



INDIA AND SOUTH ASIA: DECEMBER 2017 DOSSIER

Two important assembly elections in Himachal Pradesh and Gujarat bring the BJP to power, Dec 2017. Rahul Gandhi, new Congress President, springs surprise through aggressive Gujarat campaign. Economic developments in India includes improved data for second quarter of financial year, position at the WTO and the enhanced focus of government on north-east region of India while preparing for the commemorative India-ASEAN summit in January 2018. Rajorshi Roy draws the economic potential between India and Denmark. Other foreign developments of India include the RIC meeting and the appointment of the new Foreign Secretary. The federal Parliamentary elections in Nepal (Nov-Dec, 2017) bring the Left Alliance to power.

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Part I India - Domestic developments

The elections in Gujarat and Himachal Pradesh dominated the domestic political scene in december 2017, whereas the elevation of Rahul Gandhi as new President of the Congress party was a foregone conclusion, writes Dr. Klaus Voll.

BJP wins Assembly elections in Gujarat and Himachal Pradesh.

According to forecasts before the elections and „Exit Polls“, it seemed that the BJP would not only storm the Hill state of Himachal Pradesh, but would also retain safely Gujarat, its stronghold of *Hindutva* politics, for a sixth consecutive time.

On the other hand, local news agencies even considered a majority for the Congress. Even after the „Exit Polls“, betting offices, often closer to ground realities than pollsters, also assumed a tight race, since they saw the Congress ahead in North Gujarat, minus Ahmedabad, and in Saurashtra/Kuch, whereas the BJP was in their assessment leading in Central and South Gujarat and generally in cities (see table) in the highly urbanised state.

The results

Contrary to its expectations, the BJP won only 99 seats and lost, compared to the last state elections in 2012 16 seats, although its vote-share rose by 1.25%.

The Congress reached 77 seats and increased its vote-share by 2.47%. The Congress supported *Bharatiya Tribal Party* (BTP) gained two seats, an Independent one and the *Indian Nationalist Congress* also only one seat.

Interestingly, nearly 2% of the voters used the option „None of the Above“ (NOTA), which signalled their dissatisfaction with the two main contenders but also indicated, that the Congress was not a real alternative to the BJP in the eyes of many voters.

The lower voter turnout compared to 2012 was not necessarily a disadvantage for the BJP.

Gujarat Assembly Elections 2012 and 2017: Partywise

Party	2012		2017	
	Seats won	% of valid votes	Seats won	% of valid votes
Bharatiya Janata Party (BJP)	115	47.85	99	49.1
Indian National Congress (INC)	61	38.93	77	41.4
Nationalist Congress Party (NCP)	02	0.95	01	0.6
Gujarat Parivartan Party	02	3.63	--	--
Janata Dal (United)	01	0.67	--	--
Bharatiya Tribal Party (BTP)	--	--	02	0.7

Independants (IND)	01	5.83	03	4.3
Total	182	--	182	--

Source: Election Commission of India (as projected in <http://ecireresults.nic.in/>)

Gujarat Assembly Elections 2017: Regionwise

Region	Parties that won			
	BJP	INC	Others	IND
Saurash-tra/ Kuch	23	30	01	--
North	14	17	--	01
Central	37	22	--	02
South	25	10	--	--

Source: C-Voter (as projected in <https://timesofindia.indiatimes.com/elections/assembly-elections/gujarat/constituency-map>)

Gujarat Assembly Elections 2017: Urban and rural seats

Clusters	Parties that won			
	BJP	INC	Others	IND
Urban	56	17	--	--
Rural	43	62	01	03

Source: C-Voter (as projected in <https://timesofindia.indiatimes.com/elections/assembly-elections/gujarat/constituency-map>)

Some observations

Irrespective of a slightly higher vote percentage compared to 2012, the BJP lost sixteen seats, mainly because of its bad performance in Saurashtra and Kuch, where 73% of the population are farmers and 55% of the constituencies have a high percentage of the *Patel*-caste group, traditionally strong BJP supporters. In the rest of Gujarat, the BJP only lost three seats. The Congress won in Saurashtra and Kuch thirty seats with a *Swing* of 6.6% in its favour.

