

# Policy WATCH

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## Special Issue (COVERING ALL THEMES)

*In this issue*

**Dr Manmohan Singh, a scholar statesman & an economists' economist**  
by Vijay Mahajan

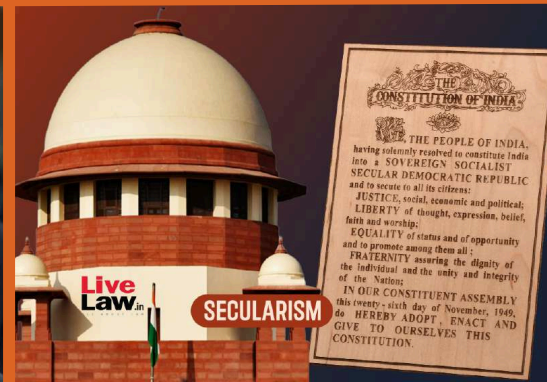
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**A study on governance and development In Bodoland Territorial area districts of Assam**  
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**India's State of Forests (ISFR 2023) and major areas for improvement**  
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RAJIV GANDHI  
INSTITUTE FOR CONTEMPORARY STUDIES

# I. Editorial

The Rajiv Gandhi Institute for Contemporary Studies (RGICS) works on five themes:

1. Constitutional Values and Democratic Institutions
2. Governance and Development
3. Growth with Employment
4. Environment, Natural Resources and Sustainability
5. India's Place in the World

We bring out the monthly Policy Watch on each of these themes sequentially and every sixth issue is a Special Issue, where we carry articles from each theme. This is a special issue in which we carry one article on each theme.

As we were preparing this issue for publication, we heard the sad news of the demise of former Prime Minister, Dr Manmohan Singh. He was also a Trustee of the Rajiv Gandhi Foundation. The undersigned had the honour of having met Dr Singh on a few occasions since 1994. A small memorial piece appears as a personal tribute to late Dr Singh.

The first article of this issue is on the theme Constitutional Values and Democratic Institutions. Recognizing that we are in the middle of the 75th anniversary of our Constitution, our first article deals with the word Secular, which was included in the Preamble of the Constitution in 1976. This was challenged in two writ petitions and last week the Supreme Court gave a judgment which upheld the inclusion. We reproduce the judgment at the end of the first article. Before that, in the first article, we take the readers back to the debates on this topic in the Constituent Assembly. As the readers can see from Shefali Jha's 2002 article in *The Economic and Political Weekly*, the matter saw at least three different sets of views on the topic, with the first ("religion is no concern of the state") and the third ("the state should protect religious rights of the minorities") diametrically opposed to each other. What was adopted was a middle path where the right to freedom of conscience and the right freely to profess, practise and propagate religion, was protected as fundamental right but no political safeguards such as reservations in Parliament and state legislatures, and in government employment, were extended to religious minorities.

The second article is on the theme Governance and Development. Here we look at research study by two scholars from the North East Hill University, Shillong, who studied the relationship between governance and development in the Bodoland Territorial Administration District (BTAD) in Assam.



The article uses statistical analysis to establish a positive correlation. However, the effect is stronger in the capital city of BTAD – Kokrajhar, than in the farthest city- Udalguri, indicating the intermediation variable called administration. The article is reproduced from the November 2019 issue of the Humanities & Social Sciences Reviews.<sup>1</sup> The article came to our notice when the RGICS commissioned a study by Mr Dilip Sarma to document the remarkable progress of Bodoland from a disturbed region to a path towards development. We will be publishing his work on completion after a few months.

The third article is on the theme of Growth with Employment. The month of March saw a 21-day “climate fast” by activist, environmentalist and innovator Sonam Wangchuk and then a padayatra (foot march) in October 2024 by him and fellow activists from Leh to Delhi to demand attention to the governance and development problems of Ladakh. RGICS sent a team of researchers Vivek Saxena and Sharmila Ronanki to look at the problems of youth unemployment and suggest what could be done. We are publishing excerpts from their report. This will be followed up with a pilot project to promote the responsible eco-friendly tourism sector in Ladakh.

The fourth article is on the theme of Environment, Natural Resource and Sustainability. Here the Head of RGICS Research Team, Jeet Singh has done a quick review of the just launched the 18th India State of Forests Report (ISFR), 2023. The report claims that for the first time, India’s tree and forest cover has crossed 25% of India’s total geographical area. While there are many things to celebrate in this report, we need to also be informed about our shortcomings and areas for improvement. In this article Jeet has highlighted four such areas - including focusing on one third of recorded forest which has no forest cover, heavy dependence on planted tree cover to improve the green cover, degradation of natural dense forests and rapid degradation of Himalayan forests.

Finally, the fifth article is on the theme India’s Place in the World. It carries the third and concluding part of a three part paper written by RGICS Honorary Senior Visiting Fellow Prof Somnath Ghosh on India’s Relations with Its Neighbours. Earlier Part I covered the relationship with China, part II with neighbours Afghanistan, Pakistan, Maldives and Bangladesh and part III now covers relations with Sri Lanka, Myanmar, Bhutan and Nepal. In his overall conclusion Dr Ghosh suggests a “Panchmukhi” strategy, whose elements include (i) eschewing sectarian or chauvinistic issues in the garb of nationalism and security targeted for the domestic vote bank politics, as the negative impact on bilateral relations can be severe (ii) leaders need to develop the skill and statecraft to shed the negative baggage of the past and build bilateral relations (iii) avoid statements and actions which lacerate citizens of a neighbouring country and create anger and a sense of alienation that may take a long time to heal (iv) the China factor is now overwhelming and is bound to cast its long shadow on our relations with neighbours. This means at least four things. China has demonstrated to the world that India has to stand down for China to be seen as the unquestioned emerging superpower. Smaller neighbours may be inclined to play China-India card to gain concessions from both. And (v) It’s time not only to revive SAARC but for India to take active role in this direction.

We hope you enjoy reading these articles. We look forward to your feedback.

**Vijay Mahajan, Director, Rajiv Gandhi Institute for Contemporary Studies**

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<sup>1</sup> <https://www.researchgate.net/journal/Humanities-Social-Sciences-Reviews-2395-6518>

## 2. Dr Manmohan Singh, a scholar statesman & an economists' economist

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*Vijay Mahajan*

*Dr Manmohan Singh was firmly rooted in the practical political economy which constrains theoretically pure choices. We will miss this scholar statesman not just for his wisdom but also his civility.*



*Dr. Manmohan Singh, former Prime Minister of India. (Image Source: PTI)*

The three years after the banks had been told by the Narsimhan Committee to focus on asset quality and earnings, 1992 to 1994, had seen a steep decline in social lending by banks.

My colleagues Bharti Gupta Ramola, V Nagarajan and I had just finished a study of the SEWA Bank in India, the Grameen Bank in Bangladesh, Bank Rakyat Indonesia and Shorebank, USA – all specialised lenders to the poor and to women. We presented our findings first to the RBI whose Governor Dr C Rangarajan had taught us macroeconomics at the IIM Ahmedabad. He and the RBI top brass heard us out and he then suggested we also present our findings to the Finance Minister, Dr Manmohan Singh.

As we entered his large North Block office, Dr Manmohan Singh got up from behind his desk and led us to the sofa. He heard us out patiently, asked a few questions and as the 25 minutes quickly passed, he walked us to the door of his office and uncharacteristically, said “I assure you if our government returns to power, we will ensure much greater credit flow to the weaker sections and women.”

Though the Narasimha Rao government did not come back to power, but obviously with the guidance by Dr Manmohan Singh and Dr Rangarajan, the RBI went ahead and made three path breaking decisions – one, massively scaling up bank credit to women's self-help groups (SHGs); two, establishing local area banks (precursors of today's small finance banks) and three, deregulating interest rates on loans up to Rs 25000 by the urban cooperative banks.

Later when Dr Singh became the Prime Minister, again I had the opportunity to meet him first as a member of the Rangarajan Committee on Financial Inclusion, 2007 and then as a member of the Raghuram Rajan Committee on Financial Sector Reforms, 2008. His patient listening to our analysis and recommendations was touching.

So it was a particular pleasure for me to meet Dr Manmohan Singh several times since 2018, when I joined the Rajiv Gandhi Foundation as its CEO. I also run the Foundation's knowledge affiliate the Rajiv Gandhi Institute for Contemporary Studies. One of our focus themes is Growth with Employment and Dr Singh was always ready to hear what we had to say on the topic.

Every time we referred to the glorious period from 2004 to 2012 with high growth and record reduction in rural poverty, he would quietly move the discussion to the current situation and what should be done. Though he was an economists' economist, he was firmly rooted in the practical political economy which constrains theoretically pure choices.

We will miss this scholar statesman not just for his wisdom but also his civility, a virtue becoming rare in today's polarised discourse. May his soul rest in peace.



Members of the Raghuram Rajan Committee on Financial Sector Reforms presenting the report to Prime Minister Dr Manmohan Singh, with Shri P Chidambaram, then Finance Minister and Dr Montek Ahluwalia, Deputy Chairman of the Planning Commission, in late 2008. All three later served as Trustees of the Rajiv Gandhi Foundation. Also in the picture standing in the back row on the right is Vijay Mahajan, CEO of the Rajiv Gandhi Foundation and Director, RGICS.



## 3. Secularism in the Constituent Assembly debates, 1946-1950

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Shefali Jha <sup>2</sup>



*Source: Image*

Secularism, it has been argued, failed to stem the spread of communalism in India, because its marginalising and contempt of religion bred a backlash on which communalism thrived. This article contends that this 'contempt for religion' was marginalised in the course of the secularism debates in the Constituent Assembly. The dominant position on secularism that a 'democratic' Constitution find place for religion as a way of life for most Indians triumphed over those who wished for the Assembly to grant only a narrow right to religious freedom, or to make the uniform civil code a fundamental right. These early discussions on religious freedom also highlight a paradox - it is precisely some of the advocates of a broad right to religious freedom who were also the most vociferous opponents of any political rights for religious minorities.

### 3.1 The preamble and conceptions of secularism

When the preamble to the Constitution was discussed in the Constituent Assembly on October 17, 1949, disagreement and acrimonious debate over the incorporation of the principle of secularism took up most of the Assembly's time. The positions spelt out on secularism on that day show up clearly the lines of difference that had been developing on this issue during the three years of the Constituent Assembly debates.

On that day H V Kamath began the discussions by moving an amendment to begin the preamble by the phrase, 'In the name of god'. Shibban Lal Saksena and Pandit Govind Malaviya also moved similar amendments later in the day.

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<sup>2</sup> *Economic and Political Weekly*, Vol 37, Issue 30, 27 July 2002 <https://www.epw.in/journal/2002/30/special-articles/secularism-constituent-assembly-debates-1946-1950.html> Reproduced with gratitude.



Responding to Pandit Kunzru's objection that in invoking "the name of god, we are showing a narrow, sectarian spirit", Pandit Malaviya argued that it was not anti-secular for the preamble to begin with expressions such as "By the grace of the Supreme Being, lord of the universe, called by different names by different peoples of the world", since it was clear that not any particular religion's god was being sanctified. Saksena pointed out that even the Irish constitution took god's name at the beginning of its preamble.

individual choice and in this matter the collective will should not be imposed. Another interesting objection was raised by Purnima Banerji who said that references to god should not be put into the constitution since that would make the sacred depend on the vagaries of democratic voting. She requested Kamath "not to put us to the embarrassment of having to vote upon god".

Kamath's amendment was defeated by 68 to 41, but neither did the Assembly accept a suggestion from the other side to include the word 'secular' in the preamble. Brajeshwar Prasad from Bihar moved that the first sentence of the preamble begins as follows: "We the people of India, having resolved to constitute India into a secular cooperative Commonwealth to establish socialist order and to secure to all its citizens... " because he said that this word, 'secular' was dear to India's national leaders and its inclusion in the preamble would tone up the morale of minorities as well as prevent disorderly activity. Unfortunately there was no discussion on the inclusion of the term 'secular'; most members ridiculed Brajeshwar Prasad's attempt at making the Constitution a socialist instead of a liberal democratic document and his amendment was negated for that reason.

The preamble was discussed in one of the last-sessions of the Constituent Assembly which is why the theoretical positions on secularism that we try to extrapolate from the October 17 debate reflect the stands taken during the preceding three years. All the members agreed, of course, on the necessity of establishing a secular state. Most shared an understanding of history in which the "movement for the separation of religion and state was irrevocably a part of the project for the democratisation of the latter". How could a democratic state represent a religious majority at the expense of the rights and liberties of a minority?

In Europe, "the idea of democratic dissent was posed initially as the idea of religious difference. It gradually became the premise for the liberties of the individual in general, and, in raising the question of equality and equal rights for all, the idea of secularism became the chief motor behind the subsequent idea of political democracy". Since independent India was to be a democracy, secularism was a fait accompli: "it is essential for the proper functioning of democracy that communalism should be eliminated from Indian life". But the question remained as to the kind of secularism to be established by Indians faced with the problem of "creating a secular state in a religious society". Was a state secular only when it stayed strictly away from religion, and could such a secular state survive only if society was slowly secularised as well? Or did a state that equally respected all religions best capture the meaning of secularism in the Indian context?

On this issue we can see three alternative positions in the controversy around the preamble. The first - which we call the noconcern theory of secularism - saw a definite line of separation between religion and the state. Given the principles of freedom of expression and religious liberty, it was up to the individual to decide whether to be a believer or not, or to adhere to this religion or that. Therefore the preamble could not contain any references to god, and neither should the constitution establish links between the state and any religion. This argument of religion being an individual's private affair, was extended during the main sessions of the Constituent Assembly to include the more radical claim that religion must be relegated to the private sphere. Many members declared that the need of the hour was to strengthen the identity of Indians as citizens of the Indian state, as opposed to being members of some community or religious group. Radhakrishnan's speech on the Objectives Resolution on December 13, 1946 asserted that "nationalism, not religion, is the basis of modern life... the days of religious states are over. These are the days of nationalism".

A month later, GB Pant, speaking to the Advisory Committee of the Constituent Assembly proclaimed that the "individual citizen who is really the back bone of the state,...has been lost here in that indiscriminate body known as the community. We have even forgotten that the citizen exists as such. There is the unwholesome, and to some extent, degrading habit of thinking always in terms of communities and never in terms of citizens". Similar thoughts were expressed later in an exaggerated fashion by Guptanath Singh: "The state is above all gods. It is the god of gods. I would say that a state being the representative of the people, is god himself".

These positions logically led to a conception of a secular state as one that stays away from religion per se. It distances itself from all religions and in this manner encourages their limitation to a private sphere; it presses for the narrowing of religion to the activity of religious worship and it assiduously replaces respect for religion with building nationalist citizens. India was engaged in creating a modern nation state and in this enterprise, religion, an obscurantist and divisive force, had no place.

Members advocating this kind of secularism included KT Shah, who as late as December 1948, demanded the insertion of an article separating the state from any religious activities. Tajamul Husain not only wanted to define the right to religion as a right to 'practise religion privately', but also insisted that religious instruction was to be given only at home by one's parents and not in any educational institutions. He also wanted to include the following clause in the constitution: "No person shall have any visible sign, mark or name and no person shall wear any dress whereby his religion may be recognised". This implied an understanding of secularism in which "religion is a private affair between man and his god. It has no concern with anyone else in the world". It is this conception of secularism which led M Masani and K T Shah to state earlier that while they supported an individual's right to religious freedom, they "dissented from the inclusion among fundamental rights of any provision guaranteeing institutions belonging to any" religious community".

Many of these proponents of no concern secularism were making the argument familiar to all students of early modern political theory. A state wanting to strengthen itself must encourage the philosophy of abstract individualism so as to weaken all associations in society other than itself. It can then replace these associations by itself as the locus of the individual citizen's identity.

Secularism on this view meant the gradual weakening of the bonds of religion and their replacement with nationalism. It meant that the state must not recognise religion as a public institution. It was not just a question of religious liberty but of the establishment of the paramountcy of the state. Religion was to be relegated to as narrow a sphere as possible so that the state could emerge as a modern Leviathan.

The second position on secularism, exactly opposite to the first, was that no links between the state and religion should be permitted, not because this would weaken the state, but because it would demean religion: Religion, a system of absolute truth could not be made subject to the whims of changing majorities by allowing the democratic state to have a say in religious affairs.

Like the first, the third position - which we call the equal- respect theory of secularism - also began with the principle of religious liberty, but held that in a society like India where religion was such an important part of most people's lives, this principle entailed not that the state stay away from all religions equally, but that it respect all religions alike. In this view, instead of distancing itself from all religions or tolerating them equivalently as sets of superstitions which could be indulged in as long as they remained a private affair, a secular state based its dealings with religion on an equal respect to all religions. One of the main proponents of this view. K M Munshi, proclaimed that the "non-establishment clause (of the US Constitution) was inappropriate to Indian conditions and we had to evolve a characteristically Indian secularism".

Munshi said: "we are a people with deeply religious moorings. At the same time, we have a living tradition of religious tolerance – the result of the broad outlook of Hinduism that all religions lead to the same god...In view of this situation, our state could not possibly have a state religion, nor could a rigid line be drawn between the state and the church as in the US".

Lakshmi Kant Maitra and H V Kamath claimed that the Indian state should not disavow India's "lofty religions and spiritual concepts and ideals". The west was in crisis because of the dominance of materialism, and it was looking towards India for a regeneration of "spiritual values". The Indian state should not encourage sectarianism, but at the same time it should actively "impart spiritual training or instruction to its citizens" by giving some kind of spiritual education to them.

It is this conception of secularism which led certain members to define the right to religion as a right to the practise of religion as opposed to the more narrow right to religious worship. These members accepted that certain limitations must be placed on this right. However, it was all right to have these limitations once the right had been framed properly to capture the significance of religion, instead of being framed in a manner which revealed a disregard for religion.

Since religion was for most Indians, a way of life and therefore essential to their identity, how could a people's state be founded on a kind of secularism contemptuous of religion. One's identity was not something which was easily changeable, and for these members to forcibly replace religion as the basis of one's identity with the state was an attack on the autonomy of individuals.

In addition, most important religions contained principles of toleration within themselves since by definition, religious belief had to be voluntary. If the state allowed a public sphere to religion this would not automatically lead to inter-sectarian strife, as all great religions of the world preached forbearance of other faiths. J B Kripalani defined toleration as the acceptance, to some extent, of someone's beliefs as good for him and argued that it was because the *no-concern* theory was based on a doctrine of intolerance that it confined religion to the private realm.

On the other hand a state which respected all religions was educating its citizens in principles of toleration: "We have to respect each other's faith. We have to respect it as having an element of truth". Jaya Prakash Narayan added that it was only when religion was used to serve socio economic and political interests, that there was communal violence. What needed to be done in the interests of secularism was to incorporate an article in the Constitution prohibiting the use of religious institutions for political purposes or the setting up of political organisations on a religious basis. It was not religion per se but its politicisation which engendered violence in the modern state.

The no-concern and equal-respect positions on secularism clashed constantly during the debates in the Constituent Assembly as the question of secularism cropped up in discussions around innumerable articles. The issue of secularism was ubiquitous - it came up even when parliamentary procedure and the linguistic reorganisation of states were being discussed. Instead of detailing the arguments on secularism around some randomly picked articles, we have, following Smith's model that a secular Constitution must have provisions dealing with three specific subjects - religious liberty, citizenship and state neutrality - picked up the debate on some articles from each area to show the lines of disagreement amongst Constituent Assembly members.

Under religious liberty, we look at the controversy over whether the right to religious freedom should be the right to religious worship or to religious practice, and over whether the state should recognise only linguistic minorities or religious minorities as well.

Under citizenship, we review the dispute over the uniform civil code and over political reservation for religious minorities; and finally for state neutrality we consider the debate over whether there should be religious instruction in state aided schools. Looking at the discussions in more detail, we find that it is the ambivalences within the no-concern and equal-respect camps that are more interesting than the stark contrast between the two positions.

### 3.2 Religious practice or Religious worship

On April 16, 1947 the Sub-Committee on Fundamental Rights of the Constituent Assembly determined the right to the freedom of religion to be a right "to freedom of conscience, to freedom of religious worship and to freedom to profess religion". Two days later, the Constituent Assembly's Minorities Sub-Committee decided by a majority of 10 to five that the freedom to religion should be rephrased as the "freedom of conscience and the right freely to profess, practice and propagate religion". This change in terminology was formally dissented to by Amrit Kaur, Jagjivan Ram, G B Pant, P K Salve and- B R Ambedkar.

Sharp disagreement on whether to call the right to religion a right to religious practice or a right to religious worship had already become manifest in the proceedings of the Fundamental Rights Sub committee. This Committee's draft report of April 3, reflecting the discussion on KM Munshi's and Ambedkar's proposed articles on fundamental rights, set out eight articles defining the right to religion. Article 16 followed Munshi's proposal, instead of Ambedkar's.

In giving the right "freely to profess and practice" religion, and in adding the explanation that the right "to profess and practice religion shall not include any economic, financial, political or other secular activities that may be associated with religious worship." Ambedkar's suggestions were incorporated in another explanation to Article 16 that "No person shall refuse the performance of civil obligation or duties on the ground that his religion so requires," and in Article 19 that "The state shall not recognise any religion as the state religion".



That there were irreconcilable differences in the Constituent Assembly on religious freedom, and that the dispute over religious practice or religious worship was not a trifling disagreement over words was apparent in the inconsistency within Article 16 itself.

Members supporting the use of the terms 'the practice of religion' said that to understand religion narrowly as a set of performative rituals in a 'public but circumscribed place of worship like a church' was to misunderstand the significance of religion for a believer. If religion was rightly understood as a way of life then Article 16 could not include the proviso that one's civil obligations overrode one's religious duties.

KM Panikkar used the example of 'Sanyasa', a fundamental element of religion in many sects, which rules that one's life must be lived in a certain way: "Where religion provides that a Sanyasi shall have no attachments to the world, to ask that he shall perform civil duties is in fact to ask him to give up his religion."



Many things were part of religion, the least of them being the wearing of kirpans by Sikhs. Since the Constitution could not specify all the essential elements of the different Indian religions, at least it could phrase the right to religion broadly as the right to the practice of religion and not narrowly as the right to religious, worship. If the Constituent Assembly was serious about religious freedom then there was no point in granting a freedom to a religion denuded of all content.

Those on the other side of the divide pointed to the dangers of interpreting religion widely. Any such broad reading of religion would include within it the antisocial customs of "pardah, child marriage, polygamy, unequal laws of inheritance, prevention of intercaste marriage, (and) dedication of girls to temples," practised in the name of religion.

