian general election a common perception in Sri Lanka, mostly of the Sinhala community, was that India's policy toward the island nation was largely dictated by Tamil Nadu politics. A perceived Indian intrusiveness riding on concerns of the Tamil question had been a significant itch that overshadowed most Sri Lankan debates on India. With the Bharatiya Janata Party (BJP) securing an absolute majority and the subsequent turn of events, including arrests of political leaders from Tamil Nadu (some were even BJP allies) while protesting former Sri Lankan President Mahinda Rajapaksa's New Delhi visit, the perception among most sections of the Sinhala nationalists has gradually been recalibrated.

The same events, on the other hand, caused Sri Lankan Tamils to worry about loss of leverage vis-à-vis Tamil Nadu. The Modi government, however, carefully addressed this concern early on through discussions with the Tamil National Alliance (TNA) delegation and gave assurances to the relevant stakeholders that India and Tamil Nadu would not be at variance with regard to their political needs.

What PM Modi has achieved is sort of a careful balance in assuaging Tamil concerns while lowering the Sinhala nationalists' criticism. He clearly stated India's support for a

'united' Sri Lanka but also stressed the need to go beyond the Sri Lankan Constitution's Thirteenth Amendment for the political empowerment of the Tamil minority. While New Delhi backed the United Nations Human Rights Council (UNHRC) Resolutions that give Sri Lanka more time to protect Tamil interests, PM Modi made a symbolic visit to the Tamil-dominated Jaffna stressing ethnic reconciliation and rehabilitation.

The implications of these moves on the Tamil problem aside, by establishing this balance, PM Modi has been successful in moving India-Sri Lanka relations away from the prism of the Tamil question.

Cultural Diplomacy: Renewed Focus

The Sri Lankan outreach provides a clear and immediate example of Modi's use of cultural diplomacy as the regional trump card. Moving past the baggage of Tamil politics, PM Modi has perpetually sought to place India-Sri Lanka relations within the ambit of cultural unity - a move that was initiated by the UPA government - but got a personal push from Modi.

From cooperation in developing the 'Ramayana Trail' in Sri Lanka and the 'Buddhist Circuit' in India to the unveiling of the statue of Anagarika Dharmapala in Sanchi by incumbent Sri Lankan President Maithripala Sirisena, almost every state visit between India and Sri Lanka since 2014 has prominently featured an emphasis on cultural ties. At the height of this trend was PM Modi's May 2017 visit to Sri Lanka earmarked solely to attend the 'Vesak' Day celebrations with no formal talks.

Political commentators view this as the Modi government's strategy to counter China's growing imprint on the island. Notwithstanding this motivation, cultural diplomacy has undoubtedly become a crucial part of India's engagement in Sri Lanka.

Economic Engagement: All Talk No Action

The single most important agenda that has spanned most political engagements between India and Sri Lanka in the past three years is economic cooperation. The two countries have discussed ways to promote Indian investment, proposed ambitious economic partnerships such as the Economic and Technology Cooperation Agreement (ETCA) and South India-Sri Lanka sub-regional cooperation, and have listed a range of opportunities to work together, but very little has been achieved on the ground.

Indian investments in Sri Lanka dipped significantly in 2016-17 compared to the

previous two years. The ETCA appears far from being finalised, despite Sri Lankan PM Ranil Wickremesinghe's announcement that it would be signed by end-2016. In fact, both sides are yet to resolve issues related to the Free Trade Agreement (FTA) that was operationalised in 2000. Cumulatively, the only significant economic arrangement realised by India and Sri Lanka in the past three years is the memorandum of understanding (MoU) for cooperation in economic projects signed during PM Wickremesinghe's April 2017 visit. The significantly delayed MoU is essentially a "roadmap for the future" that outlines a few broader agendas and agreements that are unlikely to materialise given, for instance, the present trust deficit and resistance to Indian presence on the island.

Fishermen Issue: Awaiting Results

Another issue that clouds India-Sri Lanka bilateral ties is the long-festering problem of fishermen straying into each other's territorial waters. Renewed calls from the Modi and Sirisena governments to find a permanent solution to this issue of "highest importance" has ensured sustained diplomatic negotiations and engagement between fishermen communities on both sides. In particular, 2016 saw the establishment of a Joint Working Group (JWG) on fisheries and a hotline between the Indo-Lanka Coast Guards. The JWG is expected to meet every three months while the Ministers of Fisheries on both sides would meet every six months beginning January 2017 along with the Coast Guard and naval representative to discuss the protracted issue.

The proposed meetings have ensued but the setup has failed to achieve much. Only two months after the first meeting of the JWG, tension escalated after the Sri Lankan navy allegedly shot at six Indian fishermen near the Katchatheevu islet resulting in one death. The incident snowballed into a diplomatic row after the Indian Coast Guard arrested ten Sri Lankan fishermen a day later. While high-level discussions managed to bring tensions down, the fact remains that many fishermen continue to be arrested and the measures taken so far have not been able to address this problem. Perhaps one positive development that has come about pertains to the practice of bottom trawling, which New Delhi now officially acknowledges as an environmentally harmful practice that needs to end. However, without actual time-bound measures and healthy alternatives, status quo will remain.

In sum, the Modi government warrants merit for taking India-Sri Lanka relations away from a discourse dominated by Tamil politics, placing it in the ambit of cultural engagement, and orienting it toward questions of economic development. However, the government is severely lacking on the implementation front, as is its determination to strike effectively at the core of contentious issues like the fishermen dispute.

Maldives

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Though small, the Maldives is an important Indian neighbour. India's Prime Minister Narendra Modi called the Maldives “a valued partner in the Indian Ocean neighbourhood” and said that India-Maldives “ties are built on a very strong foundation,” the contours of which “are defined by shared strategic, security, economic and developmental goals.” However, the bilateral ties are not without irritants, which can be seen in two broad areas: political and strategic.

Politically, India has consciously avoided interfering in the Maldives' internal affairs despite being invited to do so by the actors in the atoll state. New Delhi's major concern has been the impact of political instability in the neighbourhood on its security and development. The February 2015 arrest of opposition leader Mohamed Nasheed on terrorism charges and the consequent political crisis have posed a real diplomatic test for Modi's neighbourhood policy. Expressing concern over “the arrest and manhandling of former President Nasheed,” India urged “all concerned to calm the situation and resolve their differences within the constitutional and legal framework of Maldives.” As a result of the incumbent Abdulla Yameen government's intransigence in heeding India's appeal on Nasheed, Modi had to drop the Maldives from his four-nation Indian Ocean tour in March 2015.

The move sent a conspicuous signal about Indian disappointment with the developments, which would undermine political stability in the Maldives. However, the message from Malé was very clear: “India will adhere to the principle of Panchsheel and will not intervene in domestic politics of Maldives.” In diplomatic parlance, “Panchsheel” is generally used in the Sino-Indian context. It was also to indicate China's stand on the issue to New Delhi: “We are committed to non-interference in others internal affairs.” Despite this, Yameen went on to visit India three times since assuming power in 2013. In fact, during his latest visit in April 2016, Yameen reiterated his “India first policy” and signed six agreements ranging from defence to taxation.