Dr. Shashi Tharoor, Congress M. P. from Kerala, who might well play in future a bigger role in the '*Team Rahul*', spoke about a deliberate strategy of his party, „to neutralize Hindutva. *Rahul Gandhi is a convinced Shiv Bakht*“. Tharoor, whose next book has the title „*Why I am a Hindu*“, opined, „that the Congress performed substantially good. The agrarian crisis and the lack of jobs in view of the aspirations of the youth led to a situation, where the people are fed up with empty slogans, although Modi participated in 32 rallies and literally camped in Gujarat. The Congress did not lead only a negative campaign.

Finance Minister Arun Jaitley condemned the Congress, „for leading an immoral caste-based campaign. We won in the rural areas of North-, Central and South Gujarat. We have been capable to leave the caste issues outside.“ Yet, it is a fact that the BJP formed „an alternative caste coalition“, for instance with the Kohlis etc..

Experts consider the Congress strategy highly risky by playing the '*Mandal*'-card, e. g. reservation for

Patidars above the 50% upper limit, and a „*soft Hindutva*“.

Effects of the election result

As a result of the great disenchantment especially in Saurashtra and Kuch, the BJP has to face the country-wide problems of the agrarian crisis.

Jayant Sinha, Minister of State for civil aviation and son of the Modi critic Yashwant Sinha, called the BJP victories in Gujarat and Himachal Pradesh „*a historic tectonic change in favour of the BJP.*“

Instead, Sachin Pilot, a former Union Minister and Congress-President in Rajasthan, showed confidence by claiming good chances in the upcoming state elections in Rajasthan, Madhya Pradesh and Chhattisgarh to dislodge the state governments there and to be a strong adversary to the BJP in the general elections in 2019.

Yogendra Yadav recommended to the Congress, „*that organizational works are essential. The proclaimed 'secularism' and alternative politics must be convincingly demonstrated.*“

TV-Moderator Rajdeep Sardesai suggested, that Rahul Gandhi should initiate a real image change of the Congress, „*which is seen by many voters as a discredited ancien régime.*“

A prominent member of the *Lower House* called privately the outcome of the Gujarat verdict „*not a victory for the Congress, but a defeat for Modi.*“

Appendix:

Chief Minister of Gujarat—Vijay Rupani

Vijay Rupani became the 16th *Chief Minister* (CM) of Gujrat on December 26, 2017.

Rupani was born on August 02, 1956 to a Jain Bania family. He has a Bachelors in Arts and a LLB. Since his student days, Rupani was attracted to political activism. Having joined the *Rashtriya Swayamsevak Sangh* (RSS), which is the ideological arm of the *Bharatiya Janata Party* (BJP), he joined the party in 1971. He has served as the *Pracharak* (preacher) of the RSS from 1978 to 1981. Since 1998, he has been part of the party machinery in Gujarat.

Rupani began his political career by contesting the local bodies. He became the member of the *Rajya Sabha* between 2006-12. He won the assembly seat in 2014 from Rajkot West and held the ministries of transport, water supply, labor and employment. In 2016, he was alleviated to the post of the party President in Gujarat. But soon, he was appointed as the CM replacing Anandiben Patel and led his party to victory in the December held elections to the assembly.

Rupani is believed to be close to the BJP national president Amit Shah.

Deputy Chief Minister of Gujarat—Nitin Patel

As the CM Vijay Rupani comes from a non-Patel background, the BJP has decided to retain Nitin Patel as the deputy CM. Nitin Patel is one of the famous leaders amongst his Patel community. He was largely chosen as the deputy in the previous government to bridge gaps with the Patels or Patidar community.

Patel was born in an elite business family on June 22, 1956 at Visnagar in Mehsana District. He started his political career in 1977 at the local level. He was elected to the Gujarat Legislative Assembly in 1990-95, 1995-7, 1998-2002 and 2012-17 from the Mehsana constituency. He has served within the BJP offices and in the ministries too. When he was appointed as the deputy CM in 2016, he was already serving as the Cabinet Minister of Health, Medical Education, Family Welfare, Road and Building, Capital Project.

Himachal Pradesh: A clear BJP-Victory

The BJP won the Assembly Elections in Himachal Pradesh with 43 seats in a Parliament of 68, gaining 18 seats and slightly more than 10%. The vote increase originates partly from the dissolved *Himachal Lokhit Party* (HLP) of Sukh Ram, the Communists and independent candidates. Yet, the BJP's chief ministerial candidate, Prem Kumar Dhumal, lost in his constituency. Therefore Jai Ram Thakur was sworn in as CM.