Rajkumari Amrit Kaur further pointed out that if the right to religion was stated in terms of the right to the practice of religion, it "may even contradict or conflict with the provision abolishing the practice of untouchability" alternatively. If the right given were the right to religious worship. The state could better protect all the rights of individuals by preventing through social legislation the exploitation of a lower caste man by an upper caste individual, or of a woman by a man.

This dispute over the terminology of the right to religion led to much flip-flopping in the various reports of the Fundamental Rights Sub-Committee. The April 3 draft used the terms 'practice religion'; but because of reservations expressed by some members, the April 16 report of the Sub Committee changed the terminology to freedom of religious *worship*.

However on April 18, the Minorities Sub-Committee suggested that the original phraseology of the April 3 draft be used. After that the Advisory Committee of the Constituent Assembly, which included both the Sub-Committees on Fundamental Rights and Minorities as well as three others, met and submitted an Interim Report on April 23 in which the right to religion was a right to "*practice* religion" and the proviso barring individuals from using religious reasons to exempt themselves from civic duties, as well as the article banning a state religion, were dropped.

It seemed as if one side had won an overwhelming victory, even though the right to the *practice* of religion remained limited by public order, morality, health and the other provisions of the chapter on fundamental rights, as well as by two provisos that the right to religion shall not include any economic, financial, political or other secular activities that may be associated with religious practice, and that it shall not debar the state from enacting laws for the purpose of social welfare and reform.

The battle was joined once again when the Interim Report of the Advisory Committee was presented to the Constituent Assembly on May 1, 1947. This time doubts were raised about including the right to propagate in religious freedom; some members wanted it clarified that the conversion of minors would not be allowed.

Those who protested that this would mean that parents who had converted had no right to determine the religious upbringing of their children, had their way, and in the draft Constitution of February 1948, the article postulating restrictions on the act of religious conversion was dropped.

When the draft Constitution's articles on religion were discussed in the Constituent Assembly in December 1948, K T Shah raised the demand again that an article be included expressly forbidding any link between the state and religion. Such an article would begin as: "The state in India being secular shall have no concern with any religion, creed or profession of faith". Tajamul Hussain wanted to replace the terms 'practice and propagate religion' with 'practice religion privately'. We see then that the exact phrasing of the main article on religious freedom remained contentious till the very last.

### 3.3 Linguistic or religious minorities



*Source: Image*

The differences over secularism were also clearly apparent in the controversy over whether a secular state permits the recognition of religious minorities along with linguistic minorities. On the one hand, Jaya Prakash Narayan held that the "secularisation of general education... necessary for the growth of a national outlook and unity" required that the cultural and educational rights guaranteed in the Constitution should be confined only to linguistic minorities.

On the same lines, Damodar Swarup Seth suggested that "the only minorities to be recognised should be those based on language: recognition of minorities based on religion or community was not in keeping with the secular character of the state. If such minorities were granted the right to establish and administer educational institutions of their own, it would not only block the way to national unity but would also promote communalism and an anti-national outlook."

It was with similar reservations in mind that G B Pant had earlier, in an April 1947 meeting of the Minorities Sub-Committee, suggested that the cultural and educational rights of minorities be included among the non-justiciable directive principles. Rajkumari Amrit Kaur had similarly proposed that religious minorities not be allowed to set up separate educational institutions, nor state aid be provided to these institutions.

As these articles were framed in the Minorities Sub-Committee, however, they reflected the point or view of the other side. The draft rights defined minorities in terms of religion and language and gave them the right to establish and administer educational institutions.

The Constituent Assembly also passed these articles in the same form: "all minorities, whether based on religion or language had the right to establish and administer educational institutions" (Article 30, Constitution of India) which were entitled to state aid just as any other educational bodies.

### 3.4 Uniform Civil Code



[Source: Image](#)

The first article that we take up with reference to citizenship in a secular state is that on the uniform civil code. Both Munshi's and Ambedkar's draft articles of March 1947 on justiciable rights contained clauses referring indirectly to a uniform civil code, Munshi's proposal stated that: "No civil or criminal court shall, in adjudicating any matter or executing any order recognise any custom or usage imposing any civil disability on any person on the ground of his caste, status, religion, race or language".

Ambedkar wrote that the subjects of the Indian state shall have the right "to claim full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by other subjects regardless of any usage or custom based on religion and be subject to like punishment, pains and penalties and to none other".

By March 30, however, the Fundamental Rights Sub-Committee had decided to make the uniform civil code a directive principle of state policy. In her letter of March 31, Rajkumari Amrit Kaur emphasised the importance of the uniform civil code and called it "very vital to social progress". In a much more strongly worded note of April 14, Amrit Kaur, along with Hansa Mehta and MR Masani, wrote that "(o)ne of the factors that has kept India back from advancing to nation hood has been the existence of personal laws based on religion which keep the nation divided into watertight compartments in many aspects of life", and demanded that the provision regarding the uniform civil code be transferred from the chapter on directive principles to that on fundamental rights.

This position was opposed by other members of the Constituent Assembly, such as Mohamed Ismail Saheb, supported by B Pocker Sahib, who wanted to include a right to one's personal law in the fundamental right to religion.

Failing that, they insisted that at least the directive principle enjoining the state to provide a uniform civil code, should contain the following proviso: "Provided any group, section or community of people shall not be obliged to give up its own personal law in case it has such a law". This must be done if the right to religious practice was to have any reality because the "right to follow personal law is part of the way of life of those people who are following such laws; it is part of their religion and part of their culture".

Mahboob Ali Baig Bahadur said, "People seem to think that under secular state, there must be a common law observed by its citizens in all matters including matters of their daily life, their language, their culture, their personal laws. This is not the correct way to look at the secular state. In a secular state, citizens belonging to different communities must have the freedom to practise their own religion, observe their own life and their personal laws should be applied to them". These members were opposed to the setting up of a uniform civil code.

An intermediate position was that the establishment of the uniform civil code must be done slowly, with the consent of all communities. Similar to this position was that of K M Munshi's - who now, surprisingly, wanted to narrow the definition of religious practice. He pointed out that the personal law of Hindus was discriminatory 'against women and contravened an Indian citizen's right to equality. Therefore, "religion must be restricted to spheres which legitimately appertain to religion, and the rest of life must be regulated, unified and modified in such a manner that we may evolve, as early as possible, a strong and consolidated nation." Ambedkar can also be put in this group since he supported the inclusion of the uniform civil code in the directive principles but said that the code would only apply to those who wanted it to apply to them.

### 3.5 Political safeguards for minorities

Simultaneously with discussing the kind of religious rights permitted by secularism, the Constituent Assembly's members also debated the political rights of minorities in a secular state. The Minorities Sub-Committee based 'itself on its members' responses to a short questionnaire on safeguards for minorities prepared by KM Munshi, and on Ambedkar's suggested safeguards for the scheduled castes. Munshi's questionnaire consisted of six queries on the nature and scope of political, economic, religious, educational and cultural safeguards for a minority at the centre and the provinces in the new constitution, on the machinery to ensure these safeguards, and on whether these safeguards would be temporary or permanent.

Ambedkar's draft contained a section on 'provisions for the protection of minorities' demanding that the representatives of the different minorities in the cabinet be elected by members of each minority community in the legislature, as well as the establishment of a superintendent of minority affairs.

Although only the scheduled castes were specifically named as a minority by Ambedkar, he did assume the inclusion of other minorities when he wrote that the share of the scheduled castes in the reserved seats in the legislatures or the services would not be at the cost of the share of the other minorities.

In his draft provisions, Ambedkar stated that social discrimination constituted the real test for determining whether a social group is or is not a minority. thus both the scheduled castes and certain religious groups were minorities in India. "since the administration in India is completely in the hands of the Hindus, and under Swaraj the legislature and executive will also be in the hands of the Hindus".

According to Ambedkar, Indian nationalism had developed a doctrine called "the divine right of the majority to rule the minorities according to the wishes of the majority. Any claim for the sharing of power by the minority is called communalism while the monopolising of the whole power by the majority is called nationalism".



In this context it was essential for equal citizenship that political safeguards for minorities be enshrined in the Constitution. The Minorities Sub-Committee following Ambedkar's draft articles began with proposals to establish, for religious minorities and for scheduled castes and tribes, separate electorates, and reservation in legislative bodies, ministries, and the civil, military and judicial services of the government as well as a Minorities Commission.

When discussions took place in the Sub-Committee in July 1947, by which time the question of partition had been decided, and the Muslim League members had also joined the Constituent Assembly, the demand for separate electorates and for reservation in the ministries and the government services was given up.

On August 8. the Advisory Committee submitted its report on minorities stating that separate electorates were to be abolished because they "sharpened communal differences to a dangerous extent and have proved one of the main stumbling blocks to the development of a healthy national life". So that the minorities did not feel threatened, the Muslims and scheduled castes were granted reservation in the legislatures, in proportion to their population, for 10 years. There was also some kind of reservation for Anglo- Indians and the question was left open for Parsees, Sikhs and tribals. There was also to be a special minority officer at the centre and each of the provinces.

When this report was considered in the Constituent Assembly on August 27, 1947, many of the members against separate electorates blamed British institutional arrangements for the communal discord in India: for instance, P S Deshmukh said that "the demon of the interests of minorities and their protection was a creation of British policy".

Members still supporting the provision of separate electorates argued that without them, the best representative of a minority community would not be elected. However separate electorates were not reinserted into the Constitution. Nor was an amendment moved by S Nagappa and supported by Ambedkar, that a scheduled caste candidate could only be declared elected to a scheduled caste reserved seat on securing at least 35 percent of votes polled by scheduled castes to that seat, passed.

In the February 1948 Draft Constitution, Articles 292 and 294 reserved seats in parliament and state legislatures for Muslims, scheduled castes, Scheduled Tribes and Indian Christians for 10 years. In February 1948, a special subcommittee of Patel, Nehru, Prasad, Munshi and Ambedkar was formed on minority problems affecting East Punjab and West Bengal.

This Committee rejected the demand of the Shiromani Akali Dal for a separate electorate on the grounds that although "it is not always easy to define communalism, there could be little doubt that separate electorates are both a cause and an aggravated manifestation of this spirit". The committee's report was quite critical of the demands of the Akali Dal and rejected every one of them since they "disrupted the whole conception of the secular state which is to be the basis of our new Constitution".

When this report was considered in the Advisory Committee in December 1948, a suggestion was made that reservations in legislative bodies should also be given up. By May 11, 1949, Muslims and Indian Christians lost their reserved seats. The understanding was that the non-Muslim League Muslims were under instructions of Maulana Azad not to press for reservation.

Nehru responded to a speech by Begum Rasul against reservation by saying. "I think that doing away with this reservation business is not only a good thing in itself, good for all concerned, more especially for the minorities, but psychologically too it is a very good move for the nation and the world. It shows that we are really sincere about this business of having a secular democracy".

In his report on this May 11 meeting, Patel wrote: "Although the abolition of separate electorates had removed much of the poison from the body politic, the reservation of seats for religious communities, it was felt, did lead to a certain degree of separatism and was to that extent contrary to the conception of a secular democratic state".

In moving this report in the Constituent Assembly on May 25, 1949, he exhorted everyone "to forget that there is anything like majority or minority in this country and that in India there is only one community".

### **3.6 Religious instruction in educational institutions**

For our next subject of state neutrality, we go back to the right to religion, and examine what happened to the issue of religious instruction. The Advisory Committee in its interim report of April 23, 1947 had stated that religious instruction must be voluntarily received in schools maintained or getting aid out of public funds.

When this clause was discussed in the Constituent Assembly on August 30, 1947, it was sought to be amended by Renuka Ray to read as follows: "No denominational religious instruction shall be provided in schools maintained by the state".

Radhakrishnan explained the reasoning behind such an amendment: "We are a multi-religious state and therefore we have to be impartial and give uniform treatment to the different religions: but if institutions maintained by the state, that is, administered, controlled and financed by the state are permitted to impart religious instruction of a denominational kind, we are violating the first principle of our Constitution." Here we see at its clearest, one understanding of secularism: impartiality to all religions means that the state must stay away from all religions.

When this article was discussed again in the Constituent Assembly in December 1948, KT Shah went further and demanded that religious instruction should be banned not only in educational institutions wholly maintained out of state funds, but also in those which were aided or partly maintained by the state. He said that he did not want education to become a menagerie of faiths. Tajamul Husain said the religious instruction should only be given at home by one's parents.

Diametrically opposite was the argument of Mohamed Ismail who believed that "the stability of society as well as of the state could be secured through a moral background which religion alone could provide, and it was in the interest of the state itself to give children a grounding in religion".

Thus there ought to be no bar on religious instruction in educational institutions, not even in those run exclusively by the state, as long as no one was compelled to accept such instruction. If religious instruction was imparted in this manner by the state. It would in no way contravene the neutrality or the secular nature of the state.

H V Kamath also supported the imparting of spiritual instruction to the citizens by the state. The "deeper import of religion the eternal values of the spirit...could be imparted by the state without violating the principle of secularism".

Further he pointed to the contradiction between this article on religious instruction and the subsequent one on the cultural and educational rights of minorities. If on the one hand, the Constitution stated that minorities were entitled to state aid and recognition to their freely run educational institutions, then how could it also ban religious instruction in state aided institutions. The only solution was to say that no pupil could be forced to attend religious instruction in state aided schools.

### 3.7 Supreme Court judgment dated Nov 25, 2024 on the word secularism in the preamble



[Source: Image](#)

Writ Petition (C) No 645 Of 2020 and Writ Petition (C) No 1467 Of 2020, Dr Balram Singh and Others, Petitioners Versus Union of India and Another. Respondents sought to challenge the insertion of the words 'socialist' and 'secular' in the Preamble to the Constitution of India by the Constitution (Forty-second Amendment) Act in 1976.

The challenge is on various grounds, namely, retrospectivity of the insertion in 1976, resulting in falsity as the Constitution was adopted on the 26th day of November 1949; the word 'secular' was deliberately eschewed by the Constituent Assembly, and the word 'socialist' fetters and restricts the economic policy choice vesting in the elected government, which represents the will of the people. Besides, it is submitted that the Forty-second Amendment vitiated and unconstitutional as it was 'passed' during the Emergency on November 2, 1976, after the normal tenure of the Lok Sabha that had ended on March 18, 1976. Therefore, it is argued, that there was no will of the people to sanction the amendments.

The writ petitions do not require detailed adjudication as the flaws and weaknesses in the arguments are obvious and manifest. Two expressions—'secular' and 'socialist' and the word 'integrity' were inserted in the Preamble vide the Constitution (Forty-second Amendment) Act, 1976. These amendments were made in 1976. Article 368 of the Constitution permits amendment of the Constitution. The power to amend unquestionably rests with the Parliament. This amending power extends to the Preamble.

Amendments to the Constitution can be challenged on various grounds, including violation of the basic structure of the Constitution. The fact that the Constitution was adopted, enacted, and given to themselves by the people of India on the 26th day of November, 1949, does not make any difference. The date of adoption will not curtail or restrict the power under Article 368 of the Constitution. The retrospectivity argument, if accepted, would equally apply to amendments made to any part of the Constitution, though the power of the Parliament to do so under Article 368, is incontrovertible and is not challenged.

While it is true that the Constituent Assembly had not agreed to include the words 'socialist' and 'secular' in the Preamble, the Constitution is a living document, as noticed above with power given to the Parliament to amend it in terms of and in accord with Article 368. In 1949, the term 'secular' was considered imprecise, as some scholars and jurists had interpreted it as being opposed to religion. Over time, India has developed its own interpretation of secularism, wherein the State neither supports any religion nor penalizes the profession and practice of any faith. This principle is enshrined in Articles 14, 15, and 16 of the Constitution, which prohibit discrimination against citizens on religious grounds while guaranteeing equal protection of laws and equal opportunity in public employment.

The Preamble's original tenets—equality of status and opportunity; fraternity, ensuring individual dignity—read alongside justice - social, economic political, and liberty; of thought, expression, belief, faith, and worship, reflect this secular ethos. Article 25 guarantees all persons equal freedom of conscience and the right to freely profess, practice, and propagate religion, subject to public order, morality, health, other fundamental rights, and the State's power to regulate secular activities associated with religious practices. Article 26 extends to every religious denomination the right to establish and maintain religious and charitable institutions, manage religious affairs, own and acquire property, and administer such property in accordance with law. Furthermore, Article 29 safeguards the distinct culture of every section of citizens, while Article 30 grants religious and linguistic minorities the right to establish and administer their own educational institutions. Despite these provisions, Article 44 in the Directive Principles of State Policy permits the State to strive for a uniform civil code for its citizens.

A number of decisions of this Court, including the Constitution Bench judgments in **Kesavananda Bharati v. State of Kerala**<sup>3</sup> and **S R Bommai vs Union of India**<sup>4</sup>, have observed that secularism is a basic feature of the Constitution. In **R C Poudyal v. Union of India**,<sup>5</sup> the Court elucidated that although the term 'secular' was not present in the Constitution before its insertion in the Preamble by the Constitution (Forty-second Amendment) Act, 1976, secularism essentially represents the nation's commitment to treat persons of all faiths equally and without discrimination. In **M Ismail Faruqui (Dr) v. Union of India**,<sup>6</sup> this Court elaborated that the expression secularism in the Indian context is a term of the widest possible scope. The State maintains no religion of its own, all persons are equally entitled to freedom of conscience along with the right to freely profess, practice, and propagate their chosen religion, and all citizens, regardless of their religious beliefs, enjoy equal freedoms and rights. However, the 'secular' nature of the State does not prevent the elimination of attitudes and practices derived from or connected with religion, when they, in the larger public interest impede development and the right to equality. In essence, the concept of secularism represents one of the facets of the right to equality, intricately woven into the basic fabric that depicts the constitutional scheme's pattern.

Similarly, the word 'socialism', in the Indian context should not be interpreted as restricting the economic policies of an elected government of the people's choice at a given time. Neither the Constitution nor the Preamble mandates a specific economic policy or structure, whether left or right. Rather, 'socialist' denotes the State's commitment to be a welfare State and its commitment to ensuring equality of opportunity. India has consistently embraced a mixed economy model, where the private sector has flourished, expanded, and grown over the years, contributing significantly to the upliftment of marginalized and underprivileged sections in different ways. In the Indian framework, socialism embodies the principle of economic and social justice, wherein the State ensures that no citizen is disadvantaged due to economic or social circumstances. The word 'socialism' reflects the goal of economic and social upliftment and does not restrict private entrepreneurship and the right to business and trade, a fundamental right under Article 19(1)(g).

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<sup>3</sup> (1973) 4 SCC 225 (13 Judges)

<sup>4</sup> (1994) 3 SCC 1 (9 Judges)

<sup>5</sup> (1994) Supp (1) SCC 324

<sup>6</sup> (1994) 6 SCC 360



The argument that the Constitution (Forty-second Amendment) Act, 1976, should be struck down due to its enactment during the Emergency and the extended period of the Lok Sabha was previously deliberated in Parliament, during the consideration of the Constitution Forty-Fifth Amendment Bill, 1978. During these deliberations, the inclusion of the words 'secular' and 'socialist' came under scrutiny. Subsequently, this Bill was renumbered and called the Constitution Forty-Fourth Amendment Act 1978. The word 'secular' was explained as denoting a republic that upholds equal respect for all religions, while 'socialist' was characterized as representing a republic dedicated to eliminating all forms of exploitation—whether social, political, or economic. However, the said amendment as proposed to Article 366 was not accepted by the Council of States.

No doubt, in ***Excel Wear v. Union of India and Others***<sup>7</sup> this Court had held that the addition of the word socialist in the Preamble may enable the Court to lean more in favour of nationalization and State ownership of industries, yet this Court recognized private ownership of industries, which forms a large portion of the economic structure. The majority judgment of this Court in the 9-Judge Constitution Bench in ***Property Owners Association and Others v. State of Maharashtra and Others***<sup>8</sup> has cleared any doubt and ambiguity, as it is held that the Constitution, as framed in broad terms, allows the elected government to adopt a structure for economic governance which would sub-serve the policies for which it is accountable to the electorate. Indian economy has transitioned from the dominance of public investment to the co-existence of public and private investment.

The fact that the writ petitions were filed in 2020, forty-four years after the words 'socialist' and 'secular' became integral to the Preamble, makes the prayers particularly questionable. This stems from the fact that these terms have achieved widespread acceptance, with their meanings understood by "We, the people of India" without any semblance of doubt. The additions to the Preamble have not restricted or impeded legislations or policies pursued by elected governments, provided such actions did not infringe upon fundamental and constitutional rights or the basic structure of the Constitution. Therefore, we do not find any legitimate cause or justification for challenging this constitutional amendment after nearly 44 years. The circumstances do not warrant this Court's exercise of discretion to undertake an exhaustive examination, as the constitutional position remains unambiguous, negating the need for a detailed academic pronouncement. This being the clear position, we do not find any justification or need to issue notice in the present writ petitions, and the same are accordingly dismissed.

Pending applications, including the applications for intervention, shall also stand dismissed.

Miscellaneous Application No 835 of 2024

1. The Miscellaneous Application is allowed. The Registry is directed to register the Writ Petition (Civil) Diary No. 14904 of 2024.
2. In view of the order passed in Writ Petition (Civil) No. 645 of 2020 and Writ Petition (Civil) No.1467 of 2020, the Writ Petition shall be treated as dismissed..

[Sanjiv Khanna CJI., Sanjay Kumar, J.]  
New Delhi; November 25, 2024.

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<sup>7</sup> (1978) 4 SCC 224

<sup>8</sup> 2024 INSC 835

### 3.8 Conclusion

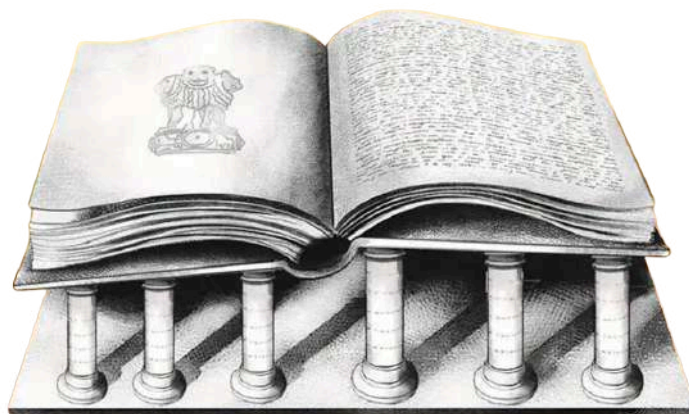
Ever since the Romantics, we have learnt that contradictions are not a problem; they capture better the complexity of anything. But surely a Constitution - a legal document - has to obey canons of consistency? Both the no-concern and equal-respect positions on secularism, when constructed strictly logically by Rajkumari Amrit Kaur and B Packer Sahib, had few takers in the Constituent Assembly.

