South Asian Journal of Diplomacy
2017

K.P.S.MENON CHAIR FOR DIPLOMATIC STUDIES

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India: The In-Between Great Power

Immanuel Wallerstein

I have the impression that, of all the "great powers" in the contemporary world-system, however one defines "great power," India is the one that receives the least attention. I admit that this has been true of me, but it is true as well of the majority of geopolitical analysts.

Why should this be? India after all is rapidly approaching the point where it will have the world's largest population. It is respectably high on most measures of economic strength and improving all the time. It is a nuclear power and has one of the world's largest armed forces. It is a member of the G20 which is the imprimatur of being a great power. However, it is not a member of the G7, which is a far more restricted group and a far more important one.

It is one of the five countries known as the BRICS – Brazil, Russia, India, China, and South Africa. But the BRICS, the rising force of "emerging" economies at the beginning of the new century, has now slipped in geopolitical significance, as their economies, with the exception of China, have suddenly weakened radically since the post-2008 decline in the world-economy. They are officially a member, with China and Russia but also with Pakistan, of the Shanghai Cooperation Organisation, but this structure has never seemed to become a major force in world politics.

India's governments, whichever party has been in power, have spent much energy seeking a larger role in the world-system. In particular, they have sought to obtain support from other powers in India's long-standing dispute with Pakistan over Kashmir. They have never seemed to achieve this goal.

In the days of the cold war, India was officially neutral and de facto closer to Russia. Since the collapse of the Soviet Union, India has tried to improve its relations with the United States. But what it gained in terms of U.S. support, it lost in terms of Chinese policy. China has had serious armed conflicts with India over territory, and is angry about India's hospitality to the Dalai Lama.

India has been a rare country in Asia to have a functioning parliamentary system, with shifts in electoral strength between the Congress Party (heir of the independence movement) and the Bharatiya Janata Party (a rightwing Hindu nationalist movement). This fact receives regular plaudits from analysts and political leaders in the pan-European countries, but doesn't seem to have meant that they support India's demands for greater recognition to any important degree.

One question one should ask is, "who really needs India?" The United States, especially since Donald Trump has come to power, wants India to buy more from it without however investing too much in return. Indeed, at the moment, the return of Indian internet technology personnel to India from the United States (and other western countries) is threatening the United States with significant loss of employment in one of the few sectors where the United States has been doing well up to now.

Does China need India? Of course, China wants the backing of India in any of its quarrels with the United States, but India is a rival for the support of countries in southeast Asia, not a partner in their development. Russia and Iran could use Indian support on Middle East issues, but India is hesitant to give too much support, even when they basically agree on questions concerning say Afghanistan, for fear of offending the United States. Southeast Asian nations believe that coming to terms with China will pay off more than coming to terms with India.

The problem, clearly, is that India is an "in-between" state. It is strong enough to be taken into account by others. But it is not strong enough to play a decisive role. So, as the other powers constantly juggle their priorities, India seems fated to be one that reacts to their initiatives, rather than one to which others react to Indian initiatives.

Will this change over the next decade? In the chaotic geopolitics of the present state of the world-system, anything is possible. But it does not seem too likely.

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Washington and Brussels: Running in Reverse

James Petras

Washington and Brussels' response to foreign affairs challenges, as they face their own political and economic disasters and decline, has been to impose economic sanctions, boycotts and issue increasingly reckless military threats against rival nations. The ruling and main opposition parties in the US and EU have taken over the major media, turning 'news programs' into propaganda campaigns promoting violent power grabs ('regime change') and self-defeating trade wars.

Washington's belligerency amounts to merely pounding on empty oil drums on behalf of the US oil giants. Overt hostility prepares for trade wars, military confrontations and possible regional conflagrations . . . where the US and EU will likely face even greater defeats. Economic warfare is designed to impoverish nations and create a pretext for sowing internal discord and sabotage, especially through buying political candidates, organizing street mobs and recruiting military vassals. Washington, hampered by its current internal divisions, is stumbling backwards and forwards towards major catastrophes. The oligarchs in Brussels face complex internal splits and even open rebellion, especially from the EU's new members.

The referendum around 'Brexit' revealed a popular rebellion against decades of deepening class inequalities and the blatant financial power grab by the speculator-banker elite. Central and Eastern European authoritarians are challenging the Brussels oligarchy. Powerful national bosses in Poland, Hungary and Slovakia have embraced Israel's thuggish Prime Minister Netanyahu in a common move to weaken Brussels. The break-up of internal cohesion in Washington and Brussels has led to more frantic efforts to externalize their problems, through warfare, in order to retain state power – a kind of 'building capitalism for a few countries'.

In summary, the on-going break-up of the US-EU bloc has led to increasing reliance on economic warfare, with sanctions, boycotts and tariff walls to confront international trade competitors and regional rivals.Washington and Brussels have targeted four major countries: Russia, China, Iran and Venezuela. The build-up for

waging economic warfare includes daily hysterical demonization of these nations in the mass media, accompanied by the recruitment of regional clients, in order to buttress economic sanctions. The campaign of economic and ideological warfare is designed to provoke internal political divisions in the targeted country in the lead-up to a violent seizure of political power.

Russia: Economic Sanctions and Peripheral Wars

Washington and the European Union have pursued a two-pronged strategy against Russia: On the one hand, they have encircled Russia with NATO and US bases, ships, missile installation, cyberwar centers and communications/spy outposts and troop exercises from the Baltics to Ukraine, Georgia and beyond. On the other hand, they slapped draconian trade sanctions on Russian import and export of military and civilian technology, energy and mining companies, machine goods, agriculture and other commodities, as well as sanctioning individuals, their family members and confiscating Russian property. The openly stated strategic goal is to create such chaos and deprivation that the Russian people will violently overthrow the Putin presidency and restore Russia to vassal status. With a new pliable set of puppet oligarchs in the Kremlin, the West would resume pillaging the country's resources and wealth, as it did so brazenly during the 1990's.

The sanctions and military threats have so far boomeranged back onto the West, with the possible exception of the US-EU organized coup in the Ukraine. Economic sanctions have convinced the Russian government and people to redirect their resources to reindustrialize and diversify the economy, substituting local production and increasing agricultural self-sufficiency: In other words, expanding and stabilizing the internal market.

Furthermore, Russia increased its trade and strategic linkages to China and Iran, while retaliating against the EU by cutting off agricultural imports from Poland and Georgia, thereby punishing those farm export sectors. The US-NATO effort to encircle Russia boomeranged: Moscow incorporated the ethnic Russian-majority Crimea (with its strategic Black Sea naval bases) back into Russia via a well organized popular referendum and expanded its military bases and strategic cooperation with the government of Syria, leading to Damascus victory over the terrorist Wahhabi mercenaries. The EU's own energy companies, especially in Germany and Italy, where millions are dependent on cheap Russian oil and gas imports, have repeatedly violated the US-imposed sanction.   The brutal power grab in Ukraine brought a weak, decadent oligarch-regime to power, surviving on Western handouts. The putsch-regime in Kiev oversees an increasingly fractured nation – the new face of 'Western Democracy'.

The resort to weird propaganda ploys, accusing Vladimir Putin of 'rigging' the US Presidential elections, has paralyzed US domestic policy, turning Washington into an insane asylum of continental dimensions. Major domestic crises, like the opioid addiction epidemic, which has killed over 500,000 Americans since 1999, go unaddressed, as the politicians and media froth at the mouth in a display of synchronized Russophobia.

US and EU Sanctions and China: Biting the Hand that Feeds

Washington and the EU have repeatedly threatened to impose sanctions on China's manufacturing exports and retaliate harshly for Beijing's state policy of financial controls.

Under Obama and Trump, Washington installed anti-missile radar systems in South Korea, clearly aimed at China. The Pentagon sent a naval armada to harass Chinese vessels in the South China Sea. They sold a billion dollars worth of offensive military hardware to the government in Taiwan, while backing separatists in Hong Kong and Tibet, as well as the violent jihadis in western China. US planes have flown over Chinese military airbases and port installations on the islands claimed by China in the South China Sea. Currently, Washington is threatening to invade North Korea, one of China's trading partners.

Economic sanctions and saber rattling notwithstanding, China continues to advance with giant steps: expanding its economic links through its global investment agreements with sixty countries. It has successfully launched the multi-hundred-billion dollar 'Silk Road

Economic Belt and Maritime Silk Road' project of railways, roads, ports and other vital infrastructure linking China with its markets in Southeast and Central Asia through to the Middle East, Russia, Europe and beyond. This massive project is currently transforming entire regions and creating millions of jobs and thousands of markets.

Despite Obama and Trumps' threats, hundreds of US and EU multi-nationals, especially auto manufacturers, are anxious to increase their investments in China and sign lucrative new joint ventures. Chinese multi-nationals continue to invest and buy firms in the US, EU, South America and Oceania. Chinese imports of the most advanced technology have strengthened its links with Silicon Valley and Germany.

In contrast, the US trade deficits with China are more a result of the parasitic financialization of the US economy, than any lack of Chinese reciprocity.

Faced with US military encirclement, China has doubled its military spending in recent years, building its first-ever overseas base in Africa, while strengthening

its military co-operation with Russia – including massive joint exercises. In a word, the blowback of this sanction mania has mainly damaged US and EU import-export companies and investors while marginalizing UE-EU capitalists from participating in China's enormous global infrastructure projects and the emerging regional markets. While the newly elected government in South Korea has made tentative moves toward de-escalating tensions with the North, attempting to freeze the US THAAD-missile program aimed at China and installed unilaterally while South Korea was undergoing a major constitutional crisis, and mend economic fences with China, the US (with the California coast over 5800 miles to the east) is fomenting war on the peninsula. With China's estimated annual growth of 6.7% for 2017 (compared to 2% in the US), it is clear that policy of sanctions and military encirclement is failing.

US-EU Sanctions and Iran

The US is openly violating its nuclear agreement with Iran by imposing new economic sanctions despite the absence of any evidence that Iran has been un-cooperative. The US threatened US, EU and Chinese oil and banking interests, and pushed policies promoted by the militaristic Israel Firsters who dictate Washington's Middle East policy. The US has joined with Israel and Saudi Arabia in labeling Iran and its allies in Syria, Lebanon and Palestine as 'terrorists'.

The sanctions policy has not worked: Iran continues to sign oil exploration and export agreements with the Chinese, EU and Russian oil companies. It is increasing trade with China and plays a major role in OPEC. Aggressive Israeli and US-Zionist threats have pushed Iran to expand its long and middle range (non-nuclear) missile program while strengthening its military alliance with Russia and Syria. Iran's humanitarian aid for Yemen, working to assist millions of Yemenis faced with mass starvation and a horrific cholera epidemic deliberately caused by Saudi Arabia with US and Israeli complicity, has won worldwide admiration and exposed the barbaric nature of the Saudi monarchy throughout the Muslim world. US violations of its agreements have strengthened Iranian nationalists and weakened pro-Western, neo-liberal currents. No 'color revolution' to install a Persian puppet is possible under the daily threat of attack from the US, Israel and Saudi Arabia.

In sum, Iran has more than overcome US sanctions by forging new alliances while reducing US influence regionally and domestically. Iran's support for Syria has undercut Saudi-US-Israeli backed Wahhabi-terrorists-mercenaries and strengthened the cause of secular, non-sectarian Arab nationalism. Washington's hardline anti-Iranian policies have backfired. Iran has diversified its economic ties and strengthened its military defenses. Meanwhile the US remains isolated and

subject to the dictates of the Jewish state and its hysterical incompetent agents in Washington.

US and Sanctions on Syria

While US and EU sanctions and proxy-military interventions have devastated Syria with the murder of hundreds of thousands Syrians and the displacement of millions of refugees, it clearly failed to achieve its stated strategic goal – 'regime change' and the imposition of a client government in Damascus. Indeed, millions of uprooted, desperate Syrians have fled to the EU, creating a massive refugee and security problem.

Terrorists, including thousands of EU and US citizens, were recruited and trained by the security forces of the EU-US to overthrow the Syrian government. They have been driven from Syria and are increasingly turning their deadly skills against targets in Western Europe. Syrian defense ties with Russia have consolidated the long-term Russian presence in the Middle East and strengthened strategic ties with Iran and the powerful Hezbollah Party (Lebanon's ruling coalition partner).

The miserable defeat and retreat of the US bankrolled Wahhabi terrorists convinced President Trump to cut-off military, financial and training support for such a 'lost cause' and seek a viable joint US-Russian sponsored cease-fire agreement in southern Syria. US sanctions inflicted a murderous burden on the Syrian people and society but left the government in Damascus intact. After spending scores of billions of dollars equipping and training ISIS and Al Queda mercenaries, the proxy military intervention has not resulted in its stated goal of regime change – it has extended and expanded Syria's alliances with Russia, Iran and Lebanon, and exposed the brutal incompetence of US-EU-Saudi-Israeli Middle East policy.

EU and US intervention ruined Syria but failed to rule the targeted nation. Paradoxically, it inflamed tensions with the Turkish government and military by choosing to back the Kurdish secessionist militias on its borders. It intensified domestic anti-immigrant and rightist movements in the EU and US, threatening their own 'clubby' governing coalitions. In the end, military intervention and economic sanctions provoked global nuclear tensions without securing any of the stated strategic goals in the Middle East.

Sanctions and Intervention: Venezuela

For the past 15 years, the US, with support from the EU, has waged covert and overt political and military campaigns to overthrow the Chavista government. Prior to the collapse of the global oil price, this was met with little success. Now, the fall of regional allies, the rise of rightist regimes and the economic vulnerabilities of the

Venezuelan mono-economy are threatening the government in Caracas. In 2002, Washington and the EU backed a failed military-business coup. This was followed by a failed bosses oil lockout in 2003. Washington then supported a failed electoral boycott in 2005 and backed a series of unsuccessful presidential candidates and opposition congressional parties – until 2015.

Meanwhile, US has backed cross-border attacks by Colombian gangster-paramilitary groups against Venezuelan towns and land reform settlements. Its 'Democracy' NGO's have promoted the terrorist sabotage of oil fields, power plants and public transport systems, as well as clinics and police stations. Repeatedly, the Chavista forces successfully defeated US-backed terrorist sabotage and referendums. However, the oil price crash over the last three years has changed the socio-economic correlation of forces. Declining income from its oil exports have cut Venezuela's imports of vital food, medicine and manufactured goods.

The US escalated its special operations, providing financing and training via self-styled 'non-governmental organizations' (NGOs) to opposition parties and violent 'pro-democracy' gangs.

The private retail, banking and transport sectors have paralyzed production and consumption through artificial shortages (hoarding), black market activity, speculation and massive overseas transfers of foreign currency. Unlike other successful governments targeted by the US and EU with sanctions and sabotage, Venezuela has remained incapable of substituting production and diversifying its economy. It did not clamp down on hostile NGO groups, nor did it effectively confront violent street protests and capture the terrorists who attacked and assassinated police and military officials, government workers and civilian supporters of the Chavista government. As the crisis deepened, the US and EU mass media repeatedly called for a military coup or 'regime change' backed by 'strong international (sic) efforts', thinly coded language for a US-led invasion in collaboration with the far right regimes of Colombia, Brazil and Argentina.

US-funded street thugs have intimidated bus company owners, small business people, and professionals - and especially targeted public employees who lived in neighborhood with a strong opposition presence, forcing them to close businesses or flee.

Economic sanctions have escalated with open US government threats to seize Venezuelan refineries located in the US (CITGO) and freeze its overseas assets.

CIA and Pentagon operatives have attempted to penetrate the military to 'turn them' against the constitutionally legitimate government through bribes and threats against their families.

The prospects of civil war is reaching a crescendo in late July 2017, as the government fought back convoking and winning free elections for a constituent

assembly to elect representatives, based on class and community interests, to counter the US-business-controlled Congress, which has been at war with the Presidency. The US and its local and overseas collaborators threaten a total blockade with the seizure of overseas assets leading to a possible civil war and invasion. Any US-backed war in Venezuela will bring the most retrograde racist oligarchs to power and will result in mass slaughter of the poor and lower middle classes who had benefited from the Chavista social programs, the assassination of their leaders, teachers, intellectuals, artists and activists, the destruction of the economy and wide-spread hunger and disease, in other words, a nightmarish 'Libyan solution on the Caribbean'. The US may turn back social democracy, but Venezuelan revolutionaries will fight on for their very lives.

Conclusion

The US and the EU have launched major economic and military attacks against Russia, China, Iran and Venezuela. With the exception of Venezuela, imperialist aggression has been defeated and overcome, and the three have registered substantial strategic gains. Sanctions have boomeranged on their imperialist authors and led to new partnerships and alliances, the diversification of these dynamic economies and stronger defense systems.

The US has taxed and spent well beyond the capacity of its own future generations and yet has lost on the key battlegrounds in Asia and the Middle East. China's monumental Eurasian infrastructure program stands in stark contrast to the spectacle of lonely US battleships circling rock piles in the South China Sea and US fighter jet parked on isolated airfields of northern Australia. We can pity poor schizophrenic Australia, whose chief trade partner is China, kowtowing to the militarists in Washington while hoping Beijing will look the other way.

The US Congress imposed additional economic sanctions against Russia to drive a wedge between the US and the EU (Germany) as Putin's economic recovery takes off and the vast Russian market attracts Berlin's industrialists.

The Zionist-dictated Congressional sanctions against Iran may satisfy Israel's appetites for another US-Middle East war (to be fought with more American blood and treasure), but the US military command and the vast majority of US citizens are staunchly against another quagmire. It should be crystal clear to any rational observer: Sanctions do not work against powerful global powers with diversified economies, strong leaders, world markets, resources and skilled workers. Military threats of aggression are turned away by developing defensive strength, including nuclear weapons and intercontinental missiles. However the US policy-making elite, especially in the Democratic Party, is anything but rational. Iran has formidable regional allies and its battle-hardened armed forces possess medium

range missiles capable of striking US regional allies, especially Israel and Saudi Arabia and US bases in the Gulf.

None of these three regional or global powers are susceptible to internal subversions via 'color revolutions', NGO sabotage, mass media propaganda or thug-led street violence.

Only Venezuela is vulnerable because the Chavista government did not take the opportunity to diversify its oil dependent economy when oil prices were at a historic high. Furthermore, it tolerated the activities of US funded NGO, which worked with violent coup-fomenting 'political' parties and gangs. It kept its reserves and assets within the US and failed to take control of the commanding heights of its national banking system. Despite its mass popular support, the Chavista government allowed the entry of corrupt opportunists into the government and saw the rise of a new class of capitalist speculators diverting oil profits to overseas private accounts. In summary, US sanctions and military threats can be defeated and converted into victories. Vulnerability, when recognized, can be converted into strength, provided the political leadership has the vision, capacity, resources and strategy to do so.

(c) James Petras

Chinese Crisis and the Art of Slow Riding an Economy

K.N. Harilal

After an unbelievably long period of hectic growth the Chinese economy has begun to slow down. While the high growth phase was characterised by remarkable stability, the phase of slower growth, if the present crisis is any indication, is likely to be more turbulent. Slow riding an economy is much more difficult a task than managing it when the going is good. The slower the pace higher the risks of gravitation toppling the apple cart. The big question therefore is whether the Chinese have done the homework for slow riding the economy.

There is nothing unexpected about the Chinese slow down; it was long expected. In fact, what was unbelievable, and unprecedented, was the prolongation of the high growth phase. It went on and on for nearly thirty years, that too at a frantic pace hovering around ten percent per annum, defying predictions of downturn and at the same time lifting millions of people out of poverty and backwardness. A remarkable feat unheard in the economic history of the world indeed! Now, after having such a dream run of luck the Chinese cannot complain they didn't have time to prepare for a slower growth regime. Consider also that they are not of the type who would leave their future to be decided by either destiny or the ebbs and flow of markets. I am sure that China would have drawn not only a plan A, but plan B and more, for alternative scenarios of slower growth and concomitant uncertainties. China understandably is unlikely to be very open regarding their reading of the future, leave alone their plans to negotiate it. But, what they have done in the immediate past, especially when confronted by major developments in the market, if put together should give us an idea about the underlying Chinese strategy.

On the basis of whatever had happened in the recent crisis it is difficult to believe the Chinese are caught unawares. On the contrary, there are reasons to believe that things happened more or less the way they are anticipated. China had all the time in the world to open Yuan to a market based system of exchange rate determination. Why should a country that resisted for so long all the temptations of so called sound economic parameters, and tons of international advice, if not

pressure, choose to open up its currency at this time of crisis knowing well that market responses could be quite sharp. The negativities in the world scenario as most observers expected should have made them more averse to an open exchange rate system. The decision to free the currency market and allow Yuan to depreciate is not a kneejerk response; it is best seen as a part of a major policy departure specially designed to suit the global slowdown and beyond.

China, as the world knows too well, is a phenomenally big saver and accumulator. It saves and accumulates nearly half of its Gross Domestic Product. Obviously, the ever growing stream of output emanating from the constantly accumulated stock of capital cannot be absorbed by the domestic market. The accumulation machinery in China is dependent on and oriented towards the world market. But, world production as well as trade had slowed down considerably in the recent past and the slow growth syndrome by all probability is likely to continue for some time. In order to maintain the growth momentum, China should, therefore, try to continuously increase its share of the world market. It should do so mainly in the area of its proven comparative advantage; trade in goods, especially manufactured products. In the world of trade in manufactures, China is known to have succeeded in moving up the value chains from low to high value added nodes, besides moving on to new and upcoming product lines. Nonetheless, China's stakes are quite high even now at the lower nodes of the value chains, where understandably cost/price competition is quite intense.

Needless to say, the opening up of the currency market and depreciation of Yuan would be of immense help for China in weathering heightening competition for market shares at least in the short run. It is particularly important when considered against the real appreciation of the Chinese currency vis-a-vis its competitors over the past several years. This dimension of competition is clear from the response of countries such as India which cautioned against possible breakout of competitive devaluation. Interestingly, China cannot be accused this time of purposeful undervaluation because the fall in Yuan happened under the cover of a market driven system. All the same, it will be foolhardy for China to expect that her competitors would allow Yuan to depreciate much in relation to their currencies. This is true even of developed countries including the United States. The latest decision of the US FED not to go for the much awaited interest rate hike proves the point. If the FED rates are raised the consequent appreciation of dollar it is feared would adversely affect the US recovery. The big story therefore is not depreciation of Yuan but its strength and likely long run stability, the guarantee for which is nothing other than China's strength in the world market place for manufactured goods. China's competitors will act as a bulwark against a free fall of Yuan. China's plan for future therefore is unlikely to be based on a weak and depreciating national

currency, prone to speculative attacks, but a strong and stable Yuan. This I believe is the most likely scenario also for the reason that in comparison to many other emerging economies China's exposure to Foreign Institutional Investors (FII) is less. It is clear that in China's plans for the future Yuan will be one of the key reserve currencies of the world. In other words, what we see is implementation of a nuanced plan for the internationalisation of Yuan.

A country with a strong and stable currency seeking the status of a reserve currency will have to pay its price too. As already noted China should be ready to be replaced by developing country competitors in low end manufactures where battles for market shares are won and lost over fights to cut cost of production and prices. As recent history of China itself shows exchange rate policy play a major role in such market conditions. But, undervaluation of the currency cannot be a reputable strategy for a country that wishes to play a bigger role in the global scenario. China can try to compensate for the loss in low end manufactures by moving onto knowledge intensive, high technology and high value added goods as well as services. That China is moving according to such a plan is clear from the changing composition of her trade. But, China's effort to redefine her role in the international division of labour is unlikely to be smooth or brisk. If this project is to succeed Chinese producers will have to take on multinational corporations from industrialised countries, in niche markets, very often protected by 'standards' as well as intellectual property rights. Another important reason to suspect slower progress is the conspicuously slow growth of major markets in developed and developing countries.

Yet another difficulty they face in the world market place is the proliferation of Preferential Trading Arrangements (PTAs) in different parts of the world, especially among industrialised countries, that do not include China. The Chinese strategy in this regard is to enter into as many PTAs as possible. But, a more important counter perhaps is the massive infrastructure development programmes that they have launched to open up hitherto forbidden or remote markets. This mega infrastructure cum market development programmes (Silk Road Project) will provide not only markets but also much needed investment opportunities for Chinese capital, which like capital everywhere in the aftermath of the global crisis, is looking for profitable investment opportunities. The infrastructure programmes are an indicator of a shift in the Chinese policy for another reason as well. In the past China used to invest its surplus foreign exchange earnings in western assets, in spite of very low return. These projects and the multilateral lending Institutions such as Asian Infrastructure Investment Bank (AIIB), and the BRICS Bank initiated by China would help them have a more balanced and diversified portfolio. Further, the relative stability of their economy and the currency, the Chinese policy makers

must be thinking, would enable them attract investors from other nations as well to such mega infrastructure programmes. Instead of putting their money in western assets, that too at very low rates of return, China is now preparing to use their surplus for what may be referred to China centric mega projects. If everything goes well many central banks and such other agencies would also venture to keep a part of their reserves in the Chinese currency.

Chinese planners do not appear to have big illusions about the growth of the world market. They have been making efforts to generate more domestic demand. The massive counter cyclical stimulus package introduced in the wake of the global financial crisis was such an effort to develop domestic demand. But, there is yet another and more stable rectification process initiated by the Chinese Communist Party that aims to check growing inequality in the country. An important outcome of this has been substantial rise in real wages. This is in sharp contrast to the long stagnation of real wages in the west. Normally, an improvement in the income distribution should improve consumption expenditure vis-a-vis savings of households and thereby augment demand for consumption goods. The consequent tilt in the balance between domestic consumption and investment would be of immense help to tide over periods of slower growth. Arguably, and as the outcome of the Chinese stimulation package demonstrates, the advantage of such policies intended to cultivate domestic demand, will be spilled over abroad, at least in part. It is true that globalisation makes even 'domestic' markets intensely contested. But, on account of transportation costs and various other parameters domestic producers would have a definite edge in the home market.

Periods of slow growth are prone to frequent confidence crises among investors and consequent contagion of panic in the economy. But, Chinese State appears to enjoy a relative advantage over its western counterparts in that it has control over a sizable proportion of economic agents such as provincial governments, state owned banks and state run enterprises. The State intervention to stimulate domestic demand, improve wages and income distribution discussed earlier is a good instance to illustrate the advantage that China enjoys. Such reforms to improve income distribution and cultivate domestic demand were widely used in the western world until 1980s. Hegemony of the finance capital is making such measures almost impossible now. The news that the State is preparing to intervene is enough to send wrong messages to the market, which has become hyper sensitive to State policies. In the age of finance capital State has lost its relative autonomy, which was used effectively by the governments in the past to moderate crises. The difference in China is that the State retains its autonomy vis-a-vis private players in the market. It will be a major advantage for China in slow riding the economy.

Nevertheless, how immune is the Chinese economy to confidence crises and panics is not yet very clear. If recent developments such as the stock market crisis are an indication, in spite of the advantage of State control over a sizable proportion of economic agents, vulnerabilities still exist. There is no guarantee that State controlled agencies will always work on the basis of economic fundamentals and operate against herd instinct in the market. Further, as the stock crisis has shown private agents have gained considerable command over resources so that they are not easily contained by the State despite best efforts. Needless to say that such vulnerability is a creation of the Chinese State itself. The real estate as well stock market bubbles were fuelled by the State by pumping in money, liberalising credit and liberal use of propaganda. Such policies used earlier to prop up growth are not easily reversed.

This paper will not be complete without mentioning a limitation, which is quite serious, that China suffers from. The State in China enjoys relative autonomy not only from capital, but ironically also from democratic processes. Arguably, the Chinese State may be doing the right thing in economic policy making that too in the best interest of the people. The magic run of growth that China had, and the role of the State in it, for instance, should be a matter of envy for all nations. But, the actions of the Chinese State are not based on consent, manufactured or otherwise, of the people. There is no sign of any planning on the part of China, except possible strengthening of participation at the level of local governments, in addressing this fundamental flaw of its polity. The legitimacy deficit that it implies could prove to be too costly especially during periods of crises that are likely to appear at any time during periods of slower growth. Ownership by the people assumes great import when the going is bad.

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Public Policy and Governance in China- the Role of the Chinese Communist Party

D.S. Rajan

A 1997 document of the United Nations Development Programme (UNDP) captioned "Governance for Sustainable Human Development" provides following nine characteristics of "good governance" – *participation in decision making by all, rule of law, transparency in information flow, showing of responsiveness to all stake holders, generation of policy consensus ,provision of equal opportunities to all, effectiveness in using resources, accountability of decision makers to the public and strategic vision on the part of leaders.*

Approaching the case of the People's Republic of China (PRC) in the above context , a question arises whether or not the policy of the ruling Chinese Communist Party (CCP), enjoying exclusive power since the country's founding in 1949, has been able to bring good governance in the country. This study is an attempt to provide an answer, while admitting that the CCP may have its own definition of good governance.

At the outset, it would be important to note that the CCP has been given a place above the country's laws. It is officially stated that the party leadership guarantees the rule of law and that "governance according to law requires that the CCP governs the country   on the basis of the constitution and laws and that the party leadership and socialist rule of law are identical. Party leadership is the most fundamental guarantee for comprehensively advancing the rule of law and building country under socialist rule of law".

A look into the CCP's organizational structure may be necessary in order to understand how it is able to govern a country which is very large and even diverse. One has to start with the party congress system; every five years a party congress is convened to finalize policy directions and select a Central Committee.   The Central Committee selects a Politburo; both the bodies selected in the last 18th CCP Congress held in 2012, consisted of around   370 and 25 members respectively

including senior central and provincial government leaders and military officials. The Politburo then selects a Standing Committee, which now has 7 members. It requires to be noted that the Politburo Standing Committee is the prime source of power in the country .The congress witnessed a leadership turnover, which is significant in last three decades - around 70 percent of the membership of the party's key organs was replaced. Xi Jinping's selection as party general secretary in the Congress and his position now as the country's President, make him the No.1 leader in the political hierarchy in the PRC. Next to him in importance comes Li Keqiang, selected as a Standing Committee member in the Congress and now the Premier of the State Council, China's equivalent of a cabinet.