The Congress, loosing only 1.11% of its previous vote-share, gained 23 seats, but lost 15, others won two seats. The outgoing Chief Minister Virbhadra Singh got reelected, but he could not avoid the defeat of his party, irrespective of his tremendous campaign efforts.

The BJP was victorious in Kangra and also in Mandi, where Anil Sharma, son of Sukh Ram, a former Congress minister in Delhi, who is influential in this region, had crossed over to the BJP shortly before the elections.

Himachal Pradesh 2012 and 2017 Assembly Election results: Partywise

Party	2012		2017	
	Seats won	% of valid votes	Seats won	% of valid votes
Bhartiya Janata Party (BJP)	26	38.47	44	48.8
Indian National Congress (INC)	36	42.81	21	41.7
Communist Party of India-Marxist (CPI-M)	--	--	01	1.5
Independants (IND)	05	12.14	02	6.3
Himachal Lokhit Party (HLP)	01	2.40	--	--
Total			68	
	68			

Source: Election Commission of India (<http://ecireresults.nic.in/PartyWiseResultS08.htm?st=S08>)

Perspectives

The BJP, which primarily focused on local topics, conquered with this success the 19th state of the Indian Union.

Critics were of the opinion that the Congress did not systematically try enough, to defend its power in one of the few last bastions in India.

A generational change is due in the Congress, which is divided in various factions, besides a programmatic and organizational renewal.

With these victories, the BJP is undoubtedly the new '*hegemon*' of Indian politics.

Appendix:

Chief Minister of Himachal Pradesh—Jai Ram Thakur

As the *Chief Minister* (CM) candidate for Himachal Pradesh, Prem Kumar Dhumal lost elections, so the *Bharatiya Janata Party* (BJP) chose Jai Ram Thakur to fill the position. Thakur was formally inducted as the CM on December 27, 2017. The ceremony was attended for the first time by a Prime Minister. Narendra Modi was accompanied by an entourage of party personalities.

Born to a family of farmers, Jai Ram Thakur had humble beginnings. Aged 52, he was born as a *Rajput* – the so-called landowning 'warrior class' - at Tandi village in the Mandi district. During his college days, he joined the BJP youth wing *Akhil Bharatiya Vidyarthi Parishad* (ABVP). He consecutively won five times from Seraj (earlier called Chachiot) constituency of Mandi since 1998. He became the BJP unit chief from 2006-09. He was appointed as the *Minister for Rural Development and Panchayati Raj* (2008-12) under the former Chief Minister Prem Kumar Dhumal. Jai Ram Thakur is known for his humility and as an amicable person among his party members.

As the CM candidate by the BJP party bosses, he was a chance and not a choice. Dhumal having lost the key election was forced to make place for a much younger CM, who might eclipse Dhumal and his son Anurag Thakur, MP in the *Lok Sabha*.

Rahul Gandhi is new Congress-President

The 47-years old Rahul Gandhi took over as Congress President on the 16th December 2017. The successor of his mother Sonia Gandhi, who led the Congress as the longest serving President in its history for 19 years, inherits tremendous challenges at a time, when the oldest Indian party, which led the country to independence, has reached its lowest level.

A changed Rahul Gandhi?

Till recently, Rahul Gandhi is not known as a 24x7-politician. He distinguished himself through long absence and his performance in Parliament and in charge for elections have not been optimal at all. Many saw in him indirectly an asset for the BJP, since he could not match Prime Minister Narendra Modi at all.

But surprisingly, Rahul Gandhi underwent during the last months a positive image change, visible in his aggressive election campaign in Gujarat, his internet presence and his performance in the United States.

Challenges

Jyotiraditya Scindia, Congress-MP from Madhya Pradesh and one of the younger inheritors of the former Gwalior-Principality, expects within the next weeks a blueprint for the future course of action for the Congress. „*We are prepared for a marathon. We need a strong leadership at the level of states, particularly since the paradigm has shifted to the states. One person does not have all the answers and is not the only repository of knowledge. The cooperation between the so-called 'old guard' and the new team should be based on capabilities.*“

Perspectives

Sonia Gandhi, wants, in her own words, „*to retire from politics.*“ But Priyanka Gandhi announced, that not she, as generally expected, but her mother Sonia Gandhi would contest from Rae Bareilly in 2019.

It has to be seen, if Sonia Gandhi will fully retreat from her positions or if she will lead at least for some time the Congress-Parliamentary Party and negotiate with a view to 2019 with other opposition parties, where she enjoys more trust than her son. She could therefore play the role of a mentor.