Most members felt that neither a position demanding a right only to religious worship, the recognition by the state of no minority, whether religious, linguistic or sexual, the establishment of a uniform civil code, no political safeguards for any minority and no religious instruction in any state schools, nor its mirror opposite, claiming a right to the practice of religion, state recognition for religious as well as linguistic minorities, personal laws to be included in fundamental rights, political safeguards for all religious minorities, and religious instruction in state schools, captured the requirements of secularism in the context of India's social diversity.

The first position suffered from a 'statist' conception of nationalism, "giving an inescapably statist' orientation to the very conception of any political unity across religious communities and other social divisions". It wished to establish a direct link between the citizens and the state, by weakening all other loyalties and commitments of individuals. Apart from neglecting the importance of cultural and religious considerations to one's identity, this conception of secularism reflected a naive belief in the benign nature of the modern democratic state. The second position was weakened by its failure to provide any avenues for dissent within different religious communities.

Much more important were two intermediate positions in the Constituent Assembly, one of which sought, for instance, to combine the right to religious worship and to a uniform civil code with political reservation for minorities. This position lost, and the one which is reflected in the actual articles of the Constitution, defined the right to religion broadly as the right to religious practice, but refused to grant political safeguards to religious minorities.

Today, we are inclined to favour a conception of a secular state as an equal respecter of all religions. Can the Constituent Assembly debates throw any light on whether this conception requires not only, that religion be defined broadly by the state, but also that minorities must be granted political safeguards. Is this the only way that the state can prevent itself from becoming a Hindu state or will this added provision worsen the situation for Indian democracy?



[Source: Image](#)



# 4. A study on governance and development In Bodoland Territorial area districts of Assam

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*Nicodim Basumatary<sup>9</sup>, Bhagirathi Panda<sup>10</sup>*

## 4.1 Introduction

In developing economies, despite the potentials for accelerating economic development, there are various social, economic, institutional and geographical issues that inhibit enabling growth and development. The quality of institutions matters for economic development (Rodrick et al. 2004). The failure to factor in institutions as constraints/drivers of growth and development in developing countries during the 1980s has given rise to 'development disorder'.

Governance as an institution has come out to be one of the most pressing challenges in the entire debate of economic development syndrome today. Contemporary discourses on development put issues of "governance" at the heart of an understanding of development as such poor countries are considered poor because their governance quality is bad, and rich countries are those that have better governance quality (Besley and Persson. 2011). Those poorly governed countries do not reap the benefits of public spending on various public sectors such as health and education (Rajk-lunar and Swaroop. 2008). It has been established that good governance may either directly or indirectly impact evaluations of well being of individuals.

According to (Helliwell 2014) direct impact maybe, because people are happier living in a context of good government, and/ indirect maybe, because good governance enables people to achieve higher levels of something else that are associated to their well-being.

In Development as Freedom, Sen (2000) sees development as expanding real freedoms such as escaping morbidity, being nourished, being literate and being able to participate in social function, etc. The means to these developmental outcomes depend on the nature and state of governance such as provisioning of public services, maintaining law and order and participation of citizens in democratic franchising.

Economists agree that governance is one of the critical factors explaining the divergence in economic performance across developing countries (Khan. 2008). It has been agreed that in developing countries political corruption and poor governance inhibit economic development and social batterment (Kurtz. 2007).

A better level of governance has its impact on improvements in infrastructure, productive activities, health and education facilities and reduction of corruption (Mauro. 1995; Grindle. 2004; Banerjee and Iyer. 2005). There is also empirical evidence with respect to the access of citizens to governance mechanisms linked with development performance, discriminatory governance mechanisms leading to poor development, links between democratic governance, distribution, and standards of living (Oster. 2009; Kumar. 2013; Blaydes and Kayser. 2011).

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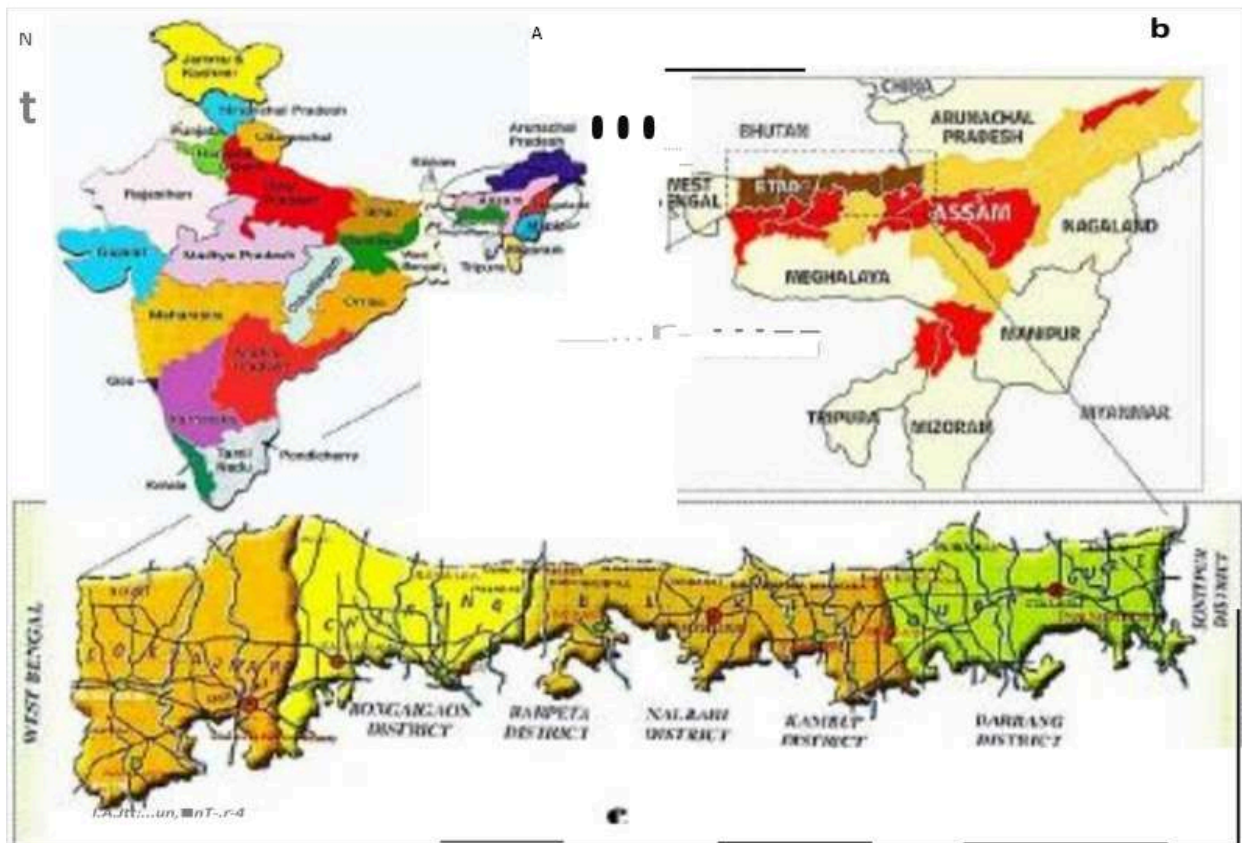
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Corruption also significantly affects the well being of individuals in society. According to a cross-country European study, Tavits (2008) found that when the level of corruption is higher, people tend to report lower levels of subjective well-being. Similarly, a study by Heukamp and Arino (2011) in a sample of 64 countries shows lower levels of corruption in a country significantly increases life satisfaction, even when taking into account many other related variables. Cheung and Leung (2007) found a significant positive correlation between perceived government accountability and life satisfaction, especially for those with less social power in China.

Rodriguez-Pose and Maslaukaite (2011) show that the greater is the level of political decentralization the greater is the degree of life satisfaction. Similarly, Ott (2011) finds that good governance lowers inequality of happiness among citizens. A study in South Africa reveals that “improvements to local services were closely associated with increases in happiness among all sectors of the population, including rural dwellers and the poor” (Moller and Jackson, 1997). Lou (2009) observed that Chinese citizens were more likely to report a high level of personal well-being when government policies are responsive to their needs, and studies also show that Government effectiveness is positively associated with life satisfaction (Fereidouni, Najdi, and Amiri, 2013; Kim and Kim, 2011).

Map of Study Area (BTAD)



Thus, many studies have empirically examined the relationship between different aspects of governance and economic development and well being at different points of time and space. What becomes evident therefore is that governance matters for economic and social development. Hence, it is a vital area of research that needs to be tested across time and space for developing appropriate policies.

In this study, we attempt to examine the relationship between the quality of governance and level of development in the Bodoland Territorial Area District (BTAD) of Assam in North East India. Thus, we developed the following research questions and hypothesis.



## 4.2 Research questions

What is the relationship between the level of development and quality of governance in BTAD?

Which dimensions of governance influence the level of development?

Hypothesis

H<sub>1</sub>: Level of development is associated with the quality of governance

The significance of the present study lies in its setup whereby BTAD is an underdeveloped area in terms of various social and economic development indicators. Bodoland Territorial Area District (BTAD) falls within the jurisdiction of the Bodoland Territorial Council (BTC). BTC is an autonomous territory within the state of Assam in India, which was created on 10th February 2003 through Memorandum of Understanding (MoU) between the Union government of India, State Government of Assam and the then militant group Bodo Liberation Tiger Force (BLTF).

BTC was created in order to provide “constitutional protection under Sixth Schedule to the said autonomous body; to fulfill economic, educational and linguistic aspirations and the preservation of land-rights, socio-cultural and ethnic identity of the Bodos; and speed up the infrastructure development in BTC area” (Bodoland Territorial Council Accord 2003). Since its inception, fifteen years have passed whereby these mentioned developmental activities have been undertaken by the government and its associated institutions in BTAD.

It is in this context; we attempt to examine the relationship between the level of development and quality of governance in BTAD. We also assess which dimensions of governance influence the level of development. In the pursuit of this exercise, we develop a framework for the analysis of quality of governance and development and their interrelationship. The study is based on data reported by the citizen's cognitive evaluations of the extent to which they perceived governance from their experiences and their achievements in various developmental parameters.

## 4.3 The unfolding concept and practice of governance

The elements of good governance and their relation to development have been reflected in a plethora of works undertaken by a number of multilateral organizations like the United Nations Development Programme and the World Bank amongst others. According to the World Bank (1992), governance is defined “as the manner in which power is exercised in the management of a country's economic and social resources”. Similarly, UNDP (1997) defines governance as the “exercise of economic, political and administrative authority to manage a country's affairs at all levels which comprises mechanisms, processes, and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences”. These broad dimensions of governance of the two international bodies have become popular and are used by many researchers and institutions to study various aspects of governance and its relation to developmental outcomes.

In the context of India, the term ‘governance’ gained currency during the liberalization of the Indian economy in the 1990s (Mathur, 2015). Subsequently, the Tenth plan (2002-2007) in India made explicit mention of the term governance whereby it was stated that “governance has in the recent times merged at the forefront of the development agenda and good governance is one of the most crucial factors required if the targets of the Tenth Plan are to be achieved”.



## 4.4 The framework of governance assessment

The empirical approach to the study of the quality of governance at the local level needs to consider the economic and social setting of the study area. In this context, we have adopted the framework of governance assessment from the Department of Administrative Reforms, Public Grievances and Pensions (DARPP 2009) which was developed keeping intact the Indian political economy context. This framework encompasses and is incongruent with the principles and constituents of the quality of governance of the World Bank and UNDP, thus making it a globally competent one.

However, we have modified the framework according to the suitability and need of our study thus contextualizing the approach. There are four dimensions of governance pertaining to measuring Quality of Governance (QoG) that have been used in this study namely: Political (PoQD), Legal and Judicial (LJQD), Administrative and Public Service Delivery (APSDQD) and Economic and Social dimensions (ESQD). Each of these dimensions has been captured by several other attributes of governance. These dimensions of the quality of governance (QoG) has been discussed in the following and depicted in figure 1.

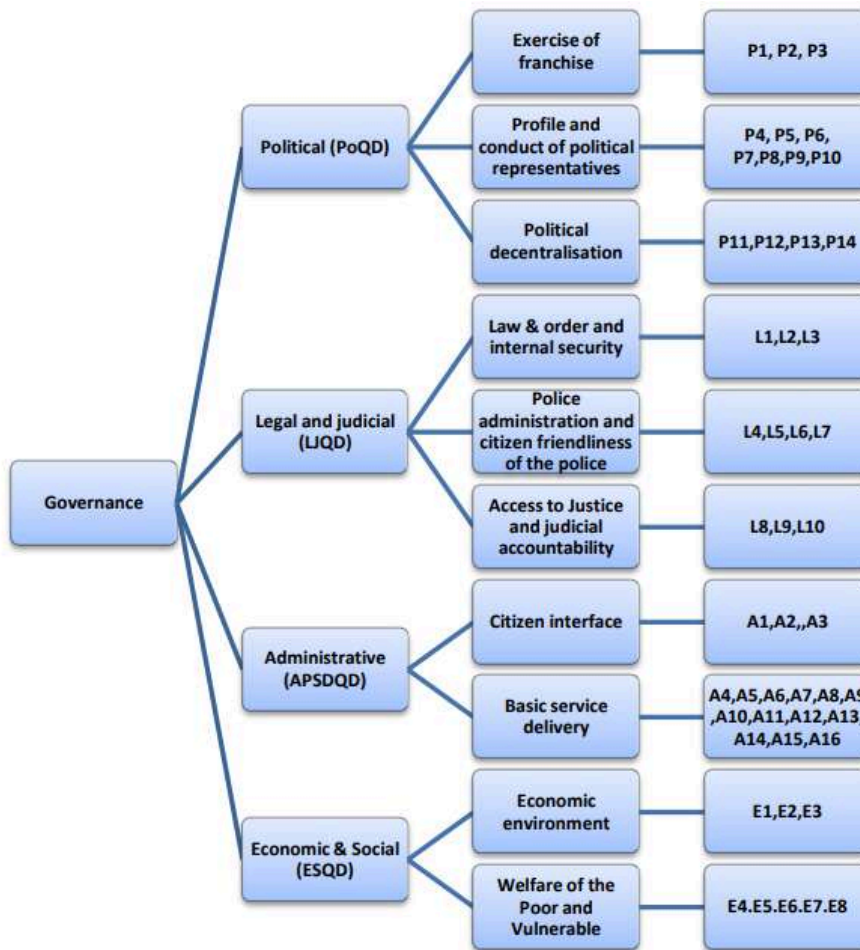
**Political Quality Dimension:** Political Quality Dimension (PoQD) assesses the perceptions of the people in matters of conduct of individuals and institutions representing the people, contestation and use & abuse of political authority, decentralization and citizen's faith in the political system. This component has been captured by the questions: whether they have voted in the last council election, whether there were any incentives offered by any political parties in cash/kind or whether the election was held in a peaceful environment. Another political dimension of governance pertains to asking the public about the accessibility to the elected leaders, their transparency and accountability, and the performance/functioning of the Village Council Development Committee (V CDC), Town council/Municipalities.

**Legal & Judicial Quality Dimension:** The state is vested with coercive power to maintain law and order the state must ensure that every individual has the right to justice. This function of the state has vital implication for economic activity that when the general law and order is seen to be poor; investors, businesses, etc. are affected, which has detrimental effects on the economic environment and employment opportunities of the people. Under the Legal and Judicial Quality dimension (LJQD), we seek to assess prevailing law and order wherein citizens' lives and property are generally safe and secure. This component has been captured by asking the questions related to trust in the police/judiciary and other security measures served by the administration.

**Administrative and public service delivery:** Provision of public services is the most important function of the state. The citizens of a country, especially the poor and disadvantaged, depend on the government for various public services such as basic infrastructure, education, primary healthcare, water, and sanitation, etc. For the majority of the population, this reflects governance – good or otherwise. The Administrative and Public Service Delivery Quality Dimension (APSDQD) is captured by asking the respondents about their accessibility to the public services, the nature of the response to the needs of the general public and their grievances, perceptual level of corruption, etc.

**Economic and Social Dimension:** The Economic and Social Quality Dimension (ESQD) looks at the ability of the state to cater to the needs of the poor sections of the society and to create a conducive environment for economic activity to take place. This component pertains to those aspects of economic governance which affect the livelihood of the people within the territory and includes general investment climate, credit facility, infrastructure, etc. This component has been captured by asking the respondents whether they avail benefits of social security schemes such as monthly ration, housing, etc. And also, respondents were asked about their treatment in public places due to being different in religion, caste/community, etc.

**Figure 1:** Framework of Governance Quality Analysis



**Sources:** Adapted with modification from D.A.R.P.P (2009)

The framework of governance analysis as depicted in figure 1 is the basis of our study. Governance constitutes four dimensions namely Political (PoQD), Legal and Judicial (LJQD), Administrative and Public Service Delivery (APSDQD) and Economic and Social dimensions (ESQD); and these dimensions have been captured by forty-eight indicators. The last branch in figure 1 (i.e. P1, P2, P3, ..., E6, E7, E6) depicts the indicators that have been used in the questionnaire to draw the data.

## 4.5 Contextualization of development

Economic development implies an improvement in the standard of living and well being. According to Sen (1988) in order to assess “what kind of a life the person has succeeded in living, we have to take a more integral view of that person's life apart from the real income enjoyed by a person in a given year, which otherwise reflects at best only the extent of wellbeing enjoyed by that person at that period of time”.

Hence we posit that broader evaluation of the level of development of individual/society has to be undertaken in a multidimensional framework and should include economic status, social status, and empowerment. A household/individual may be economically poor but maybe rich in other dimensions of social status and empowerment and vice versa.

The present study considers three dimensions of development viz. economic, social and empowerment for evaluation of a household/societal level of development that has been discussed in the following.





*Source: Image*

**Economic:** This dimension assesses the economic status of the household. There are different ways to assess the economic condition of a household; one very fundamental indicator that has been rigorously used in economic analysis is the income.

However, with the genesis of various dimensions of development, income has been considered only as a means to end; hence we include two components of economic status in this study namely: income and assets. Assets in this study include durable goods such as Television, Mobile Phones, Motor vehicle, Bi-cycle, etc. and household characteristics such as type of floor, roof, presence of drinking water facilities, separate kitchen, toilet, etc.

Shariff (2017) in his analysis of district development for some Indian states constructed the 'composite district development index' using both income and assets as measures of economic status and material wellbeing respectively. Income variable and asset measure may be correlated; however, the two might reflect different dimensions of economic well being (Gasparini et al., 2008; Lora, 2008; Headey and Wooden, 2004; D'Ambrosio et al., 2009).

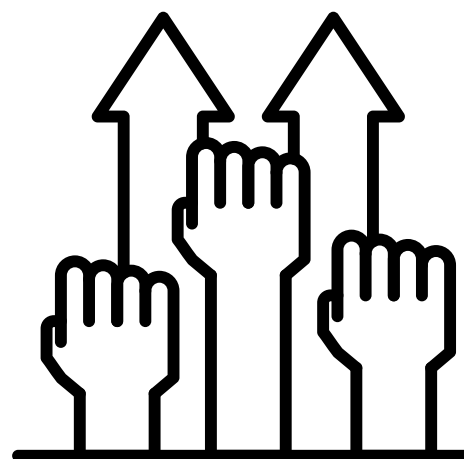
Income reflects the short run wealth and long-run wealth can be derived by nonmonetary assets which give an understanding of the long-run financial conditions of individuals and households (Kuypers, 2018). In a primary study as this one, it appears that sometimes a household may be poor in terms of monetary income but when we consider household assets including livestock, land, carts, television, etc., it balances out in comparison with those counterparts who are rich monetarily. Therefore, overlooking wealth in terms of assets apart from the direct income flows misses much of the scope for analysis of the level of development.

**Social:** Social dimension of development analysis has been captured by the health and educational status in empirical studies by researchers and institutions such as in UNDP Human Development Index (HDI), Sustainable Society Index (SSI), and Composite Global Well-Being Index (CGWBI) among others.

In this study also, we use educational achievement and health status in the analysis of social development. According to Diener et al. (1997) development must be able to make an individual healthy and knowledgeable.



**Empowerment:** This dimension is another very important part of the analysis of development; an individual who claims to be developed, /he must be empowered too. However, it is a complex dimension to deal with and not everyone accepts that empowerment can be clearly defined, let alone measured (Kabeer, 1999). In this study, empowerment is analyzed from the perspective of women empowerment.



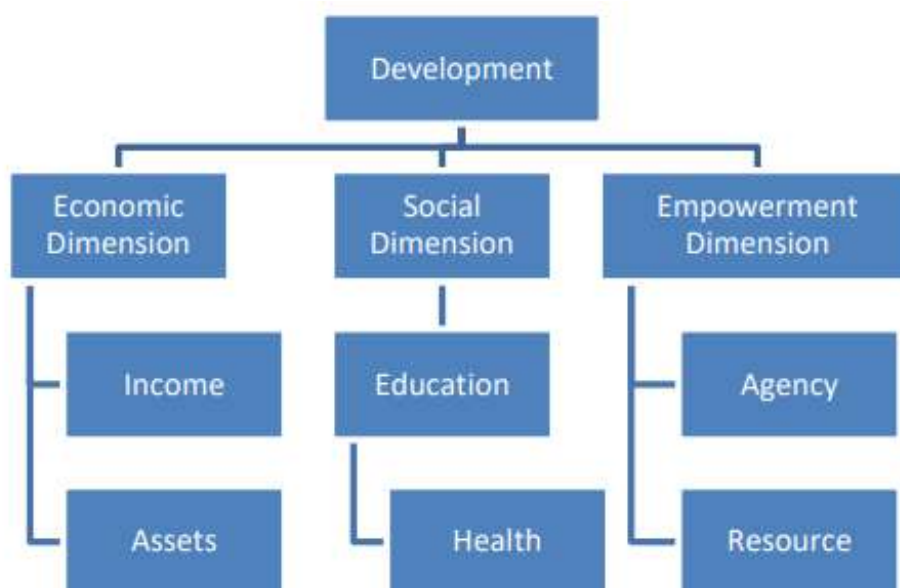
The inclusion of women empowerment in development analysis is significant in India for the well-being of the entire household (Kishor and Gupta, 2004). We ascribe to the empowerment domains of resources and agency space (Mahmud and Tasneem, 2014) in evaluating the status of women empowerment in this study.

Being able to make independent decisions with respect to political participation, social practices (religion, festival) and marriage, etc. are important indicators of empowerment (Charmes and Wieringa, 2003). The empowerment aspect of the developmental analysis is what Sen (1985) terms as capabilities: the potential that people have for living the lives they want. In the field investigation, questions related to empowerment were asked within the domains of resource (economic), agency (socio-cultural), and agency (interpersonal). These dimensions deal with the decision making and power of the women in their personal decision and household functioning.

