



# INDIA AND SOUTH ASIA: JULY-AUGUST 2018 DOSSIER

The July-August dossier covers only recent political developments in India, including the Monsoon Session of Indian Parliament and the failed motion against the Modi government, the passing away of two political stalwarts from the north and south of India, the deluge in Kerala, and the paralysis within the nascent yet formidable Aam Aadmi Party.

The analysis of foreign policy developments includes a focus on Premier Modi's trip to three African nations, the visit by South Korean President to India and the visit of the Chinese Defence Minister to India. A preview of the first edition of the 2+2 Indo-USA Strategic Dialogue is included. As part of the South Asian relations, Premier Tsering Tobgay's visit to India is briefly covered.

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## **Part I India - Domestic developments**

Dr. Klaus Voll covers the Monsoon session of the Indian Parliament and the motion against the PM Modi government. The developments in India cover the life and death of two political stalwarts of North and South India, the ecological devastation of Kerala and AAP paralysis within the party.

### **Vote of no-confidence clearly defeated**

The *Monsoon Session* of Parliament saw a vote of no-confidence against the BJP-led government of the National Democratic Alliance (NDA), initiated by the *Telugu Desam Party* (TDP) from Andhra Pradesh and the Congress.

The TDP, till recently part of the NDA, led the attack with the demand for a special category status for Andhra Pradesh. Rahul Gandhi vehemently attacked Prime Minister Narendra Modi on issues like farmers distress, massive unemployment and lack of new jobs, price rise, the rising fears, particularly amongst religious minorities, and tensions in society, as a result of lynch murders in the name of the cow, rapes against women and minors etc. He insinuated corruption at the highest level, citing the *Rafale* fighter planes deal between the French and Indian governments.

Prime Minister Narendra Modi refuted in his speech, which lasted for nearly two hours, all these accusations and referred to the achievements of his government. He attacked the family rule of the Congress by the Gandhi dynasty and maintained that the attempts to create a great anti-BJP alliance would fail.

The debate revealed the current big divide between the government and its allies on the one side and the opposition, especially the Congress. These debates, as well as the Prime Minister's speech at India's 72nd Independence Day have been the first steps towards the election campaign in 2019.

### **Atal Bihari Vajpayee 1924 – 2018**

Atal Bihari Vajpayee has been three times the Prime Minister of India, altogether about six years. He was an outstanding personality and an excellent orator. Even his political opponents praised his liberal views, accommodative style and respect for his coalition partners, altogether 23 during his full term as PM from 1999 till 2004.

Vajpayee has been a member of the Hindu-nationalist *Rashtriya Swayamsevak Sangh* (RSS) and a founder member of its political wing, the Bharatiya Janata Party (BJP).

He will be remembered for the following:

- The rise and consolidation of the BJP
- His 'mass appeal' through his oratory
- Making India a nuclear weapon state in 1998
- The continuation of the liberalization of the Indian economy, disinvestment of public sector enterprises and the introduction of B- cotton in agriculture.
- His relentless attempts to establish peace and cooperation with Pakistan, although during his reign the terrorist attack on the Indian Parliament and the Kargil war took place.

Vajpayee suffered a stroke in 2009 and thereafter could never recover. Being out of public life for such a long period, huge crowds of hundreds of thousands of people, especially also youngsters who had never met him, paid their last respect.

Narendra Modi and the current leadership claim Vajpayee's heritage, although his leadership style was quite the opposite of the one they are following. Having met him personally several times, Vajpayee said to me about two weeks before the illegal demolition of the Babri Masjid in Ayodhya on the 6<sup>th</sup> of December 1992, *"that Ayodhya is only a side-show, which deviates from India's real problems."*

After the so-called '*Gujarat riots*' in 2002, he demanded from the then chief minister of Gujarat, Narendra Modi, to follow his '*Raj Dharma*' and resign, but changed his mind, due to internal pressure.

His death led to a certain nostalgia about his time in governance and the '*liberal*' values, which Vajpayee represented and practiced.

### **M. Karunanidhi: Death of a Tamilian Stalwart**

M. Karunanidhi led the *Dravida Munnetra Kazhagam* (DMK) in Tamil Nadu for fifty years. He never lost an election and was thirteen times a Member of the Legislative Assembly (MLA) in Tamil Nadu and five times a Chief Minister.

