



INDIA AND SOUTH ASIA: JANUARY 2016 DOSSIER

The January Dossier provides analysis of a range of domestic and foreign policy developments in India as well as in the wider region. These include Amit Shah's election as BJP-President, the dilemma of the communist CPI/M, the observed increase of attacks on Christians in India, Prime Minister Modi's Moscow visit and his regional diplomatic efforts in the Af-Pak region, the visit to India by Syria's Deputy Prime Minister, and the visit to Palestine and Israel by External Affairs Minister Swaraj.

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Synopsis: Part I India - Domestic developments

Dr. Klaus Voll reflects on the election of Amit Shah as the new BJP-President and the implicit make-over of the ruling party.

Are the Indian Communists and the Congress moving to an electoral alliance or at least understanding in the coming West Bengal elections?

Increasing attacks on Christians are a dangerous signal for the cohesion of Indian society.

Amit Shah elected as BJP-President

Amit Shah, who replaced Rajnath Singh as BJP-Party President after the government formation in 2014, got unanimously elected without any opponent as BJP-President for three years on the 23rd of January 2016. Formally, it is his first term, so he could contest afterwards for a second time and therefore will most probably lead the BJP into the *Lok Sabha* (Lower House) general elections in 2019.

After the BJP-victories in Maharashtra, Jharkhand, Haryana and Jammu & Kashmir, even the disastrous defeats in Delhi and Bihar – '*Shah's Waterloo*' – could not endanger Shah's position, although there were allegedly intensive *factional* fights in the party afterwards.

Shah is a close confidante of Narendra Modi, since both worked intensively together for many years with success and also questionable measures and balance sheets (Muslim-Hindu riots in 2002, '*encounter killings*' etc.). They established a truly symbiotic relationship, besides that Shah enjoys also the support and trust of the RSS-leadership.

Besides all this, the duo Modi/Shah ensured, that the BJP with its erstwhile intensive discussion culture – some observers saw within the BJP genuine inner-party democracy at work like in no other Indian party – suffocated most democratic dissidence.

The old BJP-guard with its erstwhile stalwarts like L. K. Advani, Dr. Murli Manohar Joshi, Yashwant Sinha and Shanta Kumar has been completely side-lined and only occasionally functions as authors of public letters, critical newspaper articles and autobiographies (Sinha). They all did not attend the election of Shah at the party headquarters.

Shah's strength is, that he encourages the lower strata of the party and its articulate personalities vis-a-vis so-called „*power-brokers*“, a kind of '*subaltern approach*'. In view of the clear aim to expand the social basis of the BJP country-wide and to seek increasingly the votes of OBC's, MBC's, Dalits and Adivasis as well as parts of the Muslims, this will lead in the medium- and long-term to a change in established inner-party hierarchies and will impact on certain „*vested interests*.“

Shah seems to have a long-term vision for the BJP. Under his leadership, a „*BJP of a new type*“ with functioning units in all the 600 districts in the country is evolving, quite in contrast to earlier symptoms of a party with local dignitaries and vested interests – in particular traders and shopkeepers.

Intensive training programmes with regard to '*ideology, responsibility and discipline*' for 1.5

million party-workers ('*Karyakartay*') are supplemented by party offices with well-organized libraries. Meanwhile, the BJP claims a membership of 110 millions (!) and to be therefore the biggest party in the world.

After a series of victories in state elections party-men accused Amit Shah to be increasingly inaccessible, even also vis-a-vis important BJP politicians.

This impression, that a small group controls the party - Robert Michels: '*Eternal law of oligarchy*' - should, in the opinion of the former leading ideologue Arun Shourie, get corrected, otherwise the party could get damaged in the long run.

Shah is travelling the length and breadth of the country. He accepted, that the state units in Madhya Pradesh und Rajasthan – both states with powerful BJP-Chief Ministers – could choose their Party Presidents themselves, most probably a precautionary measure, in order to stem rising criticism against him after the recent heavy defeat in Bihar.

Amit Shah will now select his new team, which will be indicative about power structures in the party. His most important challenges are the state elections in 2016 – with a realistic chance to win in Assam – and in 2017 particularly in Uttar Pradesh, the corner stone for the BJP's success in 2014.

No other BJP-President concentrated so much power in himself, like it is currently the case under Amit Shah.