It is invariably being seen that two factions exist within the CCP's existing power structure- one led by the "princelings", the children of high-level leaders (Xi Jinping comes under this category) and the second belonging to "tuanpai", cadres who rose to power through the Communist Youth League (like Li Keqiang). Some experts[1] see a much more complex power dynamic built from personal alliances and factional loyalties juggled among three groups: retired leaders (in particular Deng Xiaoping, who picked Hu Jintao), incumbents, and the incoming class. Noted China scholar Min Xinpei of Claremont McKenna College in the US, believes that the CCP leaders "all have conflicting interests that sometimes overlap and that the dynamics can be very fluid in this three-way negotiation process." Proving this point, are the purges of powerful personalities that have taken place in the PRC as a result of Xi's anti-corruption campaign which is unfolding since 2013, for e.g Ling Jihua, close to Hu Jintao; former Chongqing party chief Bo Xilai; Xu Caihou and Guo Boxiong, former vice chairmen of Central Military Commission and Zhou Yongkang, a retired Politburo Standing Committee member and former head of the CCP's Political and Legal Affairs Commission. When looking carefully, it can be realized that the purges have happened not only because of disciplinary problems of affected leaders , but also due to their '' political plots" against Xi.

It cannot be denied that the political system in China is now being impacted by the over-concentration of power in the hands of Xi; the leader holds so many high posts – as the General Secretary of the ruling CCP, President of the People's Republic of China (PRC), the Chairman of the CCP and State Central Military Commissions and the head of the newly created National Security Council. Xi also leads the CCP's many 'leading small groups', dealing with important areas such as foreign affairs, financial and economic work, cyber security and information technology, and military reforms. Altogether, he occupies a total of 11 top posts in the country's most powerful leadership bodies. This would mean that all institutions of the 15 party, state and military are now directly reporting to Xi. As

the authoritative journal "Caixin" puts it[2] , Xi Jinping has become the de facto CCP Chairman.

Of late, the heads of several provincial/city party units (for e.g the party chiefs in Sichuan, Hubei, Anhui, Guangxi and in the cities of Tianjin and Xian) have begun to describe[3] the leader as the "Core" of the CCP leadership. The exact remarks made by these units in their party gatherings held to sensitize the cadres under them on a Politburo speech[4] delivered by Xi in December 2015, have been that party members should "resolutely support General Secretary Xi Jinping, this core" (坚决维护习近平总书记这个核心). The indications are that very soon the status of Xi Jinping could be formally elevated to that of "Core" of the fifth generation leadership.

As the CCP sees, Mao had occupied the "Core" position with respect to first generation leadership, Deng Xiaoping to the second, and Jiang Zemin to the third; the party though placed Hu Jintao in the category of fourth generation leaders, did not accord him the position of the leadership "Core". The same type of visualization has so far continued in the case of Xi Jinping since he took over in 2012; in the party hierarchy, he is still being addressed only as the party General Secretary not as the 'Core' of the leadership, implying thereby that he as a leader is only primus inter pares and that a collective leadership is working in the country. In such circumstances, trends towards Xi Jinping assuming the "Core" leadership position are emerging. If they become factual, the arising implications for the current collective leadership system in China will be profound. Xi as the core leader, would be able to further strengthen his power in the run-up to the next 2017 CCP Congress; he could get elected as party chief for another five years till 2022 under the existing 10-year-tenure rule ; speculations are rife that the leader desires to rule for longer than a decade till 2027 ,which is best evidenced[5] by his hesitation so far to publicly promote his potential successors .

The situation being faced by the Xi Jinping regime which is relevant to governance can be summarized as follows:

Politics

There is no doubt that the CCP, under the leadership of Xi Jinping, since his assumption of power in 2012, has come to face an identity crisis; reflecting it has been the observation (September 15, 2015) of Wang Qishan, the powerful leader in charge of Xi's anti-corruption campaign that the CCP needs to acquire legitimacy through winning trust of the people "in the present complex situation". The present political climate in China is dominated by Xi's ideological conservatism, reliance on tight political control and media censorship and his apparent priority to the stability requirement over that of reforms in the country. At the same time, there

appear to be serious problems for Xi; firstly, there is a growing requirement for him to address   the apparent disunity among the cadres; the repeated calls noticed in China to all party, government and military personnel to display loyalty to the CCP albeit in real terms to Xi, give rise to suspicions that there could be divisions in the party over the Xi leadership at top levels.

XI said at the Fifth Central Discipline Inspection Commission (CDIC) Plenary Session (Beijing, January 13, 2015) that "party members should follow the constitution as well as political discipline and rules. The campaign against corruption will be arduous and complicated. The cadres should align with the authority of the CCP Central Committee in deed and thought, at all times and in any situation and ensure unity in the party".[6] The CDIC chief Wang Qishan in his lead article (People's Daily, October 23, 2015) [7] asked all party organizations and members to follow the regulations which "embody the spirit of" key Party meetings and comments of the CCP General Secretary and are crucial in ensuring Party strength. Subsequently, the CCP chief   told at a politburo meeting (November 23, 2015) that "absolute loyalty is the most important to the party's political discipline and   most fundamental to its political responsibility". [8] Then came publication of two articles- a signed one in the Liberation Army Daily on November 30, 2015 and the other contributed by the PLA General Political Department on December 7, 2015, which sharply focused on the need for the military to follow the "Central Military Commission Chairman Responsibility" system, in other words to obey Xi's orders.

As the year 2015 was ending, the CCP chief chose again to reiterate the theme of "loyalty to the party"; he asked[9] the politburo members at what is called "Democratic Life meeting" (Beijing, December 30, 2015), for the first time at this level, that they "should stick to the correct political direction, be "in accord with the party central" and "consciously and actively follow the party leaders' instructions". Xi wanted the party men   to exercise caution when speaking about key policies and warned them against creating factions. He complained that "some have been keen to poke around and ... ask the things they should not ask ... and run after the so-called internal information and spread it in private. Such actions had been rotting and decaying the party". Loyalty to the Party is also Xi's urge to the army. During a meeting with the new heads of the reorganized organs of the Central Military Commission (CMC) (Beijing, January 11, 2016) , he laid emphasis on the armed forces "unswervingly following the CCP's absolute leadership, adhering to the Party spirit, obeying political discipline, and being politically intelligent, with firm political faith and right political stance". [10] Overall, Xi's speeches can be said as reflecting the need felt by him to secure the political loyalty of top level leaders, notably including in the Politburo.

Coming to notice in 2016, is a rare Xinhua formal statement[11] (January 7, 2016) on Xi's December 30, 2015 politburo speech. It stipulated that "the leaders should be aligned with the central leadership of the party led by Xi in actions and thoughts. For the party, the government, the army, the people, academics, east, west, south, north, centre, the CCP leads everything". Subsequently, a new book[12] captioned "Edited Excerpts From Discussions by Xi Jinping on Tightening Party Discipline and Rules," compiled and published by the CDIC and the Party Literature Research Center, containing extracts of the leader's 200 pieces of hitherto undisclosed remarks, selected out of his 40 speeches and articles, pertaining to the period November 16, 2012 to October 29, 2015, contained a call to party organizations at all levels to organize CCP members to study Xi's sayings during the period. Li Zhanshu, a CCP Politburo member, has stressed[13] at a meeting on the work of authorities affiliated to the CCP Central Committee that "all party organizations and members should take absolute loyalty to the Party as their fundamental political requirement and foremost political discipline, achieve a high degree of conformity with the central committee and strengthen awareness of the party theories and policies". .

Xi had identified [14] sources of disunity but without naming anybody as those "forming factions, cabals and mountain strongholds within the party"; those "having vacillations regarding matters of principle and issues of right and wrong;" "openly expressing views that are opposed to major political questions regarding the party's theory, guidelines and policies;" and "feigning compliance with but actually going against the party's goals and policies." To be seen in the same light is a signed commentary in the People's Daily (Chinese language edition, August 10, 2015) alleging that "some retired leading cadres , while they were in office, put their cronies in key positions, so that they can interfere in the work of their original organizations and wield influence in the future. This is making new leaders feel that unnecessary concerns affect their work as their hands and feet are being fettered". Analysts abroad thought that Xi in this way is targeting former party supremo Jiang Zemin.

A point of surprise is Xi's latest boldness to name and attack his political opponents openly through the new book mentioned above. Such treatment will have a political meaning in the current context. The book puts the following observations [15] of Xi, in public domain for first time, with regard to the following purged senior officials – Zhou Yongkang, former security chief, Bo Xilai, former Chongqing party boss, Xu Caihou, former Vice Chairman of the Central Military Commission , Ling Jihua, former advisor to Hu Jintao and Su Rong , former Party Secretary of Qinghai, Gansu, and Jiangxi provinces. Xi says in the book, "From cases investigated over the past few years that involved serious violations of party

discipline and the law by senior cadres, especially those of Zhou Yongkang(termed in Chinese media as belonging to ''petroleum'' gang) , Bo Xilai, Xu Caihou, Ling Jihua (termed in Chinese media as belonging to ''secretary'' gang) and Su Rong, it can be seen that the problem of damaging party political discipline and rules was very serious and merited serious attention. The greater these people's power, the more important their position, the less seriously they took party discipline and political rules, to the point of recklessness and audaciousness. Some had inflated political ambitions and for their personal gain or the gain of their clique carried out political plot activities behind the party's back, carried out politically shady business to wreck and split the party".

The "political plots" charges against "some", made by Xi are indeed intriguing. Who are the "some"? Judging by official accusations already seen, they include Zhou and Bo. It was acknowledged during the court trials, that the two in addition to being corrupt, indulged in "Non-organizational political activities."[16] Experts[17] have interpreted such activities as attempts to set up a power base in China, alternate to that of Xi jinping. It was also reported that Zhou and Bo once held a secret meeting in Chongqing during which they advocated "adjusting" the reform and opening-up policy initiated in the late 1970s by former leader Deng Xiaoping, bringing it back in line with Maoist ideas.[18] Xi's public denouncement of Bo Xilai's political ambition can be considered as a subtle warning to his future potential rivals in the party. More importantly, it could be indicative of his confidence now that he considers political challenges to him are over with his intensive anti-corruption campaign resulting in purges of both 'tigers' and 'flies' , who were not only corrupt, but were also politically ambitious.

Economy

In consolidating power, Xi seems to have come under pressures arising from another challenge, i.e. in the economic realm; China's economic growth has slowed to a 25-year low of 6.9 per cent in The decline mainly seems to be due to contraction of manufacturing sector and excessive investment-led over capacity infrastructure building. Negative factors in the long run appear to include shrinking of working age population. China however seems to be confident. Xi has called the situation as 'new normal', saying that the "economy is undergoing steady restructuring with emerging sectors like Services sector cropping up to lend fresh steam to drive growth" (Changchun, July 19,2015). He has observed [19] that "despite downward growth pressure and recent financial market volatility, the country's long-term economic fundamentals remain sound and that the 'new normal' would be the major characteristic of the economy during the 13th Five-year Plan period (2016-2020) ensuring realization of higher, more balanced development. It is crucial

to cut overcapacity, promote industrial regrouping, reduce cost for enterprises, develop strategic emerging industries and the modern service sector, and increase the supply of public goods and services." Institutions like the World Bank, on their part express caution. There are also assessments in China that despite the slowdown, the country's performance will be good in future as its economic policy is expected to focus in the coming years on embracing a new industrial revolution and encouraging Internet-based innovations[20]. On the other hand, the World Bank has cautioned that "downside risks to Chinese growth have risen. Its total debt-to-GDP ratio is now "significantly larger" than most other emerging markets. A more abrupt slowdown than currently predicted in China risks leading to spillover effects in other emerging economies, and particularly commodity-exporting ones".[21]

Latest official revelations are not inspiring. Yin Weimin, the minister for human resources and social security, told a news conference (Beijing, February 29, 2016) that 1.3 million workers in the coal sector could lose jobs, plus 500,000 from the steel sector. Other reports say that smaller factories in the Pearl River Delta, the "world's workshop" in southern Guangdong province are struggling to cope with anemic orders and rising inventories. It was the first time China has given figures that underline the magnitude of its task in dealing with slowing growth and bloated state enterprises.

Overall, domestic consumption considered in China as a savior of the economy, does not seem to be progressing well. The domestic demand remains low; corporate earnings of retailers and consumer products companies are falling and manufacturing is contracting quickly. As put by a senior Chinese official, "The economy will follow an L-shaped path, and it won't be a V-shaped path going forward." The indication is that growth rates will not recover soon. The best case scenario for China is several decades of recession or recession-like stagnation, much like Japan experienced in the 1990s and the first decade of this century[22]. Secondly, the CCP-led government has also to tackle serious economic problems. The GDP growth has recently fallen for first time in 25 years. This combined with corruption phenomenon may have potential to cause social tensions.

Military

In September 2015, China announced a cut by 300,000 in the strength of its military personnel which will now be two million; even then China's military will remain as the world's largest. No doubt the PRC perceives the cut as a step to protect world peace, but from what Chinese military officials said, it looks beyond doubt that the real purpose is something else, i.e to accelerate the PLA's modernisation. The cut indeed marked the beginning of a new round of military reforms in the PRC to achieve that purpose. It does not mean a fall in the military's fighting capabilities

and there will be adequate budget allocations to support military modernization process. Worth noting is that process is now to progress "under a new situation"; as perceived by the Xi administration (China's Military Strategy, May 2015), the new situation is one in which China is already in an important period of strategic opportunities for its development, the country's comprehensive national strength, core competitiveness and risk-resistance capacity have increased and the PRC's international standing and influence have grown.

Latest round of military reforms witnessed in 2016, has brought the PLA under effective control of Xi Jinping. The leader, also CMC Chairman, has established a three-tier "the CMC - theater commands - troops" command system and an administration system that goes from the CMC through various services to the troops. His reforms, besides setting up the CMC General Office, have also created three new military institutions, the general command of the Chinese People's Liberation Army (PLA) Army, PLA Rocket Force, and PLA Strategic Support Force. Before the new round, China had four general departments – General Staff Department(GSD), General Political Department(GPD), General Logistics Department (GLD)and General Armaments Department(GAD). All the four have now been renamed and become four of 15 "functional departments" directly under the CMC leadership. In the new lineup, the CMC General Office is ranked first, followed by the four renamed departments (the CMC Joint Staff Department, the CMC Political Work Department, the CMC Logistic Support Department, and the CMC Equipment Development Department). These organs are followed by two new departments (the CMC Training and Administration Department and the CMC National Defense Mobilization Department), making a total of seven departments. It is significant that the CMC General Office is placed ahead of the four general departments. It is likely that the CMC chairman will control the military through the General Office and that the head of the General Office will likely become a member of the CMC.In the same structure, new commissions have been created – the military's disciplinary inspection organ, which used to work under the GPD, has been upgraded into an independent organization with the same rank as the former GPD; the CMC Discipline Inspection Commission and the CMC Politics and Law Commission. There are five new organs directly under the leadership of the CMC- the CMC Office for Strategic Planning, the CMC Office for Reform and Organizational Structure, the CMC Office for International Military Cooperation, the CMC Audit Office, and the CMC Agency for Offices Administration[23].If heads of these functional departments are all members of the newly structured CMC, along with the commanders of three military institutions - the general command of the Chinese People's Liberation Army (PLA) Army, PLA Rocket Force, and PLA Strategic Support Force) and those of the PLA Navy and PLA Air Force, the membership of the CMC would be more than doubled, from 10 currently to 23.

China originally had seven military area commands headquartered in Shenyang, Beijing, Jinan, Nanjing, Guangzhou, Chengdu and Lanzhou, which now stand disbanded; instead five theater commands have become operational: Eastern Theatre Command with Liu Yuejun as commander and Zheng Weiping as political commissar; Southern Theatre Command with Wang Jiaocheng as commander and Wei Liang as political commissar; Western Theatre Command with Zhao Zongqi as commander and Zhu Fuxi as political commissar; Northern Theatre Command with Song Puxuan as commander and Chu Yimin as political commissar and Central Theatre Command with Han Weiguo as commander and Yin Fanglong as political commissar.

In a nutshell, Xi's reorganization of the military seems to have two objectives – bring the PLA firmly under the control of the party, in other words of Xi and modernize the military, especially by bringing it under a unified command system. Such reorganization is not going to be an easy task.

Diplomacy

There is a close connection between China's perceived domestic imperatives and diplomatic goals. The PRC recalibrated the strategic focus in its diplomacy to 'core interests' in 2009, with the proviso that the country will make no compromises on its ''core interests'' and protect them even by military means. Identifying China's 'core interests,' Dai Bingguo, who played a major role in the country's foreign policy making, said in end July 2009 that ''the PRC's first core interest is maintaining its fundamental system and State security, second is State sovereignty and territorial integrity and the third is the continued stable development of the economy and society''. 'In specific terms, Tibet, Xinjiang, Taiwan and South China Sea Islands as well as strategic resources and trade routes were listed under the 'core interest' category. The rationale given by China for the recalibration was that 'China is going global and its international influence is becoming more visible and assertive and the international environment and domestic conditions are changing.'

Xi Jinping reiterated the rationale in his speech delivered at the Chinese Communist Party Politburo Study session convened on January 28, 2013 that 'China will never pursue its development at the cost of sacrificing interests of other countries... We will never give up our legitimate rights and will never sacrifice our national core interests. No country should presume that we will engage in trade involving our core interests or that we will swallow the 'bitter fruit' of harming our sovereignty, security or development interests.' The subsequent 18th CCP Congress document echoed the same spirit.It proclaimed that China's 'banner is to forge a win-win international cooperation'; at the same time it laid emphasis on making 'no compromises' on issues concerning 'national sovereignty and security

of core interests'.Most significant has been the document's clarification that 'the two aspects are pillars of Chinese diplomacy and do not conflict with each other' (*People's Daily*, November 16, 2013).The Chinese foreign minister explained his country's new foreign policy direction on March 8, 2014 by saying that the PRC 'will play the international role of a responsible, big country. 'This signaled a firm shift in the direction so far existed of the PRC's external course -- 'hiding one's capacities and biding one's time' (veteran leader Deng Xiaoping's famous 24-character maxim of *tao guang yang hui*).

Notable in the recent period has been the central point in Xi Jinping's major speech at the Central Conference on Work Relating to Foreign Affairs in November 2014. As a firm signal that his foreign policy will accord priority to ties with the neighborhood, Xi in his speech, brought neighborhood ties to the first position in the priority order; this changes the erstwhile "Great Powers, periphery and Developing countries" order. He underscored the 'importance of holding high the banner of peace, development and win-win cooperation, pursuing China's overall domestic and international interests and its development and security priorities in a balanced way, focusing on the overriding goal of peaceful development and national renewal, upholding China's sovereignty, security and development interests, fostering a more enabling international environment for peaceful development and maintaining and sustaining the important period of strategic opportunity for China's development.'

A central point in what has been said above, is the impact on the governance coming from over concentration of power in the hands of Xi . This phenomenon would impact on the intra-party power equations likely to emerge ahead of the CCP Congress next year. In the months to come, it would be necessary for Xi to ensure that his loyalists get elected to key positions in the Congress. The leader may also have to pay attention to further consolidate the military reforms and effectively tackle the economic downturn prior to the Congress. It looks certain that Xi will be reelected as party chief in the 2017 CCP Congress and may possibly continue in that position till 2022; this situation may help him in leading the country towards accomplishing the ''two centenary goals'' mentioned above. The domestic and world attention will therefore be on Xi, a leader who is going to rule China for a long time from now on.

As the PRC transforms itself from a planned regime to one following a ''socialist market economy'' system, the country has come to face unprecedented socio-economic challenges. It can be said that to meet these challenges, the CCP-led regime is searching for ways to meet the main prerequisite for good governance - sharing of power between various layers of the society , so that the existing problems of government deficit in areas like public health, environmental

protection ,disaster response and infrastructure building can be addressed. [24] This being so, it may not be wrong to assume that the one party rule in China is yet to effectively realize all the good governance requirements.

A balance sheet with respect to the governance in the PRC will be in order. Politically, the CCP's legitimacy as a ruling party has come under a question, as statements at senior levels suggest. The 1989 Tiananmen student pro-democracy riots and the collapse of the Soviet Union at the early 1990s forced the CCP to institute intraparty reform. This process is still on. In terms of economy, the PRC government cannot continue to sit on the laurels of achievement of a double digit economic growth witnessed since the introduction of reforms in 1978. An urgent requirement for it is to tackle the present slow down now in growth. Xi Jinping has said that "the country should move from the investment- and exports-led growth model and make consumption, investment and exports work in a more coordinated manner. It should step away from the resource- and material-dependent model to one relying on innovation, technical development and the improvement of skills".[25] One has to wait and see how the new economic strategy will progress in the PRC. A biggest challenge for Xi administration will be to tackle the increasing social unrest as the economy slows down. In terms of military, the CCP's governance capabilities are still developing; recent reorganization of the military appears to be a starting point. Keeping the army under the absolute control of the party seems to be a formidable task. In diplomacy, the PRC is yet to convince the outside world about its policy of mixing its search for win-win relationship with the approach of territorial assertiveness.

The analysis above shows that the CCP's governing performance so far has been a mix of successes and failures. Credit should be given to the party's economic performance especially in lifting millions of population out of the poverty line and making the country as a manufacturing giant in the world; but much needs to be done with respect to political reforms in the country. In the realm of foreign policy, the PRC requires to develop a fresh look at its policy of mixing friendship with assertiveness. Ultimately, the main test for the CCP with respect to governance will come from how it is going to implement the strategic vision of Xi Jinping - accomplishment of *"two centenary goals" (doubling the 2010 GDP and per capita income of urban and rural residents and finishing the building of a society of initial prosperity in all respects when the CCP celebrates its centenary in 2020 and turning China into a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious when the PRC marks its centenary in 2050 and of the "Chinese dream of the great renewal of the Chinese nation").*

(The writer, D. S. Rajan, is Distinguished Fellow, Chennai Centre for China Studies, Chennai, India. This is the full text of his paper on the subject, presented at the Joint Mahatma Gandhi University, Kottayam and the Chennai Centre for China Studies conference on "Public Policy and Governance in China and India", held at Kottayam, Kerala, India, on March 21-22, 2016. .email: dsrajan@gmail.com)

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Reflections on Ethnicity and Nation Building

V. Suryanarayan

In almost every corner of the world, in almost every aspect of our life, generalizations do not offer solutions to complex questions. These are times of great uncertainty; change will be our constant, perhaps, only companion.

In the brief concept paper that I had prepared for the seminar I have defined political system as a "mechanism for the identification and posing of problems and the making and administering of decisions in the realm of public affairs". The official machinery through which these problems are studied and decisions administered is the government. But government is only one part of the political system which includes, in addition to government, such diverse factors as historical traditions, geographic and resource endowments, social and economic organization, ideologies, value systems, armed forces, political parties and leadership structure.

A successful and effective political system maintains a harmonious balance between stability and change. Change is the inevitable consequence of human progress and this should take place within the framework of efficient and stable political institutions. If it does not happen the political system crumbles, with new groups trying to gain power through violent means or trying to break the existing political structure to carve out a new state.

During recent years, China has made rapid strides in economic development and has become the major factory of the world. It has become a super power and is challenging the supremacy of the United States in different parts of the world. The success story of China has made many important leaders around the world to deliberately turn a Nelson's eye to the convulsions, upheavals and blood baths that took place at frequent intervals in that country. The Great Leap Forward, Cultural Revolution and the massacre at Tiananmen Square resulted in the loss of millions of lives and gross violation of human rights.

In the late 1950's the Chinese leaders wanted to increase agricultural production in a big way and initiated the Great Leap Forward with much fanfare.

Communes were started in different parts of China. But even the committed communists found it difficult to go against the law of nature and simple habits of tradition-bound farmers. From 1959 to 1962 China experienced one of the worst man-made famines in human history. As Henry Kissinger has put it, Mao called on the Chinese people to move mountains, but this time the mountains did not move. According to Prof. Amartya Sen 30 million people died during this man made famine. Prof. Amartya Sen rightly points out that in an open democratic society such a man-made famine would not have taken place.

The Cultural Revolution brought greater ruin. The Cultural Revolution was intended to purify the Chinese Communist Party of counter revolutionary tendencies and set it on the right path of revolutionary ardour. But the end result was ideological frenzy, vicious factional struggles and almost a near civil war. The universities were closed down and the Red Guards eliminated all those who practiced bourgeois values. Years later, Deng Xiaoping confessed that the Cultural Revolution nearly destroyed the CCP as a political organization and brought untold misery and suffering to the Chinese people.

The Tiananmen Square incident is an illustration that in a world of shrinking geographical boundaries and widening intellectual horizons, no country, however powerful it may be, can remain uninfluenced by the sweeping changes taking place across the world. The students, imbued with lofty ideals, who led the revolt thought that they were the harbingers of a new dawn. The student protest had its origins in seeking redressal to specific grievances. But when they occupied the Tiananmen Square, a peaceful protest, it was a challenge to the Government, which was becoming increasingly helpless and impotent. Finally the Government cracked down on the protestors with a heavy hand. For Deng Xiaoping order and stability were more important than the lives of the innocents. The international community, especially the United States, remained a mute witness.

In his Memoirs, the Singapore statesman Lee Kuan Yew, who was a great friend of Deng Xiaoping and played a key role in the transition of China from a centralized economy to an export oriented economy, does not touch upon the dark side of China's post independent history. For Lee Kuan Yew and for leaders in China ends justify the means. In the Indian situation, on the other hand, the Indian nationalist leaders, especially Mahatma Gandhi and Jawaharlal Nehru, repeatedly used to reiterate that means are as important as the ends. And, as a result, Indian development in the post-independent era had been slow, but steady and what is more, except for the brief aberration during the emergency, 1975-1977 and occasional communal riots and caste conflicts, democratic institutions had been retained and fostered. What is more, India's historical experience is witness to the fact that for hundreds of years there had been interaction and assimilation

of various cultures. Therefore, it is not possible for an Indian to maintain that people belonging to one religious denomination or one ethnic group alone can remain in India. Diversity is our strength. Freedom and tolerance, democracy and development go together. What is more, from ancient times, Indian leaders maintained that whatever we wanted, we desired for the whole world. We used to look at the whole world as one family. These ideas are inherent in Indian thinking and traditions.

During his long spell of incarceration, Nelson Mandela, influenced by the teachings of Mahatma Gandhi, realized that unless South Africans develop respect for diversity his country would be engulfed in fratricidal conflict. The rainbow nation that he wanted to build in South Africa was based on tolerance and good will. The choice before his people was not between bread and freedom; they want both bread and freedom. As Nelson Mandela put it, "Few people on earth have experienced intolerance as we have; this has steeled our vigilance toward democracy and tolerance. Even in the darkest days of apartheid and the most tragic moments of our turbulent transition, South Africans of all colours and creeds have, with great personal courage, shown respect for differences. A central goal of South Africa's foreign policy, like its domestic politics, will be to promote institutions and forces, which, through democracy seek to make the world safe for diversity. This is our vision for the twenty first century". I cannot resist the temptation of quoting another beautiful passage from Mandela's autobiography, *Long Walk to Freedom*. To quote: " It was during those long and lonely years in prison that my hunger for the freedom of my own people became hunger for the freedom of all people, white and black. I knew as well as I knew anything that the oppressor must be liberated just as surely the oppressed. A man who takes away another man's freedom is a prisoner of hatred; he is locked behind the bars of prejudice and narrow-mindedness. I am not truly free when my freedom is taken from me. The oppressed and the oppressor alike are robbed of their humanity".

Ethnicity and Nation Building

The Pakistani political leader Abdul Wali Khan (son of Khan Abdul Ghafar Khan) was asked few years ago by a journalist: "Are you a Pakistani, a Muslim or a Pathan?" Wali Khan replied that he combined all the three characteristics. The journalist persisted and asked Wali Khan what his primary identity was. Wali Khan responded: "I am a Pakistani for thirty years, a Muslim for 1400 years and a Pathan for 5000 years". The multiple identities of South Asians, an intrinsic feature of the socio-political profile of the region, have made the task of nation building a fascinating and exciting exercise. But before I analyse the problems of ethno-nationalism and nation building, few preliminary observations are in order.

Political scientists unfortunately use the terms nation and state as synonymous and this semantic confusion has done incalculable harm in understanding the politics of developing countries. Louis Halle, for example, maintained that a "prime fact about the world is that it is largely composed of nation states". The statement is not true. The world consists of states, not nation states. A survey of world's 132 states in 1971 found that only 12 (9 percent) could justifiably be characterised as nation states in the sense of the boundaries of the "territorial juridical entity being co-terminous or approximately co-terminous with the distribution of a particular national group". The comment made by Massimo d' Azeglu, with special reference to Italy after unification, holds true of most of the states which came into existence after the Second World War: "We have made Italy, now we must make Italians".

The rise of ethno-nationalism and intensification of ethnic conflicts in different parts of the world raises an interesting theoretical question, which many Marxian social scientists have so far not only ignored, but considered as taboo. They subscribed to the view that the process of industrialisation and modernization would dissolve ethnic identities and create new identities based on class considerations. However, recent developments belie this claim. The political assertion of various nationalities in former Soviet Union, the revolutionary changes that have taken place in Eastern Europe and Central Europe, the demands of the Blacks in the United States, the Irish conflict in UK, the developments in Fiji, problems relating to ethnic Chinese in Southeast Asian countries – all these are not only illustrations of the pervasiveness of ethnicity, but also underlines the possibilities of more ethnic conflicts in the days to come. An important point should be kept in mind. Whether harmony or conflict governs inter-ethnic relationship in a multi-cultural society hinges, to a large extent, upon whether the political system provides for tolerance of each others' beliefs and value systems. In those countries where the dominant theme is "ethnicisation of politics and politicization of ethnic communities" the chances of escalation of ethnic conflicts are greater.

I would like to submit two propositions, which can be considered as yardstick for the success of nation building in multi-ethnic societies. First, the political system should provide sufficient space for minorities so that they can preserve, promote and foster their distinct identities while being part of a united country. Second, a federal polity, with entrenched provisions of sharing power between the centre and the states, can lead to the softening of secessionist demands and pave the way for eventual integration.

