

'Role of Border States in India's Foreign Policy'

by

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Speech by Shri Shyam Saran, Chairman, RIS on
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I wish to thank Prof. Gautam Biswas, Director, Indian Institute of Technology, Guwahati, Faculty and students for inviting me to this prestigious institution and for giving me an opportunity to share some thoughts on the 'Role of Border States in India's Foreign Policy'.

Let me begin by sharing my conviction that India's border states have a critical role to play in India's foreign policy. They should be looked upon as a major asset in India's efforts to create a peaceful, stable and prosperous neighbourhood. Without an efficient management of India's relations with its neighbours it would be much more difficult to pursue a regional or global role for our country which is what we all aspire to as a large and populous country with significant economic and military capabilities and a sense of itself as civilizational entity. It is for this reason that successive governments in India have accorded the highest priority to India's relations with its neighbours, in particular our immediate neighbours in the Indian sub-continent.

In 2003, India's then Prime Minister Atal Bihari Vajpayee had proposed the establishment of a South Asian Economic Union, based on the South Asian Free Trade Agreement (SAFTA), a Customs Union and a common currency. He had also put forward the idea of a South Asian Parliament. Later, Prime Minister Dr. Manmohan Singh spoke on several occasions of the deep inter-connection among the countries of South Asia. At the SAARC Summit in 2005, he stated that even though our region is divided by political boundaries, it constituted a single geographic and economic unit, inhabited by people who have a shared history and who enjoy deep cultural affinity. He said although it would not be possible to erase political boundaries nor seek to re-draw them, we should all work together collectively to bring about a free flow of goods, people and ideas across national borders. The objective would be to progressively render borders irrelevant even though they continue to exist as political reality.

Prime Minister Narendra Modi has imparted new energy to the pursuit of this vision. He invited the Heads of State/Government from all South Asian countries to his swearing in ceremony in May, 2014. He followed this up with early visits to several South Asian capitals and enhancing India's commitment to the development of the entire region. India is today the fastest growing emerging economy in the world and can become an engine of growth for all our neighbours. We are in a position to offer a significant stake to our neighbours in India's own prosperity and growth by opening up our markets to them and increasing our investment in their economic growth. It is inevitable that there will be a growing impact on Indian states which shares borders with these neighbours. Our border states will have an opportunity to benefit from the growing economic and commercial exchanges with our neighbouring countries provided appropriate policies are adopted. Nowhere is this more relevant than in India's North-East, which shares borders with 5 of our neighbours, namely China, Nepal, Bhutan, Bangladesh and Myanmar.

In addition to the pursuit of a South Asia Economic Community which covers the entire Indian sub-continent, India is also participating in several concentric circles of regional cooperation in the Asia Pacific region which is contiguous with India's eastern flank. These are:

- (i) The Bangladesh-Bhutan-India-Nepal (BBIN) sub-regional cooperation. These 4 countries constitute the eastern sub-region of the Indian sub-continent. You will immediately notice that India's North-East constitutes a major component of BBIN. A sub-regional power grid is beginning to emerge, with India supplying power to Bangladesh and to Nepal and Bhutan supplying power to India. The bilateral transmission lines are being connected to create a sub-regional grid. There is a recent report on an additional 100 MW of power from Tripura being committed by India to Bangladesh in exchange for the latter leasing 10 GBPS internet bandwidth for use in India's North-East. India is already supplying 500 MW of power to Bangladesh, with another similar amount in the pipeline. The 4 countries are also engaged in establishing a network of road and rail links, several of which will traverse the North-East and contribute to its development. And importantly, there is a plan to reconnect the countries through the revival and development of riverine transport, given the fact that this sub-

region is criss-crossed by several important rivers such as Ganges, Brahmaputra, Teesta and their tributaries. The natural outlet for the North East historically was Chittagong port, now in Bangladesh. Thanks to the BBIN initiative, Chittagong may once again will be available to service the North East.