Rahul Gandhi and his new team, whose contours will become clearer during the next weeks, are confronted with the task, to renew the Congress programmatically and organizationally.

In his first interview as Congress-President, Rahul Gandhi attacked Narendra Modi and accused him, *„to lead India back into the medieval past. I am an idealist. The Congress is inclusive and even the BJP is not our enemy, but our adversary.“*

For Rahul Gandhi, without any experience in governance, it will be difficult together with his team to formulate a political alternative to the government, although there are sufficient topical challenges and required solutions, because India finds itself in many aspects in a phase, which resembles Europe in its stages of early industrialization in the 19th century.

Will the descendant of three Prime Ministers succeed, to lead the Congress out of its worst crisis or does he lack the glue, to hold the faction-ridden Congress together, so that the party, *„not only like the erstwhile Janata Dal will break into different parts but will be 'pulverised' in the true sense of the word“*, so the Social Democrat and former cabinet minister Jaipal Reddy.

The tremendously efficient machinery of the BJP will try everything in the book to achieve a *'Congress-free India'*, in order to give the inheritor of the Nehru-Gandhi-dynasty, whom they condescendingly brand as *'Pappu'*, the political death-knell.

But it also cannot be excluded, that Rahul Gandhi will transform himself into a politically well-versed *'David'* by succeeding to pull down one day the BJP-*'Goliath'*, given the tremendous gap between the promises of Narendra Modi and India's ground-realities.

Part II India - Economic Developments

Dr. Klaus Voll highlights the improved economic indicators of the Indian economy. Dr. Joyce Lobo highlights India's concerns and its position at the WTO, while briefly giving a preview on the upcoming commemorative India-ASEAN Summit.

Improved economic indicators

There are signs that the Indian economy is possibly coming of its trough. This is not only because of a slightly better position through international rating agencies, but also because of improved data in the second quarter of the financial year 2017/18.

After the economic growth reached its lowest level in the first quarter between April and June 2017 with 5.7%, it grew by 6.3% between July till September 2017. In comparison, it was 7.5% in June-September 2016/17.

But in eight central infrastructure sectors, e.g. coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity there was only 4.7% growth, compared to 7.1% in 2016/17.

The *Reserve Bank of India* (RBI) kept its loan- and deposit rates at the same level and gave as an explanation an increase of the fiscal deficit and inflation.

The *fiscal deficit* – the difference between expenditures and revenues of the state – had already reached at the end of October 96.1% of the estimated budget for 2017/18, compared to only 79.3% in October 2016.

The *Monetary Policy Committee* expects a slightly higher inflation between 4.3% to 4.7% in the two coming quarters.

In November 2017 the inflation for food and fuels increased. RBI-Governor Urjit Patel was of the opinion that: „*There is a risk, that this trend could continue in the near future.*“

India's position at the inconclusive 11th WTO MC

The 11th *World Trade Organisation* (WTO) *Ministerial Conference* held at Buenos Aires (Dec 10-13) will be well known for its North-South divide, that resulted in a stalemate on issues, particularly on agriculture. While the agenda was already set in the previous rounds, the USA under President Donald Trump's administration has watered down such efforts. The USA has resorted to protectionism, while resorting to undoing multilateralism in favour of sectoral agreements. Trump has reneged on the USA promise on agriculture reform made by the Obama administration. Also the current administration has blocked the appointment of judges to the WTO's Appellate Body—*Dispute Settlement Mechanism* (DSM), which is a huge concern to India.

India's Position at IIMC

India is a leader on issues that plague the developing countries, especially on food security and farmers. Its position was reiterated by Suresh Prabhu, the *Union Minister for Commerce and Industry*,

who represented India in the WTO's apex decision making body—the 11th Ministerial Conference- (11MC), “India is a strong supporter of the multilateral system and we are extremely concerned at this situation. India would like to see, that the WTO Membership takes this opportunity to unequivocally reaffirm the importance of a rules-based multilateral trading system, as enshrined in the Marrakesh Agreement and also re-endorse the centrality of development in WTO negotiations, without introducing differentiation among developing countries.”

Present Concerns

India, having 600 million poor people, wants a differential treatment. It wants a permanent solution for public stockholding for food security purposes.