China's Advantages

China has innumerable advantages when one analyses the inter-related concepts of ethnicity and nation building. Hans constitute the overwhelming

majority of China's population, numbering 91.5 per cent; they are knit together by common ethnicity and culture. The balance 8.5 per cent of the population consists of 56 ethnic groups, who live in the country's periphery. Among the major ethnic groups mention must be made of Tibetans, Uighurs, Manchus, Zuang, Miao, Tujra, Yi and Mongols. These ethnic groups are concentrated in Southwest China, Northwest China and Northeast China.

Unlike India where diversity is the hall mark, in China the ruling classes believed in homogenization. It should be pointed out that historically China is a cultural term, not a political term. China meant the Han people whose major cultural traits were belief in Mandate from Heaven, institution of Mandarinate, Chinese script and Confucian values. Those living outside China were considered to be barbarians. Until the beginning of the 20th century Chinese considered the people living in Europe and America as barbarians. The foreigners were depicted with the character denoting barbarians. When China expanded, along with it Chinese culture spread sinicising the barbarians.

The origin of Chinese civilization can be traced to the Yellow River valley. Gradually China expanded, which means the barbarians living outside China were conquered and sinicised; they were made to accept Chinese culture. The belief that those living outside China are barbarians persisted till the opium wars. There was nothing much that China could learn from the barbarians. Unlike the tumultuous history of Europe, which has seen the rise and fall of civilizations, China presents a picture of astonishing cultural continuity. In many ways it was a self contained civilization. In the mid 1960's Andre Marloux, the French political philosopher, went to China and interviewed Mao tse Tung. In the course of the conversation, Marloux asked Mao, "What is the impact of French Revolution on China?" Mao pondered for couple of minutes and later replied, "It is too early to tell". China, as Prof. Lucian Pye has pointed out, "is a civilization pretending to be a nation-state".

The Chinese, unlike the Europeans or the Americans, do not consider the past to be a burden, but as a treasure to be cherished and preserved. As Prof. Wang Gung Wu has pointed out, "what is quintessentially Chinese is the remarkable sense of continuity that seems to have made the civilization increasingly distinctive over the centuries". They knew how to sinicise the concepts which came from other countries. Buddhism, an Indian religion, spread from China to Japan, Korea and Vietnam in forms in which it had been given a Chinese impress. China transformed Buddhism into something Chinese and the Chinese, in turn, transmitted the religion to other East Asian countries. And, these countries, in turn, transformed Buddhism in conformity with their local genius to suit their own needs and beliefs. In more recent times it must be mentioned that during the revolutionary period the Chinese communist leaders sinicised Marxism-Leninism to suit Chinese needs

and aspirations. Despite the humiliation suffered by the Chinese at the hands of the Europeans, Chinese leaders had profound faith that their county would stand up and occupy a great position in the comity of nations commensurate to its size, population and historical greatness. In an essay in 1919, Mao had declared: "I venture to make a singular assertion. One day, the reform of the Chinese people will be more profound than that of any other people, and the society of the Chinese people will be more radiant than that of any other people. The great union of the Chinese people will be achieved earlier than that of any other place or people".

The Revolution in October 1949 was a momentous event in Chinese history. However, it must be stated that in many ways there was a remarkable continuation of Chinese history. As Prof. Wang Gung Wu has highlighted that the new communist party was a "replacement of the old emperor-state" and that Mao Zedong effectively restored the idea of a charismatic founder-emperor and behaved, and he was treated very much like the emperor with almost no limits on his power".

What about the non-Han ethnic groups, who surround Han China? In the early phase of history relations with them was called tributary relations, where the ruling elite was expected to accept Chinese sovereignty, pay regular tributes and kowtow before the Chinese emperor. In return, they were allowed to trade with China and also retain their distinct culture. In the early phase of his political career Dr. Sun Yat Sen brushed aside the non-Han ethnic groups as insignificant entities. However, when the revolution took place in 1911 Dr. Sun Yat Sen had to face the grim reality. The ethnic minorities constituted only 8.5 per cent of the total population, but they occupied over half the territory of China. Sun Yat Sen soon backtracked and declared that China consisted of five nationalities – Hans, Manchu, Mongols, Tibetans and Hui. By implication it meant that China was a multi-national state. At the same time, the government maintained there was only one race in China – the Hans. The Government argued that all ethnic groups shared the same historical origins. Chiang Kai-shek adopted a strong assimilationist line, suppressing the ethnic minorities and forcing them to adopt the Han culture.

The emergence of the PRC represented a major shift from the past. The new government described China as a unitary multinational state. Following the Soviet model, for some time the PRC government even offered the ethnic minorities the right to self-determination. The offer was quickly withdrawn. The question may be asked – how did the ethnic minorities view the new government in Beijing? It would be erroneous to view ethnic minorities as homogenous and having the same political aspirations. As Martin Jacques has pointed out the Uighurs and the Tibetans had definite separatist aspirations; the Yi wanted to retain its separate ethnic identity within China and among the Miaos, Zhuang and the Manchus ethnic identity was fast disappearing. The government's policy was based on trial

and error. The ethnic minorities were given a certain measure of autonomy, five autonomous regions were created within the unitary state. But in actual practice centralization was the order of the day. Along with economic development and militarization there was also the influx of Hans into territories inhabited by the ethnic minorities. The Tibetan experience will be described later.

It would be refreshing to compare and contrast the impact of ethnic groups on nation building experiments in China and India. The Singapore statesman Lee Kuan Yew has drawn a comparison. To quote Lee Kuan yew: "In China 90 percent is Han Chinese and speak Mandarin. And they have simplified the Chinese characters and educated everyone to master Chinese. So CCTV is understood throughout the country. Compare the Indian and the Chinese cultures. The Chinese are doers; the Indians are contemplative and argumentative. Nobel Laureate Amartya Sen entitled one of his books, *The Argumentative Indian.* When the Chinese decided to make Chongquing a prosperous centre in the Western region, they gave the necessary resources. Then you find Chongquing quickly blossoms". A P Venkateshwaran, former Indian Ambassador to China, also highlighted how the differing cultural traits have affected the behaviour of the Chinese and the Indians. To quote Venkateshwaran: "China is expansionist; India is pacifist; Chinese are taciturn, Indians are garrulous; China is cohesive, India is disparate; Chinese are chauvinists, Indians are liberals; China is assertive, India is open; Chinese are collective minded, Indians are highly individualistic; Chinese are calculating, Indians are open-minded; Chinese have a superiority complex, Indians have an inferiority complex; China has been united because of the distinguishing characteristics of Chinese civilization; we have many languages, many scripts; we believe in unity in diversity; China is predominantly inhabited by the Han people, we have many ethnic groups in India; and Chinese are factional, we are fissiparous".

Indian Experience

The ethnic, linguistic and religious divisions in India are well known. However it is worth recapitulating some of these differences. India is the world 7th largest country in terms of area and the second most populous with more than 1.2 billion residents. The Indo-Aryans constitute 72 per cent, Dravidians 25 per cent and Mongoloid and others 5 per cent. Hinduism is the most important religion with 80 per cent subscribing to that faith, Islam is the second largest with 13 per cent; Christians 2.3 per cent, Sikhs 1.9 per cent, Buddhism 0.8 per cent and Jains 0.4 per cent.

Over the centuries, as a result of constant benign inter-action, India has developed a composite culture. All religions, philosophic traditions, food habits, art, architecture, language and music have developed and interacted with one

another. Unlike China where homogenization is the major characteristic, in India respect for diversity and tolerance is the hall mark.

Few illustrations of the composite culture in the realm of religion in South India are given below. The land for the tank in Kapaleshwar temple in Mylapore in Chennai was given by the Nawab of Arcot to the temple authorities. One of the well known authorities in *Kamba Ramayana* in Tamil was a Muslim, Justice Ismail. Few years ago, I was associated with the Calicut University as the first Professor for Maritime Studies. I came across an Islamic version of Ramayana called the *Mopla Ramayana*. A Christian, Yesudas has sung the most melodious Hindu religious songs in Malayalam, Tamil, Kannada and Telugu. According to tradition Ranganathaswamy in Sri Rangam was married to a Muslim woman. *Tulukka Nachiar,* and the first offering to the Lord everyday is *Roti*. Until the Mohammadan law was codified in the Madras Presidency the Muslims in Malabar practiced the *Marmakkatayam* (matriarchal) system. On their way to the famous pilgrim centre in Sabari Malai in Kerala, the pilgrims first offer their salutations in the *vavar kavu* a Moslem dargah dedicated to Bawa who is considered to be Lord Ayyappa's brother. The *Masjid* in Nagore and the church in Velankanni are holy places visited by Hindus, Christians and Moslems alike.

The greatest embodiment of India's composite culture was Mohammad Abdul Kalam who passed away last year. A devout Moslem, he grew up in an eclectic environment in Rameshwaram and embodied in himself the noblest qualities of Indian culture. A Moslem steeped in Indian traditions, a scientist who could recite verses from *Thirukkural* and an artist who played the *Sarawathi Veena*, a scholar who was well versed in Quran, Geetha and the Bible, he is role model for all Indians. Kalam remained a teacher till the very end and was convinced that India will become a developed powerful nation. I admired him, I respected him, I loved him and on this occasion I pray for the continuance of his guidance, his love, his service and his inspiration.

Tolerance of different religions had been an integral part of Indian religious traditions. India had been the home of all major religions in the world. It is worth mentioning that Christianity came to Kerala in the first century AD, long before Vatican was Christianized. There was a flourishing Jewish community in Cochin. The Parsees came to Gujarat coast in the 9th century to escape religious persecution in their homeland. They were welcomed with open arms and they became an integral part of India enriching all aspects of Indian life.

A cardinal principle which Gandhiji and Nehru advocated and wanted to put into the foundation of Indian nation was the concept of secularism. They regarded secularism as the basic law of Indian nationhood. To maintain intact a diverse multi-religious country, it is essential that there is no domination by its religious

majority. Gandhiji wrote in the *Harijan* soon after independence: "If a minority in India, a minority on the score of its religious profession, is made to feel small on that account, I can only say that this India is not the India of my dreams. In the India, for whose fashioning I have worked all my life, every man enjoys equality of status, whatever his religion is. The State is bound to be wholly secular".

In order to appreciate better why the founding fathers wanted to make India a secular state, one must keep in mind the tragic events immediately before and after independence. The sharp Hindu-Muslim differences that chracterised the last phase of the Indian national movement, the communal blood bath which ensued after partition and the assassination of Mahatma Gandhi by a Hindu fanatic – all these events made Jawaharlal Nehru and other leaders take the conscious, deliberate decision to divorce religion from public life and assure the minorities that the religions that they followed will have no bearing on their civic rights. What is more, they wanted to assure the minorities that India was as much their country as it was of the Hindus. Twelve days before his demise, Gandhiji wrote in the *Harijan:* "All Hindus, Moslems, Sikhs, Parsees, Christians and Jews, who people this vast sub-continent and have adopted it as their motherland, have an equal right to it. No one has a right to say that it belongs to the majority community only, and that the minority community can only remain there as an underdog".

Prof. Sarvepally Gopal went further and argued: "The test of secularism in India is not what the Hindus think, but how the Moslems and other minorities feel. Minorities may sometimes turn aggressive out of a sense of grievance or insecurity; but far more dangerous is the sectarianism of the majority community, for it masquerades as nationalism and frequently degenerates into a form of fascism".

The Indian experiment in secularism is remarkable because it is in sharp contrast with the policies of the neighbouring countries. Pakistan, which was created as a result of the partition of India, later proclaimed itself as an Islamic Republic. Burma, currently Myanmar, which was a province of British India until 1937, pursued a policy of promotion of Buddhism through legislation and state patronage. In Sri Lanka Article 8 of the Constitution gives Buddhism the "foremost place" and accordingly "it shall be the duty of the State to protect and promote Buddhist *sasana* while assuring to all religions the rights granted by Article 10 and Article 14 (1)(e)". Maldives is an Islamic State and according to the Constitution only Sunni Moslems can become Maldivian citizens. What must be underlined is the fact that while the neighbouring countries turned to majority religions as the basis of national identity and unity, India, thanks to the statesmanship of Mahatma Gandhi and Jawaharlal Nehru, rejected Hinduism, the religion of the majority community, as the basis of nationhood.

Keeping in mind the experience of the years soon after independence- the Kashmir problem, the problems relating to integration of states and Naga struggle for separate state – the founding fathers adopted a Constitution where the division of powers favoured the Centre. Even then the regional leaders soon realized that despite inherent limitations, the Constitution did provide an opportunity for regional parties to come to power through the ballot box. Parties like the DMK in Tamil Nadu, which initially wanted to secede and create a separate State, soon realized that they could protect, foster and promote Tamil cultural identity while being part of a united India. What is more when coalition governments came to power in the Centre, they became allies; their regionalism was softened and they became the votaries of a united India. The same applies to the Mizo experience. For a variety of reasons, mainly the neglect of the northeast by the Government of Assam and the Centre, Mizos raised the banner of revolt in the late 1960's. Violence was used against the insurgents and the Mizo population was uprooted from their villages and settled along the national highway. In a statesmanlike manner Prime Minister Indira Gandhi created separate states for the Khasis, Mizos and the Nagas. The Mizo leader Laldenga entered into an agreement with Rajiv Gandhi where he upheld the unity and the constitution of India and came to power through democratic process. The Mizos have realized how much they can gain by being part of India. It is necessary to highlight the fact that Mizo representation in the central services today is out of all proportion of their numerical numbers.

I do not want to belittle the complex problems facing the Government of India in Jammu and Kashmir, Nagaland and Manipur, but, at the same time, it must be pointed out that the success of Indian experiment in nation building is due to the establishment of a political system where multiple identities can co-exist harmoniously. National integration is taking place in a big way. I was in Nagaland couple of years ago, and I was surprised to find that the Nagas could converse in Hindi and in English. The Naga girls wear Salwaar Kameez and Hindi films and songs are immensely popular. Except in my State - Tamil Nadu - where the narrow minded bigoted Dravidian politicians follow a short sighted policy by sticking to a two language formula, where children are taught only two languages in the schools, Tamil and English. In all other states three language formula – regional language, English and Hindi – is followed. As a result, Hindi, not by compulsion but by voluntary acceptance, has become the lingua franca of the country.

Dr. Shashi Tharoor, diplomat turned politician, recently gave an illustration of how the minorities, unlike many other Asian countries, occupy high positions in our country. In the 2004 parliamentary elections, the Indian National Congress emerged as the single largest party, an Indian citizen of Italian origin, Roman Catholic by faith, Smt. Sonia Gandhi was elected as the leader of the parliamentary

party, but she graciously declined the post of the Prime Minister and offered it to another distinguished leader belonging to another minority community, a Sikh. And Dr. Manmohan Singh was sworn in as Prime Minister of India, by the President, who belonged to another minority group, Moslem- Mohammad Abdul Kalam.

Tibet - Litmus Test for China's experiment in Nation Building

Success of nation building experiment in multi-ethnic societies, as pointed out earlier, will depend as to what extent the political system provides space for various ethnic groups to retain their distinct identity while extending political loyalty to the country in which they live. While India, over the years, has succeeded in this difficult task Chinese nation building is based on homogeneity, cultural assimilation and rapid economic development, resulting in Han migration. Nowhere else is this so evident as in the case of Tibet.

Tibetans are not a homogenous group. They comprise, in addition to Tibetans, kindred ethnic groups like U-Tsang, Drokpa and the Khambas. The Tibetans may number around 5 to 7 million. According to Chinese government statistics, Tibetans constitute 92 per cent of the population of Tibetan Autonomous Region and the Han Chinese only 6 per cent. According to many Sinologists the proportion of the Tibetans is an over estimate and Han Chinese an under estimate. The Tibetans follow the *Vajrayana* form of Buddhism and their culture has blossomed as a result of intimate contacts with India than with Han China. The British Government had extra-territorial rights in Tibet, which the newly independent India relinquished as extra-territorial rights were the legacy of imperialism.

Was Tibet a part of Han China in the past? If it were part of China, it would have been sinicised completely. While the exact nature of relations between Tibet and Han China is a matter of controversy, according to perceptive historians, whenever China was strong it used to insist on tributary relations with Tibet which the latter was compelled to acquiesce, whereas when China had a weak government the Tibetans used to assert their independence. Bertil Lintner has summed up the Tibetan reality as follows: "Tibet was an independent country, largely isolated and having limited interaction with the rest of the world. It did, however, have its own government, flag, national anthem and a small and poorly equipped army, but still an army". In his famous speech, accepting the Nobel peace prize in December 1989, His Holiness 14th Dalai Lama of Tibet pointed out that the relations between Tibet and China has to be based on equality and mutual respect. These principles were laid down as early as 823 AD, carved on a pillar which stands even today in front of the Jokhang, Tibet's holiest shrine in Lhasa. "Tibetans will live happily in the great land of Tibet and the Chinese will live happily in the great land of China".

After the revolution in China in 1949 the communist leaders felt that the Western world was refusing to come to terms with an independent China and was conspiring to encircle and quarantine China. . Tibet, especially the Dalai Lama, the communist leaders felt was a willing tool of the Americans. The end result was the 1950 invasion of Tibet, which completely altered the situation. India did not protest; what is more, Indian diplomat KM Panikkar justified Chinese military intervention. To quote Panikkar: "I do not think there is anything wrong in the troops of Red China moving about in their own country".

During the period of India-China honeymoon Nehru believed that the Chinese leaders will continue to respect the autonomy of Tibet. Did they not declare Tibet as an "autonomous region", Nehru argued. What is more, he was lulled into inertia by Chou En Lai's repeated assurances that China will respect Tibet's autonomy. In a statement in Lok Sabha on 27 April 1959, after Dalai lama had been given asylum, Nehru recalled: "When Premier Chou En-lai came here two or three years ago, he was good enough to discuss Tibet with me at considerable length. We had a frank and full talk. He told me that while Tibet had long been a part of Chinese state, they did not consider Tibet to be a province of China. The Tibetan people were different from the people of China proper, just as in other autonomous regions of the Chinese state, the people were different even though they formed part of the state. Therefore, they consider Tibet an autonomous region which would enjoy autonomy. He told me further that it was absurd for anyone to imagine that China was going to force communism on Tibet. Communism could not be enforced this way on a very backward country and they had no wish to do so even though they would like reforms to come in progressively. Even these reforms they proposed to postpone for a considerable time".

It may be recalled that in 1956 India celebrated the 2500 birth anniversary of Guatama Buddha. Dalai Lama with his faithful followers came to Bodh Gaya, where the Mahabodhi temple had been renovated, to attend the celebrations. He was extremely unhappy with the ongoing Chinese repression in Tibet. Open revolts were taking place in eastern parts of the Tibetan plateau. The function was also attended by Premier Chou En-lai. Chou En-lai was at his persuasive best and assured Nehru that Tibetan autonomy will not be disturbed by the Chinese Government. Dalai Lama was reluctant to go back to Lhasa, but on Nehru's assurance he returned to Tibetan capital.

The high watermark of India –China relations was the signing of the Agreement on Trade and Intercourse between the Tibet Region of China and India on 29 April 1954. Reference to Tibet as Tibet region of China implied that India recognized Tibet to be an integral part of China. In the agreement there was no reference to the autonomous region of Tibet though Nehru in repeated statements

had mentioned that China had given assurances that the autonomy of Tibet will be respected by Beijing. The agreement also incorporated the five principles of Peaceful co-existence. The agreement contained specific provision for the promotion of cultural and trade relations between the two countries. Sections in the Government of India, led by Girija Shankar Bajpai and members of parliament cutting across political parties wanted Nehru to make use of the opportunity to demand that China respect the traditional boundary line between India and Tibet. Chou En-lai maintained that the maps then in circulation were old maps and the Chinese Government had no time to study the problem. Chou En-lai stated that the questions "which were ripe for settlement" have been resolved. Very few in India at that time understood the subtleties in Chou En-lai's statement.

Blinded by anti-China hysteria the United States was deeply involved in fomenting anti-China feelings in Tibet. The Central Intelligence Agency (CIA) was training the Khampas in bases located in East Pakistan and used to air drop them in Tibet. Pakistan at that time was an ally of the United States in the Cold War and was a member of the SEATO and CENTO. There were remnants of the Kuomintang in the northern parts of Burma and they also assisted the United States in these subversive activities. The end result was the intensification of the civil war in Tibet with China unleashing a brutal policy of repression. The Dalai Lama had to flee from Tibet and come to India in March 1959. An exodus of the Tibetan refugees followed. The Chinese media stepped up its attacks on the Dalai Lama as a "reactionary" "counter-revolutionary", a "wolf in sheep's clothing", a "political leader, not a religious head of a minority; a globe-trotting character who wants the world to support Tibet's secession and independence".

Beijing is aware of the fact that so long as Dalai Lama lives, Tibet would continue to attract international attention. But time is not in Dalai Lama's favour. In July 2016 Dalai Lama will complete 81 years and it is only a question of time before his life comes to an end. Beijing has already propped up its stooge Panchan Lama and is encouraging foreign dignitaries to call on him. On his last visit to China, George Yeo, Sigapore's former Foreign Minister, called on Panchan Lama on his own initiative, which is an example of the likely attitude of many developing countries.

Keeping in mind the rapidly changing international situation, especially growing entente between United States and China and India's desire to normalize relations with China, Dalai Lama occasionally has stated that he is willing to accept a solution within a united China, which guarantees Tibet's autonomy. The solution has to be based on the principle of equality, trust, respect and mutual benefit. China has yet to respond. Meanwhile Tibetan resistance continues to erupt occasionally.

In June 1989 several Tibetans immolated themselves which attracted international attention.

China's increasing militarization of Tibet, including construction of 25 air fields and installation of nuclear launch facilities are illustrations of China's determination to integrate Tibet with China as speedily as possible. Communication facilities, including construction of railway links and air facilities have reduced the distance between developed China and not so developed Tibet. Increasing industrialization of Tibet is leading to the induction of Han people and by the end of the century the Tibetans are likely to become a minority in their homeland. What is more, more and more countries are interested in developing mutually beneficial relations with China and these countries are unlikely to make human rights violations in China as a primary focus of their foreign policy.

Idealism VS Pragmatism: Dilemma in Foreign Policy

When the Tiananmen Square incident took place, New Delhi did not criticize China. India was trying to normalize relations with China and the Indian foreign office did not want to disturb the ongoing dialogue. It may be recalled that when Russian tanks rolled into Prague in 1968, India remained a silent spectator because any criticism of Soviet Union would have adversely affected Indo-Soviet friendship. In other words pragmatism dictated Indian response, not the high ideals which Gandhiji and Nehru taught us. But the most disappointing aspect was the reaction of the non-governmental organizations - media, trade unions, students and teachers – they were more royal than the King and more Anglican than the Bishop.

Henry Kissinger, in his book *On China,* has vividly described the dilemma facing United States in its policy towards China after the Tiananmen Square incident. There were those who advocated that American diplomacy should be geared to promote democracy, whatever may be the cost. The realists, however, argued that each country should be judged by its own yardsticks. For China liberal western democracy was not the ideal, unity and stability of the country was paramount, and, therefore, the best option available for the United States is to continue to engage with china. Once the United States establishes enough confidence changes in government policies could be advocated with greater chances of success.

As the inter-dependence between the United States and China, or for that matter between India and China, expands, the dilemma mentioned above would continue to confront the policy makers. As far as Tibetan desire for autonomy and human dignity is concerned, it is likely to be a losing battle and the ruthless regime in due course would impose its hegemonistic rule, whatever may be the human cost. The surviving Tibetans would continue to exist, but as a helpless minority, aliens in their own homeland.

The famous poem of the Palestinian poet Mahmud Darwish comes to my mind. The poem, entitled *The State of Siege* opens with the following lines:

There on the hill side

gazing into the dusk and cannon of time

near the shadow crossed gardens

we do what the prisoners and the powerless always do

we try to conjure up hope

China's New Tributary System: The South Asian Lesson

Joseph Antony

On 9 January 2017, the founder and Executive Chairman of 'Alibaba,' the Chinese online giant, met the US President-elect Donald Trump in New York. The meeting was held in the political background, which was vitiated by some anti-China statements by Trump and his telephonic conversation with the Taiwan President Tsai Ing-wen. The Chinese Communist Party daily "Global Times" reported the details of that meeting on 10 January. While analysing the nitty gritty of the meeting between Trump and Jack Ma, it stated that "(Jack) Ma went to the US in a bid to seek expansion, not to pay tribute" (Global Times 2017). This statement clearly shows that the old practice of tribute system is still active in the psyche of China when they deal with other nations. This paper is an attempt to understand what the tribute system is, and how far China is successful in applying this system in its relations with other nations in the present day world. With this in mind, the attempt is to understand the Chinese efforts to develop relations with nations in South Asia, which is the neighbourhood region of China and the strategic backyard of India.

Tribute System

History is a great tour guide to scholars who travel the foreign policy routes of nations. As a civilizational state (Jacques 2012: 241-293) China provides a mine of experiments in its foreign and domestic outings. In the foreign policy arena, China has an exceptional record of creating an extraordinary practice known as the tribute system. A perusal into the age-old tribute system will be helpful to unravel the hidden agendas of Chinese foreign policy.

While analysing China's interactions with the developing world, Derek Mitchell and Carola McGiffert emphasised the significance of the foundations of China's experiences and history in its dealings with the outside world. They have stated that "examining the themes of China's external relations throughout

its history can provide the necessary context for understanding China's current approach (Mitchell and McGiffert 2007: 4). Joseph Esherick too has accepted the significance of China's past experiences in its interaction with the external world. In his words, "in their relations with the outside world, the precedents of China's past shaped the official imagination and public presentation of intercourse with peoples from beyond China's borders" (Esherick 2010:19).

The Chinese tributary system can be traced back to the Shang (1600 BCE-1046 BCE) and Han (202 BCE - 220 CE.) dynasties. By giving more importance to the Han period for establishing this system, Yingshi Yu wrote: "In the realm of foreign relations, as in many other areas, the Han dynasty marks the beginning of a new era. It was in this period that the well known tributary system which basically regulated Chinese foreign relations throughout the imperial age until the middle of the nineteenth century took shape"(Yu 1967: 36). Before the Communist takeover of China, the last dynasty which experimented with the tribute system was the Qing (Ch'ing) (1644-1912). The Qing inherited this system from its predecessor Ming (1368–1644) dynasty with additions and modifications.

The norms and practices of tributary system were codified in two treatises: "Collected Statutes of the Qing" (*Qinding da-Qing huidian*) and "Comprehensive Rituals of the Qing" (*Da-Qing tongli*). The "Collected Statutes" and the "Comprehensive Rituals" are compendiums of narrations about the rituals of Chinese tribute system. A Ming period (1368-1644) text opens with the following words: "The Kings of former times cultivated their own refinement and virtue in order to subdue persons at a distance, whereupon the barbarians (of the east and north) came to Court to have an audience. This comes down as a long tradition" (Fairbank and Teng 1941). Similar texts during the Ming and Qing periods also describe the existence of a Sino-centric society from the period of Shang kings of the Second Millennium B.C. These texts also furnished the appropriate ceremonies to be followed by tributary missions to Chinese Court.

The tribute system tries to place China at the top, and its neighbours as subordinates or "barbarians." It is a typical hierarchical relationship between the Chinese Emperor as 'Son of Heaven' and the subordinate neighbouring states. This system visualises their foreign relations through the prism of Chinese social relations which subscribe to the hierarchies of social position, gender, age as nothing but natural. Moreover, the old Chinese texts had made clear-cut distinctions between the Chinese cultural spheres from the others, known as the barbarians, who are considered to be "on the edge of bestiality" (Dikotter 1992: 4).

The annals of history show that countries to the east of China, which were less powerful, came under this system of relations. Apart from the neighbouring states, some distant states had also subscribed to the Chinese system. While some countries

sent regular delegations to the Emperor, some paid only periodic visits. Korea and Vietnam were China's most loyal tributary states, sending regular tribute bearing embassies to the Chinese court, adopting the Chinese calendar, and accepting the seals of authority and investiture of their rulers from the Son of Heaven in Beijing (Esherick 2010: 21). More distant states such as Siam, Champa, Khoqand, or Burma lay outside the realm of Sinitic culture but they too sent periodic tribute missions to China, though on a far less regular basis (Ibid). It is stated that the Reception Department, a bureau of the Chinese government, regulated the size, frequency, and reception of the tribute missions that depended on each's importance to and distance from China (Epic World History). For example Korea paid tribute four times a year; Annam once every two years; Siam every three years; and Laos and Burma every 10 years. While in China, all expenses of the tribute missions were paid by the Chinese government. Regulations also governed the number of merchants and amount of trade allowed to accompany each tribute mission (Ibid.)

Tribute system was a unique method of China in dealing with foreign powers. The premodern Chinese foreign relations were guided by this system. The major feature of which was that it demanded "the acknowledgement by "barbarian" (*yi*) rulers of the supremacy of China's "Son of Heaven" (*tianzi*) as superior to all other rulers in the world (Hevia 2010: 62). It means that if some country wanted to be in the tributary system, it had to accept Chinese superiority or centrality placed in a hierarchical system. The hierarchical system consisted of China at the centre as the 'Son of Heaven' and all the others as subordinates. By acknowledging the preeminance of China, these tribute nations were ensuring their security and economic wellbeing. Giovanni Andornino of London School of Economics called this system as China's 'ethnocentric centripetal hegemony' which performed a threefold role in keeping internal and external threats under check. In his opinion, it enhanced the ideological legitimacy of the Emperor's rule over 'All Under Heaven'; it strengthened the state's military credibility; and it offered him an economic channel thorough which to pursue appeasement policies. The versatility of the system permitted the Celestial Empire to adjust its foreign relations within diverse theatres of operation for two millennia (Andornino 2006: 4-5).

While China practiced this system to impose its own superiority as 'Son of Heaven', tributary nations had different objectives in their pursuit of the system. Two aspects of the tributary system are noteworthy. First, the main agenda behind many tributary visits were commercial in nature. Another incentive behind the tribute system was the expectation that the Chinese Emperor's gift will be more valuable than the gifts of the tributary nation (Fairbank and Teng 1941). Through this practice, other nations get entry into the "civilized Siniocentric world order."