On the security front, at least two issues impinged on India-Maldives bilateral ties: Islamist radicalisation and the role of China. In the past decade or so, the number of Maldivians drawn towards terrorist groups like the Islamic State (IS) and Pakistan-

based madrassas and jihadist groups has been increasing. Protestors bearing IS flags are not uncommon on the island. Approximately 200 Maldivian nationals have reportedly been fighting along with the IS. In terms of proportion to population, this number is quite high compared to other South Asian countries, irrespective of whether they are Muslim-majority countries. Political instability and socio-economic uncertainty are the main drivers fuelling the rise of Islamist radicalism in the island nation.

Pakistan-based jihadists groups like Lashkar-e-Taiba (LeT) have used these fault lines to their advantage. The LeT, through its front organisation, Idara Khidmat-e-Khalq, has established a foothold especially in the southern parts of the Maldives in the garb of the post-2004 tsunami relief operations. Events in West Asia, Afghanistan and Pakistan have also influenced Maldivian radicalisation. The youth, who return from their religious studies in certain Pakistani madaris controlled by various jihadist groups and from Saudi Arabian madaris, come back not only with radical ideas, but also with jihadi networks. The madrasa-educated youth are brainwashed to wage jihad in places like Afghanistan, Iraq and Chechnya. The returnees help in the recruitment of Maldivian youth to Islamist militant groups.

India has two worries in this regard: one, the exfiltration of members of Indian terror groups like the Students Islamic Movement of India (SIMI) and the Indian Mujahideen (IM) to the Maldives after their crackdown in India; and two, the possibility of LeT using remote Maldivian islands as a launch pad for terror attacks against India and Indian interests. Overall, India's concern is regarding how radical Islamist forces have been gaining political influence in the neighbourhood.

In the recent past, China's strategic footprint in India's neighbourhood has increased. The Maldives has emerged as an important 'pearl' in China's "String of Pearls" construct in South Asia. Given the Maldives's strategic location in the Indian Ocean, Beijing has been vying for a maritime base in the atoll with the primary motive of ensuring the security of its sea lanes, especially the unhindered flow of critically-needed energy supplies from Africa and West Asia through the Indian Ocean.

Lately, the Chinese have remained among the top visitors to the Maldives. Beijing has evinced a keen interest in developing infrastructure in the Ihavandhoo, Marao and Maarandhoo Islands. During Chinese President Xi Jinping's visit in 2014, the Maldives agreed to become a partner in China's Maritime Silk Route. China has provided grant and loan assistance to the Maldives to build a bridge between the capital and the airport (called the China-Maldives friendship bridge). Chinese companies are involved in airport development and have now been handed islands for resort development.

Therefore, it is not without reasons that the current dispensation in Malé holds the

view that “it will be to the detriment of the Maldives to not engage with China.” Amendments to the Maldivian Constitution in July 2015 allowed foreigners to own land, including investments of over US\$ 1 billion for projects where 70 per cent of the land has been reclaimed. Looking at the parameters, China will be the obvious beneficiary. Chinese nationals now account for the largest tourist arrivals in the islands.

India views the growing Chinese footprint in the Maldives with concern. India’s concern stems from the increasing Chinese strategic presence in the Indian Ocean region. Though the Maldivian government under Yameen has reassured India that the Chinese presence is purely economic, the concern of ‘places turning into bases’ is genuine. From the Indian point of view, because of Chinese largesse to the Maldives, economic leverages have not been working properly. It has become easy for the Maldives to play the China card against India.

Being a small country, the Maldives may tend to use the China card. However, it is well aware of India’s importance in every sphere of its state-of-affairs. This has been proved time and again including in the recent water crisis. For its part, the main challenge to India’s diplomacy is balancing out all these contradictions into harmonious relations.

China

Ambassador (Retd) TCA Rangachari

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“The prospects of the 21st century becoming the Asian century will depend in large measure on what India and China achieve individually and what we do together.”

Prime Minister Narendra Modi, Beijing,
15 May 2015

“Simultaneous re-emergence of India and China as two major powers in the region and the world offers a momentous opportunity for realization of the Asian Century. ... India-China bilateral relations are poised to play a defining role in the 21st Century in Asia and indeed, globally..... The two countries pursuing their respective national developmental goals and security interests must unfold in a mutually supportive manner with both sides showing mutual respect and sensitivity to each other’s concerns, interests and aspirations.”

-India-China Joint Statement,
15 May 2015

Has the relationship lived up to these exalted sentiments?

The first question to ask is whether it is possible to make a worthwhile assessment of India-China relations by looking at this one short phase of a relationship stretching back a millennia and more? Or, should the relationship be viewed as a continuum where the past, present and future are all component parts?

The past will remain ever present in our bilateral dealings given that India and China have inherited a rich historical and cultural legacy. The present is relevant because that is what has to be dealt with; also because in democracies, governments have to gain and retain the support of their peoples whose judgement will be based on real-time consequences and benefits. Ignoring the future is not an option as China and India are both projected to become the second and third largest economies of the world in a conceivable time-frame. The displacement of established powers with

attendant implications for global governance makes it imperative to evolve new arrangements and adjustments.

The broad choice before India and China is 'cooperate or compete'. Cooperation in a constructive spirit would contribute to peace, stability and economic betterment of the region. It will provide an impetus for speedier regional integration. Commonalities in the problems faced by India and China – poverty elimination; ensuring balanced and equitable growth; governance and rule of law; demographics; rural-urban migration; labour flows and employment; environment and climate change – should encourage cooperation. Containment would derail these objectives. It would aggravate bilateral tensions and hostility, and widen the trust deficit that the leaderships in both countries are committed to redressing.

India and China both seem to be engaged in a combination of the two. There exists a clear acceptance of the need for a cooperative approach; the underlying suspicions, however, linger on. How successful both countries are in managing each other will significantly influence the achievement of their respective 'dreams' and influence regional and global stability and developmental goals.

In this backdrop, the past three years have been a part of the continuum to maximise mutual benefit while limiting differences to manageable levels. There have been notable gains even as unresolved problems persist and new ones have emerged.

Multiple mechanisms have facilitated exchanges and dialogue at various levels. In the last three years, new ones have been added covering health, science and technology, vocational education and skill development, and other sectors. Civil society dialogue is being institutionalised. In acknowledgement of its federal polity, new arrangements have been agreed upon for exchanges at the state and city levels. Exposure to the progress made by China might help the state-level leadership overcome ideological or other reservations in formulating and implementing growth-oriented policies. Indian Prime Minister Narendra Modi's initiatives like promoting Yoga have been warmly welcomed and supported.

The biggest gain has been on the economic side. Investments from China have shown a notable increase. On 31 August 2016, Chinese newspaper *Global Times* reported that against US\$ 1.35 billion FDI in India during April 2000-March 2016, investments worth US\$ 2.3 billion were announced in the second quarter of 2016.

Another report on 10 May 2017 noted that an increasing number of Chinese companies are now investing in India covering sectors such as hardware, software, marketing, medicine, e-commerce, manufacturing, insurance and research &

development. In effect, the summit-level decisions of Indian Prime Minister Narendra Modi and Chinese President Xi Jinping are yielding results. The amounts are still much too small to offset India's trade deficit in excess of US\$ 50 billion. It will require much effort on the two sides for investments to leap-frog and the deficit to decline. Nevertheless, this is a welcome development.