Karunanidhi, a script writer for popular films, stood in the tradition of the social justice reform movement of Periyar and Annadurai, which opposed Brahminical dominance.

He led a very well organized party, which overcame even 13 long years in opposition. His main opponents were M. G. Ramachandran, who split away from the DMK and formed the *All-India Anna Dravida Munnetra Kazhagam* (AIADMK), and later Jayalalitha, who both have also been Chief Ministers of this important and industrialized South Indian state.

Karunanidhi, who spoke only Tamil, has been also a poet and published about 50 books. He promoted intensively the Tamil language and pride. He introduced a health insurance for the poor and is remembered as a good administrator.

Contrary to his opponent Jayalalitha, who left a political vacuum in her party, Karunanidhi groomed his younger son Stalin as his successor. The DMK has a chance, to regain power in Tamil Nadu, if the faction-ridden AIADMK government falls under its own contradictions, which will then lead to new elections.

Beyond his political influence in Tamil Nadu, he exercised tremendous influence at the national level. Between 1989 till 2013, the DMK has been a part of all the coalition governments in Delhi, till the DMK left the UPA (*United Progressive Alliance*) government, led by Dr. Manmohan Singh, *"because of its insensitivity vis-à-vis the Tamilian cause in SriLanka."*

Given the political vacuum in Tamil Nadu, where the BJP till now never gained a foothold, it cannot be ruled out, that the DMK, which allies with the Congress as a far distant junior partner, could even join after 2019 as a potential coalition partner of a BJP-led government.

Hundreds of thousands paid their last respect to a man, who openly led an extraordinary private life simultaneously with two wives, to whom he paid equal attention, and died as an agnostic and atheist, being buried next to his mentor Annadurai at the famous *Marina Beach*, the symbol of the state capital Chennai.

### **Monsoon in Kerala: Devastations and an ecological disaster**

Incessant rains and landslides, never seen to such an extent in the past hundred years, led to widespread floods all over Kerala, about 400 deaths, the destruction of 100 000 homes, 10 000 kilometers of roads washed away and 1.2 million people living in shelters.

Kerala, '*god's own country*' and a popular tourist destination, will require years to recover from this catastrophic tragedy, which happened during this extraordinary monsoon, caused also by illegal construction on the basis of the builder-, politician- and bureaucracy-nexus as well as stone mining in the ecologically sensitive *Western Ghats*, although some experts see no causal connection. But the overwhelming opinion is, that besides the effects of climate change it is to a large degree also a man-made disaster.

Water had to be released from various dams and the disproportional rains flooded practically all the districts. The army, navy and air force as well as units for Disaster Management Relief have been operating around the clock.

The state government demands Rupees 2,000 crore as immediate relief, but brings the future figure to Rupees 20,000 crore for relief, rehabilitation and reconstruction. The central government has till now provided only 600 crore.

A controversy between the communist ruled state government and the central government has arisen as a result of an alleged offer by the *United Arab Emirates* (UAE) of 700 crore. A majority of the working population in the UAE originates from Kerala and both have a long-standing historical relationship.

The NDA-government refuses to accept the UAE offer for immediate relief, after this political line was initiated by the UPA government in 2004 after the *Tsunami* had happened. Obviously, the government does not want foreign aid workers on the ground, but is considering to accept long-term aid.

K. J. Alphons, cabinet minister from Kerala in the NDA government, is now pleading with the PM and his cabinet colleagues, to make an exception in this case. M. K. Bhadrakumar, a security analyst and former Ambassador, argues, that the provisions of the *National Disaster Management 2016*, which was launched with the signatures of Modi and Home

Minister Rajnath Singh would allow such aid, since it is '*disaster assistance*' and not '*development assistance*'.

Zakka Jakob, TV-moderator of CNN/IBN called the attitude of the NDA-government "*short-sighted.*"

## **Aam Aadmi Party in government**

The Aam Aadmi Party (AAP) gained power in the elections to the current parliament through a true landslide, winning 67 of the 70 seats in the *Delhi Assembly*, leaving only 3 seats for the BJP.