Foreign nations expressed their acceptance of this system in two "symbolic"ways. One was by presenting ritual tributes (*gong*) to the emperor. The other was by performing the "full" kowtow (kneeling three times, each time bowing their head to the ground thrice). (Hevia 2010: 62) So, delegations from other nations seeking access to Chinese Emperor had to perform the kowtow, a series of ritual bowings and prostrations, and present their tribute—precious things from their countries—to the Emperor. In return, the Emperor would grant permission to the tributary nations the opportunity to trade in China's markets. He will also give them valuable gifts or "bestowals," often worth far more than the tribute they had offered.

China had used this practice to regulate their relationship with neighbouring countries. It means that the tributary system existed as a continuous set of abstract principles that were applied to both diplomatic strategy and foreign policy over several thousand years of Chinese history (Zhou 2011). Scholars like Barry Buzan and Yonhjin Zhang has also accepted and acknowledged the significance of tribute system in the history of East Asia as a Chinese world order and as the historical articulation of the Chinese vision of a world order (Zhang and Buzan 2012).

By subscribing to the views of John K. Fairbank, James Hevia stated that tributary system defined Chinese attitudes and practices in foreign relations from virtually the dawn of Chinese civilization until the confrontation with the West in the nineteenth century (Hevia 2010: 62). Fairbank also explained the motives of practicing the tribute system by China. "On the one hand, the value of the item presented by foreign rulers added little to the imperial treasury. On the other, the value of the items given by the Chinese court to foreign missions balanced or outweighed the value of the tribute gifts. For the Chinese, the tribute by foreign rulers was both an acknowledgement, and a function of legitimising the prestige of Imperial China (Ibid). So according to Fairbank, the Chinese were committed to the tribute system for ideological reasons, and the foreigners for practical reasons and with this China combined "diplomacy" and "trade" (Ibid).

Although it had been promoting the system, China, unlike the West, did not try to bring those nations under its political control. It was a cultural kind of a thing or an attempt to proclaim its Middle Kingdom status. Another significant thing regarding this system was that it was not a continuous affair without any break. Only four important dynasties could practice the tribute system in an effective manner. Whenever China became weak, they were not able to follow this system in their international relations, and whenever they were strong, China religiously followed it. After a long gap, China is regaining its space in the global affairs, and naturally it has started to assert its power and position. Through the new tribute system, China is trying to regain its lost glory by creating a new sino-centric world.

New Tribute System in South Asia

A keen observer of Chinese foreign relations cannot go unnoticed some new tendencies in its external behaviour, especially after the proclamation of the 'peaceful rise' of China in the dawn of 21st century. At present, China is the largest economy (in PPP terms) in the world, second largest military power, permanent member of the UN Security Council, G-20 member, and important voice in international hightables. It has all the wherewithals to influence the poitico-economic movements of the world. So Beijing has been effectively utilising its political power, economic heft, and military muscle to strengthen its relations or influence the external behaviour of other nations of the world. If nations like Sudan give oil to China, Beijing will protect the former in the international fora. When Sri Lanka offered some port facility, China helped them in its war against the LTTE by providing arms and financial aid. China has been protecting the unruly North Korea from international sanctions, helping Iran to tide over an economic crisis during western sanctions, and insulating Pakistan in international fora on terrorism issue. The newly achieved politico-economic-military status has given China confidence to execute these things in the present day world. And by using these tools, China has been trying to befriend other nations in return for their small tribute-like offers. Asia and Africa are the present testing grounds of the new tribute system. As one of the flash points in global politics, and also an immediate periphery of China, this paper concentrates on South Asia for the analysis of Beijing's new tribute system.

South Asia is a region with great strategic significance. The democratic shift in Pakistan, Afghanistan and Nepal, the end of civil war in Sri Lanka, changes in the politics of Maldives are making South Asian nations to search for stability and development. Security from internal and external threats also is an important element guiding their movements. The region has great strategic salience. It borders major Sea Lanes of Communications (SLOCs) like Arabian Sea, Indian Ocean and Bay of Bengal. India is the major power in the region, which is not so friendly towards China, another big brother in the vicinity. So, as a nation which is dependent upon SLOCs for its energy security and trade, Beijing cannot ignore the Indian Ocean and the littoral nations like Pakistan, Maldives, Sri Lanka or Bangladesh. More over, due to the border disputes with India, with whom China fought a bloody war in 1962, the latter is in search of friends in India's backyard. New Delhi's improving relations with Washington has also put China in a security dilemma like situation which demands developing friendship with other South Asian nations. The economic backwardness of South Asian nations and their penchant for economic development has opened China a golden opportunity to establish a strong hold over them, except India. This has prompted China to try its age old practice of tribute system in South Asia.

China's attempt to wean away South Asian nations from the influence of India has opened another area of confrontation with both regional great powers. As was stated by Zorawar Daulet Singh, "of all the issue areas where Indian and Chinese interests will intersect in the foreseeable future, South Asia is the subregion most fraught with the possibility of negative scenarios, uncontrolled rivalry and heightening security dilemma" (Singh 2016: 10).

The new tribute system is nothing but the old tributary system reloaded in a new period and scenario. The main ingredient of it is to extend financial, military or political support to nations according to their needs. Almost all South Asian nations, except India, are in search of financial and political help to tide over their problems of development and other domestic issues. For that, these nations are more than ready to kow tow Chinese lines or offer some concessions, like allowing China to use some strategic locations in their territories or stand for China at the international fora. South Asia is an ideal play ground for China to implement their new tributary system. Some of the recent initiatives by Beijing in all the South Asian countries will explain the applicability and utility of it for achieving its desired objectives.

Pakistan

Pakistan is considered to be the "all weather friend" of China. Although it is a non-NATO ally of western nations, Pakistan is more allied to China than America. Ahead of his visit to Pakistan, in an op-ed, Chinese President Xi Jinping mentioned his relations with Pakistan in the following words: "I feel as if I am going to visit the home of my own brother" (China Daily 2015). The mega project for China-Pakistan Economic Corridor (CPEC) worth $46 billion itself shows the importance China gives to Pakistan for achieving its global ambition. "The CPEC fund is far more than the annual U.S. aid budget for the entire world. This is now Beijing's biggest commitment to any one country. Pakistan is also the largest recipient of Chinese weapons, and Beijing increasingly relies on it to help contain militants in China's western provinces" (Manuel 2016). To placate Pakistan, China has no hesitation to equate Delhi with Islamabad. This is discernible in the nuclear issues, whether it is in the case of nuclear agreements or membership to nuclear related bodies like the NSG. In the case of terrorism too, Beijing has been taking a favourable position to Islamabad. Recently, China has blocked India's request to add the head of the Pakistan-based militant group Jaish-e-Mohammad (JeM) to a UN Security Council blacklist of groups linked to al Qaeda (The Express Tribune 2016).

China has been extending military support to Pakistan from 1965 onwards and it is strengthening day by day with new and powerful weapons. China has recently announced the sale of eight attack submarines to Pakistan. Widely

considered to be one of Beijing's biggest military deals with an estimated value of about $5 billion, China, which is Pakistan's largest supplier of military hardware, is expected to provide a long-term loan at a low interest rate for the submarine deal worth between $4 billion and $5 billion (Hindustan Times 2016). And with the CPEC, China will be able to reach the Arabian Sea through the Gwadar port. It is a significant step in the dreanm project of Xi Jinping – the "one belt one road' (OBOR). In short, the Chinese help to Pakistan is not an innocent act, but a calculated act with a strategic objective. "The larger reason for China going all out to boost Pakistan is what Chinese strategists describe as "seeking a favourable balance" in South Asia. In other words, China's propping up of Pakistan is to ensure that India continues to remain challenged and preoccupied in its own neighbourhood, rather than emerge as a regional counterweight to China" (Krishnan 2016). So through the generous support to Pakistan, China has effectively turned Pakistan as a tributary state, ready to perform any task of China in South Asia.

Sri Lanka

Sri Lanka is another major South Asian country placed in the strategic calculus of China. The island nation situated in the Indian Ocean has been attracting Chinese interst due to its geostrategic location. Recently, China has been at the forefront in cultivating good friendly relations with Sri Lankan governments. It was a strong supporter of the Mahinda Rajapaksa government. Beijing extended political, military and financial support to his fight against the LTTE. When India and the Western nations denied any help to Sri Lanka, it was China which came forward with both financial aid and militarily equipment, supplying tens of millions of dollars' worth of sophisticated weapons as well as making a free gift of six F7 fighter jets to the Sri Lankan air force (Popham 2010). It has also protected the Rajapaksa government at the UN on the question of human rights violations committed at the final stages of the civil war in Sri Lanka in 2009. According to a scholar it can be said that the main hope for Sri Lanka to defeat the LTTE was Chinese support and that without China's help Sri Lanka may not have won the war with LTTE (Thaliyakkattil 2016:3).

China's love for Sri Lanka is emerging from its overdependence on the SLOC for the protection of its energy security and trade. This vital interest of China makes Indian Ocean a crucial space to be kept free from any trouble. This might have compelled Beijing to link Sri Lanka with the 'One Belt One Road' (OBOR) project. Although China is the fourth largest trading partner of Sri Lanka, it is one of its top five investors. At present Chinese investment is totalling over $8 billion in Sri Lanka (Economic Times 2017). And the former is interested in more

investments in infrastructure projects of Sri Lanka. There are two mega projects which come under the direct initiatives of OBOR in Sri Lanka: Port city project and Hambantota harbour. Chinese daily *Global Times* recently reported that an 80 per cent share of the port (Hambantota), which sits on an important trade route, and land for an industrial zone will be leased to China for the next 99 years (Weijia 2017). Although the present Maithripala government suspended these projects (sanctioned by former Rajapaksa government) due to the criticisms against it, now they have again handed those projects back to China for completion. This clearly shows the inability of Sri Lanka to resist Chinese temptations with its financial supports. Although anti-China sentiments also helped Maithripala to win the President election in 2014, he too has understood the might of Chinese influence in Sri Lanka when comes to the construction of infrastructure facilities. The *Global Times* stated that "the Chinese funded projects in Sri Lanka are not a nail being knocked into the geopolitical landscape of South Asia to curb India's rise" (Ibid). In a sense the strengthening China-Sri Lanka engagement is a strategic counter act to prevent Indian rise in South Asia. Sri Lanka cannot say no to the financial carrot extended to Colombo, which is reeling under financial crunch.

Nepal

Nepal is another country China tries to embrace. The landlocked Himalayan kingdom is sharing common border with China. Moreover, it is the only country in South Asia where a Communist Party has a major role in the political system. During the period of the Shah Dynasty, China had been supporting them in all their activities. But ever since the Maoists became dominant in Nepal's politics in the post-Janaandolan period, China started to revisit its Nepal policy. It may be noted that, during the dynastic period, China had branded the Maoists as anti-government forces. With the victory of the Maoists in the election, the Chinese "have beefed up their interests in Nepal" and the Chinese leadership started cozying up with the Maoists (Bhattacharya 2008).

Now Kathmandu is witnessing a rat race between India and China to befriend Nepal. Both are competing to offer economic aid for the development of the Himalayan country. Although Indian Prime Minister Narendra Modi, through his visit in 2014 had created some positive expectations, the developments related with the passage of Nepali Constitution in 2015 destroyed everything. This has created a golden opportunity to China to get in and they are using it to the maximum. A report published by the Indian think tank, Gateway House will tell how China is carefully cultivating their influence in Nepal: "In the early part of the last decade, China's investment in Nepal was marginal in comparison with India. However, since 2008, Chinese investments in the Himalayan state have surged, and in

2014, it outranked India for the first time in terms of total investment. In 2015-16, China contributed 42 per cent of total FDI to Nepal. This increase is also seen in Chinese Overseas Development Assistance (ODA), where China overtook Indian aid in 2015, growing steadily from $19 million in 2010-11 to $38 million in 2014-15 (compared with India's $22 million the same year). China's strategic inclination towards Nepal is evident from these statistics, and it is a serious challenge to India in its own neighbourhood" (Gateway House 2016). China has been showing much interest in infrastructure building in Nepal. A recent report in the *Global Times* stated that "the Nepal Electricity Authority recently signed an initial agreement with China Three Gorges Corporation (GTGC) to develop the $1.6 billion West Seti hydropower project in Midwest Nepal, which could generate 750 megawatts of power when completed (Shengxia 2017). China is also taking steps to connect Nepal through road and rail lines. The Chinese initiatives in Nepal in the backdrop of Indian flip flop in the Madhesi issue are sending shockwaves in India. The Madhesi agitation, in fact, alienated a good chunk of Nepalis from India. China is working on that to their benefit. Now Nepal is looking at China for help, not to India.

Bangladesh

It is common knowledge that Bangladesh is indebted to India for its birth in 1971. India and Bangladesh share a 4096 km long border. It has strong historical and cultural links with India. Although there were some issues among them, like sharing of Teesta water, Prime Minister Narendra Modi tried to address the burning bilateral issues with his June 2015 visit to Dhaka. By signing 22 agreements, both the nations have initiated a new chapter in developing closer economic and strategic linkages—in areas spanning from space and nuclear cooperation to bilateral trade, regional transit and energy cooperation. Another important event of the visit was the exchange of the instruments of ratification of the 1974 land boundary pact. The treaty demarcates the borders of India and Bangladesh as well as envisages the exchange of enclaves and land in each others possession. To improve connectivity, the two sides signed a pact to allow Indian cargo ships to use Bangladesh's Mongla and Chittagong ports. The Indian ships can ferry cargo from Bangladesh to the Indian ports instead of routing it via Singapore as they earlier did. The Chittagong port has been developed by China, and India had been viewing Chinese activity in Bangladesh with suspicion (Roche 2015).

If 2015 belongs to India, what is visible in 2016 is a different story which says Bangladesh turning towards China in an astonishing manner. From the wholehearted support to the OBOR, to port development, to purchase of submarine and armaments, Dhaka is gifting India only great concerns. Three important incidents which took place in 2016 will show how things move in favour of China.

In May 2016, Chinese Defence Minister, General Chang Wanguan visited Bangladesh. While welcoming him, President of Bangladesh Abdul Hamid stated that his country "totally supports China so far as China's core interests are concerned, including Beijing's One Belt and One Road initiative and its interests in the South China Sea." *Indian Defence Review* magazine remarked that "it has signaled the possibility of China and Bangladesh serving each other's strategic and military needs in near future which may go against India's interests in South Asia" (Mukherjee 2016).   Second was the visit of Chinese President Xi Jinping to Bangladesh in October 2016. During his visit, Bangladesh and China have signed 27 agreements and memorandum of understanding totalling $20 billion. They spread across financing infrastructure, energy, information and communication projects. After the deal-signing ceremony Xi Jinping said, "We agreed to elevate China-Bangladesh ties from a comprehensive partnership of cooperation to a strategic partnership of cooperation" (Kabir 2017). In addition to that, a series of investments were made by Chinese companies in Bangladesh in 2016 itself — including a $1.1 billion deal signed in October by Chinese cable manufacturer Jiangsu Etern Co. to strengthen the South Asian country's power grid, and a $3.1 billion deal by China Railway Group to construct nearly 170 km of railroads connecting the capital Dhaka to southwestern cities (Ibid).

The last Bangladeshi punch on the face of India came in November, just before the visit of the Defence Minister of India to Dhaka. On 14 November, Bangladesh took delivery of its first submarines, bought from China to boost its naval power in the Bay of Bengal. Bangladesh paid $203 million for the two submarines. This deal reflects Dhaka's growing economic and defence ties with Beijing (Times of India 2016). Experts say that the purchase of the submarines is part of a clear strategy meant to encircle India. "Given Bangladesh's economic situation and the fact that it is surrounded on three sides by India, the acquisition of submarines is not only illogical but actually an act of provocation as far as India is concerned. Submarines are offensive weapons of sea denial and their only use would be to pose a threat to India and to complicate the latter's maritime security paradigm." "Obviously this transfer is a step further in China's strategy of encircling India with its client states," said Arun Prakash, a retired Indian Navy admiral and former service chief (Reghuvanshi 2016).

The details of arms purchase made by Bangladesh from China will reveal the unfolding strategic friendship among both the countries. At present, China is the largest business partner of Bangladesh, which, in turn, is the third largest trade partner of China in South Asia (Pandey 2016). By quoting Stockholm International Peace Research Institute (SIPRI), a report stated that "China was the source of 82 percent of Bangladesh's arms purchases from 2009-2013, making Dhaka one of the

top three buyers of Chinese weapons in the world. SIPRI data showed Bangladesh bought anti-ship missiles, tanks, fighter aircraft and other arms from China between 2008 and 2012. Last year, it commissioned two new frigates from China (Miglani 2015). What worries Indian military planners is that China might see Bangladesh, which shares the Bay of Bengal with India and Myanmar, as an ideal place for its warships and submarines to dock (Ibid). Bangladesh has traditionally been one of India's strongest allies in the region, but experts say that Delhi will not be able to match Beijing's largesse (Parmar 2016). So by using its economic heft, China has converted a close neighbour of India to the Sino-centric world order.

Maldives

Located in the south-west part of India in the Indian Ocean, Maldives, although a small island nation, occupies great strategic value. Till recently India was the security provider of Maldives. But the recent political changes and resultant moves of Maldives are posing grave strategic challenges to India. It all started with the displacement of the pro-Indian President Mohamed Nasheed from power and with the arrival of Abdulla Yameen as President in 2012. But things have started changing with the visit of Chinese President Xi Jinping to Maldives in 2014. This visit was a game changer in the foreign policy perception of Male. The government immediately cancelled the contract of the Indian company, GMR Infrastructure, and transferred to a Chinese group, Beijing Urban Construction Group Company Ltd, the responsibility to upgrade the Male airport. Recently, a $800 million contract to expand the airport further was also signed up with the Chinese consortium. This is in addition to the 'China-Maldives Friendship Bridge' project that spans from Male's eastern edge to the western corner of the island of Hulhule, funded by the $126 million in grant aid from China — an unprecedented financial generosity in the Maldivian context" (Singh 2016).

India is worried about some significant moves by the Yameen Government. First is about a new law that allows foreigners to own land in the country if they invest $ 1 billion and reclaim 70 percent of the land from the sea (global security. org). Second is about the report that the Maldives could allow China to build a port in the southern part of the country - in Laamu atoll - directly impinging India's interests in the Indian Ocean region (Parashar 2016). This fear was supported by the statement of former Maldives foreign minister Ahmed Naseem who said that there were indications that Maldives was looking to let the Chinese build a port at Gaadhoo island in the southern atoll from where people had already been evacuated from the region and that the Chinese were currently building roads there (Ibid). Naseem said, as things stood, by the end of this year, Maldives could owe 70

per cent of its external debt to China, making itself heavily dependent on Beijing's largesse. China is investing heavily in infrastructure projects (Ibid).

President Yameen has propounded the Look East policy towards China as a major partner in his Republic Day address, while his Vice President Ahmed Adeeb confirmed, "China is one of the closest friends and one of the most important development partners of Maldives". This is an unmistakable augury of the Chinese 'cheque-book diplomacy' for buying new friends, a Chinese tactics deployed in poor African countries which are seeing aggressive Chinese investments (Singh 2016). Although Maldives repeats 'India First' policy, China will remain the elephant in the room.

Afghanistan

China shares about 94 km long border with Afghanistan. Although the very first revolutionary government sent its Prime Minister Zhuo Enali to Afghan in 1957 itself, the chequred history of Afghan prevented a smooth progress of that relations to maturity. But from the dawn of 21st century, both nations have started developing bilateral relations. President Jiang Zemin announced that China would provide US$150 million-worth of assistance to Afghanistan for its reconstruction. Since 2010, China has increased its economic aid and investment in Afghanistan, notably with announcement by Metallurgical Corporation of China (MCC) pledging $3.5 billion to develop Aynak Copper mines (Ng 2010). There emerged a report in December 2016 that even the Taliban have given sanction to China to restart the $3 billion mining project at the Mes Aynak (Amini 2016).

China increased its contributions to Afghanistan's development significantly in the last two to three years. According to a report, "it provided roughly $240 million in development assistance and aid between 2001 and 2013, and around $80 million in 2014 alone. During the visit of Abdullah Abdullah (the government's chief executive) to China in May, both countries signed an agreement on technical cooperation (worth around $76 million) and on non-emergency humanitarian aid. China's contribution may still be small compared to that of the US or Europe, and far from that of the largest donor of Afghanistan in the region – India, which has provided roughly $2 billion to date, yet its increase signifies China's will to stay in the country for good" (Stanzel 2016).

In another important move, a Chinese train, for the first time, entered into Hairatan, northern Afghanistan in September 2016. It is another advance in President Xi Jinping's Silk Road project to deepen his nation's influence along old trade routes. The train, carrying $4 million worth of commercial goods such as fabric, clothes and construction material, took just two weeks to arrive from the east coast of China, a fraction of the three-to-six months the road transit takes via

Pakistan to the eastern border crossing into Afghanistan (Najafizada 2016). China is cautious in establishing peace in Afghanistan. But at the same time, through different economic and trade route, it is entering the Afghan scence in strong way.

Bhutan

Although a neighbour which shares a border of 470 km, China has no diplomatic relations with Bhutan. More over, they have some dispute over the border. China has settled its border disputes with 12 of the 14 land neighbours except India and Bhutan. Recently China has expressed its interest in establish diplomatic ties with Bhutan (The Indian Express 2016). But they didn't get a positive reply from Thimpu. Bhutan is the only country which is keeping away from the influence of China.

Conclusion

China is a country which is intimately connected with its past. Although it is run by "Communist" ideology, the 'middle kingdom' mindset, strong nationalist feelings, belief in tradions are still active in the life of the political system. If an old system would help the leaders to continue their "Chinese dream," they are more than willing to use it. 'One Belt, One Road' (OBOR) project presented in 2013 is the latest example. It is the revival of an old trade route. They are also williingly utilise the nationalist feelings of the Chinese people whenever they wanted it, whether against Japan, or Vietnam or America. The methods developed through the old tribute system have become handy for the new leaders to create a group of nations supportive of Chinese grand strategy. This is clearly discernible in South Asia. Although it is the backyard of India, China has succeeded to wean away the South Asian nations from the close embrace of New Delhi.

Pakistan is already a close ally of China. Sri Lanka, Bangladesh, Nepal and Maldives are on the way to develop a strategic friendship with Beijing. Afghanistan is not far away. China is willing to travel the extra mile to befriend and put them in a 'sinitic circle'. These nations are attracted towards Beijing due to its political, economic and military might. The small and poor South Asian nations are ready to succumb to certain Chinese demands for a strategic port or an island for its military purpose. China has already established a military base in the east African nation Djibouti – a historic step that marks a bold new phase in its evolution as a world power (Page 2016). China is pondering over similar moves in the South Asian nations too. The Indian diplomatic blunders, like the one committed in Nepal, will be helpful to China to strengthen and establish its hold over them. The 'cheque book diplomacy' along with its great power status offers an advantage to China to pursue its global agenda in South Asia. The inclination of these nations towards

Chinese political, economic and military aid is visible in the recent developments in their relations with China.

China considers India as a rival in its thirst for Asian dominance. With the strategic relations with the US, Japan and Australia, New Delhi can create many problems to Beijing. As a nation which is heavily dependent upon Indian Ocean for its trade and energy security, it cannot write off the South Asian region solely to India or the US. The littoral nations like Maldives, Sri Lanka, Bagladesh and Pakistan have already granted China permission in one way or the other, their port facilities to Chinese use. These nations have succumbed to the Chinese cheque book diplomacy. The recent developments mentioned above clearly show the "Look-China" policy of South Asian nations who are charmed by the offers shown by the Chinese new tribute system.

So, by giving some favours, like in the old tribute system, in the form of money, armaments or political support or protection, China has been adopting an ancient practice to the changed situation. In the olden days, through the tribute system, China was interested only in getting the acceptance of other nations around it, an acknowledgement of its cultural and political superiority. But, in the present situation, China has drastically transformed the tribute system to achieve its political motive to achieve and assert its great power status. In other words, in the old tribute system, the cultural element was dominant, but in the present one, political element is dominant and the cultural one is rather dormant. China's South Asian episode of the new tribute system proclaims the effective use of another old practice in its road to great power status. The OBOR can be considered as another extended version of this system at the global level. By renewing, developing and practicing the old tributary system, China has developed a 'soft hegemony' in South Asia. This is the forerunner of establishing an absolute hegemony of China in the region.

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Indo- Sri Lankan Fishing Disputes under Postcolonial Statehood: Understanding Changing Conceptions of Territoriality and State Making in India

Shereen Sherif

Through this paper an attempt is made to understand the nature of security threats emerging from an engagement with oceanic borders, and different ways by which state engages in the border debate.Borders add to the rigidity of national consciousness and the existence of nation-state without a territory is hard to imagine. The attempt here would be to analyze how oceanic borders impact the formation and changes in nation-state and the concept of sovereignty and territoriality as opposed to the land based imagining of borders.

Notions of territorial exclusivity have characterized the formation of South Asian nation- states. This is particularly challenging owing to the fact that the regions in South Asia, contain cross border cultural affinities and ethnic ties, as is demonstrated in the case of fishermen living across the borders of Sri Lanka and Tamil Nadu. The States considered here are India and Sri Lanka. Several peculiarities underline the Indo- Sri Lankan relations especially with regard to maritime borders.

India and Sri Lanka share a maritime border of over 400 kilometers that spreads along four different areas: the Bay of Bengal in the north, the Palk Bay and the Gulf of Mannar at the centre and the Indian Ocean in the south. In the Palk Bay region, the minimum and the maximum distances between the coasts of two countries are around 16 kms and 45 kms respectively (Manoharan 2013). Of the many issues that strain the bilateral relations between India and Sri Lanka are the fishing disputes and this has been asserted by the fact that fishermen have been demanding their rights to fishing and rights against detention for many years. Fishing disputes in territorial waters that generally forms a part of the jurisdiction of state, often involves the central governments and their decision, when detention of fishermen occurs.

South Asia, as a regional unit has undergone a political past that is complete with the history of colonialism. Most constituent units of South Asia or as they called in mainstream literature, the developing world, have had to face a colonial past fraught with specific colonial experiences that shaped their evolution into independent political units. It is therefore necessary to emphasize the role of this colonial past in aspects of state and nation making in South Asia. The political, social and cultural fabric of the postcolonial countries was largely influenced by the colonial past. Some of the dominant threat perception and responses to these threats were also shaped by the existence of certain socio- cultural and politico-historical factors that were peculiar to the colony.

Postcolonialism defines many peculiarities of 'state building' and problems related to this process in South Asian countries. A common thread of colonial encounter was instrumental in creating notions of spatiality as we know today. Since this paper also hopes to engage with variations in the conception of territoriality under postcolonial system of states, it is essential to understand what 'postcolonialism' entails.

A postcolonial state is a political formation that succeeded the colonial domination. Though this idea has been critiqued, it is the generally accepted meaning attached to postcolonialism. This understanding, from a temporal sense of the term 'postcolonial', has helped in imagining a certain similarity in the nation-state making process of South Asian states. Nevertheless, this meaning of the term is problematic and hence, cannot be applied indiscriminately.

The term 'postcolonial' has been used in multiple senses, and is riddled with contradictions and qualifications (Loomba 2005). Two differing meanings of the term pertain to the temporal notion of the postcolonial, and the ideological. In this chapter, the postcolonial, for the analysis of the establishment of a new geographical order, is used in the temporal sense of the term.

A critical appreciation of postcolonial would reveal that the 'postcolonial' is not really a major modification of the colonial mindset, as many structures are still rooted in the colonial exploitative order. This term, therefore, would not apply to those at the 'bottom end of the hierarchy', i.e., those who are situated "at the far economic margins of the nation-state" (Loomba 2005: 155) so that nothing is 'post' about their colonization. Besides, a newly independent nation-state "makes available the fruits of liberation only selectively and unevenly, the dismantling of colonial rule did not automatically bring about changes for the better in the status of women, the working class, or the peasantry in most colonized countries" and by extension this could also include the indigenous marginal communities (Loomba 2005: 50).

Another exception within the fold of the postcolonial is that, anti-colonial movements have represented a narrow set of interests, failing to incorporate the interests of all peoples of a colonized country (Loomba 2005). For instance, there is no documented evidence of the fishing community's voice being represented in national movements for independence, whereas voices of many economically and politically marginal communities such as Mahars and untouchables (represented by Dr. B R Ambedker), and women were heard. The exclusion the fishing community felt was intensified with the distancing of one of the elements that created a foundation for a nation to rise: their non-representation of the highest order in the freedom struggle, anti-colonial national movement.

In order for a postcolonial state to free itself from the colonial bondage of political, social and cultural experiences, it is imperative that a strong force of nationalism be created. But there are elements that constantly pose a challenge to this nation-making project. Fishermen, in constant search for resources, cross boundaries that are drawn and this generates an environment of bilateral conflict and tension among states. The settlement of fishing disputes raises questions of territoriality and sovereignty, which in turn leads to the deconstruction of the generally-held notion of a postcolonial nation-state. Fishing communities, on account of being located in the borders, face the "double challenge of marginalization in political and social affairs" of the state along with a failure to understand the state formation process in the form in which it unfolded in India and Sri Lanka (Gupta and Sharma 2008: 78). Therefore, these communities lie outside the popular imagination of a nation.

The application of the idea of sovereignty is another terrain that is contested, where the Westphalian model undergo tweaking and forms of appropriation by different political groups and communities. This sometimes challenges the idea of an ultimate sovereign, as many contending sovereigns co-exist. Multilayered jurisdiction over the seas is one such instance of diffusion or modification of sovereignty.

Dispute settlement in the Ocean: Legal Regimes

Hugo Grotius formulated *Mare Liberum*, or *The Freedom of the Seas* in 1609, which was a principle that all nations were free to use sea or oceanic space as it is international territory that cannot be ceased or enclosed and thus is not anyone's property (Klien 2004). Much transition has taken place with regard to this principle and what is seen now in the case of states is the existence of strict and tense regimes on border control. Exercise of control over maritime borders and zones by states have negated the principles of 'freedom of the seas', contrary to the relative ease of passage under *Mare Liberum*. The change is characterized by a combination of

national laws, applicable to zones in the maritime domain, along with international laws that dictate access to seas. Thus the application and practice of freedom of seas and the importance attributed to it have undergone forms of appropriation and changes in the post Westphalian system of states, where sovereignty defines the existence of a state and borders add rigidity to the exercise of sovereignty.