Dialogue may have led to greater understanding of each other's viewpoints but problems persist. Some of China's policies and actions – some enduring, some of recent origin – including in India's neighbourhood and the Indian Ocean, remain adverse to India's interests. China's position on India's membership to the Nuclear Suppliers Group (NSG), its stand on the issue of Pakistan-based terrorist outfits and the China Pakistan Economic Corridor (CPEC) under the rubric of Beijing's Belt and Road Initiative (BRI) disregards India's interests and concerns. China's own stated position is opposition to terrorism in all its forms. It has also been a victim of Pakistan-based terrorist groups. For example, China recently expressed "grave concern" to Pakistan over the abduction and killing of two Chinese teachers in Pakistan. In these circumstances, covering up for Pakistan is inexplicable.

Equally inexplicable is the dismissiveness regarding India's position on CPEC given China's own position on sovereignty and territorial integrity. The border issue is not amenable to quick resolution. While the border areas have, by and large, remained peaceful, China needlessly complicated matters by upping the rhetorical ante by notifying, on 14 April 2017, Chinese names for six places in Arunachal Pradesh. The Chinese Foreign Office spokesman said this was "legitimate and appropriate." "These names reflect from another angle that China's territorial claim over South Tibet is supported by clear evidence in terms of history, culture and administration." Would it not, in consequence, be "legitimate and appropriate" for India to review its Tibet policy which was not predicated upon claim being laid to Arunachal Pradesh as "South Tibet?"

China might also view some of India's policies as adverse to its own interests. One recent development relates to China's fears that India is moving too close to the US.

At the multilateral level, there has been cooperation in several different forums, the latest being at the June 2017 Shanghai Cooperation Organization Summit (SCO) in Astana, with India finally becoming a full member of the SCO. Xi then said China wished to "maintain coordination and cooperation on major international and regional issues" with India. India and China are partners in the Brazil Russia India China South Africa (BRICS) Bank, Asian Infrastructure and Investment Bank (AIIB) and other organisations.

Thus, there is a mixed bag. Some positives, some negatives.

If there is a lesson from the past three years, it is that India and China have to work together to accommodate differing, competing, even conflicting, interests in a cooperative arrangement.

ASEAN

Ambassador (Retd) Rajiv Bhatia

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Assessing the state of India's relations with Association of South East Asian Nations (ASEAN) as the Modi government completed three years in office makes sense. But the task is not easy, for the governments are in a mode of self-congratulation. Whereas celebrations of the silver anniversary of the India-ASEAN dialogue partnership (which began in 1992 and culminated in the strategic partnership in 2012) are underway, ASEAN celebrates its own golden anniversary in 2017. Nevertheless, offering a scholarly and objective evaluation is possible, keeping in view the recent history and changing power dynamics in the region.

The Shift

In the last two years of the Look East Policy (LEP), India's approach towards ASEAN looked tired, if not stale. Nothing much of significance seemed to be happening in the relationship then. Some commentators, this author included, wrote at the time about the need for re-orienting the policy and crafting LEP 2.0 or 3.0. In this backdrop, PM Narendra Modi brought a breath of fresh air and a dash of strategic gravitas as he rose at the India-East Asia Summit at Naypyitaw on 13 November 2014 to announce that the LEP had been turned into the Act East Policy (AEP).

Cynics quickly dismissed the shift as merely a change of labels. But perceptive observers noted that the change was consequential. The Modi government sought to extend the canvas of its focus from ASEAN to the whole of East Asia; defence cooperation, maritime security and strategic coordination were added to the previous agenda (largely) of political, economic and cultural cooperation; and the new policy promised increased attention to developing India's Northeast and its linkages with ASEAN countries. Greater emphasis on implementation of promises and strategic boldness on India's part at a time when China's assertiveness was on the rise were also implicit in the AEP.

Successes

As a strong leader with a clear popular mandate, PM Modi made a positive impression at the past three India-ASEAN Summits and East Asia Summits by spearheading the expansion and diversification of India's economic growth and demonstrating his keenness to enhance trade and investment ties with Southeast Asia. The articulation of India's policy and programmes was precise, pointed and powerful. India came through as a country that knew its mind and articulated its stand, without hesitation, on key issues such as the South and East China Seas and regional security architecture.

New Delhi moved to implement its policy at three different levels. At the bilateral level, India's top three leaders – the president, vice president and prime minister – paid visits to nine out of 10 ASEAN member-states. Return visits by VIPs from all ASEAN countries took place. Viewed together, they contributed to the strengthening of mutual cooperation. At the sub-regional level, serious initiatives were launched to rejuvenate Bangladesh India Myanmar Sri Lanka Thailand Economic Corridor (BIMSTEC): the Leaders' Retreat, followed by their Outreach Summit with Brazil Russia India China South Africa (BRICS) leaders on 16 October 2017, and the first-ever meeting of BIMSTEC national security advisers in Delhi in March 2017. The Mekong Ganga Cooperation (MGC) too received pointed attention.

At the ASEAN level, India pushed for new economic cooperation initiatives and also increased financial resources to intensify cooperation in science and technology, energy, environment and other sectors. The extra-ASEAN dimension was strengthened by developing a joint vision for the security-development matrix in the Indo-Pacific region, particularly with the US, Japan and Australia.

Downside

Despite strenuous efforts, the figures of trade and investment flows between India and ASEAN did not bring much comfort. Trade, valued at US\$ 76.53 in 2014-15, declined to US\$ 65.04 in 2015-16. Investment from India to ASEAN and ASEAN to India stood at US\$ 38.67 billion (for 2007-15) and US\$ 49.40 billion (for 2000-16), respectively. While the global slowdown is undoubtedly an explanation, these figures are far from vibrant and indicate systemic challenges that need to be addressed.

Endeavours to conclude negotiations for a balanced Regional Comprehensive Economic Partnership (RCEP) seemed to have been bogged down. Earlier, RCEP was supposed to be ready by end-2016. Negotiations are now set to spill into 2018. The region and India badly need a new economic partnership arrangement that vastly strengthens trade, technology and investment linkages in a mutually beneficial

manner. On connectivity, progress has been made in the fields of space and digital technology. However, physical connectivity continues to lag behind. India's flagship infrastructure projects – Kaladan and the Trilateral Highway – are unlikely to be completed before 2020.

Above all, the strategic environment in East Asia has taken an adverse turn from New Delhi's perspective. This happened during the transition from Obama to Trump. China rejected an unfavourable verdict on the South China Sea delivered by the tribunal of the Permanent Court of Arbitration (PCA), and succeeded in overriding critical reactions. It weakened ASEAN's 'centrality' and increased anxiety levels in the region. Leveraging political change in the Philippines, it succeeded in developing a framework for the Code of Conduct in the South China Sea, with valuable help from Manila (Philippines is the current chair of ASEAN). Further, US-China relations are passing through a happy phase. China-Japan relations too are looking up. On the other hand, India-China ties are frayed. How the India-US equation will shape up will become clearer in the coming months.

Challenges Ahead

Bilateral political relations with most ASEAN countries are in good shape today, but more investment of effort is required to deepen cooperation with Myanmar, Indonesia and the Philippines. Enhanced energy is undoubtedly required not just by the governments but by India Inc and ASEAN Inc to secure the agreed target of trade touching US\$ 100 billion. The long-pending connectivity projects deserve the strongest national effort. The proposed extension of the Trilateral Highway to Vietnam, Laos and Cambodia will gain credibility only when the highway is ready. A time-bound plan to conclude RCEP negotiations expeditiously should be a priority. New programmes announced by the Modi government - US\$ 1 billion-fund for digital connectivity with ASEAN countries and US\$ 100 million-fund for small-scale projects in CLMV countries - must produce concrete results.