Dilemma of the communist CPI/M

The state elections in West Bengal and also Kerala in early 2016 throw their shadows in advance. In the past, both states – particularly West Bengal - have been citadels of the biggest communist party CPI/M (Communist Party of India/Marxist). Historically, for the first time in the world, the original and undivided *Communist Party of India* (CPI) could come to power in free elections in the 1950's in Kerala.

After more than 30 years in power in West Bengal, the CPI/M got in 2011 clearly defeated. The *Trinamool Congress* (TMC), led by the new Chief Minister Mamata Bannerjee, came to power with an absolute majority. Also in the 2014 *Lok Sabha* elections and subsequent local elections the TMC proved its continuing dominance in West Bengal.

India's communists and the remaining allied small parties of an allegedly „*progressive*“ vintage reached their absolute low in 2014. It is possible, that they all will become irrelevant. At best they have a chance in Kerala to return to power under the leadership of the popular former Chief Minister V. S. Achuthanandan, who is 92 years old (sic!).

In this situation, the West Bengal branch of the CPI/M reached out to the Congress, which had been also decimated there. Alone, so the realistic assessment of the CPI/M leadership in Kolkatta and also the pragmatic new General Secretary Sitaram Yechury, they would have no chance to remove the TMC from power in the 2016 elections, given also the fact, that the BJP could increase its already relatively high vote percentage from the 2014 elections.

Considering the election arithmetics, such reflections seem to be reasonable.

During the last years, Communists and Congress politicians have jointly led agitations against the TMC government. They succeeded in the recent municipal elections in Siliguri to contain the TMC. Yechury cooperates closely with Sonia Gandhi in order to plan a joint strategy in the national Parliament in Delhi.

Observers speak of a „*silent revolution*“ with regard to CPI/Ms relationship towards the Congress, at least in West Bengal. The Congress in West Bengal wants to go it either alone or in alliance with the CPI/M.

However, the CPI/M as a whole is deeply divided with regard to such a strategy, besides the fact, that the majority of its smaller partners in the *Left Front* in West Bengal *reject* such a step vehemently. Yet the main opposition is coming from Kerala, where the CPI/M – the leading force of the *Left Democratic Front* (LDF) – envisages the ruling Congress – which leads the *United Democratic Front* (UDF) – as its main adversary in the fight for power.

From this point of view, which is also shared by the former general secretary Prakash Karat – responsible for the break-up with the Congress in UPA 1 because of the Indo-US nuclear deal in 2008 – and also his wife Brinda Karat, both members of the political bureau of the CPI/M, such an alliance or even an informal electoral understanding are not in accordance with the interests of the CPI/M in Kerala and would harm the electoral prospects there, besides ideological reservations by this group.

It will be interesting to observe, how and if at all the CPI/M will find an answer to this complicated question, particularly since Mamata Bannerjee contacted in the meantime Sonia Gandhi with regard to a possible TMC/Congress- alliance, which might however be perhaps only a tactical ploy from her side.

Increase of attacks on Christians

2015 has been the worst year with regard to attacks on Christians, according to the *Catholic Secular Forum* (CSF) in India, which presents such documentations since decades.

CSF registered 365 serious cases, in which Christians and their institutions have been attacked for practising and propagating their belief. This is more than a three-fold increase compared to the 120 cases in 2014.

8 Christians were killed and at least eight thousand attacked or systematically harassed – 4 000 women and 2 000 children – by Hindu-fundamentalist forces all over the country, particularly in Madhya Pradesh, Karnataka, Tamil Nadu, Andhra Pradesh and Chhattisgarh.

According to the report, this significant increase can be observed since the BJP/NDA-government came to power in 2014 and is essentially the handiwork of Hindutva – *forces*.

These documented numbers are reflecting only registered cases with the police. Many victims are too frightened to register cases with the police, which, together with political

forces, force them quite often, to „*compromise*“ with their attackers.

It is obvious, that with the rise of Narendra Modi Hindu-fundamentalist forces feel encouraged on the basis of a new „*we feeling*“ and are therefore ready also to use force against people who think otherwise, especially since there have been rather soft and delayed reactions by Modi to such attacks on Christians and Muslims in the past.

According to these figures India has climbed to rank 17 of the global Christian prosecution-index of *Open Doors*, an international organisation documenting such attacks.