Based on the above discussions, our evaluation of development is based on the framework as depicted in figure 2.

It constitutes three dimensions of development namely economic, social and empowerment. Under “economic dimension”, income and assets have been used as the indicator; under “social dimension” education and health are used as the indicator and empowerment dimension has been captured by the domains of agency and resource.

**Figure 2:** Framework of Development Analysis



Sources: Authors' Concept

## 4.6 Data and Methodology

Bodoland Territorial Area District (BTAD) which is the study site is situated on the lower Assam within India's North Eastern Region (Figure 3) It comprises of four districts (Kokrajhar, Chirang, Baksha, and Udalguri) and has a population of about 3,155,359 (in lakh) and an area 8,821.68 sq.km (Census 2011). In this study, we have purposively selected two districts of BTAD, namely Kokrajhar and Udalguri. We selected six Community Development Blocks (CDB) from each district and from the selected CDBs, 17 villages were sampled to collect data at the household level.

Households were randomly selected from the sample villages and from each household, an adult member above 18 years was randomly chosen as the respondent. The present study used data from the field survey of 400 households in both rural and urban areas of the two districts. The method used to collect the data was direct personal investigation through a scheduled questionnaire which is given in the appendix. A field survey was conducted by the author from February to May 2018.

**Construction of Indices:** Our analysis is based on the index value of governance and development variables. We have constructed Composite Quality of Governance Index (QoGI) on the basis of four sub-indices of governance namely: Political Quality Dimension (PoQD), Legal and judicial (LJQD), Administrative (APSDQD) and Economic & Social (ESQD). Similarly, for the development variable, we have constructed Composite Development Index (CDI) on the basis of three sub-indices of development namely: Economic Index (Ecl), Social Index (Sol) and Empowerment Index (Empl).

In order to obtain the Composite Development Index (CoDI) and the Quality of Governance Index (QoGI), we follow the following steps:

Step 1: The values in each indicator of a sub-dimension have been summed up to get the Sub-dimensional Score.

Step 2: Having derived the dimensional score, we have standardized the values by the following method: Where  $X_{ij}$ , is the standardized score of  $j$  sub-dimensions and  $i$  households,  $i=1,2,3,\dots,400$

Step 3: Standardised Dimensional score obtained have been used to obtain the value of the dimensional index by the following equation:

Where  $C_{ij}$  is one of the components of governance/development dimensions; index  $X_{ij}$  is the subcomponent that constitutes the main component ( $C_{ij}$ ) and  $n$  is the number of sub-components.

Step 4: Having obtained the Dimensional index ( $C_{ij}$ ), the next step is weighting. We have used the method of Principal Component Analysis to derive the weights for each dimension.

We computed the weighted dimensional index as follows:

Where,  $Z_{ij}$  is the weighted dimensional score of  $j$  dimension;  $w_j$  is the weight of  $j$  dimension and  $X_{ij}$  is the actual score of the dimension, where  $i=1,2,3,\dots,400$

Step 5: Finally, the Composite Indexes obtained by taking the average of the  $Z_{ij}$  i.e.

Where,  $Y_i$  is the Composite Index (QoGI or CoDI);  $i=1,2,3,\dots,400$  and  $N$ = total number of dimensions. The value of the composite index lies between 0 and 1. The value closer to 1 shows a higher level of development/better governance and value closer to 0 represents a poor level of development/governance.

## 4.7 Results and discussion

**Correlation Analysis:** Pair-wise Spearman correlation analysis indicates the existence of important relationships between variables of governance and development (see Table 1). The correlation results between the level of development (CoDI) and Quality of governance (QoG) in BTAD is found to be positive and significant ( $p < .05$ ). This implies that improvements in economic and social development and empowerment are related to the quality of governance.

When we examine the correlation across dimensions of QoGI and CoDI, we find that CoDI & LJQD and QoGI & Empowerment do not have significant relationship. Nevertheless, the positive correlation between these dimensions of development and governance is indicative of the fact that improvements in LJQD and QoGI will have a positive impact on the CoDI and Empowerment respectively.

However, a very significant relationship (0.01 level) is observed between the CoDI and APSD which is suggestive of the fact that as administrative and public service delivery dimensions of governance improve, there will also be improvement in the level of development. Similarly, we find that CoDI and Political dimensions of governance (PoQD) are correlated at 0.05 level of significance. We also find that QoGI is significantly associated with economic and social development dimensions.

Despite the results of positive and significant correlations of the considered variables of development and governance in the BTAD as a whole, when we examine it district wise sharp differences were observed in the direction of the relationship between QoGI and CoDI and their components. This depicts the regional disparity in the study area and therefore uniform developmental policy framework is envisaged for balanced spatial development.

The result shows that in Udalguri there is a negative relationship between CoDI & QoGI, CoDI & LJQD, CoDI & APSD, and QoGI & Empowerment. The positive relationship is observed only in the case of CoDI & PQDI, QoGI & Economic and QoGI & Social; although the relationship is not statistically significant. This result, however, is not surprising. When we proposed this study, it was striking in our minds that if we are to evaluate the level of development and governance in BTAD, then we must take a representative sample of both population and places in BTAD.

Therefore, out of the four districts in BTAD, the district of Udalguri was purposively chosen along with Kokrajhar, so that we can examine the results of study at the farthest place from the headquarter of BTAD. Having visited the places in Udalguri during our field survey, we observed that people's perception of governance and development about their locality as compared to Kokrajhar is poor.

The infrastructural facilities such as roads and bridges and other social services such as educational facilities are perceived to be poor and opined that all the developmental works have been driven towards Kokrajhar.

It is fair to say that the majority of the developmental works under BTAD have been undertaken in Kokrajhar district until recent years. For instance, apart from other infrastructural development, prominent ones are in the educational sectors such as the establishment of ITI, Bodoland University, Central Institute of Technology (CIT), Bineswar Brahma Engineering College, Medical College, etc.

This perception of being deprived of developmental facilities might be a reason for the negative correlation in Udalguri. However, in Kokrajhar district, there exists a positive correlation across all dimensions of governance and development and the relationship is statistically significant at  $p < 0.01$  in the case of CoDI & QoGI, CoDI & APSD, QoGI & Empowerment.

On the other side, the QoGI & Economic dimension of development has a positive significant relationship at  $p < .05$ . Although the relationship between CoDI & LJQD and QoGI & Social is positive, it is not statistically significant.

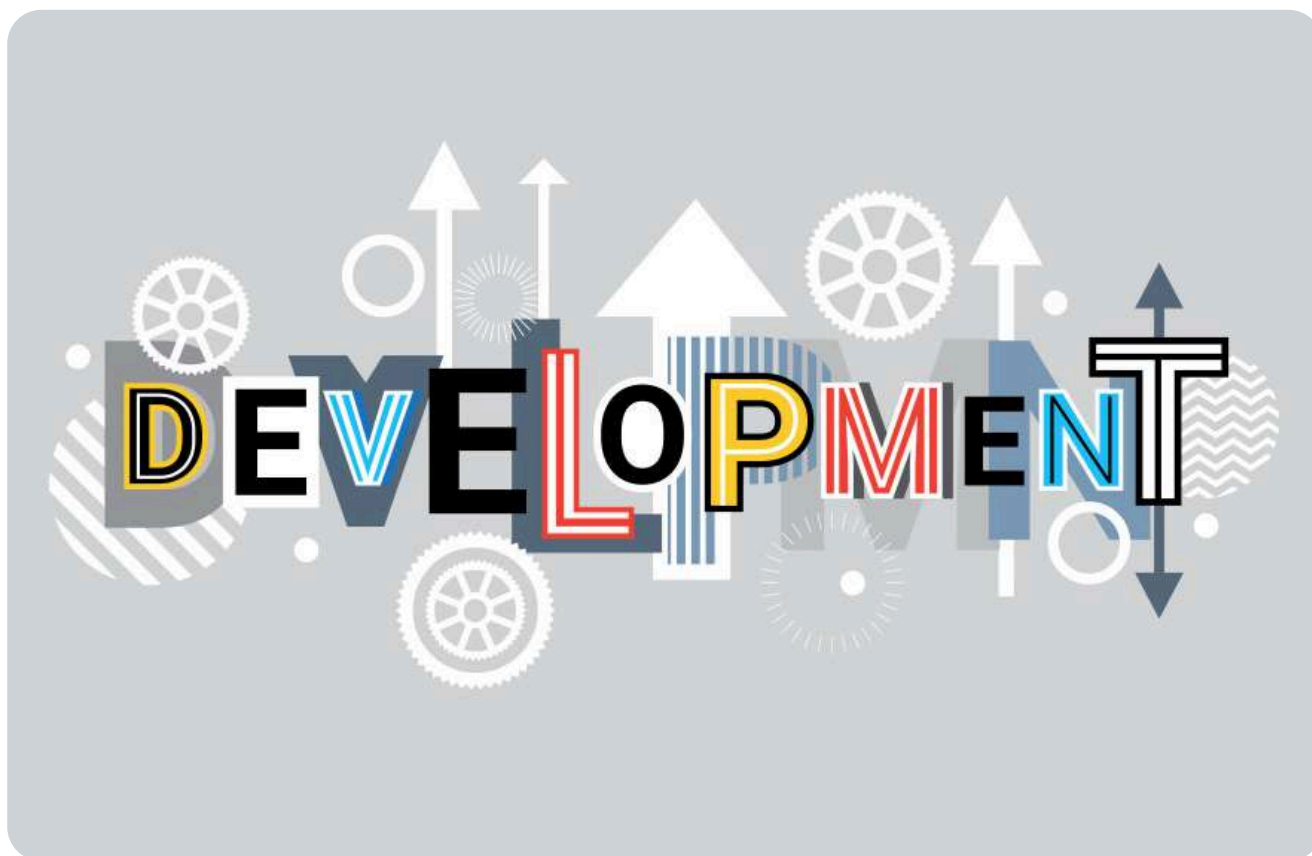
**Table 1:** Rank Correlation between CoDI and QoGI, CoDI and dimensions of QoGI

Study Area	N	CoDI/ QoGI	CoDI/P QDI	CoDI /LJQ D	CoDI /APS D	CoDI/ ESD	QoGI/Economic	QoGI/Social	QoGI/Empowerment
Kokrajhar	210	.222**	.113	.114	.223**	.134	.154*	.113	.241**
Udalguri	190	-.015	.088	-.022	-.023	-.103	.004	.102	-.088
BTAD	400	.121*	.106*	.050	.130**	.035	.099*	.114*	.092

\*\* denotes significance of correlation at the 0.01 level

\* denotes significance of correlation at the 0.05 level

**Sources:** Author(s) calculation based on field survey data



*Source: Image*



## 5. Youth employment and entrepreneurship opportunities in Ladakh's tourism sector

Vivek Saxena and Sharmila Ronanki



### 5.1 Purpose and scope of the study

The study aims to systematically evaluate the potential and challenges associated with youth employment and entrepreneurship in Ladakh's tourism sector. By examining the current employment landscape, identifying entrepreneurial opportunities, analyzing skill gaps, and recommending strategic interventions, this report provides a comprehensive understanding of how youth can drive and benefit from the region's tourism growth.

Youth entrepreneurship in Ladakh's tourism sector is crucial for the region's economic development. Young entrepreneurs stimulate local economies, create jobs, and promote sustainable tourism practices. Dispersing tourism benefits throughout Ladakh, even remote areas can experience economic upliftment.

However, the region faces challenges such as limited infrastructure, road connectivity, telecommunications, medical services, and emergency facilities. Addressing these issues through targeted sustainable development plans, quality homestay development, waste management systems, and skill training programs is essential. Supporting young entrepreneurs with these resources and strategies will unlock the full potential of Ladakh's tourism sector, driving significant economic growth and social prosperity.

This report investigates youth employment and entrepreneurial opportunities within Ladakh's tourism sector. It aims to:

- 1. Assess the Current Employment Landscape:** Examining existing employment opportunities and skill requirements within Ladakh's tourism sector, including understanding current job roles, demand-supply dynamics, and workforce distribution.



2. **Identify Entrepreneurial Opportunities:** Exploring and categorizing potential business opportunities for youth in tourism-related ventures, identifying emerging trends, business models, and market needs.

3. **Analyze Skill Gaps and Training Needs:** Providing a detailed analysis of skill gaps and training requirements necessary to boost youth employability and entrepreneurial capabilities, proposing targeted training programs and educational initiatives.

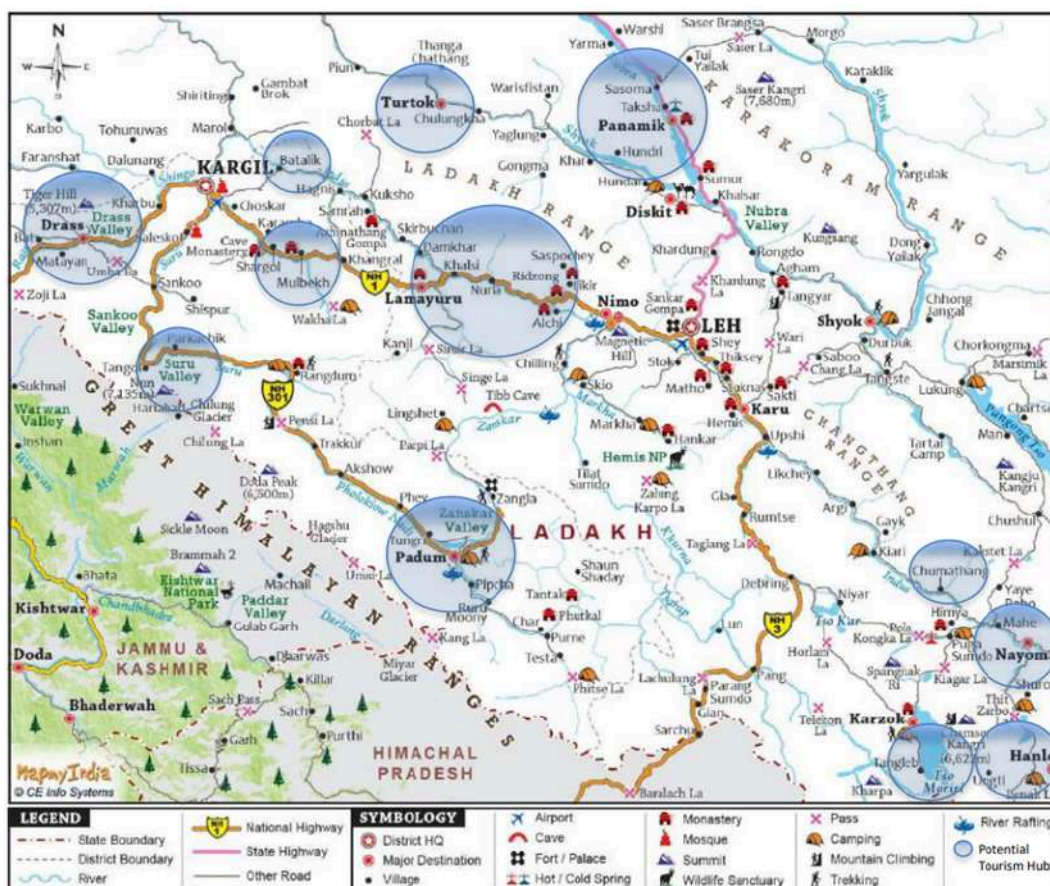
4. **Recommend Strategic Interventions:** Developing actionable recommendations for policymakers, training institutions, and industry stakeholders to promote sustainable employment and entrepreneurial growth, enhancing the overall impact of youth in Ladakh's tourism sector.

## 5.2 Introduction to Ladakh

Ladakh, a remote region in the northern Indian Himalayas, is distinguished by its dramatic landscapes and distinct cultural heritage. The region, situated between the Karakoram and Himalaya mountain ranges, includes the districts of Leh and Kargil. It is renowned for its high-altitude deserts, snow-capped peaks, and pristine lakes, drawing numerous visitors for adventure tourism, spiritual retreats, and cultural experiences.

### 5.2.1 Geography and Demographics

Ladakh, a Union Territory (UT) in India, spans an area of approximately 59,146 square kilometers. The region is known for its rugged terrain, with an overall population of around 274,289 as per the 2011 Census. Ladakh is home to some of the highest peaks in the world, including Saser Kangri, which stands at 7,742 meters. The average elevation of the region is about 3,500 meters, contributing to its unique climatic and environmental conditions.



### 5.2.2 Leh District

**Leh Town and Surrounding Areas:** Connectivity: Connected via National Highway 1 to Srinagar and via Leh-Manali Highway to Manali. These roads are only open from May to November, but local roads remain open year-round. Leh airport has flights to Delhi, Srinagar, Jammu, and Mumbai. Demographics: The population decreases by 15-20% from summer to winter as residents move to warmer areas. Tourism Concentration: Nearly 70% of tourists are concentrated in four wards—Changspa, Tukcha, Shenam, and Leh main market. Development Needs: Improved roads, tourist signages, facilitation centers, and solid waste management systems.

**Nubra Valley (Diskit, Hunder, Turtuk):** Tourism Development: Diskit and Hunder are well-developed with campsites, hotels, and guesthouses, known for sand dunes and Bactrian camels. Turtuk, with its cultural and natural attractions, needs further infrastructure development. Potential: The area between Hunder and Turtuk has significant potential for eco-tourism, adventure tourism, heritage tourism, and rural tourism.

**Saspol and Alchi:** Tourism Activities: Known for Buddhist caves, monasteries, trekking, and river rafting. Promotion of homestays and adventure activities is needed.

**Panamik:** Unique Attractions: Famous for its hot springs and proximity to the Indo-Tibetan border. The area is overcrowded with tourists, and additional tourist infrastructure is required.

**Chumathang and Nyoma Belt:** Eco and Wellness Tourism: Known for hot sulfur springs and peaceful environments. Requires more tourist accommodations, restaurants, and eco-tour packages.

**Hanle:** Astro-Tourism: Home to the Indian Astronomical Observatory, the highest in the world. Promoting community-based astro-tourism and nomadic experiences can enhance tourism.

### 5.2.3 Kargil District

**Kargil Town:** Historical Significance: Historically a trade center, now attracting tourists for its unique landscape, heritage sites, and adventure tourism potential.

**Drass:** Winter Sports and Patriotic Tourism: Potential for winter sports, eco-tourism, and patriotic tourism. Requires homestays, hotels, and ski resorts.

**Zaskar:** Adventure and Buddhist Tourism: Known for monasteries and adventure sports like skiing and trekking. Requires development of tourism units, wayside amenities, and road connectivity.

**Batalik, Aryan Valley:** Cultural and Eco-Tourism: Known for unique cultural traditions and festivals. Development of tourism and homestay infrastructure is needed.

**Mulbekh Wakah Cluster:** Skiing and Buddhist Sites: Ideal for skiing infrastructure and promoting Buddhist sites. Homestays should be the focus over large hotels.



## 5.3 Demographic overview

Sub-district	Population (2011)	Population Growth (2001-11)	Area (sq km)	Population Density (persons per sq km)
Kargil	86,461	13.87%	14,036	4.63
Drass	15,295	18.02%	3,452	4.43
Sankoo	12,486	12.50%	1,258	9.93
Shakar-Chiktan	10,832	10.30%	987	10.98
Taisuru	14,737	15.20%	786	18.75
Zanskar	13,687	11.80%	654	20.92
Leh	93,961	20.45%	45,110	0.68
Nubra	15,689	18.50%	7,830	2
Durbuk	9,906	14.10%	6,570	1.51
Khalatse	8,046	16.70%	3,480	2.31
Kharu	6,397	19.20%	2,650	2.41
Saspol	6,589	17.30%	1,980	3.33

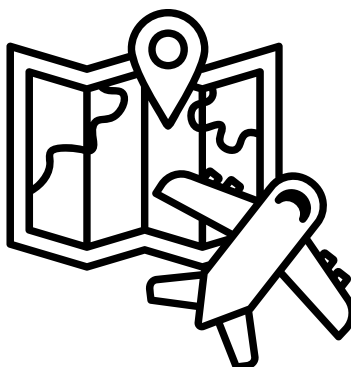
## 5.4 Economic overview

Ladakh's economy is diverse, with significant contributions from tourism, agriculture, trade, local crafts, and emerging industries. This overview provides a detailed analysis of each sector, highlighting their contributions to the region's GDP, challenges, and opportunities for youth engagement. Per Capita Income: As of the latest available data, Ladakh's per capita income stands at ₹1,85,000 (approximately USD 2,240) for the year 2021-22.

### Key Economic Sectors

**Tourism:** Tourism is the cornerstone of Ladakh's economy, contributing approximately 50% to the region's GDP.

- **Economic Contribution:** Tourism accounts for a substantial portion of the region's GDP, estimated at around 50%.
- **Employment:** Engages a significant portion of the youth in various roles including tour guides, hospitality, and adventure sports.
- **Tourist Arrivals:** Ladakh attracts hundreds of thousands of visitors annually, with a notable increase in both domestic and international tourists over the past decade.





**Agriculture:** Agriculture in Ladakh, while limited due to the harsh climate, contributes around 15% to the region's GDP.

- Land Holdings: Average land holdings range from 0.5 to 2 hectares per household.
- Crops: Primarily includes barley, wheat, and vegetables. Horticulture, such as apricots and apples, provides additional income.
- Livestock: Sheep, yak, and dairy farming are significant, providing wool, milk, and meat.

Challenges: The harsh climate and limited growing season constrain productivity.

**Trade and Local Crafts:** Trade and local crafts contribute around 10% to Ladakh's GDP, playing a vital role in the local economy.

- Trade: Historically centered in Kargil, cross-border trade with regions like Central Asia, China, and Pakistan has been significant, particularly in goods like wool, carpets, and textiles.
- Local Crafts: Handicrafts, including traditional textiles, thangka paintings, and metalwork, are important for local livelihoods. These crafts are often sold to tourists, adding to the regional economy.



[Source: Image](#)

**Emerging Industries:** Emerging industries, including renewable energy and digital employment, are beginning to shape Ladakh's economic landscape.

- Renewable Energy: With its abundant sunlight, Ladakh has significant potential for solar energy projects. Major projects include solar power plants and initiatives to harness wind energy.
- Digital Employment: There is a growing interest in digital jobs and remote work opportunities, particularly among the youth.
- Youth Entrepreneurship: Youth entrepreneurship in Ladakh has seen a steady increase over the past five years, with many young people starting businesses in tourism, crafts, and digital sectors. The number of young entrepreneurs has increased by approximately 20% over the past five years. Various government and non-governmental programs support youth entrepreneurship through training, funding, and mentorship.



## 5.5 Tourism sector overview

The tourism sector is a cornerstone of Ladakh's economy, drawing significant numbers of visitors each year to its unique landscapes and cultural heritage. The sector has seen substantial growth, contributing notably to local livelihoods and infrastructure development. Managing this growth sustainably and addressing challenges related to infrastructure and seasonality are critical for future success.