Since then, there is a permanent power struggle between the NDA government at the central level and the Delhi government, particularly affecting the competence and work of Chief minister Arvind Kejriwal, whose government focused on education, water and health as major areas of its pro-poor policies.

### *Deficits and perspectives of AAP*

This young party, born out of *India Against Corruption* (IAC) movement and formed in 2012, passed through various phases. After its rout in the 2014 *Lok Sabha* elections in Delhi, it bounced back with the above mentioned impressive win. The BJP fears, that AAP could develop a model of urban governance in Delhi, which could be attractive for other metros, cities and towns. Therefore, it tries to boycott AAP at as many stages as possible.

Like all political parties in India, AAP also has no inner-party democracy worth its name. Chief Minister Arvind Kejriwal is the undisputed leader, with deputy CM Manish Sisodia and two others as his closest aides. He heads a kind of '*four men gang*', which is dominating AAP.

Opposition within the party is not welcomed at all. When Aakash Shastri, who had studied at a prestigious *Indian Institutes of Technology* (IIT), besides being the grandson of the former much popular Prime Minister Lal Bahadur Shastri, tried to bring like-minded Members of the Legislative Assembly (*MLA's*) together, in order to discuss issues, Kejriwal intervened and made sure, like in the case of Alka Lamba, that she lost her role as an AAP-spokesperson.

All this leads to an underutilization of existing talent within AAP, for instance outside their existing constituencies. The induction of two resource rich members from outside AAP, to become MP's in the *Rajya Sabha* led to resentment in its ranks. One of them has also been nominated as the AAP treasurer.

Ashutosh Gupta, after lying low for some time resigned recently from the party, followed by Ashish Khetan. Ashutosh resigned out of disappointment for not being nominated for the *Rajya Sabha*.

Therefore, the existing leadership crisis paralyzes AAP to a certain degree, although Kejriwal's popularity is still intact. Although the upper castes and parts of the upper strata of the middle classes don't support AAP any longer, its base with the poorer strata and the marginalized is still intact.

The alleged intervention of AAP's leadership from Delhi in the Punjab unit, here AAP is the principal opposition party ahead of the once ruling Akali Dal and sends 4 MP's to the LS, led to the split in the party there.

Alka Lamba and others advocate that the AAP should concentrate in 2019 on Delhi and not spread out throughout the country like in 2014.

## **Part II India - Foreign Policy Developments**

Dr Joyce Lobo writes on how India has extended its relations with African nations while establishing relations with South Korea with a focus on trade, technology and culture. The other foreign developments in this part include Chinese Defence Minister General Wei Fenghe's visit to India and a preview on the much awaited first edition of the 2+2 India-US strategic dialogue on security and defence.

### **Modi-Moon talks in New Delhi**

The visit by President Moon Jae-in (July 8-11) witnessed the *Korea-India Business Forum* and *Round table of 24 CEOs* apart from bilateral talks on July 10, 2018. A total of 11 agreements were signed between India and Korea in areas such as Trade Engagement as well as cooperation in railways, in advancing cooperation in Science & Technology, in Bio-technology, in Telecommunications, in the Small & Medium Enterprise Sector, in Culture and People to People exchanges. India and South Korea seek to build on economic complementarities. South Korea is known for its services and manufacturing sectors. India is endowed with human resources. A joint vision called '*A Vision for People, Prosperity, Peace and our Future*' was issued after the Moon Jae talks with Prime Minister Narendra Modi.

The senior ministers of Moon Jae's cabinet -- the Foreign Minister, the Trade Minister and the Minister for Small and Medium Enterprises and Startups were part of the visit, alongwith a large business delegation. India is keen on Korean participation in its initiatives like 'Digital India', 'Smart city' etc.

The relations between India and South Korea lie in the economic component. The major thrust area comes from electronics. India is believed to have the largest mobile phone manufacturing plant of Samsung under its flagship programme of 'Make in India'. Seoul companies like Hyundai Motors, Samsung Electronics, LG, etc have invested around US\$ 4.90 billion till December 2017 in India. In the meanwhile the Indian companies such as Mahindra & Mahindra (Ssangyong Motors), Aditya Birla Group (Novelis Ltd.) & TATA (Tata Daewoo commercial vehicles) have invested more than US\$ 3 billion in South Korea.