- (ii) The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation or BIMSTEC which brings together Bangladesh, Bhutan, India, Nepal and Sri Lanka from South Asia and Myanmar and Thailand from South East Asia. BIMSTEC has the potential of evolving in the future into a Bay of Bengal Economic Community. A number of trade and investment related agreements as well as the improvement of transport connectivity among member countries are being currently pursued.
- (iii) India is now a strategic partner of the Association of South East Asian countries, or ASEAN. India and ASEAN already have a free trade, investment and services agreement. We are also participating in ongoing negotiations on a Regional Comprehensive Economic Partnership agreement which includes not only the 10 ASEAN member countries but also China, Japan, the Republic of Korea, Australia and New Zealand. The larger Asia Pacific region today constitutes the fastest growing component of India's external relations. These include trade, two way investment, increasing density of transport links and rising volume of people to people exchanges.
- (iv) India is a member of the pan-Asian East Asian Summit process or the EAS. This is a larger grouping which includes not only those represented in the RCEP but also the U.S. and Russia.
- (v) India has applied to become a member of even larger Asia-Pacific Economic Cooperation (APEC) group which goes beyond East Asia to include countries of North America and Latin America as well. While APEC is not a free trade grouping it is nevertheless an important forum for expanding economic and trade relations with a broader group of countries in India's extended neighbourhood. APEC could also become basis for a larger Asia-Pacific Free Trade Area (APFTA) which has been proposed by China. India's

membership of APEC will open the door for India to participate in future negotiations on APFTA.

It is this concentric set of economic relationships that in reality constitute the substance of India's Act East Policy and which is also a powerful catalyst for promoting rapid economic development of the North East region and India's entire eastern seaboard. It should come as no surprise that the success of India's Act East Policy is integrally linked to the role of India's North East as a bridge between India and its extended eastern neighbourhood. To enable our border states to play a role in India's economic integration with the dynamic economies of Asia Pacific, there is a need for a significant mindset change with regard to national boundaries. For too long we have been conditioned to think about national boundaries as separating India from its neighbours rather than joining them together. Borders should not be looked upon as impenetrable walls that protect us from the outside world but rather as "connectors" which bring us together with our neighbouring countries. The prevailing negative mindset with regard to national boundaries also impacts upon how we look at the role of our border States. In the period of British colonial rule various parts of the country were designated as "Buffer Zones", these being areas on the periphery of British Empire as distinct from its heartland. Border regions were deliberately left undeveloped or under developed and access to these areas was restricted as a matter of policy. This is the genesis of so-called Inner Line Permit regime which continues to apply in several parts of North East. However, after India became independent such distinctions between the heartland and the periphery became irrelevant. The Indian Constitution does not recognize any differential status among the States which constitute the territory of India. Every part of our territory is national and therefore as precious as others. No part of national territory can be considered a "Buffer Zone" to be treated differently than the rest of the country. It is very important that this "outpost" mentality should be jettisoned and the neglect of infrastructure and development activities in our border states should be remedied on an urgent basis.

It is sometimes argued that for reasons of defense and security it may be necessary to limit the development of our border areas to only that which is necessary from the defense point of view. Persisting with this approach can lead to a sense of alienation among the population of border States and dilute their sense of being part of national mainstream. Furthermore, developing a network of interconnections in the form of rail,

road and digital links between our border States and rest of the country can, in fact, serve to strengthen rather than diminish border security.

In the case of India's North East we have to proceed on three parallel tracks

- (i) we must strengthen connectivity between the North East and the rest of India;
- (ii) we must improve connectivity among the States of North East themselves; and
- (iii) we must develop efficient cross border linkages between the North East and neighbouring countries such as Nepal, Bhutan, Bangladesh and Myanmar.

These are three pillars which must be strengthened together to enable the North East to play a key role in advancing India's Act East Policy.