In terms of the agricultural domestic support, India seeks the developed countries to reduce huge subsidies in agriculture. India is home to about 250 million farmers and cultivators, out of which 98% of them are poor, relying on subsistence farming. Thus it seeks to protect their livelihoods from the imbalance in trade liberalisation. In particular it seeks a final decision on the *Special Safeguard Mechanism* (SSM), to protect farmers from unfair competition, posed due to subsidised imports. In terms of the SSM structure, India's position (supported by G33) differs from the USA. The major conflict area is what should be the ‘trigger’ factor to raise tariff on imports and the level of tariffs. India wants a high level of tariffs with low import surge, which is vice versa for the USA bloc.

The 164 member countries at the 11MC failed to conclude the unfinished agenda of the Doha Round and that too without a declaration. As new issues such as e-commerce, investment facilitation and MSMEs are introduced to the negotiating agenda, India strongly feels, that these sideline the old issues, that should have the highest priority. New issues are a constraint in terms of understanding and implementation of policies for India. Most of these new issues were not continued, other than e-commerce.

Similarly, India seeks to protect the livelihood of fishermen in the country, though there have been some positive developments during the 11MC.

One way to counter the deadlock is, where countries like India resolve to work tirelessly towards a multilateral trading system, while seeking to fulfil the agenda of the Doha Round.

Modi Government's current focus: Connecting with ASEAN

The current government under Prime Minister Narendra Modi has come with catch phrases, that spell out the foreign policy towards different regions of the world en bloc, namely ‘Act East’, ‘Link West’, or ‘Neighbors First’. However to achieve the desired results of these formulations, many of the actions are yet to take shape. As the year 2017 ends and the New Year begins, the Modi government has planned to keep the *Association of South-East Asian Nations* (ASEAN) in focus. For the first time Heads of the State or Government of ASEAN states will become the *Chief Guests* on the *Republic Day*, January 26, 2018. This will also include a special summit, the *ASEAN-India Commemorative Summit*.

In India the *Department of Industrial Policy and Promotion* (DIPP) under the *Ministry of Commerce* has agreed to work with ASEAN nations, to increase the FDI inflow into India. About US\$ 56 billion of FDI (2000-2017) has come from the ASEAN countries, out of which US\$ 54 bn alone came from Singapore. In the meanwhile India's FDI outflow is estimated at US\$ 52 bn. This will be one of the key

issues of discussion during the January summit.

Alongwith the above mentioned, the *Parliamentary Standing Committee on Commerce* has already informed, that a new Industrial Policy was being framed to develop industries in the *North East Region (NER)*. This is also to facilitate trade with the ASEAN. The policy was started in 1997 called the *North East Industrial Policy*, which was in effect up to 2007. This was revised as the *North East Industrial & Investment Promotion Policy* to cover regions, that includes Sikkim and the seven sisters of the North-East—Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The new policy to revise the 2007 is underway, keeping in mind to build connectivity and cooperation with the ASEAN.

Singapore and Vietnam look forward towards India to be pro-active in the ASEAN region. China has encroached its influence and footprint in India's neighborhood and recently three important events signify this: the handing over of the Hambantota Port to China by Sri Lanka, the signing of the Free Trade Agreement between China and the Maldives, and the electoral victory of K. P. Sharma Oli's *Communist Party of Nepal (Maoist-Centre)* in Nepal, which is close to the Chinese political dispensation in terms of its conduct of foreign relations. India tries to seek better relations with the ASEAN. States such as Philippines, Vietnam, Brunei and Malaysia are in dispute with China in the South China Sea.

As part of the ASEAN commemorative summit, on December 11-12, 2017 the *ASEAN -India Connectivity Summit* was held. The theme was '*Powering Digital and Physical Linkages for Asia in the 21st Century*'. ASEAN has come with its *Master Plan on ASEAN Connectivity 2025 (MPAC)* and India intends to be part of this plan, wherein it has established contact with the *ASEAN Connectivity Coordinating Committee* since 2013. The *ASEAN -India Business and Investment* meet and expo will be the other part of the commemorative summit. During the special summit to be held next month, India may sign the *ASEAN-India Maritime Transport Cooperation Agreement* with particular focus to counter maritime problems and to create a regional maritime transport framework system. India also needs to improve its port infrastructure, particularly in terms of container volume. Amongst the top 25 ports around the world in the containerized cargo segment, India has only one such port. The current government has come with the initiative of '*Sagarmala*', to improve port facilities, infrastructure etc.