Part II India - Foreign Policy Development

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Synopsis

Part II India - Foreign Policy Development

Dr. Joyce S. Lobo analyses the place that Russia holds in India's foreign policy by focusing on Modi's Moscow visit. Also she looks into the relations between India and the Middle Eastern countries Syria, Palestine and Israel through the recent bilateral visits.

Modi's Moscow visit gives boost to 'Make in India'

Like any annual affair, through the summit meetings India and Russia have faithfully maintained good relations achieving more despite these meetings being eclipsed by domestic events or the media giving more coverage to bilateral visits from USA, Japan, China etc. Despite the geopolitical changes, India has so far stayed away from sanctions backed by the West on Russia. Modi's visit on Dec. 23-24 2016 has catapulted Russia back as India's main defence partner.

The results of the talks have been the synergies that were identified and areas that were recognised for strengthening relations through the vision documents adopted in the earlier summit.

India and Russia enjoy relations in almost every sphere in which the economic component related to trade is low. The bilateral trade between both the countries has been US\$9.51 billion (2014). Indian exports were US\$ 3.17 billion (an increase of 2.6 % over 2013) and imports from Russia amounting to US\$ 6.34 billion (decline of 9.2 % over 2013). There has been no great progress wherein both countries could not achieve the set target of US\$ 15 billion by 2015. The commitment is to increase bilateral trade to US\$ 30 billion by 2025 and increase investments to US\$ 15 billion each by 2025. However, during the discussions it was noted that though the 'volume' of trade had gone up factors like low oil prices and currency fluctuations have led to low trade 'value'. The new sector that both countries had agreed to build bilateral trade in the last summit has been in diamonds. India has created a 'special notified zone' to facilitate direct trade between both the countries.

The business companies of both the countries have established better relations so much so that the business forum of the CEOs has become a platform to address grievances and plan

investments and collaborations. The promising sectors today are energy, pharmaceuticals, chemical industry, mining, machine building, infrastructure projects, railways, fertilizers, automobiles, aircraft construction and collaborative ventures in modernizing each other's industrial facilities. India is also keenly looking towards agro-products.

Modi's speech focused more on trade and commerce and finds India contemplating a free trade agreement with the *Eurasian Economic Union* which is at the study level. In terms of connectivity, more emphasis is laid on the implementation of the *International North-South Transport Corridor* (INSTC). The Green Corridor arrangement has cleared the legal hurdles which will be tested soon.

The main takeaway during this 16th Annual Summit has been nuclear and defence amongst the 16 agreements that were being signed.

Defence & Nuclear: Russia's primary defence partnership with India has been eroded for the past few years as the latter procured from the USA and Israel. Under Modi government's '*Make in India*' initiative, the first project to take off would be the joint production of about 200 of the Kamov-226T utility helicopters in India. These helicopters are to be pressed for use in high-altitude operations especially along the Himalayan borders. This brings Russia back to the number one position as defence partner. How far the '*Make in India*' initiative in terms of defence products will work for New Delhi depends on how it is able to transform its defence manufacturing to a strong military-industrial complex like that of Russia or China.

The deal on the purchase of five S-400 *Triumph air defence systems* has not taken place as the process is in the initial stages and gauging the price has become difficult given the fact that such systems are not available in the market. Also other joint projects like the *Medium Transport Aircraft* (MTA) and the *Fifth Generation Fighter Aircraft* (FGFA) are facing problems of differences.

Both countries have committed to expand the Kudankulam experience by constructing about 12 nuclear power plants within the country. The agreement on '*Localisation of Manufacturing in India for Russian-Designed Nuclear Reactor Units*' allows the augmentation of Indian manufacturing while building these reactors. This gives credence to the vision document that was signed in the earlier summit on peaceful uses of nuclear energy. Within weeks the *Kudankulam Nuclear Power Plant* (KKNPP) Unit-2 will be operationalised while Units 3 and 4 are in advanced stages of negotiations.

Cooperation in other areas: In areas of oil and gas, both countries are studying the feasibility of connecting a hydrocarbon pipeline system between both the countries. Already *Oil and Natural Gas Corporation* (ONGC) of India has acquired a 15% stake in Rosneft's *Vankorneft* oilfields. The present discussions focused on acquiring further stakes.