It is sometimes argued that since India's North East is connected to rest of the country only through the narrow "chicken's neck" or the Siliguri corridor it is difficult to significantly expand these links. While the Siliguri corridor looks narrow on the map, it is 22-km wide and there is no reason why additional rail and road links cannot be laid in this corridor. The feasibility of additional rail and road links needs to be examined on an urgent basis.

At present there are no efficient transport linkages among the North East States themselves. Travel from one State capital to another is both expensive and time consuming. Creation of a network of transport linkages, including road, rail and air links, among the States of the North East would be critical in promoting local resource based development of the North East. A North East intra-connectivity plan should be formulated as early as possible which would be an indispensable element in the revival of the economies of the sub-region.

In this connection special attention needs to be paid to the revival of riverine linkages and water transport not only within the North East but the entire sub-region constituted by Nepal, Bhutan, Bangladesh and Myanmar. After the partition of India in 1947, water transport which constituted a lifeline for most of eastern India was disrupted and it is only now that it has begun to figure on the national agenda.

Finally, one must pursue connectivity across Indian borders with its eastern neighbours and in this connection one should not exclude

connectivity with our big neighbour China. The ongoing India-Myanmar-Thailand trilateral project and the Kaladan Multi-modal transport project, linking Myanmar's Rakhine province and its port of Sittwe with Mizoram, are strategically important projects but progress in implementation continues to be slow.

One should acknowledge that there has been some progress in the creation of modern border infrastructure thanks to the efforts of the Land Port Authority of India (LPAI). Of particular relevance to North and North-Eastern states are the following Integrated Check Points (ICP) either established or in the process of being established by the LPAI:

1. On the border with Bangladesh, the ICP at Agartala has been in operation since November 2013. Passenger movement across this border has been increasing by 20% per annum and in 2015 was 85000. Total trade recorded at this ICP is about Rs. 250 crores.
2. An ICP is being constructed at Dawki in Meghalaya on the border with Bangladesh and is likely to be ready by 2018.
3. An ICP is planned at Kwarpuchhiah on the Mizoram- Bangladesh border. This is a riverine border and requires the construction of a bridge over the Thega river to begin with.
4. An ICP is under construction at Sutarkhandi on the only land border crossing between Assam and Bangladesh It is likely to become operational by 2017.
5. ICPs are planned to be set up in the next phase at Hili, Changrabandha, Fulbari and Ghojadanga respectively, all on the border between West Bengal and Bangladesh.
6. The existing land border crossing at Moreh on the India-Myanmar border is being upgraded to an ICP which will be ready by the end of this year.
7. The ICP at the India-Nepal border at Raxaul is ready and awaits the approval of the Nepal government to begin operations. Another ICP is nearing completion at Jogbani; and
8. Jaigaon on the India-Bhutan border is proposed to be developed as an ICP. 95% of India-Bhutan trade passes through this point.

With China, there is a trade route in place through the Nathula Pass in Sikkim. Recently China and Nepal have agreed to transit trade through Nepal to India. This should be welcomed rather than opposed on grounds

of security. In our own trade agreement with Nepal we have provided for transit trade and there is benefit to all 3 countries if such trade is pursued.

Connectivity includes not only physical connectivity in the shape of rail, road and water transport but also what I call the “software” of connectivity in the form of rapid and speedy transit of goods and people across borders. There is no point in having a six-lane cross border highway or a high speed train link if, at the border, procedures continue to be cumbersome and outdated. If immigration, customs and security procedures at the border cause long delays then physical connectivity is not of much use. It is my impression that while our policy makers have begun to recognize the importance of physical connectivity they have yet to turn their attention to the “software” of connectivity.

It should be apparent from my remarks that I believe firmly in the concept of open but regulated borders and utilize our border states to nurture mutually beneficial relations with neighbouring countries. There is no contradiction between maintaining the security of our borders and the development of the border regions of the country; in fact the latter is often the prerequisite for ensuring the former. This requires treating border states as full stakeholders in India’s neighbourhood policies. There can be no Act East without Act North-East.

I thank you for your attention.