As regards the changing geopolitical situation, deep contemplation is needed to recalibrate India's policy priorities and partnerships. A carefully re-designed strategy alone will protect India's national interest, enhance its multi-dimensional relationship with ASEAN, and ensure peace and prosperity in East Asia.

Myanmar

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Bilateral relations between India and Myanmar have historically been uneven and contingent on specific leadership approaches on both sides. Under India's incumbent Prime Minister (PM) Narendra Modi, this complex relationship has seen renewed commitment within the broader agenda of 'Act East' – a timely upgradation of India's post-Cold War tilt towards Southeast Asia and beyond.

Since 2014, New Delhi has made an attempt to proactively reach out to Naypyidaw. The core motivation for this revamped push is to consolidate Myanmar as a strategic bridge between India and Southeast Asia, and as a long-term partner in the Mekong sub-region and Bay of Bengal region. At the same time, this agenda is ostensibly meant to counter China's growing clout in the region.

On the visible front, cooperation between both countries has taken place in three key domains:

- Regional connectivity
- Multi-sectoral investments and development assistance
- Defence and security

Regional Connectivity

The most consistent marker of India's bilateral cooperation with Myanmar has been on the regional connectivity front, entailing a host of infrastructure projects both inside Myanmar and across its dual overland-maritime route with India. The foundational drivers behind this policy are greater connectivity between the two countries, and in turn, stronger trade, production, market, and people-to-people linkages.

To this end, the Modi government has ensured significant continuity from the previous administration. It has issued fresh contracts to complete incomplete projects, proposed a Motor Vehicles Agreement (MVA); planned construction of nine border *haats* (trading points); and advanced plans for a full-spectrum economic corridor. The most prominent cases-in-point are the 3200-km India-Myanmar-Thailand (IMT)

trilateral highway and the Kaladan Multi-Modal Transport Project (KMMTTP), both of which were sanctioned by the previous administrations in New Delhi, but have received boosted attention and expedited timelines only under the Modi government.

As of June 2017, the Sittwe deep sea port – a component of KMMTTP – stands ready to commence operations; and the crucial overland route between the Paletwa inland water terminal – another KMMTTP pivot – and Zorinpuri (Mizoram, India) stands successfully contracted. Extensive repair works on other existing overland routes from Myanmar's hinterland to India's Northeast are also underway.

There has also been renewed interest in two key regional groupings: Bangladesh India Myanmar Sri Lanka Thailand-Economic Corridor (BIMST-EC) and the Bangladesh China India Myanmar-Economic Corridor (BCIM-EC). While India separately hosted the BIMST countries alongside the 2016 BRICS summit in Goa, a Joint Study Group meeting of BCIM-EC countries was hosted in Kolkata this April.

Notwithstanding the above, if pushing back Chinese clout remains a core priority for India, New Delhi must do much more and quickly. China's projects in Myanmar have moved at double the pace of India's, thanks to its ambitious Belt and Road Initiative (BRI). Meanwhile, not only is the KMMTTP incomplete, but the proposed MVA too is still on stand-by. While the construction of the IMT is held back by land acquisition issues, the proposed Special Economic Zone (SEZ) around Sittwe port continues to face acute challenges of local displacement. These issues will require deeper multi-track engagement with Myanmar's government.

Multi-Sectoral Investments and Development Assistance

The Modi government's forward push towards Myanmar features significant elements of continuity on this front. The favourable environment for foreign investment and transparent engagement offered by the Thein Sein and Suu Kyi-led administrations has only facilitated the process.

Since 2014, New Delhi and Naypyidaw have inked several MoUs in sectors like renewable energy, oil and gas, traditional medicine, financial regulation, banking, insurance, power, IT, agriculture, and transport. India plans to import 100,000 tonnes of pulses annually from Myanmar, and build a seed research and development centre in Yezin. In August 2016, it was announced that India would lay a 6900-km gas pipeline from Sittwe to its Northeast via Bangladesh under the 'Hydrocarbon Vision 2030' agenda. This is a concurrent response to China's already-operational pipeline from Kyauk Phyu to Yunnan.

In the development assistance sector, India has extended direct assistance to Myanmar's new civilian government to facilitate the democratic transition, particularly in human resource development, training, and institutional capacity-building. India has also offered humanitarian assistance worth US\$ 1 million to Myanmar towards rehabilitation efforts in the strife-torn Rakhine State. This is in line with New Delhi's diplomatic backing of the Myanmar government's standpoint on the Rohingya issue at the UN.

However, at present, New Delhi's investment and assistance framework remains non-comprehensive and confined to paper. Most of the MoUs are yet to be actualised on the ground, including the Sittwe-Northeast India pipeline. India could do much more on the democratic institution-building front owing to its own rich experience of post-colonial state-building. Parliamentary exchanges could serve well to bring the governments of both countries closer while ensuring a meaningful assistive framework.

Regarding accepting and resettling Rohingya refugees, the Modi government has reportedly planned to round up what it calls 'illegal Rohingya settlers' and deport them. However, this has not happened yet. New Delhi's diplomatic silence on this issue is largely because of its sensitive nature, which, if tinkered with, could damage future prospects of a flourishing bilateral relationship.

Security and Defence

The 'security and defence' component of the India-Myanmar bilateral is driven by two key factors: the volatile 1643 km-long land border; and China's assertive power projection in the sub-region.

While India and Myanmar have had some military-to-military cooperation under the previous administrations, the Modi government has significantly upped the game. Following the June 2015 attack by National Socialist Council of Nagaland-Khaplang (NSCN-K) rebels on an Indian army convoy in the border district of Moreh, Manipur, several high-level dignitaries from both countries have met on a number of occasions – including Myanmar's national security adviser's New Delhi visit in 2017 – to discuss joint counterinsurgency operations and border patrols. However, insofar as dealing with anti-India groups lodged in Myanmar's northwestern Sagaing Division is concerned, the Modi government has furnished little detail in the public domain, save for the unwarranted disclosure of the hot pursuit operation after the June 2015 attacks.

The Modi administration has also offered assistance in modernising Myanmar's armed

forces and stated its desire for greater defence cooperation. This plan has been best demonstrated in the maritime domain, with Naypyidaw slowly but certainly tilting towards India for naval equipment procurement. India was already supplying sonar equipment to Myanmar's navy, and the Modi government recently inked a US\$ 37.9 million-worth lightweight torpedoes deal with the latter. Both India's and Myanmar's navies have visited each other's facilities in the past year. India has accepted proposals for capacity-building and training programmes for its counterparts in Myanmar, including setting up of a meteorological facility. India has also begun supplying arms (light and heavy) and communication equipment to the Tatmadaw, with the stated agenda of securing the sensitive border. How the Tatmadaw ultimately uses much of the hardware supplied by New Delhi is unclear.

Overall, the PM Modi-led administration has significantly upgraded India's outreach to Myanmar across a wide range of sectors. However, the exact dividends India would accrue from this outreach remain unclear. While the current lines of bilateral engagement are a significant improvement from the previous administrations, they are insufficient to ensure long-term viability and consolidation, particularly vis-à-vis countering the rapidly expanding Chinese influence.