The law of the seas as we know today is a result of negotiation between the 'members of the world community of States' (Jagota 1984:49). The legal structure that is prevalent over the oceanic space is a derivation of multiple sources of legality, including international conventions, treaties, laws and national laws. These multiple sources of legality have demarcated the space of ownership and exercise of sovereignty by states. Several conventions over the years have attempted to define the extent and scope of the control of specific zones by states. They lay down the extent of sovereign rights to be exercised by coastal states on the seas.

Notable among the international conferences held for the codification of a legal system in seas are the First United Nations Conference on the Law of the Sea (UNCLOS), 1958, the Second United Nations Conference on the Law of the Sea, 1960, and the Third United Nations Conference on the Law of the Sea, which was carried out in eleven sessions from 1973 to 1982 (UNCLOS 1982; Klien 2004; Jagota 1984).

Third UNCLOS (i.e. UNCLOS III) is significant in terms of its scope and effect and tried to codify and develop a Law of Sea which was binding in nature. Decisions on all substantive questions arising between states over the oceans were sought through consensus. It also comprehensively dealt with the law on use of resources of the sea, including but not limited to fishing. It was convened to review the existing clauses of law of the sea as a whole in the backdrop of technical advancement in distant water fishing and discovery of minerals in deep seabed (Jagota 1984).UNCLOS III, 1982 also increased the hold of coastal state over large areas of the sea, (thereby implying an increase in the responsibility of the states over the area). Another feature of the Convention (UNCLOS 1982) was that it established three distinct maritime zones to which states could lay claim: the territorial sea (up to 12 nautical miles), the contiguous zone (12 miles from the territorial sea) and the Exclusive Economic Zones (200 nautical miles), all distances measured from the low- watermark (Anderson 1996:157). It gave all the 'maritime nations exclusive rights over the *economic activities*' in a region that was termed Exclusive Economic Zone, measuring in area about 200 nautical miles. UNCLOS III also made comprehensive provisions for the settlement of disputes by establishing an International Tribunal for the Law of Sea where States can approach for compulsory settlement (UNCLOS 1982). A special arbitral tribunal for matters concerning fishing was also set up in case of absence of settlement between parties

at a bilateral level. UNCLOS is thus instrumental in being the primary regulatory mechanism governing the conduct of states in their use of the oceanic space.

India participated in all the UNCLOS conventions and formally signed the UNCLOS III, 1982. Accordingly, the Parliament amended the Constitution of India to include 'The Territorial Sea, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act' in 1976. The constitution of India was amended in 1976 to incorporate the changes and the parliament enacted the 'Territorial Sea, Continental Shelf...... and other Maritime Zones Act 1976', and subsequently, the Coast Guard Act of 1978, followed by the Maritime Zones of India (Regulation of fishing by foreign vessels) Act of 1981, Environmental protection act 1986, Coastal Regulatory Zones I-IV 1991.The Maritime Zones of India Act details the rights of India in each maritime zone (Ravishankar 2000). Maritime Zones of India means the territorial waters of India or the exclusive economic zone of India (The Maritime Zones of India (Regulation of Fishing by Foreign Vessels Act, 1981).India has concluded 10 maritime boundary agreements with its neighboring states of Sri Lanka, Maldives, Indonesia, Thailand and Myanmar, which are five out of its seven neighbors, with the exception of Pakistan and Bangladesh. Marine Fisheries Regulation Act of 1978 is an act which provided for enactment of laws for regulation and protection of marine fisheries in territorial waters. Detailed technical instruction on the nature of the boats, size of gear, demarcation and reservation of zones and trawling ban during closed seasons are dealt with in this Act.

Since the maritime laws are derived from multiple sources, sections of Indian Penal Code of 1860 and Code of Criminal Procedure of 1973 are applicable and extended to Exclusive Economic Zone. Coastal police under the Ministry of Home Affairs with jurisdiction up to 12 Nautical Miles, Coast Guard and the Navy, deal with patrolling and law enforcement in the maritime zones at the state level. Added to this is the international tribunal, under the United Nations and courts of justice at the state level that act as law enforcement bodies.

The real purposes behind most of these conventions and many of the acts have been to define the scope of control, legality and sovereignty of the oceanic space by states. For instance, Article 3 (1) of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act 1976 stipulates that, "the sovereignty of India extends and has always extended to the territorial waters of India (hereafter referred to as territorial waters) and to the seabed and subsoil underlying, and the air space over, such waters". Article 6 (2) stipulates that, "India, has and always had, full and exclusive sovereign rights in respect of its continental shelf", which comprises the seabed and subsoil of the submarine areas that extends beyond the territorial waters... According to Article 6 (3), India also

enjoys sovereign rights for the purposes of exploration, exploitation, conservation and management of all resources in these zones.

Similarly, the UNCLOS (1982) article 2(1), clearly states that "the sovereignty of a coastal state extends, beyond its land territory and internal waters, in the case of archipelagic State, its archipelagic waters, to an adjacent belt of sea, described as territorial sea." This is followed by a clause in the same Article 2 (3), which lays down that, "the sovereignty over the territorial sea *is exercised subject to this Convention and other rules of international law*" (emphasis added) (UNCLOS 1982:23).

It is evident that while the coastal states are provided with instruments of legality and sovereignty, it is bound by the clauses of the international conventions and international law. It points to the limited scope and application of legal instruments by coastal states over their maritime zones, especially high seas. Maintaining powerful grip over the state is essential for the complete exercise of power and sovereignty. But increasingly what is evident is that due to the functioning of the liberal market economy and globalization and increasing migration in search of jobs, the close links between the territory and state are breaking down (Peter 2003).

Given the conditions of ambiguous legality and sovereignty in the maritime domain, it is also necessary to examine how the maritime space and laws are negotiated between the coastal states located adjacent to each other, where their maritime zones overlap, and how sovereignty and jurisdiction are shared in such cases. The case of India and Sri Lanka could be considered here because of the proximity of their coasts.

Kachchativu: The Bone of Contention

The sovereign coasts of India and Sri Lanka and most states of South Asia, are in close proximity and this leads to straying of fishermen across borders and Kachchativu epitomizes such complexity created by close, undefined borders. The rival geographies of India and Sri Lanka are symbolized by the narrow stretch of waters that separate the two states, and the island of Kachchativu represents the contested geographies that lie in the borderland between the two states. Kachchativu Island has been a bone of contention between India and Sri Lanka, disturbing the balance of friendly neighborhood relation which was ceded to Sri Lanka 1974.

India and Sri Lanka had been ruled by one imperial power, the British colonial power and ever since the colonial rule, there have been debates about the ownership of the Island.The barren, uninhabited island of Kachchativu is a mile long, 300 yards broad spanning an area of 285.2 acres (Raju and Keethaponchalan: 2006).

There is a Catholic church which was believed to be constructed by a fisherman from Ramanathapuram dedicated to St. Antony, a patron saint of fisher community in Kachchativu.

The fisher people from Tamil Nadu and northern Sri Lanka gather there for an annual religious festival, where sharing of culture and ideas take place. It is also said that the St. Antony's festival provided opportunities to find spouses for young members of the fisher community in the marriageable age group. The fishing communities of both the countries have maintained relations for centuries, owing to their similarities and historical ties and there was free movement of people across borders till about 1974 (Suryanarayanan: 1994; Raju and Keethaponchalan: 2006). The agreements of 1974 and 1976 and the civil war led to a transformation in the situation.

The island was not considered as strategically important by the ruling political voices like Nehru and Indira Gandhi as per the Rajya Sabha debates or even the colonial government that preceded them. But for fishermen, the island was of great significance in terms of resources and livelihood and also their religion and traditional rights to fishing and religion. Thus in 1974, through an agreement, Indira Gandhi granted sovereign rights to Sri Lanka over the Island. The 'Agreement between India and Sri Lanka on the Boundary in Historic Waters between the two countries and Related Matters' of 1974 & 'Agreement between India and Sri Lanka on the Maritime Boundary between the two countries in the Gulf of Mannar and the Bay of Bengal and Related Matters' of 1976 determined the International Maritime Boundary Line (IMBL) between two countries. The Government of India considers its maritime boundary with Sri Lanka settled under the agreements concluded with Sri Lanka in 1974 and 1976. Both the agreements were subsequently laid before the Parliament (Raja 2013).The award of Kachchativu by the agreements of 1974 and 1976 to Sri Lanka somehow unquestioningly indicated representation of Sri Lankan authority over the island. These unquestioned representations are revisited and breached by the acts of fishermen transcending the borders in search of their resources.

The legal tangle between India and Ceylon over the ownership of the Island of Kachchativu, dating back to the 1920s exhibited considerable controversy even under the colonial rule, owing to the departure made by Sri Lanka in the median principle of demarcation. Leader of the delegation of Ceylon in a meeting held in Colombo on October 24, 1921, to delimit Palk Strait and the Gulf of Mannar, proposed that the "delimitation should follow the median line subject to an incursion beyond that line" to include the Island of Kachchativu on the Sri Lankan side (Suryanarayan 1994:11-12). Delimitation was finally fixed in 'three miles west of Kachchativu' favour of Sri Lanka notwithstanding the British Indian delegations

unwillingness to accept the clause. The Agreement was not ratified owing to the unfavourable clause and the Secretary of the State questioned its validity (Suryanarayan 1994). Therefore, the Sri Lankan government's predisposition to treat the Island as its part is historically erroneous and politically incorrect (Ibid: 16-17).

The award of Kachchativu to Sri Lanka was considered as 'bartering away' by the fishermen and regional political parties. They believed that the award also indicated a bartering away of the rights of Indian Tamil Fishermen (Thambidurai 2010; Vaiko 2000). The fishermen along the Tamil Nadu and Sri Lankan coasts are no 'respecters of the international boundary, which to them is a post- independence phenomenon' (Suryanarayanan 1994: 56).Since most grievances of the fishermen arise from the crossing of maritime boundary and the root cause of the malady and plight of Tamil fishermen on sea is linked to the Kachchativu problem, claims have been made by political representatives including the Chief Minister Jayalalitha that taking back Kachchativu on long lease from Sri Lanka alone can solve the problem and ensure a lasting solution (Kaliappan 2003, Appadurai 2007; Vijayan 2007; Thamaraiselvan 2012). This however is not a feasible solution because India's decision to lease the Island from Sri Lanka would seal the fate of Kachchativu ownership in favour of Sri Lanka. There has been widespread consensus in the political circles in Tamil Nadu that the most enduring and effective solution to fishing disputes can be provided only by taking the island of Kachchativu back and revoking the agreement of 1974.

The settlement of Kachchativu ownership is more complicated than it appears form the outset. There is a clear distinction as well as deeper implications attached to the settlement of boundary dispute on the one hand, and cessation of territory on the other. Legal expert Noorani (2014) is of the opinion that the settlement of Kachchativu dispute can show a way to India in settling other boundary disputes with its neighbours, such as the ones with China.

A traditional principle of International Law was re-enunciated in the UNCLOS Article 15, which states,

> .....where the coasts of two states are opposite or adjacent to each other, neither of the two states is entitled, failing an agreement between them to the contrary, to extend its territorial sea beyond the median line, *every point of which is equidistant from the nearest points* (-emphasis added) on the baseline from which the breadth of the ter-ritorial seas of each of the two states is measured. The above provision does not apply, however, where it is necessary by reason of historic title or other special circumstances to delimit the territorial sea of the two states in a way which is at variance therewith (Anderson 1996:157, UNCLOS 1982:24).

Since the agreement of 1976 granting sovereign rights to Sri Lanka over the Island has generated widespread discontent, there have been demands by civil

society and political voices to consider reworking the terms of the agreement. Even though the agreement grants sovereign rights to Sri Lanka, its clauses lay down certain conditional advantages for fishermen to access Kachchativu. But the Sri Lankan security forces have often resorted to violence even to tackle the smallest breach of maritime borders. It is undoubtedly held that no cessation of Kachchativu ever took place, owing to the ambiguity in ownership of the Island. Even the agreement of 1976 was an amicable settlement of a longstanding boundary issue between the two states and does not indicate cessation of any kind.

If India and Sri Lanka agreed to a treaty of cession of territory, that would imply that the territory being ceded to Sri Lanka, was a part of India. In the case of Kachchativu, the only available and strong proofs are the agreements of 1974 and 1976, and it explicitly mentions that it is a *settlement* of a long standing dispute over boundary. "This did not involve either acquiring or ceding of territory belonging to India since the area in question had never been demarcated" (Noorani 2014:119). To the Government of India, 'sovereignty of Kachchativu is a settled matter' because the island reflects the case of disputed boundaries as opposed to transfer of *de facto* and *de jure* Indian territory (Noorani 2014:119). Thus there was no requirement of enacting a constitutional amendment to bring into force the agreement, because the decision to settle the boundary through the agreements of 1974 and 1976 were in keeping with the principles of state sovereignty. While this remains the official narrative of the larger issue, the effect of the decision affecting daily lives of fishermen have generated widespread discontent among the fishermen and their representatives as well as the regional political opinion in Tamil Nadu.

The reality around the Kachchativu issue is that Sri Lanka considers it as an extension of its territory and resorts to coercive measures to defend it. This is in clear violation of terms in the agreement that grants access to the fishermen around the maritime zones proximate to Kachchativu. Even a clear violation of the boundary line in this case should not be reciprocated with violence because for the fishermen, the primary concerns of their livelihood dominate the secondary concerns of state language of nationhood and sovereignty. Besides, the Tamil fishermen are driven by their traditional fishing rights around the areas that are now marked off under two states under different sovereign authority. To them, the lines that demarcate a nation from another hardly appear obvious owing to the cultural and historic ties they share across borders. In this sense, borders become obsolete in its function of restricting access as the everyday life of fishermen revolves around negotiating these very borders.

Crossing over into the maritime zones of other states by fishermen is an act driven by considerations of survival. Indian fisher folk cross over to Sri Lankan waters around the Palk bay region to get to the rich breeding grounds of prawns.

The Sri Lankan fishermen cross over to the Maldives water where Tuna is in abundance. The priority of fishermen is not to break a law but follow and catch their resources for livelihood. Unlike this, the large corporations and joint venture fishing is encouraged by the governments to generate revenue which works on motives driven by considerations of profit alone. It is unfair that while joint ventures are actively encouraged by the governments, the means of survival is stripped away for the fishermen.

Between the two states, fishing related disputes were driven more by an ambiguity in borders and not so much owing to the scarcity competition or conservation logic. Deliberate or voluntary attempts of fishermen straying across borders account for a negligible proportion of causes leading to disputes among other reasons. Inadvertent causes such as movement of fish (because fishermen follow their resources), the nature of border on sea which is invisible or imaginary in a physical sense, technical failure of boats, trawlers and their engines, or unexpected or sudden turbulence in the sea are mostly responsible in fishermen straying off the boundaries (Manoharan 2013).These movements generate a friction between the state and fishermen because to the state, such movements represent a rupture of the boundaries. Construction of boundaries by the state, which exhibits its efficacy in cartography on the one hand and deconstruction of it by fishermen, whose very movement stands to de-territorialize the hard drawn boundaries are represented here. Additionally, this raises questions of identities that fall within territorial representation of a 'nation' and those that lie outside it.

Nation and National Identities: An Exclusive Affair

Among the various states, political rule is exercised by asserting control over institutions and societies that fall within a certain territory. The 'nation' is a formation that has eased this political imagination of assertion of effective political control. But the idea of nation has been the subject of multiple debates and attacks regarding its formation and existence (Chatterjee 1998). The primary debate revolves around the location of sovereignty and its exercise by the state. What then, are the possible changes or challenges that sovereignty undergoes, under considerable controversy surrounding the idea of the nation? Where should internal sovereignty be located in order for its effective exercise upon the political state? These are some of the questions that need to be addressed before one decides to theorize the nation and state making process.

For Georg Sorenson (2004), the nation in the modern state consists of two types of community; community of citizens and community of sentiment. Creating a community with sentiments attached to a particular geography and political setup was part of the act of nation making, 'highly stimulated by the reward of

citizenship rights' (Sorensen 2004). The reward for relating to the nation and being a part of it was in terms of achievement of rights which strengthened the binary of 'us' and 'them' or insiders or outsiders. While looking at the fishing community, one wonders whether this project has failed to yield results along the borders, where multiple identities overlap and ideas of citizenship becomes hard to contain in a physical sense. The inclusion of certain identities to the fold of the nation is a deliberate process with contestation and exclusion.

Sovereignty is not necessary to cement the idea of nationhood, with advances in the newly developed nations. Therefore, the intimate connection between a sovereign, territorial state, a 'community of citizens' and a 'community of sentiment', is not a logically 'given'. It is a historical construct, completed with the development of the modern nation- state (Sorensen 2004).

Of the several conceptions of nation and national identities that have been explored in the scholarship, the liberal conception of nation views nationalism as a "constructive" tool (Heywood 2004). Liberal view on nationalism is centered on growing ties and interdependence between states resulting in the gradual elimination of the mutual hatred and distrust. But the very premise, under which the national consciousness emerged in South Asian postcolonial nations, makes the liberal imagination a difficult reality to be followed. This is evident especially in the nature and kind of conflicts faced by these states and the importance of nation in the everyday existence of these states. "Liberals have traditionally argued that nationalism is a tolerant and democratic creed which is perfectly reconcilable with international peace and cosmopolitanism" (Heywood 2004:105). Sovereign states coming into terms of mutual benefit can minimize the instances of war and conflict can also result in a 'stable, peaceful world order'. (Heywood 2004). But this is difficult in the case of postcolonial sovereign states.

The nationalism that emerged in the colonial areas was considered as the new nationalism of the 20th century as a reaction against western imperialism and conquest (Rejai and Enloe 1969). Postcolonial India and Sri Lanka embarked on different paths with regard to nation state building. India with its legacy of maintaining political institutions from the colony was considered dominant in the region leading with ideals of secularism, rule of law etc. whereas in Sri Lanka equal citizenship in practice was absent. There was a construction of a national identity on majoritarian ethos and sidelining of minorities especially, the Tamils.

A single dominant national identity held as representative of the nation assumes the function of an exclusive category. Many community identities are engulfed by the larger single homogenized projection of an identity associated with the nation form. Modern nation attempts to create a 'fully participant' political community (Smith 2009), but this project has only a partial success owing to

the multiple levels of contestations that exist to this concept. In the words of M S Pandian, "the utopian desire of the nation for homogeneity remains, even in the face of feigned compliance by those who are marginalized by the nation, unrealizable, rendering nation form perennially in a state of anxiety" (Pandian 2011:194).

As true as the fact that it is impossible to cultivate levels of cultural homogeneity within a nation- state, it is also true that cross border cultural affinities result in the search for newer demands of the nation. There are demands to give clear theoretical shape to solidarities that seem to be emerging beyond the familiar grid of the nation-state system (Chatterjee 1993). Chatterjee (1998) underlines an urgency that is imminent today, the need to "think beyond the nation" .This is because certain community identities lie outside the conceptual field that is organized around the idea of a modern nation- state.

To understand the possible challenges to the new diplomacy initiatives in a region like South Asia, it is imperative that one looks at the history of the region and the formation and sustenance of state system. The major backbone of the existence of states in the regions of South Asia are carved out of a politics of identity which advocates a politics of difference between the historically and culturally or ethnically similar groups of people, creating a binary that demarcates the population to 'us' and 'them'. Krishna (1999) notes that immediately after independence, India embarked upon a developmental path that created "uniform and homogenous national space on a singular trajectory of development." By attempting to throw light into the creation of borders, Sankaran Krishna goes on to outline the "ineffably miscegenated character of our origins" (Krishna 1994) as a postcolonial state. Border construction and politics of identity went hand in hand. The nation making project forced categories of population sharing a common past to identify with elements such as insider and outside. By strengthening this binary nation making project gives rise to divisions, and laws on borders or hard lines drawn as borders further widen the gap between 'us' and 'them'.

State's expressed intention is to provide security to its subjects. By belonging to a particular nation state, is the marginal community kept out of this expressed intention of being provided security by the state? By answering this question, the truth about the extent of success of nation- building project is brought to light. The inefficiency of the state on the grounds of providing security generates a debate on whether there is a crisis looming large related to the form of the nation state (Dunn 1995).

Rejai and Enloe (1969) made distinction between the nation formation process in the West and rest of the world, and bring out the differences under what are known as nation- states and state-nations. There are differences in the way that nationalism emerges and develops in nation- states and state- nations. While

a popularly based feeling of belongingness is cultivated upwards towards attaining certain goals where nationalism precedes the formation of a nation, there seems to be in circulation an officially sponsored version of nationalism cultivated at the top in state nations (Ibid). Though a distinction is being made between western and non-western forms and emergence of nationalism, there seem to be obvious overlaps between the two kinds of nations that emerged in the west and the non-west.

The nationalist political and intellectual elites were occupying the skeletal political structure or frameworks of political decision making that were left behind by the imperial states. Therefore here, nationalism is seen as being cultivated at the top and later filtered downwards (Rejai and Enloe 1969). There are collectivities of self- conscious groups that may not necessarily fit into the narrative of nationalism propagated by the state. Nationalism instigated at the top and carried downwards therefore stands intolerant to national sentiments that e merge at other levels. 'upward cultivated nationalism may undermine state's power and claim to unlimited authority'(Ibid).

Conclusion

What is attempted in the foregoing sections is an analysis of the role of local borderland communities and culture in exhibiting relative transparency of borders at sea. The role of local actors and communities in interacting with state practices and measures of state control reveals that institution building mechanisms often transcend the rules of procedure and undergoes constant modification. Redefinition of sovereignty and nation- state are examples to this transcendence. The structural influence of borders on the marginal communities located alongside boundaries is also explained here.

An engagement with the idea of nation-state building, borders, sovereignty and territoriality has brought out complicated dimensions of inter-state politics between India and Sri Lanka. Some of the major security and foreign policy considerations of India are determined by its relationship with the neighbouring states. Resolving outstanding issues that mar bilateral relations thus is an overriding concern of all states and political establishment. Of the many issues that proves to be major challenges for a healthy and friendly bilateral relationship between India and Sri Lanka are the demands of referendum in Tamil areas in Sri Lanka for the formation of a Tamil Elam; allegations of war crimes and genocide carried out by the security forces in Sri Lanka against the Tamil minorities during the civil strife; demilitarization of northern Sri Lanka, among others. Among such issues of high stakes, the standoff between the fishermen of Tamil Nadu and Sri Lanka finds only a tangential reference (Subramanian 2014).

It is true that there are many measures of strategic cooperation happening between India and Sri Lanka. Besides, a fillip is expected in generating closer alliance between neighbouring states by the newly elected NDA government and Sri Lanka is definitely among India's neighbours with which bilateral cooperation and increased socio- economic ties are expected. But it is imperative, as expressed by the political voices of Tamil Nadu thatstrategic cooperation takes into account rights of Indian Tamil fishermen and sensitivities of the people of Tamil Nadu (Thambidurai 2010). Maritime boundary dispute between India and Sri Lanka, and resultant fishing disputes have not only had an implication on the interstate relations, but have also resulted in a tiff between the centre and the state governments. Tamil Nadu has been vocal in marking its discontent in the centre's policies towards handling the problems faced by fishermen. The settlement of claims of ownership over the Island of Kachchativu heightened the mistrust that the people place over the political establishment.

Failure to provide protection to the fishermen by the Navy and the Coast Guard and their utter disregard regarding the matter is dubbed as a part of a consensus by India's security apparatus bound by "strategic contract, under-written by the United States Naval Command" (Thambidurai 2010:10). The inability to solve the issue by the Government of India and the apathy felt by the fishermen is interpreted as a 'well- planned strategy to cut the umbilical cord existing between the fishermen of Tamil Nadu and Sri Lankan Tamil fishermen' breaking their 'age-old bondage' (Thambidurai 2010:10).

This being the case, the issue of Sri Lankan and Tamil Nadu fishermen do not figure high on the political agenda of the even the regional parties, which have been vocal in protesting against the centre's discriminatory politics, in the recently concluded parliamentary elections. Therefore, it could be said that there is a general apathy towards the issue in political decision-making circles. The issue figures mostly in political mudslinging between the centre and the state. This shows how, even when there was inaction by regional parties, the Manmohan Singh government has been criticized for its "inaction" to involve and put an end to the fishermen issue (Subramanian 2014).

The fishermen in Tamil Nadu believe that the Palk Bay is their traditional fishing ground. For them, it appears that the traditional rights are more important than political sanctions or rules and lines of demarcation. Besides, the Tamil fisher folk have traditionally considered the Kachchativu Island as falling within their common cultural past, where they meet members of their community from either side of the border.

Placed within a realist paradigm, where state assumes centrality, the inviolability of state sovereignty and national interest are reflected through the

terms of settlement of conflict and strategic alliance. Under a realist paradigm, border performs a function of dividing "us" from "them" meant exclusively for the separation between people who have certain commonalities, as is the case with the Tamil fishermen along maritime borders. Borders are so deeply embedded in security politics that any transgression is tantamount to challenged state authority and control.

Negotiations prove to be an effective and long tested way of handling fishing disputes, as past examples show. But dealing with fishing disputes through an extension of diplomatic dialogues is only scratching the surface of the problem and not reaching a sustainable solution. What is required is a comprehensive solution for problems related to fishing. What the Kachchativu example presents before us is a need to address similar issues not only at this particular area, but also elsewhere along the coast. Therefore the need for a stable policy is felt by fishermen and their representatives and popular political opinions within Tamil Nadu, and preferably one that is concerned with addressing the grievance related to the Kachchativu Island. During 1991, in the pursuit of globalization , the government introduced joint venture policy in fishing which granted foreign vessels and trawlers license by the Indian Government for the conduct of joint venture fishing. This was not well received by the fishing community on account of the fear of depletion of their resources. They feared a possible displacement owing to the competition that the heavily capitalized foreign trawlers may put across for native fisher people who practiced a mix of traditional and mechanized fishing. Following an all India strike by fisher people accounting to ten million, the government appointed Murari Committee, which laid 21 recommendations. The rollback of all the licenses issued to the foreign vessels was one of its recommendations that aimed at reforming the deep sea fishing policy. The recommendation of the Murari Committee to set up a union ministry for fishery was made in 1996, but till date it has not been implemented. Many of the major maritime states have a separate ministry to look into matters related exclusively to fisheries and fishing interest**.**

Killing, detaining and damaging the boats of fishermen by the security forces of state is not justified on any grounds. Though fishing in the maritime zones belonging to another state, is illegal, the right to kill poachers and those who stray is not allowed anywhere. To the contrary, there are clear provisions laid down that human life should be given utmost importance and an example is Article 146 of the UNCLOS, that states should take measures 'to ensure effective protection of human life'(Raju and Keethaponchalan 2006: 30).

A practical suggestion by the representative of the fishermen to minimize the instances of border crossing leading to disputes and violence is that the International Maritime Boundary Line (IMBL) be clearly earmarked, making it visible by using

neon lights or movers (Ramdass 2007). Defence Minister A K Anthony suggested that the solution can come by way of joint patrolling by the Indian Navy. The opinion of Karunanidhi also favoured joint patrolling and monitoring by both the Indian and Sri Lankan Navy along the IMBL to 'provide effective security to Tamil Nadu fishermen and ensure safe and peaceful fishing operations' (Rajenthiran 2007). Since the centrality of Kachchativu in generating disputes around fishing in the sea has been recognized, proposals were made to deploy high speed crafts of Indian Coast Guard and Indian Navy off to Kachchativu to protect fishermen (Kuppusami 2007).

Fishing activities have to be co-operative and not competitive with equitable distribution of the common resource. Gupta and Sharma (2008:44-45) notes that a "common resource, co-operatively managed and equitably distributed, will not be destroyed, whether by overfishing, which is a consequence of competition, or by pollution, which is a waste." In the case of India and Sri Lanka, it is very much possible to cultivate levels of desired cooperation owing to the cultural and historical transfusions if the state is willing to loosen its preoccupation with security grip over the rigid control over territory and take human and humane dimensions into consideration.

V Suryanarayan (2013) remarked that, "Oceans have united those, that land divided", and it is to be believed that the imposed cartography dividing people should be removed by cooperation and coordination. His suggestion was to find means to reduce the importance of divisions in the maritime zone between India and Sri Lanka and develop a joint fishing area instead where fisher folk from both sides enjoy the right to fish. Something along the lines of a special fishing zone between the disputed stretches could be imagined here as well. This coupled with institutional changes can bring about desirable outcome.

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Countering India's North-East Insurgency and India-Bangladesh Relations: An Indian Perspective

M.D. Farijuddin Khan

The North-East region has been a fertile abode for many insurgent groups that challenges the very idea of a united and strong India that India has been nurturing since its inception as a modern nation-state. The groups not only threatens the fabric of India's territorial integrity which she claims occupy the top position in defining its national interests but also hampers the developmental agenda in the region. With these insurgent groups operating mostly on ethnic lines with specific demands ranging from separation from Indian Union to an autonomous territory for certain community within a state, the insurgency in the region is complex to understand and dealing with the menace of their violent components has been a great challenge for New Delhi.

With this background, India's task of countering the menace keeps India on the list of one of the most trouble-some states in South Asia. Insurgency in this part of India has been going on since as early as the 1950s and 1960s. Their sustenance and effectiveness in maintaining a base of their own could not have been achieved without external support and patronage. The role of India's external neighbours in nurturing and sustaining the ill-feelings of a marginalized region among various communities in the region by the Indian State cannot be wished away. Among India's neighbours, Bangladesh is one of the most important players that had been connected with many North-East insurgent groups' rise and fall. The porous border between India and Bangladesh serve as entry and exit point for the insurgents in the region since decades, thereby providing their safe havens as well as operating bases for many insurgent groups like ULFA (United Liberation Front of Assam) and UNLF (United National Liberation Front) – two of the most powerful insurgent groups in the North-East today besides the NSCN (National Socialist Council of Nagaland) groups. Violence in the form of ambushes, attacks, etc., particularly against Indian security forces, by the two has been highest among all the groups in the region.