Ladakh's tourism industry primarily focuses on adventure tourism, cultural tourism, and eco-tourism. The region attracts tourists for its high-altitude treks, Buddhist monasteries, and scenic beauty. Key zones within Ladakh have varying levels of tourism infrastructure, including guesthouses, hotels, and homestays.

**Table1: Tourism Data by Zone**

Zone	Number of Registered Guesthouses	Number of Rooms	Annual Tourist Influx	Seasonal Variability	Key Attractions
Leh District	150	3,000	300,000	High in summer, low in winter	Leh Palace, Shanti Stupa, Pangong Lake, Nubra Valley
Nubra Valley	50	800	50,000	Moderate seasonal impact	Sand Dunes, Bactrian Camels, Hunder, Diskit Monastery
Zaskar Region	30	500	30,000	Very low in winter	Zaskar Monasteries, Padum, Stongdey Monastery
Kargil District	40	600	20,000	Low in winter	Kargil War Memorial, Drass, Suru Valley
Changthang Region	10	200	10,000	Extremely low in winter	Hanle Observatory, Nomadic Experiences

### 1. Leh District:

- Tourist Hub: The central hub of tourism activity in Ladakh, Leh sees the highest number of tourists, concentrated in its main market and surrounding areas.
- Infrastructure: Guesthouses and hotels are often fully booked during the peak summer months. Efforts to improve infrastructure, including better signage and waste management, are essential to accommodate the growing number of visitors.
- Key Attractions: Leh Palace, Shanti Stupa, and Pangong Lake are major attractions.

### 2. Nubra Valley:

- Unique Landscape: Known for its unique desert landscape and cultural sites, Nubra attracts a moderate number of tourists.
- Development Potential: Significant development has occurred, but there remains potential for further growth in eco-tourism and adventure tourism, particularly in areas like Turtuk and Hunder.
- Key Attractions: Sand Dunes, Bactrian Camels, and Diskit Monastery are popular with visitors.



### 3. Zaskar Region:

- Cultural Heritage: Despite its rich cultural heritage and natural beauty, Zaskar remains less developed in terms of tourism infrastructure.
- Seasonal Challenges: Harsh winter conditions limit tourist activity, but with improved accessibility and infrastructure, the region has the potential to become a major destination for adventure and cultural tourism.
- Key Attractions: Zaskar Monasteries and Padum are key attractions.

### 4. Kargil District:

- Historical Significance: Kargil, with its historical significance and scenic landscapes, attracts a smaller number of tourists compared to Leh.
- Enhancement Opportunities: Improving air connectivity and developing rural tourism destinations can enhance Kargil's tourism appeal.
- Key Attractions: Kargil War Memorial and Drass are noteworthy sites.

### 5. Changthang Region:

- Remote Beauty: Home to high-altitude attractions like the Hanle Observatory, Changthang is less frequented by tourists due to its remote location and extreme weather conditions.
- Potential Development: Promoting community-based tourism and developing infrastructure could boost tourism in this region.
- Key Attractions: Hanle Observatory and nomadic experiences are unique offerings.

Tourism contributes approximately 50% to Ladakh's GDP, highlighting its critical role in the regional economy. It engages a significant portion of the population, particularly the youth, in various roles such as tour guides, hospitality workers, and adventure sports operators. Efforts are needed to ensure sustainable tourism practices to preserve the natural and cultural heritage of Ladakh while accommodating increasing tourist numbers.

The tourism industry in Ladakh is largely managed by tour operators from major Indian cities such as Delhi, Pune, and Bangalore. These operators organize comprehensive travel packages, while employing local residents primarily on a daily wage basis. This model provides immediate job opportunities but often limits long-term economic benefits for the local community.



## 5.6 Employment Opportunities

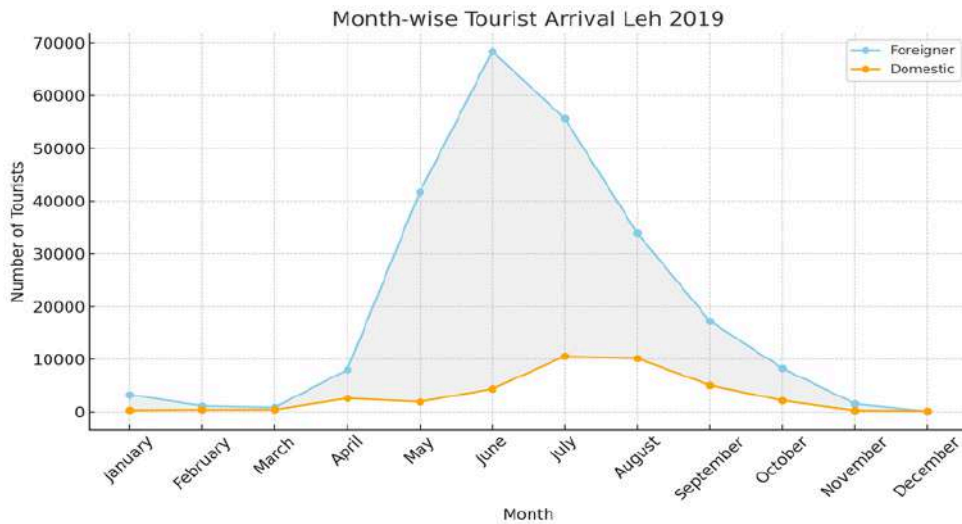
Tourism has created diverse employment opportunities for local youth, engaging approximately 8,000 to 10,000 individuals in various activities:

Activity	Estimated Number of Employed Youths
Guesthouses and Homestays Management	2,000 - 3,000
Local Tour Operators	1,500 - 2,000
Adventure Tourism (Guides, Support Staff)	2,500 - 3,000
Backup Staff and Drivers	500 - 700
Winter Sports and Activities	500 - 800
Other Support Roles (Admin, Customer Service)	300 - 500

- Homestays and Boutique Hotels: Young entrepreneurs are establishing homestays and boutique hotels, leveraging Ladakh's cultural and natural appeal to offer personalized services.
- Adventure Tour Companies: New businesses focus on adventure tourism activities such as trekking, rafting, and mountaineering.
- Crafts and Organic Products: Businesses providing crafts, organic products, and traditional cuisine are gaining popularity among tourists.
- Eco-Tourism: Emphasis on sustainable practices and eco-friendly accommodations is growing.
- Adventure Sports: Expansion in activities like trekking, rafting, and mountaineering.
- Spiritual Tours: Increasing interest in Buddhist monasteries and spiritual retreats.
- Star Gazing: Ladakh's clear skies offer unique opportunities for astro-tourism.
- Winter tourism in Ladakh is becoming increasingly popular, offering unique opportunities such as:
  - Skiing and Snowboarding: The region's snow-covered slopes attract adventure enthusiasts.
  - Chadar Trek: A winter trek on the frozen Zaskar River, providing seasonal employment for guides and support staff.
  - Winter Sports: Including ice hockey and snow trekking, creating seasonal jobs for instructors and event organizers.

## 5.7 Tourism in Ladakh

Ladakh's tourism sector is a critical component of the region's economy, characterized by a seasonal influx of visitors and a range of niche tourism activities. Tourism in Ladakh exhibits strong seasonality, with peak activity during the summer months (June to September) and minimal activity during winter (Sharma, 2020). This seasonal pattern leads to fluctuating employment opportunities, often resulting in intermittent work for local youth.



Source: Source: Tourism Department, Leh

### Tourism Activities:

- Bike Tours: Popular among adventure tourists, bike tours attract a significant number of visitors during the peak season (Dhawan, 2020).
- Monastery Tours: These cultural tours are a major draw for tourists interested in Ladakh's heritage (Chaudhary, 2019).
- Trekking: Ladakh's rugged terrain offers numerous trekking routes that are popular with adventure enthusiasts (Wani & Kumar, 2020).



Source: Image

### 5.7.1 Youth entrepreneurship

Many local youths are employed on a daily wage basis, often working as marshals, mechanics, or guides for companies from other regions (Sangra, 2021). Tourism-Related Ventures: Opportunities include small-scale tour operations, souvenir shops, and local eateries (Zhang & Zhang, 2018).

Youth entrepreneurship, particularly in tourism-dependent regions like Ladakh, faces both significant opportunities and considerable challenges. The entrepreneurial landscape is marked by a mix of self-employment, seasonal work, and business ventures in the tourism sector.

Many local youths engage in self-employment, often in the form of small-scale ventures related to tourism, such as local handicrafts, tour guiding, and small shops (Beine, 2019). Similar to tourism employment, youth entrepreneurship in Ladakh is also influenced by seasonal variations, affecting the viability and sustainability of small businesses (Schröder & Ratten, 2020).

Entrepreneurs often face skill gaps in business management, marketing, and financial literacy (Raj, 2019). Access to training programs, financial support, and mentorship is critical for fostering successful youth-led ventures (Sharma, 2020) but is not available.

### 5.7.2 Survey of youth in tourism sector

**Table 2: Demographic Details of Sample**

Demographic Factor	Details
Total Sample Size	50 participants
Age Range	18-50 years
Gender Distribution	Male and Female participants
Educational Background	8th Standard to College Graduates

**Table 3: Sample Distribution by Category**

Category	Number of Participants	Percentage of Total Sample
Youths in Tourism Activities	20	40%
Homestay Owners	10	20%
Small Business Owners	15	30%
Self-Help Groups (SHGs)	5	10%

**Table 4: Types of Employment, Daily Wages and Businesses**

Business Type	Description	Earnings (INR)
Marshalls	Guide tours, especially for motorcycle and adventure tours, working with agencies.	~1,000 (per Day During Season)
Backup Guys	Operate pickup vans for transportation, including vehicle and mechanic costs.	~4,000 (Per Day During Season)
Tours and Travel Agency Owners	Operate guided motorcycle and adventure tours during peak summer season.	3,00,000 - 700,000 Per Season
Small Shops	Sell local handicrafts, souvenirs, and food items to tourists.	2000 - 3500 Sales Per day during season
Self-Help Groups (SHGs)	Produce and sell traditional goods and services cooperatively.	Varies by group



## 5.8 Findings

- Income and Employment Conditions:** Out of the 20 youths, 15 (75%) working as marshalls or backup operators manage their own pickup vans, which they purchased through EMIs. These individuals earn ₹3,500 - ₹4,000 per day during the peak season, which covers their costs for themselves, vehicle, diesel, and maintenance, for marshalls who do not have their pickup vehicles earn a salary of around 10,000 per month if employed full time or 1000 per day if just deployed with a group as a gig worker. They do not receive insurance or incentives from the agencies they work with. Additionally, these youths are employed only for about 20 days during the peak season.
- Interest in Self-Employment / Entrepreneurship:** Among the 20 youths involved in tourism activities, 16 (80%) engage in parallel work by building connections with tourists while working with agencies. They often refer tourists directly to their own services, bypassing agency commissions. However, most lack structured lead generation or customer acquisition systems; only 4 (20%) actively use social media platforms like Instagram to promote their services.
- Limited Professional Development:** Only 2 out of 20 (10%) youths have undergone formal training or certification in tourism or related fields, indicating a widespread lack of professional development resources.
- Defense Sector Dependency:** 12 (60%) of the youths also work part-time as contractors for defense organizations during the off-season to supply army supplies to the higher altitudes like Siachen. This is their primary source of income during the winter months when tourism activity is minimal.



## Tenzin's Journey in Ladakh's Tourism Sector

**Profile:** Tenzin, a 25-year-old local from Ladakh, has been working as a marshall with a renowned Ladakhi agency and makes around 10,000 per month during the peak tourism season. Driven by a passion for the region and its tourism potential, he has also embarked on his entrepreneurial journey by starting his own travel agency, named Ladakh Dreamers.

**Business Activities:** Tenzin operates his agency by leveraging resources from a local bike rental service. He rents bikes and gear for his tours, which he organizes independently. To generate leads, Tenzin taps into his network from previous travel groups and has recently started using an Instagram channel to promote his trips.



**Performance and Financials:** In the current tourism season (May 2024 to July 30, 2024), Tenzin has conducted four tours, each lasting ten days. His leads came from various sources: two from previous travel groups, one from his new Instagram channel, and one from the bike rental agency. Despite the challenges, Tenzin has managed to earn a profit of approximately ₹1 lakh from these tours after covering all costs.

**Challenges and Aspirations:** Tenzin is keen on expanding his agency and operating independently. However, he recognizes gaps in his skill set, particularly in attracting leads through social media. His interactions with tourists have revealed that a significant number are influenced by social media content, especially Instagram reels. This insight underscores his need for a better grasp of digital marketing techniques.

**Future Goals:** To enhance his business operations, Tenzin aims to enroll in a certificate course specializing in winter trekking. He also plans to obtain the necessary permits to conduct these expeditions, ensuring he can offer diverse and legally compliant tour experiences.

**Support Needs:** Tenzin would benefit from targeted training in digital marketing to effectively harness social media for lead generation. Additionally, guidance on navigating the permit process and enhancing his business acumen in winter trekking would be crucial for his agency's growth and success.

**Summary:** Tenzin's journey illustrates the potential for local youths to thrive in Ladakh's tourism sector. His entrepreneurial spirit, combined with a clear understanding of market trends, positions him well for future growth. Addressing his skill gaps and providing support for permit acquisition and specialized training could significantly enhance his business prospects and contribute to the region's tourism development.

## 1. Homestay Owners

- **Dependence on Agencies:** Of the 10 homestay owners interviewed, 8 (80%) rely heavily on agencies to bring customers, with very few independent bookings. When clients extend their stay or book directly, homestays pay a commission of ₹500 - ₹1,000 to the agency. Occupancy rates are low due to a preference among large tour operators for hotels or lodges that can accommodate bigger groups.
- **Challenges in Direct Marketing:** Homestay owners struggle with direct outreach to small groups and independent travelers, impacting their profitability and sustainability. 7 out of 10 (70%) homestays are even not listed on major travel platforms or lack an active online presence, which limits their exposure to potential tourists and affects their booking rates. The lengthy process and low amount of government subsidies for developing homestays deter owners from investing further.





### 5.8.1 The Story of Dorje and Ladakh Ecotel

**Profile and Background:** Dorje, a retired military officer with a 25-year career in the Artillery Division, embarked on a new chapter by founding Ladakh Ecotel in Diskit, Nubra Valley in 2018. Transitioning from a distinguished military career to hospitality, Dorje initially started with 4 rooms and has expanded to 8 rooms to accommodate a growing number of guests.

**Business Operations:** Ladakh Ecotel charges ₹3,000 per room per day for direct bookings, while the rate for agency bookings is ₹2,500, inclusive of food. The homestay offers high-quality rooms and meals prepared with organic produce from their kitchen garden. Dorje and his wife personally manage the kitchen, ensuring that guests enjoy fresh and nutritious meals.

**Challenges and Customer Base:** Dorje's homestay primarily attracts guests through small, local agencies operated by Ladakhi youths. Despite maintaining high standards and providing personal service, Ladakh Ecotel struggles with visibility due to the lack of an online presence. The homestay is not listed on travel platforms or actively promoted on social media, which limits its reach.

**Occupancy and Seasonal Trends:** During the peak season, Ladakh Ecotel manages an occupancy rate of around 5 rooms per day for approximately 20 days. In contrast, during the off-season and winter months, the occupancy rate drops to 2-5 rooms total for the entire month. Full occupancy is rare, reflecting the seasonal nature of tourist traffic in Ladakh.

**Staffing and Operations:** The homestay employs two staff members from Bihar who handle property maintenance and room service. Dorje and his wife oversee the kitchen operations, preparing meals from their garden produce, which enhances the guest experience.

**Future Plans:** Dorje plans to enhance the appeal of Ladakh Ecotel by introducing a stargazing experience with a small telescope, leveraging the Nubra Valley's natural beauty. He also intends to create a small showcase of military tools, machinery, and artillery from his service years. This display is expected to attract visitors interested in military history and provide a unique point of interest. Dorje believes that the exhibition will generate word-of-mouth marketing from visitors and increase the homestay's appeal.

Additionally, Dorje aims to improve visibility by listing Ladakh Ecotel on online travel platforms and developing an Instagram presence. These efforts are designed to boost direct bookings and improve year-round occupancy rates.

**Summary:** Ladakh Ecotel, under Dorje's management, offers a distinctive lodging experience in Nubra Valley, combining high-quality service with unique features. Despite current challenges with visibility and seasonal fluctuations, Dorje's plans to introduce stargazing and a military showcase, along with enhanced marketing efforts, hold promise for increasing the homestay's attractiveness and occupancy throughout the year.

## 2. Small Shop Owners and Eateries

- **Seasonal Dependency and Income Fluctuations:** Out of the 15 small business owners interviewed, 10 (67%) rely primarily on tourism for their income. During the off-season, many of these shops close or depend on agricultural produce for sustenance. Small eateries, especially those located at tourist hotspots like monasteries, Khardungla, and along bike routes, face similar issues, often closing or operating at minimal capacity during winter months due to a sharp decline in tourist traffic. The average occupancy for these eateries and shops during the off-season is minimal, with some businesses only seeing 2-5 room or shop occupancies throughout the entire month.
- **Challenges with Local Products:** Small shop owners report that traditional Ladakhi products, such as yarn and brass items, have low sales. The primary issue is their high price compared to more affordable souvenirs and fridge magnets. For example, while local crafts might be priced significantly higher, tourists often opt for cheaper items. This pricing challenge is compounded by a lack of marketing support, which limits the visibility and appeal of these traditional products.

### Tsering's Tea Shop

**Profile:** Tsering, a 40-year-old local entrepreneur, operates a small tea shop located just opposite the Mulbekh Monastery, which is dedicated to the future Buddha. The monastery is situated approximately 30 km from Kargil.

**Business Operations:** Tsering's tea shop offers a variety of beverages, including traditional butter tea, tea, Maggie noodles, and Kahwa. Despite the strategic location near a prominent monastery, Tsering faces challenges with attracting tourists. The proximity of Kargil, a larger town, means that many tourists do not stop at his shop. Additionally, visitors to the monastery often do not purchase from him.

**Seasonal Sales and Sustainability:** During the peak tourist season, Tsering's sales range between INR 500 to 700 per day. However, in the winter months, he closes the shop due to a significant drop in tourist traffic. To sustain his family throughout the year, Tsering manages a 2-hectare agricultural land where he grows wheat and barley.

**Future Plans:** Tsering is contemplating diversifying his activities but is uncertain about what new ventures to pursue. He seeks opportunities to enhance his business operations or explore alternative income sources to support his family during the off-season.



## Self-Help Groups (SHGs)

- **Lack of Market Integration:** The 5 SHG members reported that there are limited outlets (in many cases, just one, where each of the member gets one day for selling their produce) promoting their products to tourists. While some small startups help market SHG products, there is no comprehensive infrastructure supported by the government to facilitate this. The reach of existing outlets is insufficient to boost the visibility of SHG products among tourists.
- **Training and Awareness:** The members noted a lack of access to specialized training programs and awareness about government schemes for winter trekking and other tourism activities. This limits their ability to effectively participate in and benefit from the tourism sector.

### Dolma Aunty's Handicraft SHG

Profile: Dolma Aunty, a 50-year-old member of a local Self-Help Group (SHG), specializes in selling hand-woven gloves, socks, shawls, and sweaters. Her SHG, based in Mulbekh, consists of 7 members who each take turns selling their products outside the Mulbekh Monastery.

Business Operations: Dolma Aunty and her SHG members sell their handcrafted products on a small bench outside the monastery. Each member is allocated one day to showcase and sell their items. The group has not received any government funding or marketing support, limiting their visibility and reach.



Sales and Sustainability: Dolma Aunty makes monthly sales of around INR 5,000 from her handicrafts. Her two sons are involved in tourism activities, which provide additional family income. The SHG operates with women aged between 25 and 55, and the average monthly sales for each member range from INR 5,000 to 7,000.

Challenges and Support: The SHG faces several challenges, including a lack of training in sales, branding, and marketing. There is no branding for the SHG or promotional support from external sources, affecting their ability to attract more customers and grow their business. Dolma Aunty is keen on improving their sales strategy but lacks resources and knowledge to do so effectively.



## Apricot and Fruit Sellers' Community Group

**Profile:** A community group of 5-10 women from a local village has formed to collectively sell fresh and dried apricots, cherries, and apples. They harvest these fruits from their home orchards and market them primarily to bikers stopping at permit check posts.

**Business Operations:** The group gathers their harvested fruits and sells them together. They target bikers who pass through the area, offering boxes of apricots and other fruits at INR 100 per box. During peak tourist season, the group generates sales of around INR 1,000 to 1,500 per day. However, business comes to a halt during the winter months when tourism significantly drops.



**Sales and Sustainability:** The group's sales strategy focuses on direct interactions with bikers, leveraging the high traffic at check posts. Despite this, they face challenges in sustaining income throughout the off-season. The group is exploring ways to produce apricot-based products to utilize excess produce and reduce waste.

**Challenges and Support:** The community group lacks knowledge and support for creating and marketing apricot-based products. They are eager to explore new opportunities but have no access to training or resources to develop these products. Without external support or guidance, they struggle to diversify their product range and ensure a steady income year-round.

### 5.8.2 Challenges faced by local youths in Ladakh's tourism sector

- **Seasonal Employment and Unemployment:** Tourism in Ladakh is predominantly active from May to September. Outside this peak season, employment opportunities diminish, leading to significant financial instability for many individuals. Even those with higher education, including graduates and technical diploma holders, frequently find themselves in seasonal and low-paying jobs such as marshalls.
- **Outsider Dominance:** The tourism sector is largely controlled by agencies based outside Ladakh, with major operations in cities like Delhi, Bangalore, Pune, and Mumbai. Local youths typically work on a daily wage basis with these external operators, receiving minimal financial benefits. These agencies often focus on their own interests, limiting tourists' exposure to local culture and crafts.
- **Cultural Exclusion:** The dominance of external agencies leads to a diminished representation of authentic Ladakhi culture in tourism experiences. This results in local businesses struggling to integrate cultural elements into the tourism sector, leading to underutilization of Ladakhi cultural assets.