The Summit will also look into a railway link between New Delhi and Hanoi, the *Mekong-India Economic Corridor*, Stilwell road, Dawei deep-sea port, the *India-Myanmar-Thailand Moor Vehicles Agreement*, etc. Increasing options of bilateral trade will be discussed. In 2016-17, the trade between India and ASEAN amounted to US\$ 70 bn. Indian exports to ASEAN totalled up to US\$ 31.07bn and imports are 40.63bn.

Part III India - Foreign Policy Developments

Dr. Joyce Lobo points that RIC continues to a platform for dialogue. She also writes a brief profile on the newly appointed Foreign Secretary of India. Dr. Rajorshi Roy highlights the improving relations between Denmark and India with a good economic potential.

15th Foreign Ministerial Meeting of RIC

On December 11, the Foreign Ministers of *Russia, India and China* (RIC) Sushma Swaraj, Wang Yi and Sergey Lavrov met for the 15th Foreign Ministerial meeting. The meeting took place under two special circumstances. President Xi Jinping has taken over the Chinese administration a second time and second, India witnessed tense relations with China for 73 days in Doklam. Also the Dalai Lama's visit to Arunachal Pradesh led the 15th Foreign Ministerial to be originally held in April 2017 to be postponed. The RIC continues to be more or less a platform for dialogue between the three countries, to arrive at a common understanding while rival contentions remain to be resolved.

Initiated by former Prime Minister of Russia Yevgeny Primakov, the RIC still continues to strive for an equitable international order. One of the areas, in recent times, that the three countries agree upon is on the implementation of the outcomes at the Bali and Nairobi Ministerial Conferences, the ratification of the *Doha Amendment* to the *Kyoto Protocol*, the reform of the UN etc.

The RIC refrains from using 'Indo-Pacific' for the region, unlike the countries that form the Quad today. A first of the kind, a RIC consultation on Asia-Pacific affairs was held in December 2016, to be followed by the second trilateral in the beginning months of 2018.

Discussing issues of global and regional concern, the focus was on terrorism, transnational organized crime, illicit drug trafficking, natural and man-made disasters, food security and climate change. The joint statement reiterated the RIC positions on regional issues on Afghanistan, the Gulf, Ukraine and the Korean Peninsula. India could not bring its counterparts to proscribe Pakistan-based terror groups, such as *Lashkar-e-Taiba* and *Jaish-e-Mohammed*.

On the Afghanistan peace process, there is a difference in understanding, India wants the process to be entirely led by Afghans, while Russia and China believe in the participation of the *Taliban* in peace talks. All the three countries agree that the Syrian crisis should be resolved through a Syrian led peace process however.

So far, relations between India and China are far from being stable. However, Russia has continued to give its crucial support on strategic issues. Deputy Foreign Minister Sergey Ryabkov pointed to Russia's differentiated attitude regarding the *Nuclear Suppliers Group* (NSG) membership of India and Pakistan, coming in favour of the former for its impeccable non-proliferation record. China has been part of the Russian talks, on India gaining entry particularly in the NSG, where the latter faces problems. Though Russia differs from China from unanimity or parity point of view between India and Pakistan, it has adopted the same Chinese position in terms of the need to build consensus.

The foreign ministers have had separate bilaterals. Trade and security was discussed with Russia by Swaraj. China and India discussed issues related to sovereignty and borders referring particularly to the Doklam standoff. The disengagement of troops was lauded by the Indian side. China only referred to this action from India's side as an act of political maturity. The RIC meet has only added to the fact, that both sides are engaged in dialogue.

Fulfilling the potential of India-Denmark ties

Rajorshi Roy*

Danish Foreign Minister Anders Samuelsen's five day visit to India, from November 26-30, indicates a significant turnaround in relations between New Delhi and Copenhagen. The relationship had virtually atrophied post the Denmark government's refusal to appeal a Danish court's 2011 verdict, that denied the extradition of Kim Davy – the prime accused in the 22 year old Purulia arms drop case. While the case meanders along, Mr. Samuelsen's visit reflects a renewed desire on both sides to not let the controversy hang like the proverbial *Sword of Damocles* upon the bilateral ties. Mr. Samuelson has been quoted as saying “...it is no secret that the relationship has been cooler in recent years. But regardless of the legal process, we are working very hard to re-establish a closer relationship.”

In this light, the wheels of change appear to have been set in motion in early 2017, marked by an increase in official engagements between the Indian and the Danish ministries, direct air links between New Delhi and Copenhagen being restored and Denmark actively participating in India's flagship business events, such as *World Food India* and *Vibrant Gujrat*.