While democratisation has opened new avenues for engagement for India, it has also allowed China to move closer to Naypyidaw. New Delhi must pay close attention to the missed opportunities of the past decades and build on them in the future to create a sustainable bilateral engagement.

Japan

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When the transition of leadership was underway in India in 2014, the strategic community in Japan speculated whether the new government in New Delhi would accord the same priority to the New Delhi-Tokyo bilateral relationship as the United Progressive Alliance-II (UPA-II) government had done.

The wariness was a result of a history of 'engagement' and 'estrangement' in India-Japan relations driven mainly by the leadership's personality. The previous Indian Prime Minister (PM), Dr Manmohan Singh, had paid special attention to forging closer India-Japan relations and Tokyo was keen on continuing this momentum in its bilateral relationship with New Delhi. Consequently, Japan invited the new Indian Prime Minister, Narendra Modi, to host his first foreign visit after assuming office. However, Modi chose to first visit Bhutan as part of his "neighbourhood first" policy. Nonetheless, when Modi visited Japan in August 2014, his Japanese counterpart expressed "deep appreciation" for choosing Japan as his "first destination for a bilateral visit outside India's immediate neighbourhood."

The old issues in India-Japan relations - expansion of trade and economic ties; cooperation in the infrastructure sector; development of rail, road and port facilities; and civil nuclear cooperation - dominated the agenda in Modi's week-long visit, and reflected in the joint statement, the 2014 Tokyo Declaration for India-Japan Special Strategic and Global Partnership. The new political dispensation was wise to carry forward the consultations on these issues that were identified during Dr Manmohan Singh's tenure but had not been brought to fruition in terms of actual cooperation. As part of a new agenda, Prime Minister Modi proposed his dream projects, including Clean Ganga Project, and developing new smart cities in India; and Japan agreed to help in implementing these projects. The 2014 Tokyo Declaration was testimony that the new Indian leadership would maintain continuity rather than change the course of bilateral relations with Japan.

During Prime Minister Modi's visit to Japan in 2014, the India-Japan strategic and global partnership was elevated to a "Special Strategic and Global Partnership."

Japan is only the second country after Russia to whom India has accorded this 'special' status. Granting Japan a status at par with India's "time tested," "reliable friend" Russia was perhaps aimed at indicating to Japan that India attaches utmost importance to its relations with the country, and that in the coming decades, Tokyo would remain feature prominently in New Delhi's foreign policy priorities.

New Delhi and Tokyo have effectively used the annual summit meetings between the prime ministers to take stock of developments, to identify roadblocks in implementing bilateral cooperation, and to conclude protracted issues. For instance, negotiations on the India-Japan civil nuclear cooperation began in 2010 but remained inconclusive till November 2016 due to Japan's insistence on a nullification clause in the deal. In 2015, a breakthrough was reached during Japanese Prime Minister Shinzo Abe's India visit; Abe and Modi signed a two line Memorandum of Understanding (MoU) stating that the two countries would conclude the nuclear cooperation agreement after finalising the "technical details." The deal was concluded during Prime Minister Modi's November 2016 visit to Japan, and Tokyo agreed to provide its civil nuclear technology to New Delhi provided India remains committed to its moratorium on nuclear testing. The last political hurdle was crossed when the Japanese Diet approved the India-Japan civil nuclear cooperation agreement on 7 June 2017. However, the implementation of the deal remains a challenge given the financial crisis that hit the US nuclear reactor manufacturer, Westinghouse, in which the Japanese parent company Toshiba has major stakes.

India-Japan cooperation in the infrastructure sector has also been strengthened in the past three years. In 2013, the two countries agreed to begin a joint feasibility study for the high speed railway technology for the Mumbai-Ahmedabad route. After the study concluded in 2015, it was announced that the construction of the bullet train track would begin in 2017 and be completed by 2023. India-Japan cooperation on other various dedicated freight corridors, including the Delhi Mumbai Industrial Corridor, is also continuing.

However, these projects have been delayed indefinitely. Notwithstanding delays in the implementation of these internal projects, which are aimed at improving India's domestic infrastructure, Japan and India have unveiled their plans to build the Asia-Africa Growth Corridor (AAGC). The announcement of this mega project linking the Asian and African continents comes close on the heels of China's Belt and Road Initiative (BRI) and is seen as a counter to the Chinese project.

The tremendous financial investment needed for this project calls for caution on India's part. It would be prudent to first implement the internal mega projects before leaping onto external mega projects like the AAGC.

In 2006, India and Japan had realised that economic ties should be the “bedrock” of their bilateral cooperation, and keeping this in mind, the two countries had signed the Comprehensive Economic Partnership Agreement (CEPA) in 2011 after five years of deliberations. Within a year of its implementation, the CEPA propelled the bilateral trade volume, with bilateral trade figures increasing to US\$18 billion in FY2011-12 from US\$ 13 billion in the previous fiscal year. However, after delivering marginal growth in the subsequent years, it has begun decelerating; and at present bilateral trade hovers at US\$ 13.61 billion. India and Japan must give serious thought to enhance bilateral trade, which is currently below its potential. After all, Japan and India are the second and third largest economies in Asia. On the bright side, India remains one of the most favoured business destinations for many Japanese companies and their presence in India continues to grow.

Overall, during the first three years of the Modi government, the India-Japan relationship has deepened further, including in the areas of technology and infrastructure cooperation. Economic cooperation and trade, as well as people-to-people relations remain the weak links in bilateral relations; and they need special attention. Additionally, agreed but unfinished projects too need special attention. The completion of these projects will set a benchmark and instill confidence among other partners to participate in intercontinental mega projects such as the AAGC.

Korean Peninsula

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From the very beginning of its term in 2014, India's incumbent National Democratic Alliance (NDA) government showed decisive intent towards bringing more dynamism in India's foreign policy. Good examples of this were its policies towards Southeast Asia and East Asia. India renamed the erstwhile Look East Policy (LEP) as Act East Policy (AEP), and also announced that more substance would be added into India's relations with these countries. Apart from more economic and political exchanges, the new policy sought to invoke India's strategic and deep-rooted cultural connections with these countries. It was expected that the Korean peninsula, which comprises North Korea and South Korea, would also receive more attention.

India-South Korea

India-South Korea economic exchanges, cultural and educational connections and political understanding have been spectacular from the early 1990s. For example, bilateral trade between the two countries, which was less than US\$1 billion, reached over US\$20 billion in 2011-12. India and South Korea signed a Comprehensive Economic Partnership Agreement (CEPA) in 2009; and in January 2010, India and South Korea signed a Strategic Partnership Agreement (SPA).

However, the momentum in India-South Korea bilateral relations slowed in the last year of the previous Indian government. After the first two years of implementation, it was alleged that the CEPA was creating hindrances rather than propelling bilateral trade. There were also differences of opinion between New Delhi and Seoul over investment and business issues.

With the NDA government coming to power, it was expected that India and South Korea would be able to overcome these hindrances and invest renewed energy in their relations. Indian Prime Minister (PM) Narendra Modi visited South Korea in May 2015 and expectedly indicated a new and important beginning in bilateral relations. During his one-and-a-half day visit, India and South Korea signed a number of agreements

and MoUs in all possible areas. The two countries agreed to hold annual meetings of their foreign and defence ministers. Cooperation in the fields of defence, defence production, cultural and educational exchanges and various other common concerns were addressed during the visit.