The paper has a strategic focus rather than a historical one. However, relevant facts and nuances of history are employed while analyzing the history of North-East insurgency movements in the relevant sections of the paper. The paper has three main parts. The *first part* deals with the North-East insurgency and problems. It highlights the main causes, the varieties among insurgent groups, their demands and so on. *Second part* draws attention to the India's approach in countering North-East insurgency; its success and failure. *The third* and final part operates the role of external neighbours in fueling and sustaining the insurgency movement before coming to the basic question of how India-Bangladesh relations can counter the India's North-East insurgency.

The paper argues that Bangladesh has a lot of stake in ending insurgency movements in India's North-East region. Being a reliable and responsible partner of India in countering North-East insurgency would only pass on incentives to Bangladesh. It is to be understood that keeping India's North-East region underdeveloped and violent-prone would have detrimental effect for both Bangladesh and the South Asia as a whole. Nevertheless, India cannot afford to wait for Bangladesh to act. It has to strategize something different and effective enough to accommodate Bangladesh in its efforts to counter one of its biggest challenges emanating from the less developed North-East region. India's Prime Minister Mr. Narendra Modi's invitation of Bangladesh's counterpart, Prime Minister Sheikh Hasina Wazed, to attend the Prime Minister's May 26 swearing-in ceremony and Prime Minister Modi's acceptance to the Bangladesh's invitation for a visit to Dhaka later on signals both countries' desire to cement a new level of bilateral relations. Here, the significance of having a vibrant Indo-Bangladesh relation becomes an important necessity.

North-East Insurgency: An Analysis

The North-Eastern region of India comprises of eight states namely Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland, Tripura and Sikkim[1]. Insurgency in India's North-East region has been continuing without much sign of recovery for more than the last five decades. The region has been India's Achilles heel when it comes to preserving peace and extending developmental goals.

Among the insurgencies, the most enduring being the Naga insurgency which is mainly operated in Nagaland and a few hill districts of Manipur. It is still in the process of resolving through talks with New Delhi. The Naga insurgency started way back in 1956 when the then chief of the rebel Naga National Council (NNC), Angami Zapu Phizo, left for foreign shores to fight for an independent Naga homeland. The *Shillong Accord* (1975) could not contain Naga insurgency. The formation of the National Socialist Council of Nagaland (NSCN) under the leadership of T. Muivah,

Isak Chisi Swu and S.S. Khaplang inside Myanmar culminated a new wave of insurgency in the region. Later it was split into two on ethnic lines as NSCN-IM (Isak-Muivah) and NSCN-K (Khaplang faction) in 1988 (Kumar 2010).

After its formation, NSCN piloted itself to the ranks among the front-runners in insurgency movements in the North-East. It started supplying arms, logistics and training of cadres to the newly formed United Liberation Front of Assam (ULFA)[2] that emerged as a product of a movement against illegal immigration in Assam from East Bengal. The ULFA commits to fight against the Indian State for a "sovereign, socialist Assam". Later the ULFA sent its cadres to Myanmar for training by the anti-Yangon outfit, Kachin Independence Army (KIA), from 1988 onwards (Hussain 2003).

Citing the important role played by Congress party in fueling insurgency in the North-East, Jafa (2006) writes, "The conduct of the Indian National Congress (INC) after Nehru, and of its leaders, both at the Centre and in Assam, was very largely responsible for eventually driving the peoples of the hills and the plains of the North-East towards secessionist insurgencies". Three examples are cited in this context. First, the Mizo insurgency emerged out of main rivalry between the Mizo Union Party (MUP) and the INC. The Assam Congress party was used as a plank to put brakes on the MUP and later MUP got eroded. The then Chief Minister of Assam, B.P. Chaliha, helped the rise of Mizo National Front (MNF) leader, Laldenga, only to oppose the MUP. Laldenga, later, demanded an independent-sovereign state of Mizos from India and vowed to fight for it. The result was the Mizo Accord. The Mizo Accord (1985) ended the secessionist movement in Mizoram led by the MNF, thereby bringing peace to the region.

Second, the use of illegal immigration from East Pakistan in 1950s and 1960s was encouraged, Jafa (2006) argues, by the Congress leaders in Assam to create vote bank. This huge pouring of illegal migrants without any serious strategy to deal with the menace led to conflicts within Assam. The All Assam Students Union (AASU) led by Prafullah Kumar Mahanta started its agitation since 1979 to seriously check the continuous pouring in of illegal migrants into Assam. The failure of the movement to achieve its objectives led to split into two - one into a political party, Assam Gana Parishad (AGP) and another in the form of ULFA. Third, the demand for autonomy of Bodo-dominated areas in Assam could not be met by AGP government that was in power for one year. The Bodo militants were armed and trained by India's BSF (Border Security Forces) as a counter to AGP-ULFA combined to score a point against the AGP. The National Democratic Front of Bodoland (NDFB) was formed in 1989 as the Bodo Security Force to establish an autonomous region of Bodos (Jafa 2006).

In Manipur, the Merger Agreement[3] of 1949 through which Manipur was

acceded to the Union was seen by people as a move against the wishes of Manipuris. Several outfits based in Imphal valley emerged protesting against what appeared to be a forcible accession of the once princely state in the Union and subsequent neglect of their language. The Armed Forces Special Power Act (AFSPA) was extended to Manipur and Nagaland in 1958. Inhabitants of these two states see the Act illegal and an overarching militaristic tool against their wishes. Anti-AFSPA movement in these two states has been the strongest in the region. The United National Liberation Front (UNLF) formed in 1964, Kanglei Yawol Kanna Lup (KYKL), People's Revolutionary Party of Kangleipak (PREPAK), and a few others were subsequently formed to fight for a socialist independent Manipur. Presently the Valley Based Insurgent Groups (VBIGs) are mainly responsible for most of the violence in the state.

In the hills of Manipur there are various groups representing respective ethnic communities and inter-factional fights are increasing[4] (India, Ministry of Home Affairs (MEA) 2013). The National Liberation Front of Tripura (NLFT) and the All Tripura Tiger Force (ATTF) insurgencies in Tripura are rooted in the sense of alienation of the indigenous tribals as a result of the unhindered migration from Bangladesh (formerly East Bengal/East Pakistan). Today, neither the ATTF nor the NLFT which had started with popular support for a popular cause, similar to most of the insurgency movements, do not find local tribal support and are bordered on mindless violence, killings and extortion.

One main factor besides marginalization and disagreement with the accession to the Indian Union that is often cited by scholars in examining and analyzing the causes of insurgency movements in the North-East has been under development and the associated problem of unemployment among the educated youths giving rise to disillusionment and disenchantment in the Indian system. The persistence of this problem has made young people fallen prey to recruitments by various insurgent groups.

Present State of North-East Insurgency

Among the main insurgent groups spread in the states of Assam, Nagaland, Manipur, Tripura, Mizoram and Meghalaya, only one, that is Mizo, has been able to neutralize[5]. The Mizo insurgency was successfully resolved. In the past sixty years or so it is estimated that more than a quarter a million lives have been lost. There are, as of 2005 figures, two armed insurgent groups in Nagaland, 37 groups in Assam, 39 groups in Manipur, 30 groups in Tripura, and four groups in Meghalaya (Jafa 2006: 77). According to the Ministry of Home Affairs (MEA) (2013), Manipur accounts for bulk of the violence in the entire North-Eastern region. As for the region, the figures of violence increase from 2011 to 2012 both in terms of incidents

happened and civilian killed. The Ministry of Home Affairs describes in its annual report (2012-13) that the situation in the region has remained "complex" because of diverse demands by different insurgent outfits.

Proposal of talks with the ULFA started in 2010. There was a split after all the three top leaders including ULFA chairman, Arbinda Rajkhowa, were arrested by the government. Arbinda Rajkhowa was heading the pro-talks. His former Commander-in-Chief, Paresh Barua, is still on run refusing to be part of the peace-talks with the Indian government. Suspensions of Operation (SoO) Agreements have been entered into with various groups, which have shown wouldingness to give up violence and seek solutions for their problems peacefully within the Indian Constitution. These groups include ULFA, NDFB/P, Achik National Volunteer Council (ANVC), Kuki National Organisation (KNO) and United People's Front (UPF)[6]. Cease fire with all the NSCN factions still continues. Talks with NSCN-IM and the government of India for Naga peace talks continue too.

In Manipur, activities by powerful Valley Based Insurgent Groups (VBIGs) continue unabated. The attacks on state government officials and security forces, particularly the central paramilitary forces, deployed in the state continue to kill and injure civilians that are never in their targets. Targeting non-Manipuri migrants, mostly labourers and daily wage-earners, has been a regular phenomenon among the insurgents across the state. In an attempt to stop people from celebrating the Republic Day in January 2014, militants in the name of Coordination Committee (CorCom) comprising of six valley-based underground insurgent groups carried out four IED blasts at various locations across Manipur. The same group, formed before the 2012 Assembly elections, had intimidated people and voters that they would be punished if they support the state Congress party. It had carried out several mild forms of attacks on many Congress party candidates before the polls in 2012 (ANI News 2014).

However, India, Ministry of Home Affairs (MEA) (2013) cited that three VBIGs have signed MoU with New Delhi and State Government for surrender of cadres and their weapons. These groups include United Revolutionary Front (URF), comprising of various factions Kangleipak Communist Party (KCP) and its military wing, Manipur Army (MA). The third group to sign MoU is two factions of KYKL, namely Athouba and Achouba factions.

One interesting and ironical development that helps in the sustenance of insurgency in the region as pointed by Jafa (2006) is that "complex collusive arrangements between various political groupings, administrators and officials, on the one hand, and different militant faction, on the other..." are sustained and structured in a complex manner. Despite public protest in Dimapur on October 31 2013, against illegal taxes collected by NSCN-IM in Nagaland and Centre's order

to the Nagaland government to stop NSCN-IM from levying "tax" from people, the outfit still continues to levy tax[7] without any hindrance.

The protection given by the politicians and officials to powerful insurgent groups in the states of Assam and Manipur is a testimony to the rise and sustenance of these groups in the region. This is often done for politicians' vested interests. In Tripura the NLFT has close links with the Congress party and the ATTF has aligned itself with the ruling Left Front (Sahni 2002). The militants who in the early years used to operate from jungles, far-flung remote areas far from cities and towns to avoid detect by security forces, now, clearly operates sitting in the middle of capital cities indulging in huge extortion networks through collusion and intimidation thereby accruing huge financial benefits to sustain themselves and their activities.

India's Approach to Counter North-East Insurgency

The history of North-East insurgency can be traced back to the colonialism of British India and subsequent abrupt withdrawal by the British that left the region with crisis of identity and political uncertainty. The once tribal dominated region got shaken by onslaught of a new kind of political system, parliamentary democracy, which was introduced by the newly formed democratic nation-state called India after its independence (Nag 2002). To many inhabitant-communities of this region, it was nothing less than an unwanted intrusion by the "remnants" of the previous colonial masters in their own territories (Jafa 2006: 78).

Further the integration of the region to the Indian Union just after she got independence from long years of British rule left many with the feeling that they were left with the plain people as their "new" masters in their own territories[8]. This, particularly, happened inside Manipur where there is still a strong sentiment among many hilly communities that the merger of Manipur in India pushed them in the periphery. This fuelled discord between hill and plain communities. The result was strong insurgency movements on ethnic lines: first, against the plain communities and the Indian State; and later diversified among many hilly communities in several North-East states. Such aspiration for self-determination was dealt with heavy hands by the Indian State using military and aggressive policies to integrate the region to the mainland (Nag 2002). The historiography of marginalization of ethnic communities is often a fundamental cause of deep-rooted insurgency in the North-East today.

Indian State approach to counter North-East insurgency can be classified in two ways. The first involves *military* approach whereby secessionist movement or insurgency for independence is regarded as "law and order" problem. To put into normalcy, the Indian security apparatus, the army, which has been trained to defend country from any external aggression, was deployed. This was, particularly,

pursued with respect to the Naga and Mizo insurgencies in the early stages. Aerial bombing was used as strategy only to be abandoned later because of international criticism and realization that it was not feasible. Often in the military approach, the insurgents gather strength rather than weakened. It also leads to further alienation of local populace (Jafa 2006: 95-105).

Goswami (2012) cited the cases of intensive military operations in Assam, Operation Bajrang and Operation Rhino, in early 1990s to flush out ULFA. She wrote that tactically, these operations were successful as they flushed out ULFA cadres[9] but strategically, these operations were "sub-optimal". The massive deployment of troops (30,000-40,000 to fight some 1000 men and women cadres) alienated the local people, thereby enabled the ULFA leaders and cadres to flee to Bhutan.

Jafa (2006) writes that military strategy creates a dilemma whether to focus more on winning local people hearts and minds or on eliminating the insurgents. Nonetheless, even if the dilemma is resolved in favour of the first, it is simply difficult to resolve the internal problems of sub-nationalism in a democratic society like India. The *'developmental model'*, he argues, has less impact on the development of people or economy of states as the volume of insurgents' appropriation of the funds meant for development goals is huge, thereby leaving the masses unaffected by the development policies and programs. The possibility of investment from outside is also seriously hampered by lack of security, poor governance and political uncertainty in the region.

Often problems arise in delineating the civil-military roles in a counter-insurgency operation. Goswami (2012) argues that India does not have a clear cut policy on this. There is a lack of civil-military co-ordination (she termed "unity of effort"). She makes a good point that civilian administration needs to oversight the military operations as a measure of check and balance. But this has to be context specific. She argues that the model could work in states like Assam but it would be impossible in states like Manipur and Nagaland where there is close nexus between political leadership and insurgents. In these two states, she writes, the discord between the Army and civil authorities widens. Often army officers indulge in blame-game accusing the state government of maintaining close ties with insurgents and vice-versa. This undermines the Army's credibility and efforts in the eyes of local people.

Other non-military strategy is to hold peace talks and come to the negotiating table within the purview of the Constitution of India to end conflicts and insurgency movement. This has been increasingly relied by the Central government as a viable approach to deal with and has achieved limited success. However, the role of civil society has been emphasized to persuade outfits to come for talks and abjuring

violence. Till now, Goswami (2012) states, only Mizo insurgency has been able to resolve through the involvement of civil society but not to discredit the role played by the creation of Bangladesh.

One important characteristic of the approach adopted by the Indian State viz-a-viz countering insurgency in the North-East has been lack of "operational clarity" mainly as to how decisions on how to deal with the insurgents, what are their problems, the basic information of the insurgents and structures, etc. There are too many layers in decision-making. Often the decision is top-down level from the North Block in New Delhi where affected state (s) has no representatives in the decision-making process including even in channelizing peace-talks. The non-involvement of the states concerned in the ceasefire frameworks creates dysfunctional structures of law enforcement which fails to address the illegitimate extortion networks and parallel governments run by the insurgent actors. This multiple decision making also fails to avert everyday insurgent violence resulting in the death of non-combatants. Union government's primacy and supreme responsibility in counter-insurgency also "offers state governments a punching bag and an excuse to shirk responsibilities with regard to lack of governance in conflict affected areas" (Goswami 2012).

Locating the Role of Bangladesh in Nurturing and Sustaining North-East Insurgencies

The geopolitical factors like proximity of the states to China, Pakistan, Myanmar, Bhutan, and, of course, Bangladesh (known as East Pakistan till 1971) and easy accessibility of arms, training and sanctuary in these countries have been responsible for the growth and sustenance of insurgencies in the North-East. Almost all our neighbours have encouraged North-East insurgencies at some point of time by providing sanctuaries, camps and even financial helps. The Nagas dispatched groups in hundreds one after other between 1966 and 1979 to China for training and armament. The NSCN was formed inside Myanmar in 1980. The Mizo National Front (MNF) sent its first cadres in China in 1972 after its leader Laldenga went to China for five months in 1970-71. Since the early 1990s, Bhutan became a safe-haven for much of the terrorist activities of ULFA and NDFB (Jafa: 2006: 90).

Kumar (2010) writes that in the beginning China trained and armed several batches of Naga, Mizo and Meitei (valley based Manipur insurgents) insurgents since 1966. But that was changed by 1980s. By 1980s, Bangladesh became a lucrative safe-haven after the rule by military through bloody coup in 1975. Pakistan's Inter Services Intelligence (ISI) became very active in sheltering, arming and training rebel groups from the North-East. Almost all the separatist groups in the North-East - Nagas, Mizos, Meiteis, Tripuris and even those from Meghalaya

have subsequently received shelter and support in Bangladesh.

The December 2003 campaign by Bhutan with the "strategic support" from India to smash ULFA and other Indian insurgents sheltering in southern Bhutan was successful but a large number of insurgents escaped into Bangladesh. India does not have the same "diplomatic leverage with Bangladesh as it has with Bhutan" writes Jafa (2006). He argued that Bangladesh Nationalist Party (BNP) leader Khalida Zia has been accused of nurturing the ISI operatives in the North-East India.

India's relations with Bangladesh with regard to North-East insurgency and their alleged activities in Bangladesh targeting India have been mixed depending on which government is in power in Dhaka. In May 1998, BNP leader, Begum Khalida Zia, called the ULFA as "freedom fighters"[10]. However, the current Prime Minister Sheikh Hasina-led Bangladesh Awami League has been quite frank with regard to India's concern on insurgency[11]. The response from her government is cordial- an example of this is the recent extradition of UNLF chief Rajkumar Meghen alias Sanayaima to Indian government which might incentivize the rebel group to come for peace talks with New Delhi. However, the Islamic anti-India base in Bangladesh is very strong that Hasina government faces difficult challenge to dismantle anti-India insurgent groups' camps and sanctuaries from the India's North-East region.

Countering North-East Insurgency by India-Bangladesh Relations

Bangladesh is a country which is struggling to shed off its religious fundamentalism and emerge as a modern secular and democratic state. Since Prime Minister Sheikh Hasina and her Awami League came to power five years ago, there has been tremendous goodwill for India in Bangladesh. It is accepted by all that Prime Minister Sheikh Hasina has largely delivered on Indian security concerns by cracking down on terrorism directed against India from Bangladeshi soil. At the very foundation of such India-Bangladesh cooperation is the level at which both the governments treat each other. The present incumbent government in Dhaka, as mentioned, is friendly with India, although there exist many contentions between the two neighbours that need to be resolved such as sharing of Ganges waters, illegal infiltrations at the borders and actions by BSF (Border Security Force), illegal migrant issue, etc.

Of late Mrs. Zia's BNP has toned down its anti-India stand started talking about necessity to strengthen its relations with India (Aspen Report.....). For India, maintaining a cordial relation with both the main parties at national level in Bangladesh has been a key policy in dealing with Bangladesh. India has to utilize this opportunity to its advantage by exploiting Bangladesh's help to counter insurgency in the North-East. The 2014 Bangladesh elections resulted in successive

wins for Prime Minister Hasina and her party. India and Bangladesh are at a crucial stage as both the countries have found able leaders to carry forward the legacies of past achievements.

To contain India's North-East insurgency, India needs to re-orient its strategy towards Bangladesh from the present "reactionary" approach to a "creative" approach whereby Bangladesh is incentivized enough to act swiftly against any of these insurgents with force and deny safe-havens. India needs to step up its diplomacy in Bangladesh and this is to be done along with efforts to resolve as many as bilateral contentious issues that exist between the two. To begin with there are few problems between the two countries which India and Bangladesh has to iron out. India needs a multi-pronged, balanced and proactive strategy(ies) to deal with these outstanding contentious issues. These shall be taken up one by one.

Division of Common Water Rivers: The first important contentious issue is division of common river waters. Bangladesh considers India as an upper riparian state. In 1996 it was agreed on the common sharing of Ganga waters. But the problem arises when India built Farakka Barrage to divert water and to increase water supply to Hooghly river on Indian side. Bangladesh complains that India either releases more water in monsoon or Bangladesh does not get water in dry season. The issue of Tipaimukh Hydroelectric Project in Manipur and sharing of waters of river Teesta became contentious issues. While former has been on the verge of an agreement by giving Bangladesh reasonable partnership stake in the project the later was stalled from inking an agreement by West Bengal Chief Minister, Mamta Banerjee, at the last moment.

Transit Access: One of the main factors that put brakes on India and Bangladesh agreeing on resolving water disputes is the issue of transit access. On the part of India, New Delhi should focus on possibility of inking an agreement on river Teesta and, in return, sign an agreement with Dhaka to release the land corridor which New Delhi wants through Bangladesh, to connect West Bengal to the North-Eastern states (The Hindu 2013). India should address Bangladesh's two concerns: first, it would benefit more to India; and second, by agreeing Bangladesh would infuriate China which sees the move as direct benefit to India as it would enable easy and fast troop movements as far as Arunachal Pradesh. India should convince Bangladesh that it would have positive impact on trade between the two, it would boost infrastructure along the adjoining areas of both sides and India could oversee developmental activities in the North-Eastern and check anti-India activities inside Bangladesh in a more robust manner.

Illegal Immigration: India and Bangladesh are both struggling in a kind

of tug-of-war where India perceives the influx of 20 million illegal Bangladeshi migrants into its adjoining Indian territories in the North-East as a big problem that could offset the ethnic balance in some North-Eastern states. Bangladesh equally "push back" alleged Indian (Bengali) Muslims into Bangladesh. Further, while India allege that Bangladesh play a hand in glove role in sustaining insurgencies from India's North-East without heeding much to the Indian complaints, Bangladesh has also its own set of complaints and problems directed against India. One among is that "listed criminals" of Bangladesh are often reported to have found safe-haven in India. These include groups rebelling against Bangladesh like Kaderia Bahinee and Chakma rebels of the Chittagong Hill Tracts (CHT) (Kalam 2006: 156-159).

India needs to find out a way to ratify the protocol to the *Land Boundary Agreement (LBA)* with Bangladesh which could enable the two countries to swap land. India would, if finalize, transfer 17,000 acres of land to Bangladesh and would get, in return, 7,100 acres from Bangladesh. Here it is not the number that matters but the possibility of resolving illegal migration in the North-East by a single agreement like LBA. The BJP and Ms. Banerjee's Trinamool Congress oppose to this deal despite India seeing a gain in future.

Trade Barrier: At heart of the issue is the relatively imbalance in trade (extremely in favour of India) and tariff barriers. In this matter, the previous UPA (United Progressive Alliance) government decision to provide business incentives to Bangladesh is a welcome step. India should provide some kind of relaxation to compensate the trade-imbalance in favour of India. It should either pursue a Free Trade Agreement (FTA) with Bangladesh or implement as robust trade liberalization policy as envisage in SAFTA. Given the geographical proximity and size of the economies, India and Bangladesh cannot stay satisfied with the amount of trade volume which was $5.099 during the financial year of 2010-11 (Aspen Report....). Burgeoning trade relation between the two countries would cater much benefit to the North-East region. Regular people-to-people contact through business between the two neighbours might become a potential incentive, in long run, for both sides to build anti-insurgents/ terrorists intelligence among the common masses which would prove crucial in countering the menace.

India's Look East Policy (LEP): The LEP is successful as far as providing strategic solution to the economic development of India's North-East region by connecting with South-east Asian countries and eastern neighbours. However, in terms of connectivity with bordering countries, especially with Bangladesh, LEP has no much stake for India to claim a success. Every North-East India's capital city could be connected with Bangladesh, thereby making Bangladesh India's most important economic partner in South Asia. Trans-border trade between the two

South Asian neighbours might ease the trade imbalance and improve income levels as well. Bangladesh can garner huge benefits and be a mutual partner in realizing the goals of India's LEP. But this has to be complemented by building consensus on outstanding contentious issues at home turf of the two countries. India could utilize the South Asian Association for Regional Cooperation (SAARC) as a platform to enhance the objectives.

Border clashes along the international porous boundary have been another issue that has recently come up. The high-handedness in dealing with illegal infiltrators by the Border Security Force[12] (BSF) guarding the Indian side along the international border is a problematic feature. In Bangladesh perspective, when the world has become increasingly borderless, India's "aggressive" move to fence borders is seen as "unreasonable offensive" (Kalam 2006: 160).

Besides the contentious bilateral issues, India needs to look beyond and visualize the larger picture. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is to be given importance. Bangladesh led the trade and investment priority sector. The BIMSTEC Free Trade Area Framework Agreement is to be concretized and India's active diplomacy is needed. It is to be kept in mind that a robust India-Bangladesh trade relation would strengthen secular forces in Bangladesh and it would serve India's interests. Ending insurgency in the North-East requires a Bangladesh that effectively and willingly dismantles insurgents' camps and weakens their capacity to operate inside the Bangladesh. India should take the help of international community to pressurize the Bangladesh the government to sincerely pursue cracking down on jihadi terrorists and anti-India North-East insurgents. Improved India-Pakistan relations would generally prevent spill-over effects on India-Bangladesh relations. Thus, India needs to seriously continue its ongoing peace diplomacy with Pakistan (Kalam 2006).

India-Bangladesh Relations under Modi-led NDA Government: Impact on Stemming North-East Insurgency

New Delhi has expressed its wishes to cooperate with Bangladesh and work together to strengthen ties. Prime Minister Modi wrote to his Bangladeshi counterpart that he sincerely hoped that both countries could work together for cooperation and resolved to accelerate engagements between the two neighbours. The Prime Minister has accepted Dhaka's invitation for a state visit. This would be his second state visit after Bhutan to a South Asian nation. Far from what Prime Minister Modi's assertion during elections campaign that, if he comes to power, he would deport all the illegal Bangladeshi migrants from India, Prime Minister Modi-led government has announced several policy decisions to boost up ties between

India and Bangladesh. In June this year, the government had announced granting of five-year multiple entry visas to Bangladeshis "below 13 years and above 65 years" despite strong objections from Assam government. This announcement was accompanied by a second bus link connecting the capitals of Assam and Meghalaya with Dhaka besides proposal to supply additional electricity to Bangladesh (The Indian Express 2014). On her maiden visit to Dhaka, External Affairs Minister, Mrs. Sushma Swaraj accepted that India would address Bangladesh's concerns over sharing of Teesta waters and implementation of the Land Boundary Agreement (LBA).

These initiatives appear to be Prime Minister Modi's confidence building measures that are clearly crafted before his government starts serious diplomatic engagements with Dhaka to resolve exiting issues of concerns between the two neighbours. Such initiatives have been orchestrated with Pakistan, Bhutan and other neighbouring countries as well. Far from his electoral rhetorics, Prime Minister Modi government has started Bangladesh policy on positive note. His government has made a case that it would want a strong and vibrant India-Bangladesh relation. However, it remains to be seen whether Prime Minister Modi-led NDA (National Democratic Alliance) government in New Delhi still remains adamant to the LBA deal. This is important because a single misunderstanding between the two could jeopardize the initiatives from both sides and India-Bangladesh relations could become a victim of mutual distrust.

With the government committed to hold talks with insurgency groups from the North-East, continuing progress in India-Bangladesh bilateral relations would propel India's efforts to counter North-East insurgency. The government under Prime Minister Modi's leadership has well-crafted a two-pronged approach to stem North-East insurgency. On one hand, it is attempting to strengthen relations with a strategically important neighbour and on the other hand, it is focusing on the development of the whole North-East region through infrastructural development, improved road-connectivity, creating job opportunities and so on.

Conclusion

The approach to counter-insurgency in India's North-East by the Indian State has been a combination of the use of force (military), negotiations through talks, giving development incentives in the form of huge financial packages, political autonomy within a state and certain non-military policy to cajole the ethnic insurgents to resolve issues. Over the years, India has able to institutionalize the idea of bringing insurgents to the negotiating table and resolves conflicts. One achievement of this approach is that, except a few major valley based Manipuri insurgents, most of the North-East insurgencies have been agreed to start or

continue peace talks with the Government of India. This is a good sign.

But this strategy of accommodation has only brought down violence and at the most bring prospect of peace in the region. Only one insurgency movement, Mizo insurgency, has been able to resolve so far. The pertinent question is why after so many decades India has not been able to resolve the insurgencies in the North-East. India's tactics and strategy to counter the insurgency in the North-East seems to have been relying only on the following premises: first, insurgency or secessionism is a part of a country, as huge and diverse as India, which is still in the process of nation-building and it would be overcome gradually; second, insurgency in the region was an outcome of poor development, governance and neglect of the region in the early years and in such circumstances there is bound to face some "law and order problems"; and third, the role of external players in keeping the region's insurgency is strong and there is nothing India could stop in a limited time-frame.

All the premises have reasons to justify. However, focus in analyzing the causes and reasons for sustenance of insurgency has missed one important factor. The anguish and feeling of "historical injustice" when Indian Union accede many territories under its fold has not been addressed. For example, the feeling of forcing a relatively weak and independent democratic government to sign the Merger Agreement in Shillong was felt by all communities in Manipur as a forceful imposition against the wishes of the people by the Indian State. The feeling of this "historical injustice" is still fresh in the minds of many Manipuris. The old-feeling is often exploited by valley-based Manipur insurgents for their sustenance. This might be hard to understand for New Delhi but this wound needs to be treated. And the only way to address it is in the form of mild apology and convincing the people that a new India stands equally for all its citizens while ensuring North-East India to integrate in the mainstream polity.

The role of Bangladesh in countering insurgencies in North-East India is limited to denying safe havens, training bases, not letting Bangladesh soil to be used for these insurgent groups or their patrons, and strong cooperation with India on insurgency related issues. The story of Bangladesh's dealing with India's concerns has been a story of less success and more failures. The Awami League is cooperating sincerely but it has problems with India's stand on many contentious issues of bilateral nature. The BNP has a different approach. The incumbent government cannot afford to waste the opportunity to deal with a secular and pro-India government led by Prime Minister Hasina to resolve the existing outstanding issues and move forward to address North-East insurgency jointly. India has to step up its diplomacy and pursue its interests proactively. It should have a dynamic and accommodative yet strong and consistent Bangladesh foreign policy.