Companies like Hyundai and Samsung will increase production. With the installation of the full capacity, India will be the fourth largest market for production for the Hyundai Motor group. Similarly Samsung in India may beat Vietnam in the race to produce 10 million smartphones a month. Korea has also decided to ramp up production in areas like chemicals, textiles, food processing etc.

Modi visited Seoul in May 2015. One of the outcomes of this visit was the creation of the '*Korea Plus*' desk in India. This acts as a single window to address all the issues raised by Korean companies.

### *Amending CEPA*

As early as 2010, both sides have set up the *Comprehensive Economic Cooperation Agreement* (CEPA). One of the areas that have gained momentum is investment in the electronics sector. Presently the bilateral trade amounts to US\$ 20 billion and Korean investments in India total up to US\$ 6.8 billion. India is the 13th largest trade partner of Seoul. However this trade is below the potential and proves, that the CEPA is not utilised well. Both sides are attempting to review and

renew the 2010 agreement.

Under CEPA, both sides need to address the trade deficit. One of the concerns is, that the CEPA has not been utilised to its potential. Both sides want to increase the rate of utilisation. The renewed CEPA aims to find a balance in the interests of both the countries.

India and Korea decided to commence negotiations to amend the CEPA, strengthen cooperation on energy, electronics and shipbuilding industries, including setting up of a *Joint Working Group for Cooperation on the Shipbuilding sector* and another in the field of Electronics Hardware manufacturing.

So far both sides have exchanged an *Early Harvest Package for an Upgraded, Comprehensive Economic Agreement*. The discussions from the Seoul side are ongoing. This harvest package will enable to upgrade CEPA.

As desired earlier by both the countries, an agreement is signed in *Future Strategic Group*, that will look at joint projects in the areas of new technologies such as artificial intelligence, Internet of Things, future manufacturing, robotics and green tech.

#### *Special Strategic Partnership*

Both countries have an understanding of the situation in the Korean Peninsula and India's grand strategy for the Indo-Pacific region. Both intend to base their relationship on strengthening the '*Special Strategic Partnership*' on People, Prosperity and Peace. Towards this end, both seek to align New Delhi's '*Act East*' policy with South Korea's '*New Southern Policy*'. In this regard both countries have decided to bring capacity building programmes to Afghanistan.

In terms of defence cooperation, India has invited Seoul companies to participate in defence production in particular as part of the 'Make in India' program.

There is an attempt to build cultural contacts through the promotion of shared history and cultural heritage. India has decided to upgrade the monument of Queen Suriratna (Hur Hwang-ok) in Ayodhya as a joint project with South Korea. According to the "Samguk Yusa," a 13th-century Korean historical chronicle, in 48 A.D. Princess Suriratna of Ayodhya in India married King Kim Su-ro and subsequently became Queen Heo Hwang-ok of the Gaya Kingdom. Some of the clans in South Korea trace their origins to the Gaya Kingdom. Many visit Ayodhya to pay their tribute to this legendary queen.

Therefore, trade, investment, culture and stability in the Indo-Pacific have become important areas in the Indo-Korean relations. India refers to South Korea as Korea in its official texts. In the meanwhile, it has maintained diplomatic and robust economic relations with North Korea. So far, it has maintained a fine balance between both Koreas.

#### **Modi sojourn from Kigali to Johannesburg**

PM Narendra Modi undertook a three-nation tour of Africa with a large entourage, consisting of businessmen. India's engagement with the African continent had accelerated under the then Prime Minister Dr. Manmohan Singh. This got a further boost under Singh's premiership in 2008 with the holding of the first *India-Africa Forum Summit*.



#### *In Rwanda, July 23-24*

Modi set the record for being the first premier to visit Rwanda from India. In January 2017, bilateral relations between India and Rwanda were alleviated to a *Strategic Partnership*. Rwanda has received *Lines of Credit* of nearly \$400 million from India, that has been utilised in areas such as hydropower, agriculture, skill development, and infrastructure. India has also offered training, scholarship programs, and other forms of development assistance.