During the visit, Mr. Samuelsen met India's External Affairs Minister Mrs. Sushma Swaraj in New Delhi, to discuss the roadmap of bilateral ties and “*regional and multilateral issues of mutual interest*”. He also participated in the *Global Entrepreneurship Summit* in Hyderabad, wherein he delved into the Danish model of creating a conducive entrepreneurial environment. He called on Prime Minister Modi on the side-lines of the Summit, and tweeted about a “productive outcome”, that would involve “*strengthening cooperation in the fields of energy, transport, food and agriculture*”.

Therefore, given the nature and timing of this visit, the question of the hour is: What are the key contours and catalysts of this rapprochement?

Political and Economic Catalysts

There exist a range of global and bilateral issues, where India's and Denmark's interests converge. At a time when globalisation is acquiring a pejorative connotation, the two countries have consistently articulated the need to preserve the gains of globalisation and promote greater international trade. In this light, India's growing relevance on the global stage and Denmark's key membership in the European Union and the NATO put them in significant positions to tackle global upheavals. Similarly, traditional and non-traditional security threats that affect both New Delhi and Copenhagen continue to simmer. These include terrorism, cyber security, illegal migration and climate change, the resolution of which calls for a global multilateral approach.

Notably, Denmark's new foreign policy concept, articulated in May 2017, emphasises on an Asian outreach, in order to tap the region's economic and political potential, with India being its crucial strategic pillar. The concept underscores employing Denmark's core strength of technology, particularly in sustainable planning and combating climate change, in making itself relevant for the region. It bears mentioning that presently, Denmark is ranked 3rd in the *World Bank Ease of Doing Business* and 6th in the *Global Innovation Index*.

Against this backdrop, Denmark's robust national innovation ecosystem and a knowledge based economy are of particular relevance to India. It meshes with Prime Minister Modi's development

motto of modernising the Indian economy through integration of cutting edge technology, capacity building, sustainable growth and maximising India's human and intellectual potential through creation of new spheres of world-class technology.

Moreover, Denmark's expertise in harnessing wind energy, with the country set to increase its reliance to a whopping 70 per cent by 2022, wields tremendous potential vis-à-vis India's ambitious target of weaning away from fossil fuels. Danish companies already have a significant footprint in India, with close to 120 companies in multiple sectors currently based in the country. For instance, Vestas employs close to 2,000 people in manufacturing wind turbines, while shipping behemoth AP Moller – Maersk Group is invested heavily in India's port infrastructure. Danish companies, thus, retain the potential to play an instrumental role in India's transformative projects, such as *Make in India*, *Sagarmala* and *Swachh Bharat*, to name a few.

These developments reflect the synergies of cooperation between India and Denmark. Clearly economic and technological partnerships remain a vital cog in bilateral ties. India gains access to sophisticated technology products, while Denmark can tap into the colossal Indian market during a period of a slowing global growth.

It is fascinating indeed, that trade between these two nations which stood at US\$ 2.8 billion in 2016, is less than Denmark's bilateral trade with Lithuania, its European neighbour, which is the size of the state of Chhattisgarh. Evidently, the potential for a stronger India-Denmark economic partnership is immense. The challenge, however, is to continue the momentum and keep the wheels of change rolling.

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New Foreign Secretary: Vijay Keshav Gokhale

As the current Foreign Secretary S. Jaishankar completes his tenure on January 28, 2018, the Indian government has already appointed Ambassador Vijay Gokhale to give continuity to the office. The resolution of the Doklam standoff has been the efforts of many strategic minds, including Gokhale. He is a 1981 batch of the *Indian Foreign Service (IFS)* officers. Gokhale has largely worked on the East Asia desk of the *Ministry of External Affairs (MEA)* of India.

Gokhale has served as Director (China and East Asia) in the MEA. Then he was appointed as Joint Secretary (East Asia). He has served as a diplomat in the East Asian neighbourhood— Malaysia, Hong Kong, Vietnam and China. In 2013-16 he has served as the Ambassador to Germany, co-organising the *Hanover-Messe* in 2015. Prior to his new appointment, he has been *Secretary of Economic Relations* in the MEA handling Africa and the Middle East.

Gokhale, who served till recently as Ambassador in China, is fluent in the Chinese language Mandarin. He is known as a '*traditionalist*' diplomat and '*a pragmatic intellectual with clarity of thoughts*'.