Furthermore, both countries enhanced their SPA to Special Strategic Partnership (SSP) and declared that India's constructive role in resolving the North Korean nuclear and missile issues along with the establishment of a peace regime in the region would be welcomed. India and South Korea also resolved to hold a review process of the CEPA and revise it. South Korea was invited to participate in the Modi government's flagship projects, Make in India and Digital India.

However, subsequent follow-ups have been far from satisfactory. There have been some minor achievements such as the commencement of daily flights between New Delhi and Seoul and clearance to export Indian mangoes to South Korea, but on most of the critical issues, a lot still needs to be done. The inability to bring momentum to bilateral relations is equally attributable to South Korea. For example, while India seeks more Korean investments in India's manufacturing sector, South Korean companies carry out their manufacturing activities via a handful of connections with Indian companies.

Similarly, South Korea is ready to sell LNG tankers to India without sharing its technology and know-how. While South Korea is worried about decreasing bilateral trade, it is unwilling to help with India's trade deficits. However, all this was expected and therefore it was upon the NDA government to bring political will to overcome these problems. It appears that India, under the NDA government, has also not been able to look at the broad and long-term reciprocity and the political leadership has left it to bureaucrats to decide foreign policy via their narrow and mechanical approaches. For example, the review of the CEPA was declared by the Indian PM in May 2015 and even after over two years, the process is far from over. It was reported in early-June 2017 that India is implementing the highest number of trade regulations against South Korea, which does not speak well of this bilateral relationship.

It is also important to note that the NDA government's manifest closeness with Japan and show of little reluctance to be part of an alliance against China make South Korea uncomfortable. Seoul might have a security alliance with Washington but it has strong economic exchanges with Beijing, and would not like to be in a situation where it has to choose between the US and China or Japan and China.

To South Korea's further discomfort, the NDA government has also had some interactions with North Korea. Overall, India-South Korea relations during the NDA

government continue to face hindrances that crept up right at the beginning.

India-North Korea

India-North Korea relations have also been almost static during the first three years of the NDA government. In 2015, North Korea's Foreign Minister Ri Su-yong visited India, and India's Union Minister of State for Home Affairs Kiren Rijiju, after attending a function at the North Korean Embassy in New Delhi, expressed India's intent to maintain good relations with North Korea. In fact, India has had consistent diplomatic relations with North Korea although the relations became cold after the revelations of nuclear and missile technology exchanges between North Korea and Pakistan. Relations strained further with economic sanctions and North Korea's diplomatic isolation by the international community.

Notwithstanding these strains, India continues to provide humanitarian assistance to North Korea and maintains bilateral diplomatic relations. The few extra activities in India-North Korea relations in 2015 may be read as India's intent to explore whether it could play a more active role in the East Asian region via North Korea.

There is also speculation that former US President Barack Obama's administration was in favour of a more active Indian role and that India's actions were prompted by covert US support. However, India withdrew itself after it realised that the cost of flirting with North Korea would be huge and would be premature for New Delhi to venture into this.

Overall, in the past three years of the NDA rule, India's foreign policy towards South Korea has not brought any significant change in their bilateral relations. Similarly there is nothing new to say about India's relations with North Korea.

Although India made good gestures in the first year of the incumbent government's term, follow-ups have been slow or non-existent on most issues. The blame for this stagnation is to be placed not on the diplomats and bureaucrats but on the political leadership of both the countries. It is urgent now for the NDA government to show that the dynamism promised in the AEP is not just loud and empty promises but that they indeed have substance and political will. This will not be achieved by leaders simply congratulating each other over Twitter.

Russia

Ambassador (Retd) PS Raghavan

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The Bharatiya Janata Party (BJP)-led National Democratic Alliance (NDA) government in New Delhi inherited some wrinkles in the traditionally smooth India-Russia strategic partnership.

Russia saw the enhanced nuclear and defence cooperation foreshadowed by the India-US nuclear deal as a re-orientation of India's foreign policy. A slackening of India-Russia cooperation in nuclear energy and defence strengthened this assessment, though it was probably attributable more to an atrophy of government functioning. India's support for a harsh West-sponsored resolution on Syria in the UN Security Council in July 2012 was seen as succumbing to US pressure. Rightly or wrongly, the Russians saw the previous government in India, the United Progressive Alliance-II (UPA-II), as pro-US.

Russia was also unsure about the incoming NDA government. Despite excellent relations during the Atal Behari Vajpayee led-government in the past, it suspected that the BJP did not give priority to the Russia relationship.

The new government immediately sought to address this concern. On the margins of the July 2014 BRICS Summit in Brazil, Indian Prime Minister Narendra Modi confirmed to Russian President Vladimir Putin his government's commitment to expanding India-Russia cooperation. In an interview to CNN's Fareed Zakaria, he refused to criticise Russia's actions in Ukraine.

The December 2014 India-Russia Summit imparted strong momentum to relations. Joint manufacturing in India of Russia's Ka226 helicopters was announced as the first Make in India project in the defence sector. A "strategic vision" of nuclear energy cooperation was adopted, incorporating an ambitious target of over 13000 MW in two decades, with progressive indigenisation and collaboration across the nuclear fuel cycle. The two leaders agreed to exploit synergies in the hydrocarbons sector and strengthen the economic pillar of the partnership.

The Ka226 project has progressed from an inter-governmental agreement to establishment of a joint venture. Innovative mechanisms were evolved for manufacturing naval frigates and major refits of submarines, with technologies to be progressively transferred to India. Long-pending acquisition proposals, as well as new ones – like the S-400 air defence system – were processed expeditiously.

Collaboration on sensitive technologies has gathered momentum. The perennial issues of spares and engineering support for Russian defence platforms are being addressed by transfer of technology (ToT) for component manufacture and maintenance workshops in India. 485 lines have been identified for ToT to support the Su-30MKI aircraft fleet. A high-level Science and Technology Commission will facilitate cooperation in cutting-edge technologies.

Two 1000 MW units of the Kudankulam nuclear power plant are on-stream, two are under construction, and agreements for a further two were signed in June 2017. Equally important is the progress on other tracks: localisation of technologies and the fuel cycle.

Indian hydrocarbons companies invested approximately US\$6 billion in Russia's oil fields in the last two years. A Russian consortium led by oil major Rosneft acquired Essar Oil's refinery and port for an estimated US\$ 13.4 billion – the largest FDI inflow into India. In the first half of 2017, Russia exported over 1 million tons of crude oil to India – over 20 times the annual figure over the past several years.

Enhancing bilateral trade (approximately US\$ 7-8 billion) has been in focus. Discussions on the International North-South transport corridor (INSTC) from India to Russia through Iran have intensified after the loosening of international sanctions against Iran. This could be a game-changer, since the corridor would cut freight and transit time each by about half. A Free Trade Agreement (FTA) with the Eurasian Economic Union (comprising Russia, Kazakhstan, Belarus, Kyrgyzstan and Armenia) is under negotiation. There are other initiatives to reduce the transaction costs of trade, like a customs "green corridor," reconciling phytosanitary standards and arrangements for trade in local currencies.

Tata Power is contemplating an investment in coal in eastern Siberia. A fund of US\$ 1 billion, shared by Russian sovereign fund RDIF and India's National Investment and Infrastructure Fund, has been set up to promote technology and infrastructure investments.