Modi's talks with President Paul Kagame led to a new understanding in improving the bilateral trade and investment, for cooperation in UN peacekeeping, digital education, capacity building, energy, health, education and infrastructure. Eight bilateral MoUs on various fields such as trade, defence, dairy-cooperation, agriculture, culture, leather and allied sectors were signed. These agreements also included a Line of Credit for 200 million USD for the expansion of the *Special Economic Zone* and an Irrigation Scheme in Rwanda. Out of the new Indian Missions that were opened in 2018 Rwanda was preferred first. India considers Rwanda as an important gateway to Eastern Africa.

India has clarified its position, that the defence cooperation with Kigali is based on a broad defence framework agreement. This is on the lines, that India has built over the years with other African countries. Ethiopia was the first beneficiary in terms of defence cooperation, wherein India established the first training institutes in 1958. Several defence chiefs have been trained in India. Moreover, New Delhi has defence cooperation agreements with almost all of the littoral states in the Indian Ocean.

#### *In Uganda July, 24-25*

Modi's visit to Uganda comes after a span of 20 years since 1997 by any Indian premier. President Yoweri Kaguta Museveni and Modi held talks on July 24, 2018, covering bilateral economic & commercial, defence, technical, educational, cultural, scientific relations along with terrorism. Modi became the first Indian premier to address the Ugandan Parliament, where he outlined the contours of New Delhi's engagement with Africa. As in Rwanda, Modi participated in the Joint Business Forum in Uganda. Business leaders were largely from areas like health & pharma, agriculture & dairy, ICT & energy, infrastructure, banking and service sectors.

The talks also yielded to agreements in defence cooperation (largely training), diplomatic relations, culture, sciences etc. Also Lines of Credits worth US\$ 205 in areas of power generation, agriculture and dairy were extended. Training and capacity building have been the focus of bilateral defence cooperation. India has an *Indian Military Training Team* (IMTT,) stationed at Jinja since 2010.

#### *In South Africa July, 25-27*

The visit to South Africa was mainly in the context of the 10th BRICS Leaders' Summit. Modi held talks with President Cyril Ramaphosa on the sidelines on trade and investment, IT and defence. Agreements were signed for cooperation in exploration and use of outer space for peaceful purposes, setting up of a Gandhi-Mandela Centre of specialisation for artisan skills and agricultural

research and education. Modi met President Ramaphosa after he assumed office in February 2018. This year also marks 25 years, since India resumed its diplomatic relations with South Africa in 1993. Also both sides marked 21 years of Strategic Partnership. Both nations are bound together by the respective national struggles against the British colonial rule and racism. Mahatma Gandhi became the common factor for leading the non-cooperation movement in both the nations. People of Indian origin comprise of 3% (1.5 million) of the total population.

#### *10th BRICS Leaders' Summit*

South Africa organised the Summit under the theme "*BRICS in Africa: Collaboration with Developing Countries for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution*". The meeting was followed by the adoption of the *Johannesburg Declaration* on July 27, 2018, that focused on democracy and inclusiveness, while vowing to fight unilateralism and protectionism. China faces trade wars with the USA, while the *Countering America's Adversaries Through Sanctions Act* (CAATSA) of the USA against Russia lays secondary sanctions on countries like India, that relies on defence imports from Moscow. Therefore unilateralism and protectionism have been the unanimous choice of Brazil, Russia, India, China and South Africa. This message to the USA now depends on whether these countries will increase the intra trade as agreed.

Modi laid emphasis on the fourth industrial revolution and the need for sharing of best practices and policies among the member states. India needs to train its youth in skill development and vocational training, in order to best use its demographic dividend.

#### *Conclusion*

Most of Modi's engagement with Kigali, Kampala or Johannesburg has been termed as defence and security oriented, with Chinese competition looming large over the African space. However the *Ministry of External Affairs* of India in one of its media briefings clarified, that it was not in competition with China in Africa. India has stuck to the traditional forms of defence cooperation of training and capacity building, while China has made leaps in terms of assisting in modernising the military in various African nations. China is not only ramping up its military sales - some of which is very modern and high-technology oriented - to African nations, but is also getting into those areas, where India has proven its mettle, i.e. training of personnel.