- **Winter Challenges:** During winter months, key tourist routes such as the Manali-Leh and Srinagar-Leh highways are closed due to heavy snowfall. Air travel remains the only viable access to Leh, significantly restricting winter tourism and income opportunities for local guides and tour operators.
- **Perceptions of Employment Dignity:** Certain roles in the tourism sector, such as positions in restaurants or homestays, are viewed as low-status jobs by local youths. This perception leads to these positions being filled by workers from other states, contributing to a diminished sense of dignity associated with local employment opportunities.
- **Absence of Ecosystem for Youth Agencies:** There is a lack of ecosystem support to develop youth-led agencies or assist them in starting their own businesses, which further impedes entrepreneurial growth.
- **Lack of Entrepreneurial Knowledge:** Many local youths lack essential entrepreneurial skills and business management knowledge, which hinders their ability to start, manage, and promote their own businesses effectively.
- **Training and Skill Development:** There is a critical need for enhanced training in business management, digital marketing, and customer service. The current deficit in training affects the competitiveness of local businesses within the tourism sector.
- **Lack of Skill Development Program Awareness:** Awareness and reach of existing skill development programs are limited, reducing their effectiveness in preparing local youths for entrepreneurship in the tourism sector.
- **Marketing and Promotion Issues:** Local businesses and self-help groups (SHGs) face significant challenges in marketing their products and services. The absence of effective promotional strategies and collaboration within the community exacerbates this issue.



- **Underutilization of Local Produce:** Ladakh's rich organic produce, including apples, apricots, and cherries, is not effectively marketed to tourists. Local businesses have not fully leveraged these resources, missing out on potential revenue from agritourism.
- **Fragmented Efforts:** There is a lack of effective collaboration within the local community to promote and sell local cultural products. Unlike other regions where travel agencies partner with craft stores, Ladakh's local businesses have not developed such networks, limiting their ability to showcase and sell local crafts, foods, and products to tourists.
- **Dependency on Defense Jobs:** Many locals resort to temporary jobs with defense organizations during the off-season, which often do not align with their long-term career aspirations. This dependency on defense-related employment limits their opportunities for growth within the local tourism sector.



### 5.8.3 Opportunities in Ladakh's tourism sector for youth

Ladakh's tourism sector is burgeoning, and several opportunities are emerging for local youths to capitalize on. These opportunities are bolstered by recent trends and supportive infrastructure.



*Source: Image*

#### 1. Existing Opportunities

- **Adventure Tourism**
  - Current Trends: Adventure tourism, including trekking, biking, and mountaineering, made up 40% of tourism activities in Ladakh in 2023. The sector saw a 25% increase in visitors from 2022 to 2023, with a projected CAGR of 15.4% from 2022 to 2027.
- **Cultural and Eco-Tourism**
  - Current Trends: Cultural tourism increased by 30% in visitors to cultural sites in 2023. Eco-tourism is growing at a rate of 20% annually.
  - Opportunity: Developing ventures focused on cultural and eco-tourism can attract tourists seeking unique experiences and sustainable travel.
- **Local Produce and Crafts Marketing**
  - Current Trends: The market for Ladakh's organic produce, including apples, apricots, and cherries, is valued at approximately ₹50 crore annually.
  - Opportunity: Establishing businesses to promote and sell local organic produce and traditional crafts to tourists.
- **Community-Based Tourism**
  - Current Trends: Community-based tourism initiatives have increased local benefits by 15% in similar regions.
  - Opportunity: Initiatives like community-managed homestays and cultural tours provide economic benefits and preserve cultural heritage.

- **Technology Integration**
  - Current Trends: Online bookings accounted for 60% of all travel arrangements in 2023.
  - Opportunity: Implementing technology, such as digital marketing and online booking systems, can streamline operations and reach a broader audience.
- **Expanding Market Reach**
  - Current Trends: International tourist arrivals to Ladakh increased by 18% in 2023.
  - Opportunity: Expanding business offerings to cater to international tourists and diverse market segments.

## 5.9 Recommendations

To address the challenges faced by youth in Ladakh's tourism sector and capitalize on available opportunities, a multi-faceted approach is required. Here are targeted recommendations for various stakeholders:

- **Leverage Vocational Training**
  - Enroll in the Ladakh Skill Development Mission's programs focused on traditional crafts, tourism management, and small business operations.
  - Utilize National Skill Development Corporation (NSDC) courses in customer service, tour guiding, and hospitality management to build a robust skill set.
- **Develop Niche Tourism Ventures**
  - Focus on adventure tourism and eco-tourism by creating unique experiences like guided snow treks or eco-friendly lodgings.
  - Incorporate cultural elements into tour packages to attract tourists seeking authentic Ladakhi experiences.
- **Promote Local Produce and Crafts**
  - Start ventures to market Ladakh's organic produce and traditional crafts through local markets and online platforms.
  - Use the Promotion of Handicrafts and Handlooms scheme for financial support and marketing assistance.
- **Form Collaborative Networks**
  - Collaborate with other local entrepreneurs to form cooperatives or networks for shared marketing and resources.
  - Participate in local business forums and tourism associations to build connections and gain market insights.
- **Adopt Technology**
  - Implement digital marketing strategies and online booking systems to streamline operations and reach a wider audience.
  - Develop mobile applications or websites for bookings and to provide information about local tours and services.
- **NGOs to Facilitate Capacity Building**
  - Offer workshops and training sessions on entrepreneurship, business management, and digital marketing.
  - Partner with local businesses to provide practical training in tourism operations and customer service.



- **Enhance Market Access**
  - Develop platforms or marketplaces for local artisans and producers to sell their goods online, such as e-commerce sites or craft fairs.
  - Organize trade shows and exhibitions to showcase Ladakhi products and attract buyers.
- **Support Community-Based Tourism**
  - Assist in setting up community-managed homestays and cultural tours. Provide training on hospitality management and customer relations.
  - Facilitate the development of community-based tourism initiatives that empower local communities and preserve cultural heritage.
- **Raise Awareness**
  - Conduct outreach programs to inform local youths about existing skill development programs and financial assistance opportunities.
  - Develop informational materials and host community meetings to discuss available resources and support systems.

### ***For Local Administration***

- **Expand Funding and Mentorship**
  - Increase the budget and scope of the Ladakh Startup Support Scheme, providing up to ₹10 lakhs in seed funding and mentorship.
  - Create additional mentorship programs to guide local entrepreneurs through the business development process.
- **Enhance Skill Development Reach**
  - Expand vocational training programs to include advanced courses in business management and digital tools.
  - Partner with educational institutions and industry experts to offer specialized training and diploma courses for the tourism sector.
- **Invest in Winter Tourism**
  - Allocate up to ₹20 crore for developing winter tourism infrastructure, including snow trekking routes and winter festivals.
  - Promote winter tourism through targeted campaigns and partnerships with travel agencies.
- **Improve Job Perceptions**
  - Launch awareness campaigns to highlight the value and benefits of various tourism roles, including homestays and local guide positions.
  - Facilitate job fairs and recruitment drives to connect local youths with tourism-related employment opportunities.
  - Ensure Income Security and expedition insurance for Ladakhi guides.
- **Increase Awareness of Government Schemes**
  - Implement targeted outreach programs to increase awareness of government schemes and funding opportunities among local youths.
  - Use local media, community events, and information centers to disseminate details about available schemes and application processes.

- **Develop New Tourism Sites**
  - Explore Umba La and Lalung La in Kargil district as summer skiing sites.
  - Identify and map new ski slopes in Kargil, Drass, and Zaskar ranges.
  - Plan and promote international-level ice climbing and skiing events through tourism department channels.
- **Promote Wellness Tourism**
  - Set up yoga retreats in rural areas in collaboration with local communities.
  - Brand Ladakh as a “Rejuvenation” destination for expats and corporates: clean air, yoga, organic cuisine, spiritual journey.
- **Enhance Homestays**
  - Promote homestays near iconic tourist spots, monasteries, and heritage sites.
  - Convert homestays to Astro stays by installing telescopes and providing technical training to homeowners especially in Nubra Valley, Hanley and Hunder zones.
  - Organize village-level hospitality training camps covering culinary training, housekeeping, first aid, and behavior training for guest interaction.
  - Creation of a portal, to list, manage and provide booking facility for all these homestays.

### 5.9.1 At the policy level

- **Increase Financial Support**
  - Expand and enhance subsidies and grants under the Ladakh Startup Support Scheme and other relevant programs to cover a broader range of business needs and sectors.
  - Introduce targeted financial products, such as low-interest loans and venture capital, to support tourism-related startups and expansions.
- **Develop Comprehensive Tourism Strategies**
  - Implement the Ladakh Tourism Development Plan 2022-2027 with a focus on sustainable growth, infrastructure development, and promotion of local culture and crafts.
  - Ensure the integration of tourism strategies with broader economic and social development plans.
- **Foster Public-Private Partnerships**
  - Encourage collaboration between government bodies, private enterprises, and NGOs to pool resources, share expertise, and develop tourism infrastructure and programs.
  - Create incentive programs for private sector investment in tourism projects and local businesses.
- **Improve Access to Capital**
  - Develop and promote government-backed loan schemes with favorable terms for tourism businesses, including extended repayment periods and lower interest rates.
  - Increase funding for tourism infrastructure projects and support the establishment of financial institutions that cater specifically to local entrepreneurs in the tourism sector.
- **Enhance Awareness Programs**
  - Launch comprehensive awareness campaigns to inform local youths about the various government schemes and funding opportunities.
  - Utilize local media, community centers, and outreach programs to increase visibility and accessibility of these initiatives.

## 5.10 Conclusion

The research on youth employment and entrepreneurship in Ladakh's tourism sector reveals critical insights:

The research highlights several key aspects of youth employment and entrepreneurship within Ladakh's tourism sector, elucidating both challenges and opportunities:

### 1. Seasonal Employment and Economic Instability

The tourism sector's heavy reliance on a short peak season from May to September creates significant employment gaps during the off-season. This results in many local youths either migrating for work or taking up low-paying, temporary jobs with defence operations. To address this, it is essential to diversify tourism offerings and develop winter tourism infrastructure to provide stable employment throughout the year.

### 2. Barriers to Entrepreneurship

Local youths encounter substantial barriers to entrepreneurship, including limited business knowledge, financial constraints, and inadequate training. The predominance of external agencies in the tourism sector restricts locals to lower-income roles. Implementing targeted training programs, expanding financial support through schemes like the Ladakh Startup Support Scheme, and increasing mentorship opportunities can empower local youths to start and sustain their own businesses.

### 3. Infrastructure and Accessibility Challenges

Seasonal snow closures and limited year-round accessibility hinder the growth potential of tourism-related businesses. Current infrastructure projects such as the Zojila Pass Tunnel and the Leh-Manali Highway Upgradation are critical for improving connectivity. These developments, along with increased investment in winter tourism infrastructure, will facilitate year-round tourism activities and business continuity.

### 4. Cultural Integration and Market Linkages

The underutilization of local cultural assets and products within the tourism sector presents a missed opportunity for economic growth. Promoting Ladakhi handicrafts, organic produce, and cultural experiences through enhanced marketing and community-based tourism initiatives can better integrate local culture into the tourism experience. Establishing effective market linkages and collaborative networks will also strengthen the promotion and sale of local products.

### 5. Educational Mismatch and Skill Development

There is a mismatch between the educational qualifications of local youths and the available job opportunities, with many holding technical degrees but working in low-skill roles. Better alignment of educational programs with local industry needs, coupled with comprehensive training in business management and digital skills, will improve job prospects and entrepreneurial success.

### 6. Agricultural Engagement and Tourism Potential

While many youths engage in agriculture during the off-season, the potential for agricultural tourism and value-added products remains untapped. Developing agri-tourism ventures and integrating local produce into tourism offerings can create additional revenue streams and enhance the local economy.

## 7. External Influence and Local Control

The tourism sector's control by external agencies limits local economic benefits and the ability to showcase Ladakhi culture. Expanding local training programs, advocating for increased local involvement in specialized tours, and fostering public-private partnerships will enhance local control and ensure a more equitable distribution of tourism revenue. Addressing these challenges through targeted policies, training programs, financial support, and strategic community engagement will significantly enhance youth employment and entrepreneurial opportunities in Ladakh's tourism sector. This approach will foster sustainable economic development and ensure that the benefits of tourism are more equitably shared within the local community.



*Source: Image*





## 6. India's State of Forests (ISFR 2023) and major areas for improvement

Jeet Singh



Source: Image

### 6.1 Introduction

The Union Minister of Environment, Forest and Climate Change, Mr. Bhupinder Singh released the 18th biennial report on forests called India's State of Forests - 2023 (ISFR-2023) in Dehradun on 21st December 2024. The Union Minister expressed his happiness for increasing 1445 sq km forest and tree cover compared to 2021. The report claims that India's forest and tree cover has now increased to 25.17% of the total geographical area of the country. Out of this the tree cover, which is manually surveyed patches of tree cover outside of the recorded forest and "green wash" accounts for 3.41%.

**Table 2.5 Forest Cover Change Matrix Inside RFA/GW for India between 2021 (Raster based) and 2023 Assessments**

Class	2023 Assessment Inside RFA/GW					Total ISFR 2021 inside RFA / GW Raster based*
	VDF	MDF	OF	Scrub	NF	(in km <sup>2</sup> )
<b>VDF</b>	85,568.45	2,570.74	201.20	21.86	231.18	<b>88,593.43</b>
<b>MDF</b>	4,930.17	2,33,135.56	4,232.44	233.80	2,246.83	<b>2,44,778.80</b>
<b>OF</b>	481.13	7,269.84	1,72,692.54	1,090.99	5,451.31	<b>1,86,985.81</b>
<b>Scrub</b>	0.75	72.08	2,910.18	19,155.54	1,578.35	<b>23,716.90</b>
<b>NF</b>	44.43	495.63	5,760.18	2,009.95	1,88,877.68	<b>1,97,187.87</b>
<b>Total ISFR 2023 inside RFA /GW</b>	<b>91,024.93</b>	<b>2,43,543.85</b>	<b>1,85,796.54</b>	<b>22,512.14</b>	<b>1,98,385.35</b>	<b>7,41,262.81</b>
<b>Net Change</b>	2,431.50	-1,234.95	-1,189.27	-1,204.76	1,197.48	

\*Area figure calculated without normalization factor.

Source: ISFR, 2023



**Table 2.6 Forest Cover Change Matrix Outside RFA/GW for India between 2021 (Raster based) and 2023 Assessments**

Class	2023 Assessment Outside RFA/GW					Total ISFR 2021 outside RFA / GW Raster based*
	VDF	MDF	OF	Scrub	NF	
<b>VDF</b>	11,261.13	187.35	26.35	2.75	63.57	<b>11,541.15</b>
<b>MDF</b>	189.77	62,228.59	933.31	79.56	1,114.67	<b>64,545.90</b>
<b>OF</b>	15.22	1,340.62	1,10,188.87	636.88	6,559.52	<b>1,18,741.11</b>
<b>Scrub</b>	0.05	29.26	1,774.28	17,802.82	3,416.55	<b>23,022.96</b>
<b>NF</b>	11.10	343.61	6,447.78	2,588.49	23,18,963.97	<b>23,28,354.95</b>
<b>Total ISFR 2023 outside RFA /GW</b>	<b>11,477.27</b>	<b>64,129.43</b>	<b>1,19,370.59</b>	<b>21,110.50</b>	<b>23,30,118.28</b>	<b>25,46,206.07</b>
<b>Net Change</b>	-63.88	-416.47	629.48	-1,912.46	1,763.33	

\*Area figure calculated without normalization factor.

Source: ISFR, 2023

The report reveals that the total forest cover inside the FRA/GW has increased from 520358.04 sq. km in 2021 to 5,20,365.32 sq km in 2023. In the category of Very Dense Forest (VDF) which comprises forest with more than 70% of canopy density increased from 88,593.43 sq km in 2021 to 91,024.93 sq km in 2023. In these two years, India added 2,431.5 sq km more to the very dense forest.

Forest cover outside recorded forest area (RFA) contributes significantly in the total forest cover of India. According to the latest ISFR report, nearly one third (27%) of the total forest cover is outside the recorded forests. These forest patches include forest in land not categorized and forest in government documents.

The report reveals that the forest cover outside the recorded forest has increased from 1,94,828.16 sq.km. in 2021 to 1,94,977.29 sq km in 2023.

In this category of the forest cover the very dense and moderately dense forest has observed decline in these two years. They degraded to subordinate canopy cover categories. The open forest in this type of forest cover has increased by 629.48 sq km in these two years.

## 6.2 Low forests cover within recorded forests

The Forest Survey of India (FSI) defines forest cover as all lands, more than or equal to one hectare in area, with a tree canopy of more than or equal to 10%, irrespective of ownership and legal status; and includes orchards, bamboo, and palm.

This definition clarifies that the legally recognized forest is different from forest cover presented in successive ISFRs produced by the Forest Survey of India. It defines the Recorded Forest Area (RFA) as land recorded as forest in government records.

The recorded forest area largely consists of the 'Reserve 'Reserved Forests' (RF) and the 'Protected Forests' (PF), constituted under the provisions of the Indian Forest Act, 1927.

Besides the RFs and PFs, the recorded forest area may also include all such areas which have been recorded as 'Unclassed Forests', 'Village Forests', or by any other nomenclature of such description, and all such areas which have been recorded as forest in the revenue records, or have been constituted so under any State Act or local law.

### Forest Cover inside Recorded Forest Area

Forest Category (A)	Total Forest Cover (Area in sq km) (B)	Forest Cover within Recorded Forest Area (C)	Difference
Very Dense Forest	1,02,502.2	91,024.93	11,477.27
Moderately Dense Forest	3,07,673.28	2,43,543.85	64,129.43
Open Forest	3,05,167.13	1,85,796.54	119,370.59
Total	7,15,342.61	5,20,365.32	194,977.29

Source: ISFR, 2023

The latest ISFR report of 2023 reports that the total recorded forest area (RFA) in India is 7,75,377 sq km, which accounts for 23.59% of the total geographical area of the country. Out of this 4,43,253 is reserve forests, 2,12,859 is protected forest and 1,19,265 is unclassed forest across the country.

Further the report suggests that out of 7.75 lakh sq.km of recorded forest, only 5.20 lakh sq km forest land has actual forest cover of varying canopy density. As much as 2,55,012 sq km of forest land has no forest cover. This forest land with any forest covers constitutes around 33.89% of the total forest land. In other words, more than one third of forest land of India has no forest cover despite schemes like CAMPA and Green India Mission.

Forest without forest cover uneven distribution across the country. There are seven states namely Punjab, Himachal Pradesh, Sikkim, Rajasthan, Uttarakhand, Haryana and Gujarat, which do not have any forest cover on its more than 50% of recorded forests.



Source: Image

### Forest Cover inside Recorded Forest Area (major states)

State/UT	Geographical Area (sq km)	Recorded Forest Area (RFA)	Total Forest Cover Inside RFA/GW (sq km)	% RFA without Forest Cover
Punjab	50,362	3,084	775.76	74.85
Himachal	55,673	37,033	10,706.97	71.09
Sikkim	7,096	5,841	2,060.63	64.72
Rajasthan	3,42,239	32,737	12,706.14	61.19
Uttarakhand	53,483	38,000	16,899.28	55.53
Haryana	44,212	1,559	728.93	53.24
Gujarat	1,96,244	19,653	9,389.87	52.22
Jharkhand	79,716.	23,605	12,502.53	47.03
Uttar Pradesh	2,40,928	16,582	9,338.76	43.68
Odisha	1,55,707	58,136	33,040.47	43.17
Maharashtra	3,07,713	61,935	36,110.93	41.70
Karnataka	1,91,791	38,284	23,013.90	39.89
Andhra Pradesh	1,62,923	37,258	23,867.76	35.94
West Bengal	88,752	11,879	7,688.56	35.28
Jammu & Kashmir	2,22,236	20,230	13,112.03	35.19
Bihar	94,163	7,442	4,865.74	34.62

Source: ISFR, 2023

The compensatory afforestation program (CAMPA) has been in operation in the country for more than two decades with the sole purpose to plant trees with dedicated funds, which is ever increasing. Moreover, the government of India has also initiated the Green Mission as an approach to address issues of climate change. This program also focuses on plantation. Yet, a huge amount of forest land remains without forest cover in the country.

In some states the forest land without forest cover is also possible because of permanent snow covered regions in Himalaya and desert in Rajasthan. Yet, there are many states in the list which do not have such extreme conditions.



Source: Image



### 6.3 Tree cover as proxy of forests

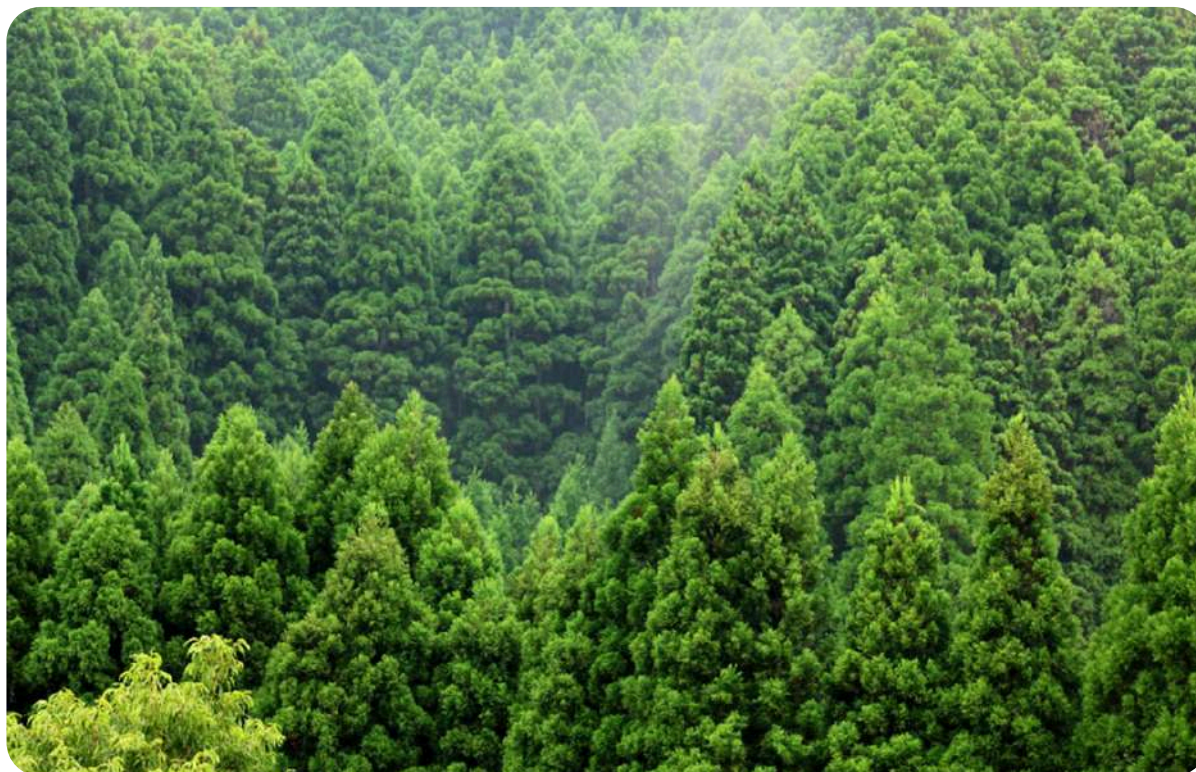
The ISFR has been recording tree cover of India from 2001. As of the latest ISFR the total tree cover of India is about 1,12,014.34 sq km, which accounts for 3.41% of the total geographical area of the country. The tree cover area reported by the ISFR constitutes more than 13% of the total forest/tree cover of India.