Both countries have shown maturity and have harmonious relations on the global front be it

in the UNO, BRICS, *Shanghai Cooperation Organisation*, G 20 or the *East Asia Summit*. India has been criticised for giving up its 'non-alignment' position wherein experts, like the former *National Security Adviser* MK Narayanan, replaced it with India's policy of 'multi-alignment'. India seems more to have reinvented this position in the form of 'multi-polarity' which forms the bedrock of Russia's foreign and security policy.

Syria's Deputy Prime Minister visits India

The visit by Syria's Deputy Prime Minister and Foreign Minister Walid Al-Moualem comes at a time when the country is ravaged by war that has been waged by terror groups in the name of religion for vested interests. India, which is no stranger to the perils of terrorism, has taken this opportunity to extend support in the form of humanitarian aid and development assistance. Moualem in his media interactions confirmed the fact, that India's help would be forthcoming in terms of finance and building infrastructure.

Moualem held bilateral talks on Jan., 12th with the External Affairs Minister Sushma Swaraj. He apprised Swaraj about the security situation where Russia has been allegedly successful in reclaiming 20% of lost Syrian territory. One of the reasons for his visit is largely to seek India's support for President Bashar al-Assad. Moualem has made India his third stopover after visiting Russia and China.

India has supported Russian airstrikes against the *Daesh* or ISIS. Also India has supported Syria by supporting that the Golan Heights should be returned to the Syrians. As India's policy is, military aid in the form of sending troops (only as part of UN Peacekeeping missions) is out of question. However, both countries would be cooperating in terms of intelligence on terrorism. There have been instances of Indian youth trying to join the ISIS. This aspect was discussed between Moualem and the Indian National Security Advisor Ajit Doval. India supports the regime of Assad in an indirect manner through its policy of non-interference in the affairs of other countries which includes regime changes that are externally doctored.

The policy circle in New Delhi is clearly aware that the fall of Syria would lead to the quick engulfing of security instability in the entire Middle East. India has so far shown support to the Syrian political peace process that is completely led by the Syrians and facilitated by UN.

India has two ongoing projects— the Tishreen is being implemented by Bharat Heavy Electricals Ltd, and the Hama steel plant. News reports suggest that Moualem sought the support of India to complete the projects. India on its part has requested for security of its personnel. Moualem welcomed India to invest in its oil and gas sector.

Swaraj visits Palestine and Israel

Palestine still a traditional partner

The External Affairs Minister (EAM) of India Sushma Swaraj on 17 January 2016 made Palestine her first destination to West Asia. President Mukherjee visited Palestine and Israel

in October 2015. Swaraj reviewed the bilateral relations in her discussions with President Mahmoud Abbas and Foreign Minister Riyad Al Malki on a wide range of issues. This visit gives a boost to the diplomatic ties between both the countries. India has been involved in capacity building and human resource development initiatives while focusing on IT and IT-enabled services.

Swaraj in her address at the *Al Quds University* spelled out the three core dimensions of India's policy towards Palestine: solidarity with Palestinians; support to their cause; and support to nation building and capacity building efforts. Also she clearly spelt out the '*undiluted*' stance of India on the Palestine cause as '*part of India's foreign policy*' of empathy and friendship.

Tilt towards Israel

While visiting both states India sends a strong signal of equilibrium. Despite the above assurances to continue traditional support to the Palestine cause, doubts crop on the true intent of India's leaning towards Israel. Indian politicians are conscious of the 175 million plus Muslims living within the country that makes a sizeable electorate, hence, the continuation of traditional support to Palestine. One can't miss India favouring Israel in strategic terms. This tilt is more pronounced today with the government led by PM Narendra Modi of the *Bharatiya Janata Party* (BJP) having established ties with Israel since the meetings on the sidelines of the UN in September 2014. This was followed by the visit of President Mukherjee in 2015. The EAM's visit to Israel is touted as preparing the groundwork for Modi's visit to the two contentious States of the West Asian region.

In her talks with the Israeli leadership, Swaraj emphasised that - apart from the trade component - investment, manufacturing and services should be given priority in terms of economic cooperation. She also took the opportunity to narrate India's flagship programs— '*Make in India*', '*Clean Ganga*', '*Digital India*' etc. Apart from PM Benjamin Netanyahu, she met President Reuven Rivlin, Defense Minister Moshe Ya'alon, National Infrastructure, Energy and Water Minister Yuval Steinitz, and deputy foreign minister Tzipi Hotovely.