The full economic potential is still to be tapped. Progress has sometimes been slowed by government departments functioning in silos or at cross purposes. Information on

economic opportunities has not percolated to India's corporate sector, which is influenced by unflattering media images of Russia. It is not widely known that only a few countries have imposed sanctions against Russia. Western companies have found channels to circumvent them.

All the same, the achievements in the three years are significant. However, the public narrative is of a dilution of the strategic partnership. This is inspired by assessments of Russian actions in India's neighbourhood.

Russia-Pakistan relations have improved, with arms sales and joint military exercises. Russia has not publicly criticised Pakistan for cross-border terrorism. It has stepped up contacts with the Taliban, indicating deviation from its support for the Afghan government's national unification efforts. Russia's strategic partnership with China, including transfers of advanced military technologies, has caused worry.

These issues are discussed between the foreign ministries, national security advisers and the two leaders. Such discussions are necessarily confidential. Conclusions have to be drawn from official statements and other indications. The bonhomie between Prime Minister Modi and President Putin in St Petersburg after their tête-à-tête of over two hours indicated satisfactory discussions on matters of mutual concern. Prime Minister Modi asserted at their joint press conference that they share the same perspectives on Afghanistan, West Asia and the Asia Pacific. Officials affirm a strategic convergence between the two countries, though tactical approaches are different.

President Putin has recently reiterated Russia's support of the Afghan government's reconciliation efforts. A senior Russian official confirmed in 2016 that no further arms exports to Pakistan are contemplated. Russia recently reiterated its position that India-Pakistan differences should be settled bilaterally as per the Shimla Agreement and the Lahore Declaration.

Russia-China relations are shaped by economic complementarities and China's support in Russia's faceoff with the West. However, Russia is also developing relations with Vietnam and Japan, which have troubled relations with China.

A strategic partnership does not mean identity of views and exclusivity of relations, particularly given India's "multi-aligned" foreign policy and Russia's global activism. The partners need to be sensitive to each other's core political, economic and security concerns.

Russia is India's principal arms supplier, providing about 70 per cent of its requirements. It supplies sensitive technologies, which India cannot get from

anywhere else. Even if India's import diversification and indigenisation proceed apace, its dependence on Russian equipment will continue for decades.

The erstwhile USSR's vetoes in the UN Security Council (UNSC) safeguarded Indian interests in Jammu & Kashmir and the 1971 India-Pakistan war. India may need such political support again until its aspiration of UNSC permanent membership is fulfilled.

There is, therefore, strong strategic, political and economic logic in the Modi government's thrust to consolidate the relationship with Russia, even as it seeks to strengthen relatively newer strategic links. External relations are not a zero-sum game.

West Asia

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Indian Prime Minister (PM) Narendra Modi has invested more personal energy and enthusiasm in the conduct and stewardship of India's external relations than any prime minister since the first decade of Pandit Jawaharlal Nehru's premiership, resulting in India enjoying a significantly higher profile in international relations than at any time since then. Modi has also established an enviable international reputation of being able to develop great personal rapport with foreign leaders even in first meetings. This characteristic has the potential to pay particularly high dividends vis-à-vis leaders of the Gulf Cooperation Council (GCC) countries because their decisions are unchallengeable policy.

Over the past four decades, the eight countries of West Asia's Gulf region, the GCC countries, i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE), and Iraq and Iran, cumulatively became India's preeminent oil and gas suppliers; and together, they also emerged as India's leading trade partner in the past decade. Over 8 million Indians live and work there, and are the largest expatriate community in each of the six GCC countries, sending annual remittances worth US\$ 35-40 billion. Anti-terrorism cooperation and intelligence-sharing have been growing steadily since the 2008 terrorist attacks in Mumbai, and are gratifying. These facts are an enormous vote of confidence in India and Indians given that these are overwhelmingly Muslim countries, conspicuously conscious and proud of their Islamic identity, where internal security is a major concern, now more so than ever before, and with many of them having particularly special relations with Pakistan. No major power has anywhere near the kind of people-to-people socio-cultural compatibility and socio-economic interdependence with this region, particularly with the GCC countries, that India does.

The leaders of all these countries have visited India, some of them several times, since 1997, with Iran's then President Seyyed Mohammad Khatami, and Saudi Arabia's King Abdullah being Chief Guests at India's Republic Day celebrations in 2003 and 2006, respectively. Important ministers have exchanged visits often. Path-breaking and visionary declarations envisaging cooperation in multiple fields have been signed

between India and these countries. Substantive relations with Israel have grown strongly though remaining publicly low profile.

Though there are deep and fundamental differences of opinion on many regional geopolitical issues, leaders on both sides consciously decided to set them aside and build solid bilateral relationships on the basis of mutual advantage and benefit particularly in the economic, energy, and anti-piracy, anti-terrorism and intelligence cooperation domains. India has long had serious reservations about military alliances, military solutions to political disputes, and externally manipulated regime change. This has helped India steer clear of conflicts raging in West Asia, particularly since 2011, even as it successfully evacuated its citizens from war zones. There are no bilaterally contentious issues.

For the aforementioned reasons, India has excellent relationships simultaneously with Israel, Iran, Iraq, Qatar, Palestine, Saudi Arabia and the UAE.

In a nutshell, this was the broad picture of India's relationship with West Asia when Modi assumed office.

As prime minister, Modi has maintained policy continuity and built further upon this strong foundation. There have been two particularly significant developments during the Modi era – one relating to Israel and the other to the UAE.

Given the incumbent Bharatiya Janata Party's (BJP) and his own known closeness to Israel, Modi publicly signalled attaching high priority to India's relations with Israel in West Asia. Modi had a particularly friendly phone conversation with Israel's PM Benjamin Netanyahu 24 hours after the former's assumption of office as prime minister in May 2014. Netanyahu was amongst the select foreign leaders that Modi met in New York during the UN's annual session in September 2014. This is a very vital strategic relationship which will be strongly nurtured.

In August 2015, Modi became only the second Indian prime minister to visit the UAE, 34 years after former Indian PM Indira Gandhi, finally assuaging the UAE's long-standing and fully justified unhappiness: Sheikh Zayed, the ruler of Abu Dhabi, and both ceremonial and executive head of state of the UAE, had visited India in 1975, 1992 and 1997; and Sheikh Mohamed bin Rashid, the ruler of Dubai, visited India in 2007, 2010, and 2011 as prime minister. Modi received unprecedented protocol courtesies from the royal family and the visit was an absolutely outstanding success from every perspective. A singular consequence was that the crown prince, currently the UAE's de facto head of state, has since then visited India twice, first in less than six months in February 2016 and the second as chief guest at India's Republic Day

celebrations in January 2017. Thus, the two leaders have met thrice in less than 18 months. Such frequency is unique in India's bilateral relations. The three joint statements have sketched a comprehensive and visionary road map of strategic cooperation in multiple fields.

Modi's visit to the UAE was followed by successful visits to Saudi Arabia, Iran and Qatar. Oman's foreign minister was the first foreign dignitary to visit India after the Modi government was sworn in. Oman has been India's most consistent friend and supporter amongst Arab countries. Modi is likely to visit Oman when an agreement of very considerable strategic significance could be signed. Turkey has become a particularly proactive player in West Asia and Modi has made a deliberate effort to engage with Turkey; and Turkey's President Recep Tayyip Erdoğan visited India in May this year.