Prime Minister Modi appears to have a strong vision as to how India would

engage closely with its eastern neighbour but it has to be equally cautious in ensuring that the positive initiatives are not hijacked by domestic politics. India has to convince Bengal Chief Minister, Ms. Banerjee, that unnecessarily self-serving interference in dealing with Bangladesh would only lose India's credibility and jeopardize India's national interests and security. Bangladesh should continue to be incentivized enough to address India's legitimate concern and it is India's great diplomatic challenge to achieve. India should be able to convert Prime Minister's good initiatives into diplomatic milestones.

Notes

1 Sikkim was bracketed under North-east in 2003 through an amendment in the North Eastern Council Act.

2 Jafa (2006) writes that the immediate reason for the establishment for ULFA was the perceived illegal appropriation of power by the Congress party in Assam in the 1983 elections.

3 Signed in Shillong on 21 September, 1949, between the then Meitei Maharaja, Bodhchandra Singh and representative, V.P. Menon, the Manipur Merger Agreement states that "Whereas in the best interests of the State of Manipur as well as of the Dominion of India it is desirable to provide for the administration of the said State by or under the authority of the Dominion Government" (South Asia Terrorism Portal 2014).

4 Inter-factional clashes between factions of National Socialist Council of Nagaland (NSCN) and Zaliangrong United Front (ZUF), a hill-based tribal group of Manipur, were also reported during 2012-13. The latter attacked the post of 6 Indian Reserve Battalion (IRB) located at Tapul in Tamenglong district in Manipur at midnight of 10 March 2014, resulting in heavy exchange of fire between IRB personnel and cadres of the suspected militant outfit.

5 In case of Mizoram, the Rajiv Gandhi government signaled the Mizoram Congress government to give up power in Aizawl to make way for Laldenga in a well-scripted compromise to end insurgency in the hilly state. It was a success and still Mizoram is enjoying the fruits of such an agreement.

6 ANVC was formed in 1995 with the intentions of forming an Achik Land in the Garo Hills of Meghalaya. MoS with the ANVC has been finalized. KNO is a hill-based insurgent outfit striving for a separate Kuki (an ethnic tribal community mainly resided in the state of Manipur) homeland. UPF is a Thadou (an ethnic tribal group based in hills of Manipur) having objective similar to the KNO. The NDFB was split into two factions after the expulsion of the founding President, Ranjan Daimary, in 2008. The NDFB/P is a pro-talk group headed by Dhiren Boro who replaced Daimary. The Daimary group represents the anti-talk group. This has been responsible for deadly violence including bomb-blasts since 2010. On 1 August 2011, the NDFB-R faction declared a unilateral ceasefire, but counter-insurgency operation against the outfit continued due to its involvement in several subsequent incidents of violence.

7 In Nagaland, the NSCN-IM imposes a "house tax" on every dwelling unit and 'professional tax' on every government employee. The NSCN-IM defended the tax collection in the name of serving the Naga cause claiming it is the only authentic group running "Naga national government for decades".

8   According to Jafa (2006), the British "indirect rule" in the hill areas of the present north-eastern India encouraged tribalism and exclusion from the rest of India. Hence, the 'indirect rule' region was kept away from the developments of pan-India nationalism that was growing through various policies and legislations. This was promoted by the British for various reasons. Some of the reasons include protection of tribesmen from plainsmen's exploitation and to ensure cultural survival of the hill-tribes. Ironically the arguments ran counter to various activities under the British "indirect rule". Many activities focused on controlled proselytize by Christian missionaries to prevent the people from converting to Hindus.

9   Commenting on the success of Operation Rhino, Kumar (2010) writes "In Operation Rhino, 431 hard-core elements, including 46 top leaders, were arrested, along with 299 supporters and trainees, within a few weeks. Sixteen ULFA camps were destroyed, and the material seized established ULFA's link with the KIA, the NSCN and the Liberation Tigers of Tamil Eelam (LTTE) and the existence of sanctuaries in Bangladesh".

10 It was during the Awami League's regime that the ULFA leader Anup Chetia was arrested, convicted and jailed. This forced Paresh Barua to leave Dhaka for Karachi. He returned to Bangladesh again after the victory of the BNP in the elections. These insurgents and their leaders got support when Khaleda Zia's BNP came to power after the parliamentary elections in October 2001. The BNP-led opposition still support and do not disappoint the insurgents as well (Kumar 2010).

11 After Prime Minister Hasina came to power, she authorized investigation into the Chittagong arms seizure. It was came into limelight that bureaucratic and military officials of the then Khalida Zia's government was involved that was meant for supplying arms to insurgent groups in the north-east India. The Sheikh Hasina government prosecuted two former Bangladesh army generals, Major General Rezakul Haider Chowdhury and Brigadier General Abdur Rahim, who headed the National Security Intelligence (NSI).

12 Deaths of Bangladeshi citizens in the Indo-Bangladesh border became one of the embarrassments between the two nation's bilateral relations in recent years. The so-called "shoot-to-kill" policy by the India's Border Security Forces (BSF) that according to Human Rights Watch killed nearly 1,000 Bangladeshis between 2001 and 2011 has remained at the core of the talks between Bangladeshi and Indian officials visiting each other (Guardian 2011).

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Confidence Building Measures between India and Pakistan - A Viewpoint

G. Thanga Rajesh

The conflict and conflict resolution are as old as the origin of this universe. Since the ancient lore of the interstate relations, there have been some well accepted tools to solve conflicts among countries and it is believed that the confidence building measures can be regarded as one of such tools to enable conflicting parties to settle the disputes and conflicts in a peaceful way. The need for such tools of conflict resolution became even more urgent in the post second world war era because of the birth of more and more new countries from the shackles of colonialism with little experience in state and nation building and with more experience of pre-independent hostilities among the different sections of people. India and Pakistan were and are no exception to this. As a result there were more conflicts among this new set of newly born countries because maintenance of international peace and security depends upon mutual trust and confidence. Consequently there is more need for the adoption of confidence building measures to resolve those conflicts which has assumed more disastrous dimension in the terrorism ridden region particularly under the shadow of nuclear terror.

Under these circumstances, this paper contends that the peace process and confidence building measures are insufficient to break the current impasse in Indo-Pak. relations as conceptually the CBMs falls into the broad canvas of peace process which requires substantial patience among the parties concerned before the results of the process can be achieved (Ahmar 2001). On the other hand one may ask the question that then why India and Pakistan have been clinging to CBMs? The simple answer is just to please and placate the U.S. (Hass 1990). Originally, CBMs were confined to military domain. However, over a period of time, in applying the CBMs in different parts of the globe there happens to be inclusion of new term called non-military CBMs because there was a perceptible difference between US-USSR and the India-Pakistan rivalries. Therefore, this paper attempts to find the factors or stumbling blocks in taking the peace process into its logical conclusion.

At the outset it has to be mentioned that while it is not possible to analyze all the factors impeding the progress of CBMs an attempt is made to narrow down the chief impediments with only three key factors from the perspective of the author. And also this paper intends to suggest measures to break the deadlock besides critically analyzing into the existing CBMs between India and Pakistan with theoretical framework.

Theoretical Framework

At the outset of this section it is desirable to define CBMs. Confidence Building Measures (CBMs) are regarded as "diverse arrangements that can help reduce tensions and promote good neighbourly relations. Traditionally they are designed to make the behavior of states more predictable by facilitating communication among or between states and establishing rules or patterns of behavior for state's military forces" (Krepon 1993). Succinctly CBMs can be defined as broader concept to defuse tension and increase the possibilities of peace among the hostile nations by concerted efforts. The concept is originally borrowed from Western literature which initially applied to military only. The peace process consists of three stages namely Conflict Avoidance Measures (CAMs), Confidence Building Measures (CBMs) and Peace Building Measures (PBMs).

a) Conflict Avoidance Measures (CAMs)

It means the avoidance of unwanted and unintended conflicts or wars arising particularly from miscalculations or misinterpretations. To start the peace process, we need here a minimum political will to stop wars. This is workable especially in the nuclear era. These initial steps like the establishment of hotlines between Indian and Pakistan sector commanders, DGMOs along the Line of Control in Kashmir or even between Prime Ministers but cannot solve underlying political and territorial disputes. Nevertheless, it has enormous worth in the context of nuclearisation of South Asia. CBMs have been particularly ineffective, if not absent, during times of conflict, because despite declarations to the effect, neither country has moved beyond the point of 'conflict avoidance', towards actual confidence building measures, and finally, towards strengthening peace. The ceasefire, which was implemented in 2003, was alleged to have been violated once by Pakistan in 2008, and the Indian Army has gone on record about numerous infiltrations and violations in 2009. In 2013 alone there were 120 Cease-fire Line Violations.

b) Confidence Building Measures (CBMs)

The second stage of this process is far more difficult as it requires far more political capital to resolve deep-seated grievances or core issues. In South Asia,

the transition phase from conflict avoidance to confidence building is extremely difficult, because of the persistence of irritants between India and Pakistan. Probably this transition might be easier if there are no core issues blocking the way. The 1949 Karachi Agreement, 1972 Simla Accord were some of the confidence building treaties. Conflict avoidance to confidence building is extremely difficult, because of the persistence of irritants between India and Pakistan. Probably this transition might be easier if there are no core issues blocking the way.

c) Peace-Building Measures (PBMs)

This last stage requires enormous amount of political will for conflict reconciliation and resolution, where the peace process have to encounter with vested interests, hardliners. It is here the role of leadership is put to test as leaders must be able to take risk taking efforts for peace against their own constituencies. If formidable hurdles (like Kargil war) can be crossed to avoid war and to negotiate a fragile peace, national leaders can go ahead with further broadening and deepening existing patterns of co-operation and making positive developments as irreversible as possible (Ibid). It is here the role of people to people contacts must be emphasized. Perhaps if we all made a conscious effort to ignore our preconceptions and be more optimistic, the road to peace would be smoother. After all, that perceived foe could turn out to be friendlier than you anticipated.

Confidence Building Measures between India and Pakistan

The interpretation of the principles of realism makes one to believe that the use of coercive force alone cannot resolve conflict which is evident in the Kashmir issue that is still alive even after several wars and conflicts. It may help in some circumstances to re-emerge again. Following the same wisdom, few CBMs have been used since 1947 but have not yielded the desired results. Theoretically speaking, CBMs are designed to serve one or more of these four purposes:

➢ providing mutual security pledges;
➢ Providing transparency between the hostile states to reduce inadvertent conflicts and to provide warning of and thereby deter impending attack;
➢ Managing dangerous and potentially dangerous military activities;
➢ Crisis management.

CBMs cannot serve its purposes in India –Pakistan relations because of certain inherent obstacles and restraining factors which were not found in the place where the PPMs originated (Ganguly 1997). This would highlight major inadequacies, nature of bone of contention, and the role of different actors at different levels.

The Indo-Pak peace process has tried all kinds of PPMs including unilateral measures, bilateral talks, mediation, arbitration, tribunals and summit meetings. Few successes give hope that there is a possibility of final rapprochement and reconciliation. The process is on the move but one must glance at the previous efforts in terms of its weaknesses and strong points to charter the future course of action.

1) Nehru-Liaquat Agreement on the Treatment of Minorities (April 8, 1950).

The agreement ensured to the minorities complete equality of citizenship irrespective of religion; it reiterated that "the allegiance and loyalty of the minorities is to the state of which they are citizens and it is to the government of their own state that they must look for the redresses of their grievances". Both Nehru and Liaquat Ali were obviously sincere when they said that they would faithfully implement the agreement. But it was violated with tragic consequences in both countries and kept the `gulf of animosity' intact (Iyer 2005).

2) The Indus Basin Water Treaty (IWT) (1960)

The water distribution problem between India and Pakistan was a complicated issue and it was settled by using two parallel components of PPMs. The conclusion of the Indus Basin water treaty (IWT 1960) is the product of Conflict Avoidance Measures (CAMs) rather than that of CBMs. Further, the water distribution issue which came in early 1970s over river Chenab's water was settled and could be considered as the success of CBMs. Both these treaties raise the optimism that a time may come when the two adversaries would be in a position to resolve their problem peacefully with the help of PPMs.

In fact, the IWT, 1960 is regarded at international level as a successful instance of conflict resolution between the two countries that have otherwise been locked in conflict. The treaty has remained in place despite the three wars between them and even survived the serious deterioration in their relationship during Kargil conflict. Therefore, it is advocated that this treaty is a successful example of conflict resolution between India and Pakistan. But there is much unhappiness in the state of Jammu and Kashmir at the fact that the restrictions placed on India in relation to the western rivers make it virtually impossible for Jammu and Kashmir any benefits by way irrigation, hydroelectric power, navigation and from the waters of the Jhelum and Chenab rivers. Successive Jammu and Kashmir governments and legislatures have complained that the treaty did not take care of the interests of the state. The feeling is shared by the people, media, academics and others in the state. From time to time there have been calls for a scrapping of the treaty. The success

of Indus Water Treaty lies in the fact that it made India and Pakistan as winners because it divided irrigation water equitably between them. But in the matter of peace and security, Indo-Pak relationship is viewed as a zero-sum game. In other words, this treaty allowed both the parties to share the benefits of a common resource on a win-win basis.

3) The Tashkent Declaration (10 January 1966)

The Tashkent Declaration formally ended the 1965 Indo-Pak stalemate over Kashmir-reaffirmed India and Pakistan's "obligations under the [UN] Charter not to have recourse to force and to settle their disputes through peaceful means". However, the Tashkent Agreement failed to prevent the use of force to resolve the dispute over East Pakistan that resulted in a third Indo-Pak war and independence of new state of Bangladesh. On July 2nd, 1972, India and Pakistan brought the 1971 war to a formal end by signing the Simla Accord.

4) The Direct Communication Link between the Director-General of Military Operations (1971)

The hotline between the Directors-General of military Operations (DGMOs) was originally established in 1971. It received very limited use and, when it was used, disinformation was often relayed in an ill-conceived and unfortunate effort to gain a tactical advantage. Although it was theoretically available, the DGMO hotline was ineffective during major crises faced by India and Pakistan because neither DGMO wanted to be the first to use it, apparently feeling that first use might be interpreted as a sign of weakness.

5) The Simla Agreement (2nd July, 1972)

The Simla Agreement emphasized on the peaceful means of resolving the bilateral conflicts. As per the method, both countries resolved to adopt bilateral negotiations or any other peaceful means mutually agreed upon. They agreed not to alter the situation until the final solution to any of the problem was found and desist from doing anything detrimental to the maintenance of peaceful and harmonious relations. It was also acknowledged that reconciliation, good neighborliness and durable peace required commitments by both to peaceful coexistence, respect for each other's territorial integrity and sovereignty on the basis of equality and mutual benefit. All these fine-tuned and politically loaded principles provided a solid framework for building confidence between the two countries. According to P.N. Dhar, Indira Gandhi's closest advisor in the 1970s, "Bhutto agreed not only to change the cease-fire line into a line of control for which he had earlier proposed

the term "line of peace", he also agreed that the line be gradually endowed with the "characteristics of an international border". If true, the Simla Agreement provided both the mechanism and the solution to the Kashmir problem.

But that these principles remained mere spiritless letters of agreements. The bilateralism has not succeeded in resolving contentious issues such as Kashmir. Pakistan's role in abetting terrorism and secessionism in India, and even the minor issues like Sir Creek, Siachen Glacier and Wular barrage. Nor has bilateralism deterred Pakistan from internationalizing the Kashmir issue and asking for third party mediation, which is against the essence of the Simla Accord. The limitations and failures of the Simla Accord were made evident in 1987, 1990, 1999 and 2002 crises. Shimla Accord is basically a flawed one because it looks this conflict only as a territorial dispute, ignoring its religious, ideological, ethnic, political and strategic dimensions (Chari 1999).

6) Nuclear Confidence Building Measures (NCBMs)

The first nuclear PPMs between India and Pakistan was initiated in the informal understanding of Gen Zia-ul-Huq and Prime Minister Rajiv Gandhi on Dec.17, 1985 but because of deep-rooted mistrust, The Agreement on "Prohibition of Attack Against Nuclear Installations and Facilities" was formalized only on Dec.31, 1988. By the Agreement, India and Pakistan agreed not to undertake, encourage or participate in, directly or indirectly, any action aimed at causing the destruction of, or damage to, any nuclear installation or facility in the country. The term "nuclear facility", according to the Agreement, includes nuclear power and research reactors fuel fabrication, Uranium enrichment, isotopes separation, and reprocessing facilities as well as any other installations with fresh or irradiated nuclear fuel or materials in any form and establishments storing significant quantities of radio-active materials. List of facilities have to be exchanged on 1st January of every year which was hailed as a positive step forward, but flaws in its implementation have robbed it of its true potential. The exchange of ratification instruments to make the agreement operative took place only on 27 January 1991, and it took another 12 months before lists were exchanged on Jan.1, 1992. Further, both sides have been secretive by not officially releasing the list of facilities protected by the agreement.

The inhibiting factor is domestic politics, with no government ready to face the charge that national security has been compromised. They have accused one another of not providing a complete accounting of the facilities. For example, both sides complained that the list is incomplete and India complained that Golra facility (Pakistan's Punjab) was omitted by Pakistan and Pakistan claimed that India omitted the Mysore facility. There have been some reports that neither side believes that the facilities lists are complete. Some type of verification such

as challenge inspection regime may be the only way both sides can be sure that all appropriate facilities are covered. This is how CBMs were turned into conflict building measures.

7) Advance Notice on Military Exercises, Maneuvers and Troop Movements (1991)

Another agreement called Advance Notice on Military Exercises, Maneuvers and Troop Movements came into force after sixteen months of its initiation i.e. April 6, 1991. It is well intended PPM in the nuclear environment but its wordings and phrases are not clear-cut and subject to interpretations. For example, the term like `division' has been used, without defining its numerical strength. There is no inbuilt dispute resolution mechanism in the agreement. Further in Article1 stipulates that both governments have decided that "their land, Naval and forces will avoid holding military maneuvers and exercises in close proximity to each other. How this statement should be practiced is unclear, but is certainly open to interpretations by both the parties.

Article 6 of the same Agreement covers the type of information to be included in the notification of major exercises. It is difficult to know if any information will ever be provided, or even needs to be given at all. The stipulation in this regard simply notes that 'the information will be intimated'. Again, Article 8, dealing with certain special concentration of troops, not covered by other provisions, stipulates that these concentrations will be notified to the other side, at least two days before the start of their movements. Thus the term `whenever possible' leaves considerable doubt and offers option to both the countries. Whether such notification will ever be transmitted, is questionable since the procedure suggested in such a transmission is that of the hot line, and the use of the phrase "may be passed". It is not decisive and precise formulation like `will be passed'.

There is a provision for giving information regarding routine winter, summer and locational exercises, but there is no evidence of either side giving the information of any (Desjardins 1996). Normally, two sides do not always fully believe the nature of troop movements notified by them. The information rendered by them carry the possibility of misreading of the intentions of each other since troop movements are considered as inherently dangerous, because it prompts the other side to think of mobilization. Therefore, this agreement, which was designed to build confidence, does not necessarily contribute to its objective.

8) The Lahore Summit (1998)

The Lahore Summit was a watershed in the strained history of India-Pakistan relations. The main outcomes were a declaration signed by the two Prime Ministers

to intensify efforts to resolve all divisive issues. This included agreement on the political status of Kashmir, as well as a memorandum of understanding committing each country to certain non-aggressive commitments (to mention few, for instance)

➢ Engage in bilateral consultations on security concepts and nuclear doctrines with a view towards developing nuclear and conventional CBMs.

➢ Provide each party with advance notification of ballistic missile flight tests;

➢ Undertake national measures to reduce the risks of accidental and unauthorized use of nuclear weapons; notify the other party immediately in the event of any accidental, unauthorized, or unexplained incident; and identify or establish an appropriate communications mechanism for this purpose;

➢ Continue to abide by their respective unilateral moratoriums on conducting further nuclear test explosions;

➢ Conclude an agreement on prevention of incidents at sea in order to ensure safety of navigation by naval vessels and aircraft belonging to the two parties.

But India and Pakistan were at war once again due to latter's aggression against India at Kargil. The Lahore Peace initiative by India was shattered by Pakistan's cynical breach of trust on which the Lahore process was posited (Subramanyam 2000).

Stumbling Blocks in the CBMs

However, these CBMs could not bring enduring peace to India and Pakistan as there are certain characteristics peculiar to CBMs which are absent in their mutual dealings. These are expression and sustenance of political will, mutual reciprocity, mutual goodwill and faith etc. The author has identified broadly three factors as hurdles in not only successful implementation of the measures but also moving towards conflict resolution.

1) The Past Baggage

As stated in the introductory part, India and Pakistan have suffered greatly even before their independence due to mistrust, suspicion and uncertainty harbored by the so-called leaders of colonial India. The origin of the India Pakistan hostility can be traced back to the late 1930s when Muhammad Ali Jinnah the founder of Pakistan perpetuated communal hatred between Hindus and Muslims deliberately after the electoral debacle of Muslim League in the 1937 elections. Subsequently, communal hatred became part and parcel of Muslim League's political strategy. It is said that Jinnah repented later after the birth of Pakistan which is evident in his famous 1948 address to the Constitutional assembly. But he didn't survive long.

This legacy has on the whole over a period of time culminated into the menace of Islamic terrorism, thanks to Zia-ul-Huq who Islamized Pakistan society which currently poses a very serious obstacle to the effective completion of the process of CBMs, besides the very existence of Pakistan itself. The wound of such legacies have been kept fresh by vested interests of Pakistan for self-aggrandizement.

2) The Kashmir Dispute

No other issue has generated so much ill-will between India and Pakistan as has been done by the Kashmir dispute. Pakistan has launched four wars to annex Jammu and Kashmir (J&K) one of the states of India. The logic of wanting its acquisition by force or diplomacy was at one time described by the former General Pervez Musharraf as "running in their blood." Even though, India and Pakistan have had so many rounds of talks for a better relationship, the Kashmir factor, coupled with adamant attitude of Pakistani hardliners, has always been acting as the biggest hurdle for the successful implementation of the CBMs. Both countries have involved in the ideological as well as indirect war over Kashmir issue turning the CBMs into conflict building measures. In a nutshell besides many accusations and counter accusations, philosophically speaking, Pakistan wanted Kashmir on the ground of two-nation theory because there is a feeling that the partition and the concept of Pakistan are incomplete without grabbing Kashmir. According to Indian stance, Kashmir is the symbol of Indian secularism and any compromise can spell disaster for the secular values India cherishes. Kashmir issue has become so emotive in both the countries that any concession on the Kashmir issue has been regarded by certain sections as betrayal and treason.

3) Mutual Security Perceptions

Perhaps the most painful aspects of the Indo-Pakistan relations are the mutual perceptions or misperceptions. Both perceive others as enemies. This led Pakistan to align itself with the west to remove insecurity from the Indian threat. India on the other hand perceived Pakistan's participation in western sponsored defence alliances as her attempt to attain parity with India and to challenge the natural power hierarchy of the subcontinent. In reaction to Pakistan's defence alignment with the west, India brought the Soviets into the cobweb of South Asian politics. According to Pakistani perception, it was not until the Indo-Pak war of 1971 and the consequent dismemberment of Pakistan that India became slightly relaxed and began to shed its obsession with the Pakistan factor. However, the truth is that Indian security perceptions not only take Pakistan but also china into consideration. In the post-1971 period, the quest to acquire nuclear parity with

India following the Indian detonation of a nuclear device in 1974 and the advent of Afghan crisis contributed a large share in derailing the CBMs between them.

For India the most irritating aspect of the Afghan crisis was the American decision to agree to military sales cum economic assistance package with Pakistan in order to cater for the enhanced security responsibilities of the Pakistanis. India had complained to US very often that their entire weapon aid to Pakistan has been used by the latter against India fell into the deaf ears. This India's concern was perceived by Pakistan as an effort to increase the Soviets military aid and as a proof to dominate the South Asia.

Besides, India's use of force in the civil war of Sri Lanka and the Maldives crisis coupled with the Indian army's massive exercise like Brasstacks, close to Pakistan's borders and the India's controlling of the Kashmir unrest which Pakistan view as freedom movement are the evidence of India's hegemony. Similarly whatever does in J&K to control the militants, the Pakistani elites perceive them as human rights violations and autocratic rule by India. According to this school of thought, the abuse and humiliation of the population of the Jammu and Kashmir at the hands of security forces of India during patrols, house-to-house searches, at checkpoints are keeping the militancy alive in J&K (Das 2005) than by the cross-border infiltration. These kind of mutually contradictory approaches blocks the way towards peaceful resolution of issues.

Negative sides of CBMs

Because of the above-said obstacles, there are certain problems for both the countries to even reach an agreement, let alone the breakthrough, on resolving couple of contentious issues. They are: Sir Creek dispute and Siachen Glacier. Let us deal with them with brief analysis.

1) Sir Creek Dispute

Sir Creek Dispute is ripe for settlement through mutually agreed PPMs. Only a political decision to remove the following differences and to execute the plans remains to be taken. India's proposal for the initial delimitation of the maritime boundary from the "Seaward" side and Pakistan's, insistence of non-separability of Sir Creek and maritime boundary delimitation needs political reconciliation. India's "seaward approach" i.e., delimiting the maritime boundary from the extremity of the Exclusive Economic Zone (EEZ) limit towards land to a mutually acceptable limit, is not only in accordance with the internationally recognized Technical Aspects of the Law of the Sea (TALOS) but would settle a portion of the maritime boundary, and would benefit both countries for the exploitation of

marine resources in their respective EEZs. If India and Pakistan didn't settle the Sir Creek dispute, the UN intervention is likely because of the 1994 ratification of the United Nations Convention on the law of Sea (UNCLOS).

India considers the boundary of Sir Creek to be defined by its mid-channel, whereas Pakistan considers it to be on the eastern bank of the creek, thereby claiming the entire Sir Creek. A map of 1925, which indicates the boundary on the "mid-channel principle" with proper boundary symbols, can easily settle the issue. A mid-channel demarcation is firmly recognized under the *THALWEIG* principle of international law, which divides river boundaries between states in the middle of the mid-channel. In the 1994 India proposed that the delineation of the maritime boundary in the territorial sea could be governed by the "median/equidistant" principle, using the low water lines and low tide elevations of both countries whereas beyond the territorial sea it could be governed by "equidistant"/equitable" principles. Pakistan, on the other hand, insisted on the "equitable" principle disregarding India's largest coastline and EEZ. The ultimate outcome is stalemate.

2) The Issue of Siachen Glacier

On the Issue of Siachen Glacier ray of hope seems to be there. Both sides maintained that an important agreement had been struck even if there was disagreement of its precise nature. The Siachen Accord was, in fact, virtually the only agreement directly pertaining to the land boundary between them in Kashmir that India and Pakistan had managed to reach since the Simla agreement of 1972. Further, both governments had come close on admitting that the costs on continued military confrontation on the Glacier outstripped the putative benefits of possession was focused in demilitarizing the Glacier and gained priority over delimiting fixed boundaries on it. A prudent awareness of the potential rewards of conflict management, to put it in more general terms, had gained over impractical conflict resolution. Both countries seemed to have traveled some distance from the position they took upon the outbreak of the conflict in 1984. Unfortunately, the talks **failed to produce agreement** on the modalities for achieving demilitarization; but the fact that these arch rivals got this far in their deliberations is not without significance of its own. If nothing else, the Siachin negotiations accomplished a lot of spade work out of PPMs. The other negatives are nuclear tests and Kargil Crisis, suspension of dialogue process after the attack on Indian parliament in December 2001, suspension of composite dialogue after the Mumbai terrorist attacks in November 2008.

Positive sides of CBMs

1) Holding of Ceasefire along with the LOC since 2003.

2) Demobilization of the forces along the borders.

3) Holding of talks under composite dialogue on contentious issues like Jammu and Kashmir, Siachen Glacier, Sir Creek and water related conflicts.

4) Holding of periodic talks between Indian and Pakistan on the nuclear issues particularly on the communication lines for averting nuclear accidents and other nuclear related crises.

5) Improving trade, commercial and communication linkages by promoting people-to-people contacts.

6) Bus services from Lahore to Amritsar, Amritsar-Nankana Sahib bus service, launching of Srinagar-Muzzafarbad bus service, Tharparker (Sind)-Munnabao (Rajasthan) bus service, which has facilitated thousands of Indians, Pakistanis and Kashmiris and helped to reduce enemy images about each other.

7) Improving ties in education, science and technology.

8) Peace initiative launched by Times of India group and the Jang Newspaper group of Pakistan.

9) Resumption of their cricket teams in their respective countries

10) Better cooperation for combating terrorism, drugs and narcotics.

11) Establishment of a Communication Link between Pakistani Maritime Security Agency and Indian Coast Guard, 2005 (Krepon 2003).

12) Release of hundreds of fishermen which were detained by India and Pakistan as a show of gesture and goodwill.

13) Stabilizing their relations in the nuclear field by exchanging every year documents related to their nuclear installations and reaching an agreement on nuclear risk regime (Ahmar 2008).

14) India Pakistan DGMOs hold face-to-face talks: December, 2013.

How to strengthen the CBMs?

However, in order to establish a perpetual peace between India and Pakistan, the following measures are suggested so that the above mentioned hurdles in the path of smooth functioning of CBMs can be removed.

1) Economic Cooperation

Both India and Pakistan are at the core of the South Asian Association for Regional Cooperation (SAARC). More than 80 percent of the population, resources

and other important things are in India and Pakistan. If there will be cooperation between India and Pakistan, then only there is a ray of hope of reconciliation and goodwill among the rest of the SAARC members. It is also a harsh reality since their inception India and Pakistan have had a continuous atmosphere of hatred marked by acrimonious relationship. Another harsh reality is that large numbers of population of both countries are living under the poverty line. First of all, the bilateral trade between India and Pakistan must be enlarged to include more tradable items which is presently 5,000 items so that the common diseases like poverty and malnutrition can be cured and increases confidence among the masses of both the countries. Officially bilateral trade between India and Pakistan amounts just 200 million dollars in 2004 and it has rose to 2.7 Billion dollars in 2011 and slated to touch 6 billion dollar in next three years. The fundamental elements in Pakistan have always opposed economic cooperation between India and Pakistan. The mutual bilateral trade stood at $2.35 billion in 2012-13, as against $1.93 billion in the previous fiscal. Though India has already conferred the Most Favored Nation status to Pakistan, the latter must be swift in reciprocating this gesture which is key to enhancing economic CBMs. There has been an apprehension in Pakistan that accelerating trade relations would flood its markets with Indian products due to its supremacy in technology over Pakistan.