The ISFR defines the tree cover as, "Tree cover comprises all tree patches outside the forest area, which are less than one hectare in extent including all the scattered trees found in the rural and urban settings, and not captured under the forest cover assessment." While the forest cover both inside and outside the recorded forest area is done using satellite images, the tree cover is measured using offline forest inventory.

The maximum tree cover has been found in the State of Maharashtra (14,524.88 km<sup>2</sup>) followed by Rajasthan (10,841.12 km<sup>2</sup>) and Uttar Pradesh (8,950.92 km<sup>2</sup>). The maximum positive change as compared to ISFR 2021 has been observed in Chhattisgarh (702.75 km<sup>2</sup>) followed by Rajasthan (478.26 km<sup>2</sup>) and Uttar Pradesh (440.76 km<sup>2</sup>). In general, twenty-one States and UTs have shown an increasing trend in tree cover, which indicates that agroforestry, is being promoted in these States.

Successive ISFRs observed uneven progress of the tree cover of India since 2001. The latest ISFR reports that the tree cover has reached 3.41% of the total geographical area which was 3.04% two decades ago in 2003. It had fallen to 2.76 of the total geographical area in 2011. In comparison to ISFR-2021, the tree cover has increased from 2.91% in 2021 to 3.41% in 2023. In these two years the tree cover has sharply increased by 0.5%.

Experts have expressed their apprehension about tree cover which is now a significant portion of India's inventory of forest cover. Experts have argued that tree cover includes trees and spaces such as fruit orchards, rubber plantation and sugarcane fields.



### Major states with Tree Cover

State/UT	Tree Cover 2023 (sq km)
Maharashtra	14,524.88
Rajasthan	10,841.12
Uttar Pradesh	8,950.92
Madhya Pradesh	8,650.14
Karnataka	7,779.15
Gujarat	6,632.29
Chhattisgarh	6,538.70
Odisha	6,163.45
Tamil Nadu	5,370.72
Andhra Pradesh	5,340.02
Jammu & Kashmir	3,666.97
Jharkhand	3,637.55
Telangana	3,517.66
West Bengal	2,938.12

Source: ISFR, 2023





## 6.4 Degradation Natural Dense Forests

The forest survey of India categorizes forest into three categories namely Very Dense Forests (VDF), Moderately Dense Forests (MDF) and Open Forests (OF). The very dense forest have canopy density more than 70% and moderately dense forest have canopy density between 40% to 70%. The open forest is a forest which has a canopy density of more than 10% but below 40%. Since 2001 the Survey of India has been recording data of forest under these three categories in successive India's State of Forest Reports (ISFRs).

Various factors, both natural and anthropogenic, contribute to inter-category changes of these forests. The loss of canopy density can degrade forests and addition in canopy density can upgrade forests.

The following table compiled by the Indian express shows that various changes in the last two years substantially changed the status of a large forest land. In summary, we lost 9,388 sq km of forest land during 2021 and 2023. However, we also manage to regenerate 10,104 sq km of forest land.

<b>CHANGE IN DENSE FOREST COVER 2003-2023</b>				
	<b>2021-23</b>	<b>2003-2013</b>	<b>2013-2023</b>	<b>2003-2023</b>
<b>LOST</b>				
VDF to NF	295	288	1277	1565
MDF to NF	3362	6714	15086	21800
VDF to scrub	24	5	65	70
MDF to scrub	313	144	1153	1297
<b>Disappeared</b>	<b>3994</b>	<b>7151</b>	<b>17581</b>	<b>24732</b>
VDF to OF	228	134	1128	1262
MDF to OF	5166	6414	22249	28663
<b>Total loss</b>	<b>9388</b>	<b>13699</b>	<b>40958</b>	<b>54657</b>
<b>GAINED</b>				
NF to VDF	56	43	483	526
NF to MDF	839	3631	7554	11185
Scrub to VDF	1	0	54	54
Scrub to MDF	102	105	1043	1148
OF to VDF	496	124	2567	2691
<b>Plantations</b>	<b>1494</b>	<b>3903</b>	<b>11701</b>	<b>15604</b>
OF to MDF	8610	6122	34301	40423
<b>Total gain</b>	<b>10104</b>	<b>10025</b>	<b>46002</b>	<b>56027</b>
<b>NET CHANGE</b>	<b>716</b>	<b>-3674</b>	<b>5044</b>	<b>1370</b>

**VDF:** Very Dense Forest (canopy over 70%) | **MDF:** Moderate Dense Forest (canopy 40-70%)  
**OF:** Open Forest (canopy 10-40%) | **Shrub** (canopy under 10%) | **NF:** Non-Forest (no canopy)

<https://indianexpress.com/article/explained/growth-of-india-green-cover-not-all-good-news-9740450/>

Further, comparing quality of Indian forest in last two decades from 2003 to 2023, we see that total 54,657 sq km forest land was degraded from higher canopy density to lower canopy density. Moreover 56,027 sq km of forest land was also regenerated by improving canopy density. Of this plantation was carried out on 15,604 sq km and 11,185 sq km non forest land was converted into forest cover.

## 6.5 Forests in Himalayan states

The Indian Himalayan region is divided into two broad segments: eastern and western Indian Himalaya. The eastern Himalaya comprises north eastern states namely Manipur, Mizoram, Meghalaya, Nagaland, Arunachal Pradesh and Sikkim. Western Indian Himalayas consist of the states of Himachal Pradesh, Uttarakhand and UTs of Jammu & Kashmir and Ladakh.

The entire Indian Himalayan region is highly fragile and sensitive to both natural calamities and anthropogenic activities. Earthquakes, GLOFs, Floods, Forest Fires are major devastating Himalayan disasters which get accelerated due to the high rate of anthropogenic activities in the region.

Forests in the Himalayan region plays an important role in preventing devastating impacts of disasters and improving regional climate change resilience. In the last two decades the total forest cover of the Indian Himalayan region has increased from 1.94 lakh sq km in 2001 to 1.96 lakh sq km in 2023. It accounts for an absolute increase of 2,399.69 sq km of forest cover in the region. However the forest cover in the eastern Himalayan region has observed an absolute decrease of 1,582 sq km during the period.





## Forest Cover in Indian Himalayan States

State/UT	2001 (Area in sq km)			2023 (Area in sq km)		
	Dense Forest	Open Forests	Total Forest Cover	Dense Forest	Open Forests	Total Forest Cover
Ladakh	NA	NA	NA	511	1,775	2,286
Himachal Pradesh	10,429	3,931	14,360	10,398	5,182	15,580
Jammu & Kashmir	11,848	9,389	21,237	12,216	9,131	21,346
Uttarakhand	19,023	4,915	23,938	17,784	6,520	24,304
<b>Sub Total (West Himalayas)</b>	<b>41,300</b>	<b>18,235</b>	<b>59,535</b>	<b>40,909</b>	<b>22,608</b>	<b>63,516</b>
Manipur	5,710	11,216	16,926	7,122	9,464	16,585
Meghalaya	5,681	9,903	15,584	9,619	7,348	16,967
Mizoram	8,936	8,558	17,494	8,897	9,093	17,990
Nagaland	5,393	7,952	13,345	5,718	6,504	12,222
Sikkim	2,391	802	3,193	2,659	699	3,358
Arunachal Pradesh	53,932	14,113	68,045	50,600	15,281	65,883
<b>Sub Total (East Himalayas)</b>	<b>82,043</b>	<b>52,544</b>	<b>134,587</b>	<b>84,615</b>	<b>48,390</b>	<b>133,005</b>
<b>Grand Total (Himalayas)</b>	<b>1,23,343</b>	<b>70,779</b>	<b>1,94,122</b>	<b>125,524</b>	<b>70,998</b>	<b>1,96,522</b>

Source: ISFR, 2001 and ISFR, 2023

While the western Himalayan region has observed increase in the total forest cover between 2001 and 2023 its quality of forest cover has deteriorated. The dense forest (comprising of very dense and moderately dense forests) in the western Himalayan region has decreased from 41,300 sq km in 2001 to 40,908.79 sq km in 2023. Uttarakhand and Himachal Pradesh observed degradation of its dense forests. The degradation of dense forests in Uttarakhand is significantly high. Its dense forests have decreased from 19,023 sq km in 2001 to 17,784 sq km in 2023. In the eastern Himalayan region only Mizoram and Arunachal Pradesh observed degradation of its dense forests between 2001 and 2023.

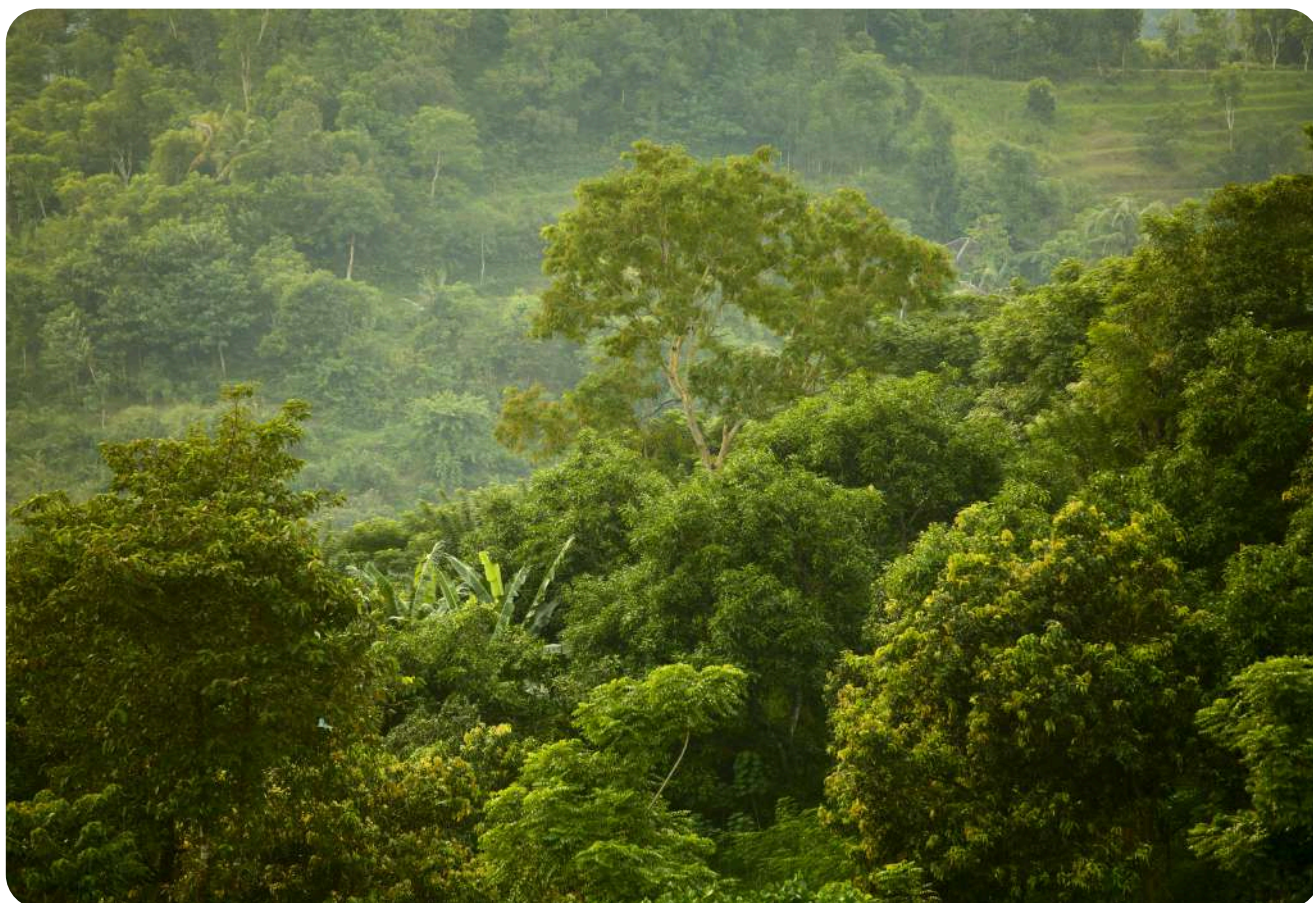


## 6.6 Conclusion

Biennial publication of India's State of Forest Report (ISFR) of Forest Survey of India is an important document for researchers, conservationists and policy makers. The FSI has improved its data collection and methods significantly to source more accurate information. Moreover, its scope has also widened in last three decades to meet contemporary environmental and climate challenges.

The 18th India's State of Forest Report released on 21st December 2024 in gives many positive messages including significant increase in the total forest and tree cover of India. The report claims that for the first time, India's tree and forest cover has crossed 25% of India's total geographical area.

While there are many things to applaud and celebrate in this report, we need to also be informed about our shortcomings and areas for improvement. In this article we have highlighted four areas where improvements are required. These areas includes focusing on one third of recorded forest which has no forest cover, heavy dependence on tree cover to improve our green cover, degradation of natural dense forests and rapid degradation of Himalayan forests.





## 7. India's relations with its neighbours - Part III

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Dr Somnath Ghosh



[Source: Image](#)

### 7.1 Introduction

In the May 2024 issue of *Policy Watch*, we had presented a geostrategic perspective of India-China relations. The reasons for focussing exclusively on China were many but here we may refer to just one: the China factor impacts on India's relationship with other neighbours. Then in the November issue, we presented Part II dealing with India's relations with Afghanistan, Pakistan, Maldives and Bangladesh. And in this concluding piece, we cover our four remaining neighbours: Nepal and Bhutan with which India shares physical borders, and Sri Lanka and Myanmar with which we share maritime boundary.

But before we proceed to country-specific details, it may be worthwhile to note the observation of Meera Srinivasan, Elizabeth Neuffer Fellow and senior assistant editor with *The Hindu*:

"While Mr. Modi has called for "deeper people-to-people ties and connectivity in the region", people in neighbouring countries evaluate India's engagement based on many factors, not just financial assistance driven mostly by geopolitical insecurity.

While nearly all neighbours value their friendship with India, they have not signed up for an uncritical embrace, as was seen after PM Modi's pre-poll remarks on Katchatheevu. The Sri Lankan government did not object to his claim, but the media and civil society hit out at the statement, with one editorial noting "*Lanka desires to be left to its own devices away from India's internal politics.*"<sup>11</sup>

## 7.2 Sri Lanka

The opening para of a slightly dated version (July 1, 2021) on India-Sri Lanka Bilateral Relations by High Commission of India, Colombo, Sri Lanka, had informed us that

“India and Sri Lanka have a legacy of intellectual, cultural, religious and linguistic interaction and the relationship between two countries is more than 2500 years old. Trade and investment have grown and there is cooperation in the fields of development, education, culture and defence. Both countries share a broad understanding on major issues of international interest. In recent years, significant progress in implementation of developmental assistance projects for Internally Displaced Persons (IDPs) and disadvantaged sections of the population in Sri Lanka has helped further cement the bonds of friendship”



*Source: Image*

Interestingly, the updated version of November 2024 makes no mention of IDPs, Instead, it says that “India is Sri Lanka’s closest neighbor and... Sri Lanka has a central place in India’s ‘Neighbourhood First’ policy and Security and growth for all in the region (S.A.G.A.R) vision”<sup>11,12</sup>The IDP reference has been substituted by “developmental projects focusing on Indian Origin Tamils” in a much later section on Development Cooperation.

The longest section is devoted to Political Exchanges which provides, over multiple paragraphs, information of visits of dignitaries to each other’s country. Later, seven other sections are highlighted which we may consider as manifestations of India-Sri Lanka bilateral relations: Trade and Commerce, Connectivity and Tourism, Development Cooperation, Defence and Security Cooperation, Cultural Relations, Capacity Building, and Indian Community. We will however focus on the following aspects, which include contentious issues generally not addressed in diplomatic public domain.

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<sup>11</sup> Meera Srinivasan, “View From India: Neighbours watch as India’s coalition government takes charge”, *The Hindu*, Jun 10, 2024  
<https://mail.google.com/mail/u/0/?tab=rm&ogbl#inbox/FMfcgzQVwxBpbKLGVMNQDRQGVkZthGbd>

<sup>12</sup> <https://www.hcicolombo.gov.in/page/india-sri-lanka-bilateral-relations/>

**Trade and Commerce:** India has traditionally been among Sri Lanka's largest trade partners and Sri Lanka remains among the largest trade partners of India in the SAARC. The India-Sri Lanka Free Trade Agreement (ISFTA) came into force in 2000, contributing to the expansion of trade between the two countries. Trade between India and Sri Lanka reached USD 5.5 billion in FY 2023-24 with India's exports amounted to USD 4.1 billion while Sri Lanka's exports reached USD 1.4 billion. Bilateral trade was also supported by various Lines of Credit and a Credit facility for procurement of essential items.

Earlier, to further broaden the scope of FTA and to strengthen the Rules of Origin, an Economic and Technology Cooperation Agreement (ETCA) covering both goods and services was proposed. The negotiations resumed after 5 years pursuant to the visit of former President Ranil Wickremesinghe in July 2023, wherein it was decided to undertake discussions on ETCA. 14 rounds of negotiations had been conducted so far with the latest round of discussion held in July 2024 in Colombo.

However, during the recent three-day visit of Sri Lankan President Anura Kumara Dissanayake to India (December 15-17), no discussions or agreements were made regarding the proposed Economic and Technological Cooperation Agreement (ETCA). While the Indian press has been silent on this issue, it was left to the Sri Lankan Government to confirm that no discussions or agreements were made regarding the proposed ETCA with India during President Anura Kumara Dissanayake's recent state visit. Foreign Affairs, Foreign Employment, and Tourism Minister Vijitha Herath made this clarification at a special media briefing on 20th December.<sup>13</sup>

This is not surprising considering Dissanayake had severely criticized ETCA in the past. The Frontline Socialist Party (FSP), a breakaway faction of the Janatha Vimukthi Peramuna, which forms the core of the ruling National People's Power coalition had argued that ETCA's provisions for liberalizing trade in services would open Sri Lanka's job market to an influx of Indian professionals, potentially displacing local workers. Given India's large labour force, particularly in professions like medicine, where many local doctors remain unemployed, Sri Lanka's ability to protect its skilled workforce could come under pressure. The FSP had warned that this would not only affect highly trained professionals but also small-scale workers in industries like transportation and street vending, as cheaper labour from India could overwhelm the local job market.<sup>14</sup>

In addition to being Sri Lanka's largest trade partner, India is also one of the largest contributors to Foreign Direct Investment (FDI) in Sri Lanka, with a cumulative figure of approximately USD 2.2 billion till 2023. The main investments from India are in the areas of energy, hospitality, real estate, manufacturing, telecommunication, banking and financial services. Going forward, the priority areas would be to expedite important projects in crucial sectors such as energy, ports & shipping, renewable energy, defence supplies, etc.

**Connectivity and Tourism:** The economic partnership is being supported by various connectivity initiatives such as resumption of air link between Chennai and Jaffna since December 2022 and commencement of ferry services between Nagapattinam (Tamil Nadu) and Kankesanthurai (KKS), Sri Lanka since October 2023.

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<sup>13</sup> "Sri Lanka Clarifies Position on ETCA and Strengthened Ties with India During President's State Visit", *Lanka News Web*, 21 December 2024  
<https://lankanewsweb.net/archives/67303/sri-lanka-clarifies-position-on-etca-and-strengthened-ties-with-india-during-presidents-state-visit/>

<sup>14</sup> Rathindra Kuruvita, "Sri Lankan President's India Visit Energizes Relations", *The Diplomat*, December 18, 2024  
<https://thediplomat.com/2024/12/sri-lankan-presidents-india-visit-energizes-relations/>

In order to develop KKS port, Government of India has extended a grant of USD 61.5 million to Government of Sri Lanka. In parallel, discussions are ongoing to start ferry services between Rameswaram (TN) and Talaimannar which would require upgradation of infrastructure at respective ports. Another notable connectivity project is the Economic Land Corridor, for developing land access to Trincomalee and Colombo. Other elements of connectivity are in the power and energy domain.

Discussions are also ongoing on the proposed multi-product pipeline connecting India and Sri Lanka and the power grid interconnection. In the financial domain, UPI services were commercially launched by Prime Minister Shri Narendra Modi and former President Ranil Wickremesinghe via video conferencing in February 2024.

Tourism is another important component with India being the leading tourist source market in 2023 with around 3 lakh arrivals (~20 % of ~1.48 million total arrivals) and in 2024 (till October 2024) with around 3.2 lakh arrivals (~19.3 % of 1.65 million total arrivals).

**Development Cooperation:** India's development cooperation with Sri Lanka stands out as one of the most important pillars of our bilateral relationship, with an overall assistance amounting to USD 5 billion in the form of concessional loans/swap agreements and USD 600 million as grants. These development projects extend to all 25 districts of Sri Lanka and cut across several sectors including infrastructure, housing, health, livelihood and rehabilitation, education, industrial development, etc.

India's biggest grant assistance project is the construction of 60,000 houses under the four phases of Indian Housing Project at a total cost of more than INR 1800 crore. India is also extending grant assistance of INR 300 crore towards implementing Sri Lanka Unique Digital Identity project. Further, close 20 projects are ongoing under High Impact Community Development programme.

Besides the developmental assistance, India has provided multi-faceted assistance to Sri Lanka, close to USD 4 billion, during the economic crisis in 2022. These include USD 500 Line of Credit (LoC) for supply of petroleum products; Currency swap of USD 400 million extended to the Central Bank of Sri Lanka (CBSL) by the Reserve Bank of India (RBI); USD 1 billion credit facility for supply of food items, medicines, fuel and industrial raw materials; Deferment of payment of liabilities under the Asian Clearing Union (ACU) mechanism by CBSL to RBI in 2022 (total deferment of approx. USD 2 billion); and USD 55 million LoC for procurement of Urea Fertilizer.

This was augmented by humanitarian assistance through donation of drugs, medicines, essential food items, kerosene, etc. India also played the role of first responder during the Covid – 19 pandemic by supply of vaccines and essential medicines from India, including donation of 500,000 doses of COVISHIELD vaccines in January 2021 and grant of 100,000 Rapid Antigen Test (RAT) kits in February 2022.