#### **Chinese Defence Minister visits India**

China's State Councillor and Defence Minister General Wei Fenghe's 4-days visit to India (August 21-24, 2018) has attracted a certain amount of attention. The Chinese media has called the visit an "*official goodwill visit*". There were no agreements, but talks while the visit was treated as a fully fledged bilateral one. The importance of the visit lies in the fact that these high level meetings took place after the 73-day standoff at Doklam in 2017. Also, Wei is close to the Beijing administration, which makes this visit attain a certain amount of significance, that it can't include talks on military issues alone.

The Doklam standoff was followed by negotiations on both the sides, that resulted in the informal meeting between Prime Minister Narendra Modi and Chinese President Xi Jinping at Wuhan. The

consensus reached here, has resulted in the implementation by both the militaries. In this manner, both sides have attempted to enhance communication and coordination, promote mutually beneficial cooperation, and taken steps for the sound development of relations between both the sides.

Wei's visit comes after the April 2018 visit by Defence Minister Nirmala Sitaraman's to Beijing. This April visit was followed by General Liu Xiaowu, deputy commander of the Western Theater Command, to India in July this year. In July, it was agreed, that risks at the border area were to be controlled, to expand joint tactical drills, strengthen culture and sports interactions between the border defence forces, and jointly safeguard peace and stability at the border. This visit was followed by the Indian counterpart General Officer Commanding-in-Chief of Eastern Command of the Indian Army, Lt Gen Abhay Krishna (August 15 to 19).

The meeting of Wei saw the exchange of views on the relations between the two countries and the two militaries as well as issues of common concern. In short, the meetings attempted to improve strategic communication between the two militaries at the highest level.

In terms of communications, both sides have opened several points for heads of the ground forces, to meet periodically to improve relations. However, both the militaries have not been able to operationalise efforts to establish a hotline facility between their military headquarters, due to procedural issues.

Wei's talks with Indian leaders, like the PM Modi and Sitaraman, included discussions on the setting up of hotlines and ways to alert each other, when patrolling disputed stretches of the border.

Also issues that might have been discussed may include the frosting relations between USA-China, the Shanghai Cooperation Organisation, Quadrilateral Dialogue, Nuclear Suppliers Group, terrorism, Belt and Road Initiative cum China-Pakistan Economic Corridor etc.

Wei is entrusted from the Chinese side, to give effect to the confidence building measures agreed to at Wuhan, while commencing the seventh Hand-in-Hand joint military exercises or operations. Both sides agreed, to increase two additional border personnel meeting points to the existing five places. Apart from these, sports and cultural exchanges were to be promoted. Both sides have agreed to operationalise a hotline, without specifying at what level it would be operated. As per the news reports, the Indian army prefers the hotline at the *Director General of Military Operations* (DGMO) and his equivalent official in the *People's Liberation Army* (PLA). Beijing has taken a contradictory position of linking the deputy commander of its Chengdu-based Western Theatre Command with the Indian DGMO. Both sides have initiated a plan to formulate a new MoU.

The talks have largely been to extend bilateral communication in all fields, including the military. Confidence building, strategic communication and normalising of ties have led to a series of exchanges and meetings. Most of the credit may lie in what transpired at Wuhan.

## **India and the USA: 2 Plus 2 Talks**

For the first time, India and the USA will hold the first edition of “2+2” India-US strategic dialogue on security and defence ties in New Delhi on September 6, 2018. The *Minister of External Affairs* Sushma Swaraj and *Defence Minister* Nirmala Sitharaman will host *US Secretary of State* Michael R Pompeo and *US Secretary of Defence* James Mattis in the capital. This will lead to a discussion on issues related to the Indo-Pacific region and beyond. The 2+2 was the result of talks between Prime Minister Narendra Modi and President Donald Trump in June 2017. This format would replace the strategic and commercial dialogues between the foreign and commerce ministers.

The rationale to hold such a format is to boost defence cooperation, especially to seek an early conclusion of important defence agreements like the *Communications, Compatibility, Security Agreement* (COMCASA) – a defence foundational pact, that will enable India to obtain critical, secure and encrypted defence technologies from other countries.