If India reduces more tax and tariff on the goods to be exported to Pakistan, it would gradually create a conducive environment in Pakistan in favor of a cordial relationship with India. The Mumbai attacks in 2008 disrupted the dialogue process between them. Consumers in Pakistan are likely to benefit the most from the favored nation decision of the Pakistani government as they gain access to more imported goods at lower prices. This could be a precursor to normalization of relations because when goods move, people move and investment moves, then this will develop a huge constituency for peace, deeper integration and conflict resolution. The post-Mumbai resumption of talks has given priority to trade and investment rather than political issues.

2) Tourism Cooperation

The common cultural, heritage and other community shared legacies paves the way for closer relationship in the fast emerging area of tourism between both countries. A common Pakistani Muslim could not religiously satisfy himself without a visit to the Ajmer Dargah or a look of Taj Mahal at Agra. Similarly, there are religiously important places in Pakistan for Hindus and Sikhs. One of the oldest cradles of civilization belongs to Mohenjadoro and it is in Pakistan and many Muslim known sites are in India. Therefore, tourism can act as a facilitator of harmony and peace between India and Pakistan. This overlapping spiritual factor

can enhance goodwill and eradicate misunderstanding between the peoples of India and Pakistan. In 2012 both have given a new relaxation to visa regime and it could be a big boost to tourism sector. Moreover, there is a place called Amir Mahal in Chennai which could also be opened to the visitors from Pakistan. This is a less explored area and can be included in the list of Indian tourist place for Pakistan.

3) People-to-People Cooperation

There are many forums working to enhance the pace of cordial relationship between both countries. One of the leading figures for decreasing the pace of hostility between both countries was late Nirmala Deshpande. It is worth recalling that in recognizing the works of late Nirmala Deshpande noted Gandhian and nominee for 2005 Nobel Peace Prize, in bringing warmth and harmony in the Indo-Pak relations, the government of Pakistan posthumously conferred the country's prestigious Sitara-e-Imtiaz award on her in 2010. Even her mortal remains were immersed in Indus river of Sindh province in Pakistan.

There is an urgent need to broaden the base of organization and participation of students and youngsters. This class consists 40% in both countries. It they will work hard nothing can stop establishing cordial relationship between them. While many hundreds of thousands visit India and Pakistan from across the border, the visa formalities for them are far from conducive to confidence building. Each traveler has to register at a police station within 24 hours of his arrival in a city and 24 hours before departing from the same. The whereabouts and wherewithal of his hosts are to be laid bare to the authorities and must pass muster with them. These procedures leave inter-country travel to be far from desirable.

4) Professional Cooperation

Exchange of various professional groups between both countries should be enhanced. Interaction between academics, advocates, sportspersons, students, scholars can certainly contribute to the conducive ambience for the amicable conflict resolution. The real culprit in this regard is the terrorism. For instance, soon after the 2008 Mumbai terror attack, there was a ban on the Pakistani cricket team playing in India. Fortunately that ban was lifted in 2012. This encourages the belief that the people of South Asia are ahead of their governments in appreciating the need for peace and stability in the region. However, the limits of such cooperation have to be kept in mind given the praetorian nature of Pakistani society. The problem with such CBMs is that vested interests prevent such cooperation from going deeper to further Indo-Pak. normalization.

Policy Recommendations

Mr.Narendra Modi has taken charge as the India's 15th Prime Minister, after his landslide victory in the 16th general elections of India on May 2014. Mr.Modi showed statesmanship by inviting leaders from the neighboring countries which are tied with India in the regional grouping called South Asian Association for Regional Countries (SAARC) to his swearing-in-ceremony. Notably, Pakistan Prime Minister Nawaz Sharif was the first person Modi shook hands with and this is the evidence of India under National Democratic Alliances (NDA) government headed by Mr.Modi according top most priority to Pakistan among the SAARC countries. The following are the nine recommendations by the author on what India must do with Pakistan to resolve various issues and to normalize Indo-Pak relations.

▸ India should emphasis Pakistan for holding of periodic talks between them not only on achieving the breakthrough on the old disputes but also on the nuclear issue so as to avert any nuclear accidents and other nuclear related crises.

▸ India should ask Pakistan to curb the nexus of Army-ISI-Militants so that the incentives for further attacks against India and even inside Pakistan can be prevented.

▸ India should continuously press Pakistan to prosecute the perpetrators of the Mumbai terror attacks especially Hafiz Saeed, a key master-mind of 26/11, 2008 terrorist outrage.

▸ Talks should also be held between Foreign Secretaries of India and Pakistan besides the Prime Minister level talks.

▸ Trilateral Nuclear Confidence Building Measures (NCBMs) agreement among India, China and Pakistan is desirable for preventing any misunderstanding between India and China.

▸ India must press US to expel Pakistan from United Nations if it continues to sponsor terrorism into India.

▸ India must tell China to assist Pakistan either economically or militarily only when if it stops Cross Border terrorism or violation with India.

▸ Deploy additional security forces on the vulnerable places of Line of Control to check more infiltration from Pakistan.

▸ Cricket matches between India and Pakistan must be resumed and played periodically in both the countries.

Conclusions

All CBMs used so far between India and Pakistan could not be totally effective in resolving the issues, because of few lacunae including vague stipulations, selective compliances, bad faith, deception, vested interests, the large scale illiteracy, poverty, backwardness and the feelings of communal hatred, the fear of `sellout' or compromise, power asymmetry, mutually divergent approaches, misinformation and mutual security perceptions, absence of verification regime and the poor or spotty implementation of PPMs. However, the list in not exhaustive because this is only the one side of the coin. Articulating PPMs by the respective governments seem to be easy, but the practicality of these PPMs needs to be assessed and evaluated constantly to further strengthen the relations between India and Pakistan. As far as the psychological dimension of the Indo-Pak conflictual relations are concerned, there are few major obstacles impeding the process of normalization and which are also responsible for the drawbacks of the CBMs preventing them to take the peace process to its logical conclusion that is the conflict resolution. These impediments are deep-rooted in history carrying tonnes of historical baggage which cannot be forgotten overnight, deep-rooted suspicion, mutual distrust, antagonism, ill-will, enemy image, the domestic politics and the lack of political will.

It is important to note that South Asia has some unique characteristic that are different from other regions and the efficacy of the same tools to address the issues might not prove as successful as it has been in the cold war strategic environment. India and Pakistan have used CBMs more as competition building measures than as confidence building measures. Most of the CBM proposals have been designed to capture the political high ground and to please the external actors than with the intention to solve the real problems. As a result, far from peaceful, since the adoption of CBMs the period has been marked with "one long crisis, punctuated by periods of peace."

The trajectories of the India-Pakistan relations follow to somewhat the following lines. The outbreak of war, then as a ramification of war is the conclusion of CBMs, then comes the ramification of not implementing them in letter and spirit again concluding in war. As long as India and Pakistan did not realize their futilities, till that period this vicious cycle too cannot be broken. If the above mentioned impediments could be diluted and gradually eliminated in the process of normalization, the deadlock on the core issues could be broken, paving the way for establishing a "perpetual peace" away from what Eisenhower calls "the perpetual threat" between India and Pakistan in the future. If India and Pakistan have to grow stronger economically, there is no other way except to mend fences mutually. India as a civilizationally matured nation has to cope with Pakistan's provocations and has a responsibility to find out the ways for peaceful resolution of the conflicts.

In this regard, the CBMs are the best facilitator for the peaceful conflict resolution through dialogue. I would like to conclude with Martin Luther King's Jr. message that "…we must learn either to live together as brothers or we are all going to perish together as fools".

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India-Sri Lanka Free Trade Agreement: In a Vinerian Perspective

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Free Trade Agreement (FTA) between India and Sri Lanka has completed more than ten years of its commencement. There has been a tremendous increase in the total trade between India and Sri Lanka since the inception of the ISFTA. The total trade between India and Sri Lanka has shot up to US$ 5.0 billion in 2011-2012 from US$ 0.47 billion in 2000-2001 (CMIE). While analyzing data further, it was understood that India has received more benefits than Sri Lanka from this agreement (Kurian and Manikandan 2011). Of the major reasons for India's more benefits, the most important reasons are: 1) India was overcome some of the negative effects of trade creation and trade diversion; and 2) the size of economy and export basket of India is much higher than that of Sri Lanka. Some of these factors mentioned above would have been played a significant role in escalating Indian exports and imports in the total trade with Sri Lanka. In view of this, the paper examines the performance of the India-Sri Lanka Free Trade Agreement (ISFTA) in trade creation and trade diversion perspective (Viner 1950). The result of the research paper shows that there is a trade creation effect with respect to the export of products like white sugar, copper, and vanaspati between Sri Lanka and India during the period 2001-2005 indicating that the result of the paper is consistent with the theory of Viner (1950).

The paper has been divided into five sections. Section I introduces the theme of the research study, followed by Section II analyses the trade creation and trade diversion effects as discussed by Jacob Viner (19 50), by Section III discusses the overview of India-Sri Lanka trade between 2000-2001 and 2011-2012 and the India-Sri Lanka Free Trade Agreement (ISFTA), Section IV analyses trade creation and trade diversion effects of customs union based on empirical evidence and Section V concludes the paper.

Regional Trade Agreements: A Vinerian Perspective

The concepts of trade creation and trade diversion were introduced by Jacob Viner in 1950. The main advantage of these Vinerian concepts is that can be used to understand the net effects of regional trade agreements (RTAs). Trade creation means that a shift from inefficient-import competing firms in the domestic economy to efficient-export competing firms in the member economies of regional bloc for purchasing goods and services. Trade diversion means that a shift from more efficient–export competing firms in non member economies of RTAs to inefficient suppliers of RTAs. Clearly, RTAs have resulted in the shift from inefficient domestic suppliers to efficient suppliers from other countries of the RTAs. However, trade diversion gives an opposite effect of trade creation. That is, RTAs members shift import of product from efficient suppliers of non member countries of RTAs to inefficient suppliers of RTAs member countries.

Trade creation allows an RTA member to buy product from efficient suppliers of RTAs member countries. It means that trade creation stimulates the growth of efficient suppliers of RTA partner countries. On the one hand, the efficient export competing firms of RTAs countries are getting more foreign income due to an increase in foreign demand by trade creation. On the other hand, the inefficient import competing firms of RTAs countries are losing their income due to decrease in demand by trade creation. Therefore, it is difficult to predict a final outcome of trade creation in participating member countries of RTAs. On the basis of trade creation and trade diversion one can derive the net effects of regionalism. But, it is difficult to theorize a final outcome of such effects unless we don't have empirical evidence upon which of these effects dominate. It indicates that the prediction of final outcome of trade between RTAs countries may not possible based on trade creation and trade diversion effects.

Trade creation would have a greater impact in RTAs countries. This is because efficient export competing firms in countries of RTAs would welcome RTAs and demand it. In contrast to this, inefficient import competing firms in participating and countries of RTAs would oppose it, and stand for non-RTAs. The supporters of RTAs such as efficient export competing suppliers will expect future benefits of bilateral trade agreement in terms of exports, and investment creation, which in turn leads to the growth of efficient export competing firms. By seeing of the growth of efficient export competing firms of RTAs countries, the efficient export competing firms in non-member countries of RTAs will demand RTAs. However, the inefficient import competing firms in both nonparticipating and participating countries of RTAs will oppose regionalism largely because of it reduces their market share in the domestic economy by trade creation. The governments across the world have to face the conflict of interests between the inefficient import competing

firms and efficient export competing firms. It is too serious, if inefficient import competing firms are belonging to agriculture sector and agro-based sector, and efficient export competing firms are belonging to manufacturing sector and service sector. This is because the small and marginal farmers in RTA countries fear that regionalism will adversely affect their livelihood. On the other hand, business and corporate circles will always expect the regionalism escalates their growth.

Trade diversion[1] is something which diverts import from efficient suppliers of non-participating countries of RTAs to inefficient suppliers of member countries of RTAs. It would have a greater impact on non-participating countries of RTAs and rest of the world. Importing of products from the inefficient import competing firms of RTAs countries by RTAs member countries not only is comprise the quality of products, but also reducing income of efficient export competing firms in non-member countries of RTAs. It is very clear from the words of Jacob Viner (1950):

> "...where the trade diverting effect is predominant, one at least of the member countries is bound to be injured, the two combined will suffer a net injury, and there will be injury to the outside world and to the world at large."

Viner (1950) argues that trade diversion would have a negative impact on the members as well as non-member countries of regionalism. More specifically, RTA members switch from efficient suppliers of non-participating countries of RTAs to inefficient suppliers in the member countries of RTA. That is, trade diversion reduces the growth of efficient suppliers in non partner countries of RTAs but it promotes the growth of inefficient suppliers of member countries of RTAs. It is sometimes appreciable, if inefficient firms or suppliers are belonging to the small and marginal farmers. Otherwise, it would have a severe impact on different sectors, agriculture and industrial sectors in non-partner countries of RTAs. To avoid these unwanted consequences in non-partner countries of RTAs, the efficient suppliers in non-partner countries of RTAs stand for RTAs and demand it. Otherwise, trade diversion would have adverse impacts on efficient suppliers in non-participating countries of RTAs (Parthapratim 2004; Won K. Koo 2006; Joshi 2012).

Although, trade diversion effect would have an adverse impact on the growth of efficient export competing firms in non-member countries of RTAs but, promotes the growth of inefficient import competing firms of member countries of RTAs. Therefore, the efficient export competing firms in non-member countries will always support the efforts of their countries to pursue RTAs for avoiding injury from trade diversion. Otherwise, it would have an undesirable impact on efficient export competing firms in non-member countries in RTA. To conclude, efficient export competing firms in both participating and non-participating countries of RTAs will always stand for and demand free trade agreements. However, inefficient

suppliers in both participating and non-participating countries of RTA will always demand non-RTA or non-FTA policies by seeing trade creation effects from free trade agreements. This conflict of interests is one of the serious debatable issues, and there is no consensus among the researchers and policy makers over this problem even today. The paper has attempted to analyse India-Sri Lanka FTA based on the theoretical perspective of Viner.

III Overview of India-Sri Lanka Trade

India and Sri Lanka have trade ties from time immemorial. The bilateral trade has increased during the colonial period; India imported spices, elephants, cinnamon, and areca nuts from Sri Lanka and exported rice, cloths and other products. Since independence economic ties between India and Sri Lanka did show a major improvement. As a result, the first trade agreement was concluded in 1949 for the exchange of essential commodities. This agreement was subsequently extended from time to time. India and Sri Lanka was signed a trade agreement on October 1961 (Panchmukhi, Rao, and Kumar 1993). Bilateral trade has improved after the implementation of the 1961 trade agreement. India has emerged as the largest source of supply to Sri Lanka after the liberalisation in 1977. There has been upward in economic transaction at bilateral level after 1985, when India started liberalisation partially. The openness regime in both countries has had a direct impact on their bilateral relations, economic relations particularly. Trade between Sri Lanka and India was increased dramatically and India's share in Sri Lanka's imports expanded from 6 percent in 1989 to 11 percent in 1996. Furthermore, India was surpassed Japan in 1996 as the largest source of supply to Sri Lanka. Export from Sri Lanka to India increased at slower pace. It shows that India has had a relative advantage over Sri Lanka historically. According to Harilal and Joseph (1999), India-Sri Lanka bilateral trade has always been in favour of India, and Sri Lanka's trade deficit with India amounted to, is the largest of all trade deficits of Sri Lanka with foreign countries. The balance of trade is a serious matter of concern to the political as well as business circles in Sri Lanka and they forced India to buy more from Sri Lanka to reduce this gap (Kelegama 2003).

Informal trade is a common phenomenon between neighbouring countries and it is affecting the formal inflow and outflow of commodities and services. Through this parallel market of illegal trade, commodities could be brought and sold without tariff and non-tariff barriers. In South Asia, India continued to be a target of illegal trade because of its geographical proximity to other South Asian states. Illegal trade has been taking place here beyond economic reasons. This is also true in the case of India-Sri Lanka relations. Earlier illegal trade is high in volume compared to formal trade. The study found that illegal export from Sri

Lanka to India was greater than the recorded exports, and a contraband import from India was over 50 per cent of the value of recorded imports in 1996. So the two way illegal trade between India and Sri Lanka was substantial and important to expansion of trade (Saravananthan 1999). Beyond that, the two-way contraband trade between the two countries was higher than the two-way total official trade (Saravananthan 1994, Taneja 2002). It is believed that a free trade area in which free movement of goods, services and capital would be legalised. Along with internal as well as external pressure to create a free trade area, illegal trade was also a major point. It was in this background that India and Sri Lanka signed a free trade agreement in late 1998.

Regional agreement is supposed to increase trade and other economic activities between two or more partner countries. The India-Sri Lanka Free Trade Agreement (ISFTA) was signed in December 1998 and, came into effect on 1 March 2000. The agreement has aimed to create a free trade area without any barriers between India and Sri Lanka. Both countries agreed to a time-frame for the removal of tariffs with the implementation of the agreement. At the time of signing the ISFTA, Sri Lanka had agreed to allow the time-frame entry of Indian commodities after eight years. India agreed to remove tariffs within three years after the implementation of the agreement. However, for safeguarding the domestic markets and production of certain commodities both countries have maintained negative lists. The preferential treatment to the Indian exporters is offering a direct and favourable opportunity for the Indian sales in the Sri Lankan market (Reghunathan 2002). Sri Lanka is also seeking to ensure maximum benefits from the Indian market by exporting products wherein it has the export potential (Kelegama 1999). The number of items exported to India by Sri Lanka is far less than those that flow in the opposite direction. For instance, India's export of garments and transport equipment to Sri Lanka has been improved significantly since the inception of this bilateral trade agreement.

Since the establishment of the ISFTA, bilateral trade has increased considerably. Data on trade of India and Sri Lanka shows that India's share of export is increased from1.44 percent in 2000-2001 to 1.61 percent in 2010-2011. At the same time, India's import share has gone up from 0.09 percent to 0.14 percent during this period. It shows that India has received much export advantage over Sri Lanka since the inception of this bilateral free trade agreement in 2000, although the share of the total trade is increased marginally from 0.72 percent to 0.73 percent between 2000-01 and 2010-11 (Table 1). It is found that India's export increased 8.99 times as against Sri Lanka's imports to India increased 18.3 times between 2000-01 and 2011-12. The total trade between India and Sri Lanka is increased 9.72 times. Around 90 per cent of Sri Lanka's exports to India and 45 per cent of Indian exports to Sri Lanka are occurred under ISFTA (Kelegama and

Mukherji 2007). India became the largest trading partner to Sri Lanka, it was 16 in 2000. Indian export to Sri Lanka was US$ 630.48 million in 2000-01 and it increased to US$ 2826.61 million in 2007-08, increase of more than 4 times since 2000. India's import from Sri Lanka has increased from US$ 44.84 million to US$ 631.44 million during the same period. According to the latest data (CMIE 2012), Indian exports worth to US$ 4366.64 million and imports of US$716.52 million. This was US$ 633.04 million and US$ 67.61 million in 2001. India has become the first import source of Sri Lanka and third export destination. Obviously, there is a huge increase in bilateral trade. The trade disparity has been maintaining, but shows a rise in Sri Lanka's imports to Indian market (Table 2).

Table 1 Export and Import Share of India with Sri Lanka, 1999-00-2010-11

Year	Export Share (%)	Import Share (%)	Total Trade Share (%)
1999-00	1.36	0.09	0.63
2000-01	1.44	0.09	0.72
2001-02	1.44	0.13	0.73
2002-03	1.75	0.15	0.89
2003-04	2.07	0.25	1.07
2004-05	1.69	0.35	0.94
2005-06	1.96	0.45	1.12
2006-07	1.79	0.25	0.87
2007-08	1.74	0.25	0.84
2008-09	1.31	0.12	0.57
2009-10	1.22	0.14	0.55
2010-11*	1.61	0.14	0.73

Note: Upto 11 November 2011 (6 Digit Level)
Source: Ministry of Commerce and Industry, Department of Commerce, Government of India, Trade Statistics from http://commerce.nic.in/

Table 2 India's Trade with Sri Lanka (US$ million)

Year	Export (Ex)	Import (Im)	Trade Balance (Ex-Im)	Total Trade (Ex+Im)
1998-99	437.03	37.67	399.36	474.7
1999-00	499.78	44.29	455.49	544.07
2000-01	630.48	44.84	585.64	675.32
2001-02	633.04	67.61	565.43	700.65

2002-03	923.37	91.06	832.31	1014.43
2003-04	1323.88	194.97	1128.91	1518.85
2004-05	1356.51	365.00	1721.51	1721.51
2005-06	2024.37	577.62	1446.75	2601.99
2006-07	2254.06	470.31	1783.75	2724.37
2007-08	2826.61	631.44	2195.17	3458.05
2008-09	2,372.28	353.59	2,018.69	2725.87
2009-10	2,169.89	390.13	1,779.76	2560.02
2010-11	3,502.83	500.05	3,002.78	4002.88
2011-12	4,366.64	716.52	3,650.12	5083.16

Source: Centre for Monitoring Indian Economy, *Foreign Trade* various issues.

Sri Lanka is importing almost all items from India, especially food items, engineering goods, transport equipment, drugs and pharmaceuticals, cotton yarn and fabrics, textiles etc. Sri Lanka's exports are limited to a few products. For instance, Sri Lanka's major export items to India in 1997 were pepper, iron scrap, rubber, tea, paper scrap, copper scrap, zinc scrap, areca nut, pepper oil, cloves, dried fruits, waste paper and paper boards, black tea and nut meg (Kelegama 1999). Since the ISFTA came in to effect there have been some changes in the composition of trade, and new commodities are exporting to India. It is found that there is product diversification in trade, especially in Sri Lankan export basket; most of them are intermediate products for the industrial production in India (Kelegama and Mukherji 2007). Some of the new products exported to India under FTA included value added tea, sausages, biscuits, chocolates, ceramics, furniture, metal products, footwear, wooden toys, memory chips, machinery and mechanical appliances, and herbal products. Copper related products such as refined copper and copper alloys, copper wire, copper bar, rods, profiles and copper waste and scrap products and copper came as the important item in Sri Lanka's exports to India only after the ISFTA. As far as India is concerned, transport equipments, and garments have seen a huge increase since the ISFTA. In this background, an attempt is made to analyse the theoretical perspective of Viner based on the empirical evidence.

IV Trade Creation and Trade Diversion effects of ISFTA

Trade creation and trade diversion are two effects of the preferential trading arrangements (PTAs). As a result of the PTA, additional trade has occurs between member countries replacing the earlier source of imports, explained as trade creation. On the other hand, trade diversion occurs when trade diverts from an efficient supplier to less efficient supplier with in the PTA (Viner 1950). These two

effects are obvious while analysing few commodities import and export from Indian perspective. In general, overall trend of bilateral trade shows the trade creation effect due to the growth of two way trade.

Non-ferrous metals, spices, natural rubber and electrical machinery are major import commodities of India from Sri Lanka (see Table 3). Before the ISFTA, the source of these commodities were ROW and after it shifted to partner country, Sri Lanka, indicates the trade creation effect. The case of non-ferrous metals and electrical machinery, it occupies 23 per cent of total imports to India from Sri Lanka. India has granted zero duty concession to commodities come under these categories. Earlier the duty rate of commodities in these categories varies from 5 per cent to 35 per cent, after FTA it turned to be zero per cent. The data shows trade creation in these commodities. This includes nuclear reactor, boiler, machinery and mechanical appliance, electrical machinery and arms and ammunition. These commodities were imported more from Sri Lanka at the same time it reduced earlier import destinations such as the US, Germany, Italy, China, Singapore, Malaysia and so on. The import increased more than three times after the FTA.

Table 3 Select Commodities of India's Import from Sri Lanka (US$ Mn)

Commodity	1999-00	2002-03	2005-06	2007-08	2010-11
Non-ferrous metals	0.12	18.05	71.33	39.14	25.61
Electrical Machinery	0.04	0.52	22.97	40.50	33.53
Spices	12.14	29.60	32.39	45.03	60.14
Natural Rubber	1.08	0.37	2.74	16.56	25.28

Source: CMIE, various years.

Considering India's export data of white sugar, it was found that there was an increase in exports of white sugar from India to Sri Lanka since the ISFTA (Table 4). India's export of white sugar to Sri Lanka is increased from 53361 Mt to 101083 Mt between 2008 and 2010. An unprecedented growth of export in white sugar from India to Sri Lanka is a positive and welcoming effect of ISFTA because there is a trade creation effect with respect to exports and imports of white sugar between India and Sri Lanka. During this period, export of white sugar from India to Bangladesh has decreased significantly.

Table 4 White Sugar Exports and Imports Statistics (in MT)

Country	2008	2010
Sri Lanka	53361	101083
Pakistan	0	410889
Bangladesh	558094	96746
Indonesia	0	77178
U.A.E	6725	48915
Afganistan	45288	32610
Yemen Rep.,	122135	17392
South Africa	3978	28263
European Union	10738	4348
Brazil	-	-
Total Exports	**1942169**	**930472**

Source: *Statistical Bulletin*, International Sugar Organization (2011).

Trade creation is an important effect of free trade agreements. According to Jacob Viner (1950), unlike trade diversion, trade creation is a positive and welcoming effect of customs union or free trade agreements because of the reason that trade diversion sometimes may create injury to other countries. The ISFTA is the best example of such trade creation. Till the 2000, there was no export and import of copper between India and Sri Lanka, for instance, India has been importing copper from Australia. But, since the inception of ISFTA, India was started import of copper from Sri Lanka. The paper argues that it is trade creation and also positive result of free trade agreement between India and Sri Lanka. In this case, Sri Lanka is clearly benefited from ISFTA through export of copper and vanaspati. This result of the paper is consistent with theory of Jacob Viner (1950). The following Graph 1 gives the detailed description of trade creation. India has incurred Rs. 480 crore for importing copper from Sri Lanka in 2005-06. Another example is import of Vanaspati (685 crore) in 2005-06. India is beginning to import from Sri Lanka since the implementation of ISFTA. These two examples are clear evidence of Viner's theory of trade creation.

Graph 1 Indian import of Copper and Vanaspati from Sri Lka
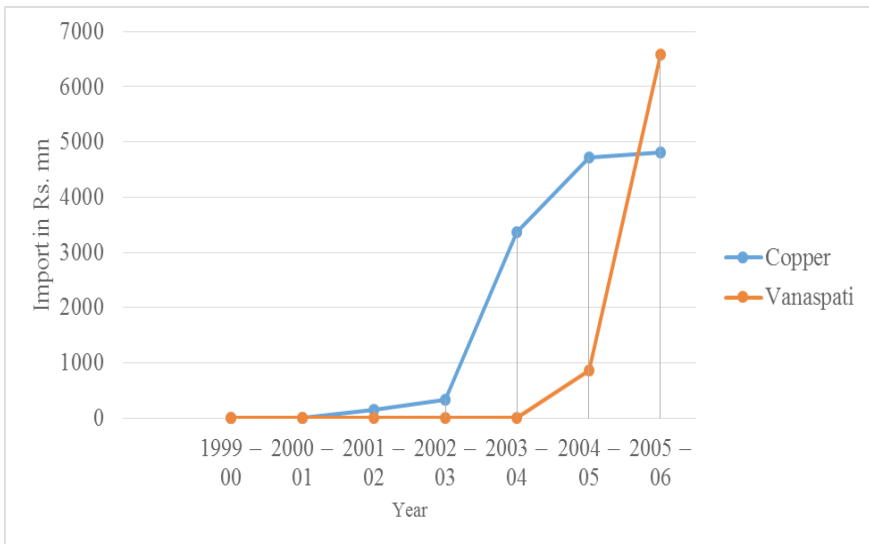
Source: Ministry of Commerce, India.

V Conclusion

The rapid growth of regionalism is a subject of widespread discussion in recent years. Trade creation and trade diversion effect, as Jacob Viner proposes, has provoked the outsiders of RTAs to join in regionalism. If governments in non-partner countries of RTAs decide not to join in regionalism, trade diversion reduces the growth of efficient export competing industry in these countries. If governments in non-partner countries of RTAs decide to join in regionalism, trade creation promotes the growth of efficient export competing industry in these countries. Further, RTAs will give an opportunity of getting benefits to the inefficient import competing suppliers due to trade diversion effect some times. But it would have negative impact on efficient suppliers in non-participating countries of RTAs. This paper has made an attempt to analyze at India's successful free trade agreement with Sri Lanka in Vinerian perspective. The results of the study show there was an increase or decrease in exports and imports between FTA countries, when there was a change in production, foreign policy decisions, and the like. The success in bilateral free trade agreement with Sri Lanka will heighten India's ambitious bilateral free trade agreements and regional trade agreements with other countries including developing and developed countries. The paper argues that Sri Lanka and India are benefited from ISFTA. One of the main reasons of it is trade creation. Sri Lanka's export of Copper and Vanaspati are increased to India considerably

through trade creation effect of ISFTA.Viner's theory of customs union, especially trade creation effect is consistent with the empirical result of the paper.

Notes

1   See for more details Parthapratim (2004).

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FORM IV

Statement about ownership and other particulars of the
South Asian Journal of Diplomacy (SAJD)

under Rule 8 of the Registration of Newspapers (Central), Rules, 1956.

1.	Place of Publication	School of International Relations and Politics Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560
2	Periodicity of Publication	Annual
3.	Printer's Name Nationality Address	K.M.Seethi Indian Director, School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560
4.	Publisher's Name Nationality Address	K.M.Seethi Indian Director, School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560
5.	Editor's Name Nationality Address	K.M.Seethi Indian School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560
6.	Name and Address of Owner	K.M.Seethi Director, School of International Relations and Politics, Mahatma Gandhi University, Priyadarshini Hills P.O., Kottayam, Kerala, India-686560

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as Vanaik and Bidwai (1989)demonstrated

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(Srinivasan, Grover & Bhardwaj 2005: 5183-88)

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