Apart from participating in the negotiations to resolve the Doklam issue, Gokhale has been part of the planning and negotiations regarding the upcoming visit by Israel Prime Minister Benjamin Netanyahu, the *ASEAN-India commemorative Summit* or the recall of Palestinian Ambassador to India for meeting Hafiz Saeed.

Part IV South Asia

Dr. Joyce Lobo gives a representation of the Nov-Dec 2017 elections to the Nepalese federal parliament and provincial assemblies.

Elections to the Federal Parliament in Nepal

As per the provisions of the new 2015 Constitution, Nepal held the elections to the Parliament in two phases. Nepal has two houses—*House of Representatives* (275 members) and *National Assembly* (59 members). The 56 members of the *National Assembly* are elected from the 7 provinces equally.

The current election was held to the *House of Representatives*. The 165 Representatives (60%) are elected from single-seat constituencies through *first-past-the-post* (FPTP) system and 110 (40%) from *closed list proportional representation* (PR). Under the latter method, a party or an electoral alliance should cross the threshold of 3% of overall valid votes for allocation of a seat. As per this arrangement, the elections were held in two phases on November 26 and December 07. Below is a representation of the results:

Results of House of Representatives: 2017

Party	Constituency Seats	Proportional Seats	Total
Communist Party of Nepal – Unified Marxist Leninist	80	41	121
Nepali Congress	23	40	63
Communist Party of Nepal (Maoist Centre)	36	17	53
Rastriya Janata Party Nepal	11	06	17
Federal Socialist Forum Nepal	10	06	16
Others* +Independent	04+01	--	05
Total	165	110	275

Source: Election Commission of Nepal

*Each party got one vote viz., *Rastriya Prajatantra Party*, *Naya Shakti Party*, *Rashtriya Janamorcha*, and *Nepal Workers Peasants Party*.

What is commendable about this election is that there is a kind of acceptance to the Constitutional provisions by the people. This might move towards a trajectory of stability, as Nepalese have faced political turmoil since 1996. The yearning for stability is one of the causes why Nepalese voted in favour of the Left Alliance, both at the federal and provincial levels. The *Communist Party of Nepal – Unified Marxist Leninist* (CPN-UML) won the largest number of seats under the leadership of former Prime Minister Khadga Prasad Oli. The *Communist Party of Nepal-Maoist Centre* (CPN-MC) under Pushpa Kamal Dahal, which so far supported the *Nepali Congress* (NC) and the outgoing Prime Minister Sher Bhadr Deuba, switched sides prior to the elections to the CPN-UML, thus forming a strong Left Alliance. The NC had merged with the *Nepal Democratic Forum*, while it formed alliance with the *Rastriya Prajatantra Party* (RJP) and *Rastriya Prajatantra Party-Democratic*. Only the RJP managed to win one seat under the FPTP system.

Oli is considered „pro-China“ and „anti-India“ and made the five month long economic blockade of India (2015-16) as a major election issue, which found currency with the hill voters. Oli becomes formidable, due to a weak NC and a declining CPN-MC. Moreover, there is promise, made during the election campaign, that both the CPN-UML and the CPN-MC will merge in the future.

Some of the areas that Oli will have to concentrate in terms of governance are stability, management of the alliance, bringing required constitutional amendments to accommodate Madhes demands as his Alliance lacks a 2/3rds majority, and manage equanimity in relations with India and China.

2017 Provincial Assembly Elections: Parties that won

7 Province	Party/Alliance that won	Total Seats (FPTP+PR) 550	Majority Seats Won
1	Left Alliance	93	66
2	RJPN+FSFN	107	54
3	Left Alliance	110	81
4	Left Alliance	60	39
5	Left Alliance	87	61
6	Left Alliance	40	34
7	Left Alliance	53	39

The above legislative elections were held simultaneously with the elections to 7 Provincial Assemblies. There are about 550 seats in the assemblies. The FPTP system is used for electing 330 members from single-member constituencies. The remaining 220 are elected using the closed list proportional representation system for parties. Each party has to secure 1.5% of the valid votes to be allocated a seat.

The *Rashtriya Janata Party Nepal* (RJPN) and the *Federal Socialist Forum Nepal* or FSFN (*Sanghiya Samajwadi Forum Nepal*) are the Madhes based parties who have won in Province 2. The other six Provinces are won by the Left Alliance.