There are reports that are not confirmed or denied, that Trump would visit India in January 2019 and also be the Chief Guest on India’s *Republic Day*. The 2+2 meeting might help to resolve some issues, before the formal summit on areas like defence and security.

K. C. Singh, a former MEA-Secretary on anti-terrorism, says, that three important issues (“*Time for defence, not offence, in diplomacy*”, Deccan Chronicle, August 13, 2018) will hang over the meeting— USA sanctions over Russia, that have a secondary impact on India’s energy and defence sectors; impact of USA sanctions on Iran over India’s oil imports and connectivity projects like Chabahar Port; and finally, a spill over effect of USA-China trade wars on the region, especially India. Singh argues, that Trump does not look at “*India as a strategic necessity*” unlike his predecessors George Bush Jr. and Barack Obama. For Trump, relations with India are more on a transactional than transformative plane.

These issues will be part of the discussions. However, Sitharaman has convinced the media, that the USA sanctions on Russia will not have secondary bindings on India. She conveyed, that the agenda of the upcoming meeting is “*to develop strengthening strategic defence cooperation and to follow up what had transpired during the meeting with Mattis and how to address issues including the logistics agreement*”.

The *Ministry of External Affairs* spokesperson, Raveesh Kumar confirmed, that the 2+2 meetings will cover a “*broad range of bilateral, regional and global issues of shared interest, with a view to strengthening strategic and security ties between the two countries*”.

The meeting takes place after a couple of postponements, due to re-scheduling given the changes to Trump’s cabinet and the denuclearisation talks with North Korea. The above issues have no doubt added strain in the relations between New Delhi and Washington, along with other issues like visas and trade protectionism.

### **Part III South Asia**

Dr Joyce Lobo briefly writes on the visit by the Bhutan Prime Minister to India.

#### **Bhutan premier visited India**

India and Bhutan celebrate 50 years of diplomatic ties. Though formal diplomatic relations were established in 1968, both countries cemented their friendship through the *1949 Treaty of Friendship and Cooperation*. This has been renewed in February 2007.

As part of the Golden Jubilee preparations Prime Minister of Bhutan, Tshering Tobgay, visited India (July 5-7, 2018). Despite the significance of this year for both countries, Tobgay's visit, like in the past, has been a low key affair. However, the upcoming State visit by the King of Bhutan Jigme Khesar Namgyal Wangchuck will receive a wide coverage and interest. Though Wangchuck was hosted post Doklam standoff between India and China in November 2017, there will be much interest on the recent developments.

Friendship, trust and mutual respect have largely guided the relations between both countries. High level visits have been a hallmark of the good neighbourly relations.

Today, Bhutan has reached the stage of being a middle income country. It has a constitutional monarchy. India has acted like a big brother in terms of providing the necessary support for its socio-economic development. Most important are the contributions by India towards Bhutan's hydro-electric projects, built with the former's assistance. This has enabled Bhutan to export three-fourth of the power generated, with India being the main beneficiary. Hydropower exports provide more than 40% of Bhutan's domestic revenues and constitute 25% of its GDP.

The ongoing cooperation between India and Bhutan in the Hydropower sector is covered under the *2006 Agreement on Cooperation in Hydropower and the Protocol*. Under this Protocol, India has agreed to Bhutan in developing a minimum of 10,000 MW of hydropower and import the surplus electricity from this to India by the year 2020.

India is Bhutan's largest trading partner. In 2016, total bilateral trade between the two countries stood at Rs. 8,723 crore with total imports being Rs. 5528.5 crore (82% of Bhutan's total imports) and exports recorded as Rs. 3205.2 crore including electricity (90% of Bhutan's total exports).

Assistance is given by India for other economic developments projects, for capacity building and in education. In line with this, both sides have institutional mechanisms in security, border management, trade, transit, economic, hydro-power, development cooperation, and water resources. India also gives budgetary assistance to Bhutan for its *Five Year Plans* aimed at bring development to the latter.

Much of Tobgay's talks with the Prime Minister Narendra Modi and the Indian leadership have been to review bilateral relations while laying the groundwork for Bhutan monarch's visit.

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