However, a dark cloud deserves priority attention. Many months have passed since the UAE agreed to make a US\$ 75 billion investment in India in the August 2015 Joint Statement, the largest and most explicit commitment made by any country to India, but to the UAE's deep disappointment, no agreement on its utilisation has been signed. India has not been able to come up with a single viable project even as the more than a decade-long legacy issue of the UAE's past investment in India remain unresolved. Farzad B, Chabahar and associated industrial projects, the International North South Transport Corridor, etc are other telling examples. This is due to a long continuing and abject failure to implement agreements made with foreign countries.

One would have thought that with Modi's action-and-results oriented persona, unchallengeable and strong leadership of his party, cabinet and government, a parliamentary majority, and strong public support - all luxuries that most previous governments did not enjoy - a conscious and comprehensive effort would have been made to address long-standing critical systemic external relations-related governance deficiencies and weaknesses; but nothing meaningful appears to have been done.

Unless such lacunae are addressed on a war footing, there is a real risk of Qatar, Saudi Arabia and the UAE, sitting on mountains of investible funds and keen to invest in India, losing interest at a time when the gap between their geopolitical policies and India's approach is widening with the distinct potential to weaken India's most beneficial international relationships.

European Union

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Prospects of relations between India and the European Union (EU) and the rest of the continent should be assessed keeping in mind the shifting geopolitical equations; the state of EU; the challenges it is facing; and the new world order likely to emerge and replace the departing world order. Here, it will be useful to also look at what has been attempted and achieved since 2014.

In 2014, a new government with a comfortable parliamentary majority led by Prime Minister (PM) Narendra Modi took charge in India. In March 2016, PM Modi visited Brussels and attended the 13th India-EU Summit. The Summit should have been held in 2014 as India and the EU had earlier agreed to summit-level meetings once every two years. The previous summit had been held in 2012 but a few issues – including the case of two Italian marines held in India after they shot dead two Indian fishermen – delayed the next summit. Italy had taken an unreasonable stand in the matter arguing that it alone had jurisdiction as the tanker *Enrica Lexie* was flying the Italian flag. Italy's position was not sustainable as the fishing boat was as much protected by the United Nations Convention on the Law of the Sea (UNCLOS) as the tanker. The EU lent support to Italy – albeit it had no case – out of a sense of EU solidarity by delaying the summit.

The 13th Summit resulted in the EU-India Agenda for Action 2020, which provides for cooperation on a variety of issues such as clean energy, climate partnership, water partnership, migration, mobility, and counter-terrorism. The Agenda for Action is ambitious and it is for the two partners to work together to meet the commonly agreed targets.

India wanted the EU's endorsement of the Comprehensive Convention on International Terrorism (CCIT) first proposed by India at the UN General Assembly in 1996. Though Brussels had suffered a major terrorist attack in March 2016 resulting in the deaths of 32 innocent civilians, the EU was unable to endorse India's CCIT.

Another matter which did not see much progress is the Bilateral Trade and Investment Agreement (BTIA), negotiations for which began in 2006. An agreement is yet to be

reached over some issues including services, data security, visa facilitation, market access to some goods, geographical indications, and Intellectual Property Rights (IPR) relating to pharmaceutical products. Another summit is due later this year in New Delhi.

Even without the BTIA, India-EU trade has grown appreciably with the EU being India's top trade partner, with trade between the two accounting for 13.5 per cent of India's global trade in 2015-16. The value of India's exports rose from € 22.6 billion in 2006 to € 39.3 billion in 2016. India's imports jumped from € 24.2 billion to € 37.8 billion during the same period.

While examining the prospects of India-Europe cooperation, one must start with a clarification. The words "European Union" represent more an aspiration than a reality. Europe's population is 740 million (as of 2016), but the EU only has a population of 510 million. If and when the UK leaves the EU, the latter's population will drop by 65 million. The short point is that India should concentrate on its bilateral relations with the member-states on all matters other than trade and investment for reasons explained below. In fact, India has intensified its relations bilaterally with key countries and this trend will continue.

At present the EU is facing a few serious problems. Brexit, if it happens, will hurt both the UK and EU. The EU's plans for the Common Security and Foreign Policy (CSFP) is yet to take off and its prospects for success will be seriously affected by Brexit. The EU has failed to arrive at a common policy on refugees coming from Syria and elsewhere. Its agreement with Turkey on refugees is in danger of unravelling.

Though election results in the Netherlands and France have shown that anti-EU political parties have not done well, the fact remains that there is a general trend to look at the EU with a degree of disenchantment and the popular dissatisfaction with the Brussels bureaucracy shows no sign of decreasing.

Geopolitical equations are being rewritten. As German Chancellor Angela Merkel said after the 2017 G20 meeting in Hamburg, the EU can no longer depend on the US. There is now a move away from a world where the US played a leading role since the end of World War II. After Donald Trump took office as the president of the US, there has been a radical change in Washington's policy. With his policy or slogan of "America First," Trump has withdrawn from the historic 2015 Paris Accord on Climate Change which the previous US President Barack Obama had taken the lead in getting adopted. Trump has walked out of the Trans Pacific Partnership (TPP) and has raised questions about North American Free Trade Agreement (NAFTA). He has questioned the advantage of free trade and globalisation.

The key question is as to what extent the EU or its major member-states and India can work together in shaping the emerging new world order. Both India and the EU want the new order to be based on values they share. But it is unclear whether the EU is able and willing to adopt an independent foreign policy, primarily a policy independent of US policy. It is not being suggested that the EU should begin taking a line opposed to Washington. The fact of the matter is that till now Washington influenced EU policy and the EU hardly influenced US policy. What is required for the EU, if it is serious about the CSDP, is to be less dependent on the US. While it is almost impossible to work with the US on a basis of equality, there is some scope for making it less unequal. India realised early enough that the CSDP's chances of taking off are rather bleak and hence chose the bilateral route, especially with Germany and France.

There are some areas where the EU has made and can make significant contributions. One area of importance is peace-keeping and peace-building. The EU tried to mediate in Egypt to prevent the 2013 Rabaa massacre in Cairo after the military coup against the first democratically elected president in Egypt's history. The EU's High Representative, Catherine Ashton, worked hard and succeeded in drawing out an agreement. If Egypt's military had accepted it, the massacre could have been avoided. What is sad is that though the EU had every reason to be proud of the mediation effort, there is no mention of it in the 2013 annual report, possibly because the EU was keen to cultivate the new regime in Cairo.

The EU has the right credentials to be a trusted mediator and can do more in this sphere. Both India and the EU should consider the potential for working together in this regard. Africa is another area for India and the EU to collaborate. Piloted by Chancellor Merkel, the G20 Summit in Hamburg has endorsed an ambitious plan for Africa's progress. India, with its historic connections with Africa can be a valuable partner for Germany.

Vis-à-vis trade and investment, there has been no movement since 2014, partly because of the obstacles placed by Italy as mentioned above and also because of the EU's unwillingness to offer to India terms that take into account the needs of India's economy. With regard to London, the strong bilateral ties of history have made it possible for the two to have a conversation that started in 1947. However, on political matters, including terrorism, Brussels does not have much to offer and New Delhi needs to talk to EU capitals such as Berlin and Paris. Overall, India has recognised the limitations in dealing with the EU as a partner in matters beyond trade, investment, and related matters.



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