The tilt finds resonance in India's abstentions last July in the UN for the war crimes committed by both Israel and Hamas during the Gaza conflict in 2014. This action leads to the conclusion that India is moving away from one of its core foreign policy principles of being 'non-aligned'. This is replaced with the principle of 'non-interference' which allows more room to follow a policy towards some States that hitherto India had reservations about. The personal bonhomie between Netanyahu and Modi has added more value to India-Israel ties. Also both countries have agreed to intensify coordination in the form of sharing information on terrorism.

India is also depending on Israel for critical defence supplies since 1999. This relation has now taken a different hue wherein both countries have started the joint development of defence systems in the form of Long Range Surface to Air Missile *Barak 8* which was test

fired recently. This enables India to get better involved in defence commerce especially in missiles and protection systems.

Agriculture is the second most important pillar of the bilateral relations so much so that a bilateral Action Plan for 2012-2015 has been implemented benefitting several states of India.

India looks towards Israeli cooperation in defence, cyber security, homeland security, agriculture, dairy, solar energy, water, telecom, etc. Bilateral trade between both the countries was around US\$ 4.52 billion (2014). Trade has grown from US\$200 million, since both the countries established diplomatic ties in 1992, to around US\$ 5 billion at present. The trade balance is in favour of Israel with diamond imports making up half of the trade. New areas have been included in the bilateral trade and relations in general— like innovation, homeland security, and high technology.

Defence, counter-terrorism, agriculture, water management, high technology etc. are several reasons, apart from a systemic move in 1991 by India that opened to the global economy, for it to favour Israel.

Part III South Asia

Dr. Joyce S. Lobo very briefly examines the recent visit of Modi to the Af-Pak region.

Modi in Af-Pak

During his return from Russia, PM Narendra Modi visited Kabul (Dec., 25, 2015) wherein he inaugurated the *Atal Block* (named after the former PM A. B. Vajpayee) within the *National Assembly* of Afghanistan. This stands as a symbol of India's commitment towards democracy. India has invested around US\$ two billion in aid and reconstruction in Afghanistan. India enjoys the goodwill of the Afghans for its role in the economic development and capability building of the latter.

During his address to the Parliamentarians, Modi emphasised the need for peace in the region to resurrect trade and commerce that can be bolstered with better connectivity especially through Chabahar in Iran. Modi has focussed more on economic cooperation and connectivity as part of India's foreign policy. And here the groundbreaking work on *Turkmenistan, Afghanistan, Pakistan and India (TAPI)* natural gas pipeline is most welcoming.

Modi held detailed discussions with the President Ashraf Ghani and Chief Executive Dr. Abdullah, and met the former President Hamid Karzai. India has agreed to help Kabul on priority basis as in the reconstruction of Kunduz. The Doshi and Charikar sub-stations and the *India-Afghanistan Friendship Dam* in Chishti Sharif will be fully functional shortly. Both sides pledged to continue cooperation through the *Small Development Projects (SDP)*, agriculture, education, defence etc. India has also delivered three Mi-25 helicopters to Kabul.

A visit to Kabul 'seems' unfinished without one to Pakistan. The same approach is with India visiting both Israel and Palestine. In a surprise move Modi made a stopover at Lahore for an informal visit to PM Nawaz Sharif. Both leaders pledged to strengthen ties and enhance connectivity between people to bring in peace. Since the meetings between the National Security Advisors and the foreign ministers, there has been an attempt to start a '*comprehensive dialogue*'.

Though the Pathankot attack has put a damper on the Foreign-secretary talks, originally to be held in mid-January in Islamabad, the talks are not cancelled but postponed. This episode has been handled with maturity, knowing the fact that terrorism and peace talks are antedotes to each other. Many experts and politicians in India have welcomed this move of Modi's dramatic visit while the Congress Party has shown its reservations.

Sharif has vowed to deal with the menace of terrorism firmly. The fact one needs to bear in mind is that Pakistan has many power centers around the democratically elected leadership in the form of the military, *Inter-Services Intelligence (ISI)*, the religious authorities and the *Sharia*, the radical groups, etc. Therefore it is important for India to engage with the legitimate authority.

Part IV: Book recommendation:

Those interested in India's economy should read the following excellent book:

T. N. Ninan:

The Turn of the Tortoise.

The Challenge and Promise of India's Future.

Allen Lane, Penguin Books

New Delhi, London, New York etc. 2015