**Defence and Security Cooperation:** India and Sri Lanka enjoy strong defence relationship pillared on close linkages between our militaries guided by commonality of security concerns and challenges. Defence cooperation with Sri Lanka encompasses training, joint exercises, supply of military equipment, high level bilateral visits, bilateral goodwill visits by Navy and Coast Guard ships. Annual Defence Dialogue is held between the Defence Secretaries every year to review and add momentum to bilateral defence cooperation.

India continues to be the largest provider of foreign training assistance to Sri Lankan Armed Forces. Besides the bilateral SLINEX (Naval Exercise) and MITRA SHAKTI (Army Exercise) held every year alternatively in India & Sri Lanka, Sri Lanka participates in MILAN the multilateral naval exercise hosted by the Indian Navy.



In terms of capacity building, the latest has been the installation of Maritime Rescue Coordination Centre (MRCC) for Sri Lanka Navy under GOI grant which was commissioned on 20 June 24 during the official visit of EAM. IN Dornier Aircraft has been operated by Sri Lanka Air Force at Trincomalee since Aug 2022 and has successfully undertaken extensive flying for maritime surveillance.

High level visits/ Service to Service staff talks between Indian and Sri Lankan Armed Force are conducted periodically. Since 2018, Reciprocal cultural visits between Indian and Sri Lankan Armed forces have been a regular feature.

In addition, India has been 'first responder' for Sri Lanka with Indian Navy and Indian Coast Guard having intervened in Sri Lankan waters to avert large scale environmental damage such as MV XPress Pearl in May 2021 and MT New Diamond in September 2020. Security cooperation on counter terrorism and other related areas are also an important aspect of our bilateral relationship. The Colombo Security Conclave has emerged as a key platform in recent times to address such issues at a regional level.

**Indian Community:** The People of Indian Origin (PIOs) comprise Sindhis, Borahs, Gujaratis, Memons, Parsis, Malayalis and Telugu speaking persons who have settled down in Sri Lanka (most of them after partition) and are engaged in various business ventures. Though their numbers (10,000 approximately) are much lesser as compared to Indian Origin Tamil (IOT), they are economically prosperous and are well placed. IOTs are mostly employed in either tea or rubber plantations, in Central, Uva and Sabaragamuwa Provinces. A fair number of IOTs living in Colombo are engaged in business. The population of IOTs, according to unofficial estimates, is about 1.6 million.



*Source: Image*

**The China factor** In 2004, the U.S. consulting firm Booz Allen Hamilton came up with the "string of pearls" hypothesis, which posits that China will try to expand its naval presence by building civilian maritime infrastructure along the Indian Ocean periphery.

China has done much better than that. Using its economic might, it has financed lesser economies to start major development projects often leading them in a debt trap, forcing them to let China take control of strategic assets. In Pakistan, the Gwadar port is a naval base built as part of the China-Pakistan Economic Corridor (CPEC) project; in Bangladesh, China has a naval base at Chittagong Port; in Myanmar it has increased its economic and military ties, and in Sri Lanka it has taken over the Hambantota port on a 99-year lease to strengthen its naval operations in the Indian Ocean. China's "string of pearls" is a threat to India's national security because it would encircle India and threaten its trade, power projection, and potentially territorial integrity.

A recent article in *The Economic Times* (3 May 2024)<sup>15</sup> says that China is Sri Lanka's largest bilateral lender owning 52 per cent of the USD 40 billion external debt when Sri Lanka announced its first sovereign default in 2022. In late March 2024, China and Sri Lanka signed nine agreements as Sri Lankan PM Dinesh Gunawardena met Chinese President Xi Jinping and Premier Li Qiang in Beijing amid Colombo's efforts to restructure its loans to revive its bankrupt economy.

A joint statement by the two countries as Gunawardena wrapped up his official weeklong visit to China, said that China will play a "positive role" in easing the financial difficulties of cash-strapped Sri Lanka and its bid to achieve "debt sustainability" while Colombo will accelerate the formulation of a Belt and Road Initiative (BRI) cooperation plan to advance Beijing's projects in the island nation. As a follow-up, there'd be direct private investments from China and greater Chinese participation in sectors like agriculture, renewable energy, IT and education.

Earlier in November 2023, Sri Lanka paved the way for a \$4.5 billion investment by China in Hambantota. The town, which also houses a port that was leased to a Chinese state-owned shipping company in 2017, is at the heart of India's concerns about growing Chinese influence in New Delhi's strategic backyard.<sup>16</sup>

Nikkei Asia labelled this as Sri Lanka "falling into an alleged Chinese 'debt trap,' enticed into accepting unsustainable loans for infrastructure projects and allowing Beijing to gain strategic or military influence by seizing assets in times of financial distress."<sup>17</sup>

**But India is taking a leaf out of China's playbook and is investing in ports in foreign countries. As far as Sri Lanka is concerned,** after burning its hands at the hands of Chinese investment, luring it into a debt trap, the Sri Lankan government has decided to renovate its Kankasanturai Port in the Northern Province with 100% Indian funding.

In a strategic coup, India, in partnership with a Russian firm, secured management rights for the Mattala Rajapaksa International Airport (MRIA) in Hambantota, Sri Lanka. The airport, developed through Chinese loans, contributed to a financial crisis in the island country, and in return, Sri Lanka got only the "world's emptiest airport" with minimal flight activity.

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<sup>15</sup> <https://economictimes.indiatimes.com/news/international/world-news/sri-lankan-pm-says-direct-private-investment-from-china-welcome/articleshow/109823728.cms?from=mdr>

<sup>16</sup> Shashank Mattoo, "What China's \$4.5-bn investment in Sri Lanka means for India", *Mint*, 28 Nov 2023  
<https://www.livemint.com/politics/mint-explainer-what-china-s-4-5-bn-investment-in-sri-lanka-means-for-india-11701174560222.html#:~:text=Sri%20Lanka%20has%20paved%20the,in%20New%20Delhi's%20strategic%20backyard>

<sup>17</sup> <https://asia.nikkei.com/Spotlight/Asia-Insight/Sri-Lanka-s-China-debt-trap-fears-grow-as-Beijing-keeps-investing>

“Management control over MRIA gives India significant leverage over the Hambantota port and makes it implausible for the Chinese Navy to develop a substantial facility at sight without controlling the airport.”<sup>18</sup>

**Defence and Security Cooperation:** Therefore from India’s perspective, her security concern is perhaps the most important factor mediating India-Sri Lanka relations. In his joint statement with Sri Lankan President Anura Kumara Dissanayake, PM Modi said that both nations believe that Colombo Security Conclave is an important platform for regional peace, security and development. He said, “We completely agree that our security interests are interlinked. We have decided to conclude the defence cooperation agreement soon. Cooperation on hydrography has also been agreed upon. We believe that the Colombo Security Conclave is an important platform for regional peace, security and development. Under this, cooperation will be enhanced on topics like maritime security, counter-terrorism, cyber-security, fight against smuggling and organised crime, humanitarian assistance and disaster relief.”<sup>19</sup>



*Source: Image*

Anirban Bhaumik further reports that India will provide military hardware to Sri Lanka to augment the neighbouring island nation’s defence capabilities, Prime Minister Narendra Modi and President Anura Kumar Dissanayake announced on Monday, apart from agreeing to expedite a bilateral agreement on security cooperation.

“We are in full agreement that our security interests are interconnected. We have decided to quickly finalise the security cooperation agreement. We have also agreed to cooperate on hydrography,” Modi said after a meeting with the Sri Lankan president in New Delhi. Dissanayake, on the other hand, reassured Modi that Sri Lanka never allow its territory to be used for “any activity that could be adversarial to the security interests of India or might pose a threat to the stability of the region”.

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<sup>18</sup> Ritu Sharma, “Right Next To China — India To Invest In Deep Water Port In Philippines After Iran, Sri Lanka, Myanmar & Oman”, *The EurAsian Times*, May 8, 2024 <https://www.eurasiantimes.com/right-under-chinas-nose-india-to-invest/>

<sup>19</sup> ANI Dec 16, 2024, <https://economictimes.indiatimes.com/news/defence/india-and-sri-lanka-to-finalise-defence-cooperation-agreement-strengthen-security-ties-pm-modi/articleshow/116363896.cms?from=mdr>



The promise of the Sri Lankan president, known to be a leftist nationalist, about being sensitive to the security interests of India was significant, given Beijing's bid to pull the Indian Ocean nations into its orbit of geopolitical influence and the Chinese People's Liberation Army Navy's increasing forays in the region.

Modi and Dissanayake agreed to intensify defence collaboration through joint exercises, joint maritime surveillance, and defence dialogue and exchanges.<sup>20</sup>

**The politics of maintaining bilateral relations:** There were three main contenders in the run-up to the Presidential elections in Sri Lanka on September 21 this year: the incumbent President Ranil Wickremesinghe, opposition leader Sajith Premadasa, and leftist challenger Anura Kumara Dissanayake - each offering a distinct vision for Sri Lanka's recovery from its most profound crisis since independence. The 2022 economic collapse had left the country bankrupt, triggering mass protests, the downfall of the Rajapaksa dynasty, and widespread public disillusionment. The vote on Sep 21, in many ways, was like a referendum on the leadership that followed and the future path of the country.



*Source: Image*

For Sri Lanka, foreign policy has always been shaped by the island's delicate balancing act between India and China. Before the voting took place, this election was seen to tip the scales significantly. India, which provided crucial financial aid during the 2022 crisis, was keen to see a friendly government in Colombo. The stakes for India were particularly high, given China's deep inroads into Sri Lanka through infrastructure projects like the Hambantota port.

While Wickremesinghe was seen to be the person who had stabilised the economy, his harsh measures had caused widespread frustration, more so because of rising inequality. However, Wickremesinghe had maintained a pragmatic foreign policy, cultivating relations with both India and China to navigate Sri Lanka's economic recovery. His re-election would have meant continuity in this balancing act, though it would not have alleviated India's concerns about Chinese influence.

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<sup>20</sup> Anirban Bhaumik, "Modi, Dissanayake agree to speed up security cooperation agreement; India to provide defence platforms, assets to Sri Lanka", *Deccan Herald*, 16 December 2024 <https://www.deccanherald.com/india/modi-dissanayake-agree-to-speed-up-security-cooperation-agreement-india-to-provide-defence-platforms-assets-to-sri-lanka-3319390>



Sajith Premadasa, viewed as more pro-India, had been critical of China's debt-trap diplomacy and was expected to rebalance Sri Lanka's foreign policy more in favour of New Delhi.<sup>21</sup>

Dissanayake, on the other hand, was a Marxist, son of a daily wager. In 2000, Dissanayake became a member of Parliament by contesting the Presidential elections through the nationalist list. While JVP supported President Kumaratunga's administration, his party later aligned with Sinhala nationalists in 2002 to oppose peace negotiations with the Tamil rebel group LTTE, fighting an armed uprising against the Sinhala-dominated government in Colombo.

In equal measure, Dissanayake's JVP had denounced the Tamil-origin estate workers from India as an "instrument of Indian expansionism". Further, Dissanayake's JVP had opposed any devolution of power to the Tamils. His party had opposed the Indo-Lanka Accord of 1987 signed by then India's Prime Minister Rajiv Gandhi. The party had also opposed the 13th amendment to Sri Lanka Constitution that created Provincial Councils to grant greater control over land revenue and police in the country's Tamil-dominated North-East.

Finally, his party has also opposed the Comprehensive Economic Partnership Agreement (CEPA) on trade that would promote greater trade and investment between both countries. Almost as an extension, Dissanayake had taken a more cautious stance toward India's growing influence, especially regarding business deals such as those an Indian corporate group. His calls to reassess foreign economic deals suggested a potential strain in India-Sri Lanka relations should he come to power.

If we have learnt anything (or, still to learn?) from the recent developments in Bangladesh impacting on bilateral relationship, it is that maintaining relations with ruling party dispensation to the exclusion of the concerns and aspirations of the people can become highly counterproductive – washing out most, if not all, the benefits accruing out of extending significant support provided over many years through grants, loans, line of credit, infrastructure and humanitarian support.

It's actually not too hard: paying attention to, and not dismissing, critical reportage from independent media and rumblings from opposition, whether strong or emaciated, can actually serve long-term interests in maintaining bilateral relations.

Though New Delhi's support to Sri Lanka during the financial crisis in the island nation helped it win back the clout it had lost to Beijing in the neighbouring Indian Ocean country, India was worried about the course of the bilateral relations after Dissanayake succeeded Ranil Wickremesinghe after the presidential elections in September.

So, it was just as well that in spite of India having fairly good relations with the incumbent President Ranil Wickremesinghe, India invited opposition leader and leftist challenger and also staunch India critic Anura Kumara Dissanayake to visit India before the presidential elections in Sri Lanka. By all accounts this move on India's part paid off well when Dissanayake chose to visit India on his first official visit to a foreign country.

Outcomes of Dissanayake's visit: A simple and straightforward way of knowing the outcome is to look at the joint statements made and MOUs that were signed. Equally critical would be issues and aspects that were deemed important and part of discourse but were played down or simply avoided.

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<sup>21</sup> Kamakshi Wason, "Sri Lanka's election: Test for regional dynamics", Hindustan Times, Sep 21, 2024 <https://www.hindustantimes.com/ht-insight/international-affairs/sri-lankas-election-test-for-regional-dynamics-101726898873334.html>

First, Sri Lankan President Anura Kumara Dissanayake on Monday thanked India for economic support during the island nation's financial meltdown and crucial assistance in restructuring bilateral debt. "We faced an unprecedented economic crisis some 2 years ago and India supported us immensely to come out of that quagmire. It has also helped us immensely after that, especially in the debt-free structuring process," said Dissanayake, noting that his country secures a very significant place in India's foreign policy.<sup>22</sup>

Second, issuing a joint press statement, Prime Minister Narendra Modi said that India's bilateral projects in Sri Lanka is "always" based on Colombo's "development priorities". "India has so far provided 5 billion dollars in line of credit and grant assistance to Sri Lanka. We have cooperation in all 25 districts of Sri Lanka," PM Modi said.<sup>23</sup> In continuation of this position, Foreign Secretary Vikram was to later tell media persons, "He (Modi) assured President Dissanayake that India's approach would be investment-based and grant-oriented to reduce the debt burden on Sri Lanka, and to assist them in generating economic opportunities that are long-term and sustainable".

Third, the Sri Lankan president also assured that his country will not allow its territory to be used in "any manner" that is detrimental to India's interest. "PM Modi assured us full support and he also assured us that he will always protect the territorial integrity and sovereignty of Sri Lanka," Dissanayake said.<sup>24</sup>

Fourth related to Tamil people of Sri Lanka. "We hope that the Sri Lankan government shall fulfill the aspirations of the Tamil people (of Sri Lanka) and shall fulfil its commitment towards fully implementing the Constitution of Sri Lanka and conducting the provincial council elections," Modi said as he and Dissanayake addressed media-persons after the meeting in New Delhi. He, however, avoided specifically asking Colombo to implement the Sri Lankan constitution's 13th amendment, which had its roots in the agreement that New Delhi had in July 1987 signed with Colombo to protect the interests of the minority Tamils of the Indian Ocean nation. Dissanayake's party Janatha Vimukthi Peramuna, known for its leftist nationalist ideology, opposed the agreement between Sri Lanka and India and had burnt its copies in the past.



*Source: Image*

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<sup>22</sup> 'Helped us immensely': Sri Lankan President Dissanayake thanks India for \$5 billion economic support, *HT News Desk*, Dec 16, 2024 <https://www.hindustantimes.com/india-news/helped-us-immensely-sri-lankan-president-dissanayake-thanks-india-for-5-billion-economic-support-101734340552475.html>

<sup>23</sup> Ibid

<sup>24</sup> Ibid

The joint statement issued after the meeting between the two leaders also avoided any specific reference to the implementation of the Sri Lankan constitution's 13th amendment for devolution of power.

Dissanayake told Modi about the huge mandate his National People's Power coalition received in the presidential and parliamentary elections from all the regions and communities of Sri Lanka.

But it is also good to first look at the response of the Sri Lanka government and associated press. So, as a starting point we refer responses emanating from Sri Lanka.

The first one is titled "Sri Lanka Clarifies Position on ETCA and Strengthened Ties with India During President's State Visit"<sup>25</sup> and goes on to say that the Sri Lankan Government has confirmed that no discussions or agreements were made regarding the proposed Economic and Technological Cooperation Agreement (ETCA) with India during President Anura Kumara Dissanayake's recent state visit. Foreign Affairs, Foreign Employment, and Tourism Minister Vijitha Herath made this clarification at a special media briefing held yesterday (20) at the Department of Government Information.



*Source: Image*

It goes on to say that Minister Herath emphasized that the state visit was a significant success, further solidifying bilateral relations between the two countries. And then it to say that "the key outcomes of the visit include strengthened cooperation in economic, cultural, digital, technological, environmental, and other sectors."

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<sup>25</sup> "Sri Lanka Clarifies Position on ETCA and Strengthened Ties with India During President's State Visit", Lanka News Web, 21 December 2024  
<https://lankanewsweb.net/archives/67303/sri-lanka-clarifies-position-on-etca-and-strengthened-ties-with-india-during-presidents-state-visit/>

## **Key Agreements and Initiatives:**

Two Memorandums of Understanding (MOUs) were signed:

**Public Service Training:** A two-week training program in India for 1,500 Sri Lankan state officials over the next five years.

**Double Taxation Removal:** A measure to eliminate double taxation for Sri Lankan businesses in India and vice versa, fostering economic benefits for the business communities of both nations.

## **Discussions on Fisheries Issues**

The ongoing issues between Sri Lankan fishermen and South Indian fishing communities were also addressed. President Dissanayake highlighted concerns over bottom trawling by South Indian fishermen in Sri Lankan waters and arrests for trespassing. Both governments agreed to expedite discussions to find a permanent solution.

*Infrastructure and Economic Development Projects:* India pledged support for various development projects, including:

*Housing Projects:* Continuation of Indian-funded housing initiatives in Sri Lanka.

*Mahawa–Omanthai Railway Line Renovation:* Conversion of the Indian loan into a grant to complete the railway renovation, including a traffic signal system and operationalization of two trains between Anuradhapura and Jaffna.

*Karainagar Boat Complex:* Grant funding for the construction of a boat complex to benefit the fishing industry in the North and nationwide.

*Energy Cooperation:* Sri Lanka and India reaffirmed their commitment to several energy projects:

*Sampur Solar Power Project:* Continued collaboration under an existing agreement.

*Renewable Energy Initiatives:* Discussions on joint LNG and wind power projects, with plans to export excess electricity through India under BIMSTEC cooperation.

*Multi-Product Oil Pipeline:* A proposed joint venture involving Sri Lanka, India, and the UAE to construct a pipeline to supply affordable energy.

*Maritime and Security Assurances:* President Dissanayake proposed initiating talks to finalize Sri Lanka's *Exclusive Economic Zone (EEZ) demarcation*, a proposal India agreed to discuss. The President also assured India that Sri Lankan territory, including land and sea, would not be used by any foreign power to threaten regional security.



*Commitment to Responsible Agreements:* Minister Herath stressed that the Sri Lankan government remains committed to agreements that prioritize the country's well-being. "The government under President Anura Kumara Dissanayake will not agree to anything that is detrimental to the country in any way," he affirmed.

This state visit marked a pivotal step in fostering stronger ties between India and Sri Lanka, with mutual agreements and discussions aimed at long-term benefits for both nations.

Another report published the same day by Lanka News Web (LNW) titled "Sri Lanka Denies Agreement on Indo-Lanka Oil Pipeline"<sup>26</sup> states that

"Sri Lanka has firmly rejected media claims suggesting an agreement was reached to construct an Indian oil pipeline during recent bilateral talks. Foreign Minister Vijitha Herath clarified that no such deal was finalized during President Anura Kumara Dissanayake's visit to India, dismissing reports as inaccurate.

The controversy stems from Indian Prime Minister Narendra Modi's statement on November 16, where he outlined plans for enhanced energy collaboration between the two nations, including connecting power grids and laying a petroleum pipeline. Modi's remarks followed his meeting with President Dissanayake in New Delhi, marking the Sri Lankan leader's first official visit since assuming office after a decisive election victory in September.

While India's state-run Petronet LNG has agreed to supply liquefied natural gas (LNG) to Colombo's power plants via its Kochi terminal for five years, discussions on broader energy projects remain preliminary. According to Minister Herath, a proposal involving India, Sri Lanka, and the United Arab Emirates (UAE) to construct a multi-product energy pipeline has been introduced but is still under review, with no formal agreement in place.



*Source: Image*

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<sup>26</sup> "Sri Lanka Denies Agreement on Indo-Lanka Oil Pipeline", Lanka News Web (LNW), December 21, 2024  
<https://lankanewsweb.net/archives/67315/sri-lanka-denies-agreement-on-indo-lanka-oil-pipeline/>

Herath emphasized the importance of continuing dialogue on energy collaboration but dismissed allegations of a finalized deal for Indian oil pipelines in Sri Lanka as false. He made these clarifications during a special briefing held on November 20 at the Department of Government Information.

The official joint statement issued by India's Ministry of External Affairs highlighted mutual interest in strengthening energy cooperation. Both leaders agreed on the need for reliable and affordable energy to ensure energy security and meet public demands.

Specific areas of focus include implementing the Sampur solar power project and exploring its expansion based on Sri Lanka's needs. Other proposals under discussion involve LNG supply, offshore wind power development in the Palk Strait, and a potential high-capacity power grid interconnection.

The Indo-Lanka-UAE pipeline proposal aims to facilitate affordable and sustainable energy supply, addressing regional energy challenges. While the project could hold significant strategic and economic benefits, its feasibility and timeline remain subjects of ongoing deliberations.

While India and Sri Lanka have pledged to deepen energy ties, claims of a concrete oil pipeline agreement are unsubstantiated. The dialogue reflects both nations' commitment to exploring innovative energy solutions while prioritizing environmental conservation and regional energy security."

**Two disputes:** The first has to do with cobalt exploration. Sri Lanka opposes India's bid to explore cobalt from an undersea mountain in Indian Ocean. A fresh maritime dispute between New Delhi and Colombo seems to be brewing with Sri Lanka objecting to India's plea to the International Seabed Authority (ISA) based at Kingston in Jamaica for rights to explore cobalt-rich ferromanganese crusts in Afanasy Nikitin Seamount in the Indian Ocean.



[Source: Image](#)

The Earth System Science Organization (ESSO), an autonomous institute of the Ministry of Earth Sciences of the Government of India, submitted an application to the secretary general of the ISA on January 18, 2024, seeking approval for a 15-year plan of work for the exploration of cobalt-rich ferromanganese at Afanasy Nikitin Seamount in the central Indian Ocean.

New Delhi moved the ISA seeking rights to explore the cobalt-rich crusts in Afanasy Nikitin Seamount in the wake of the increasing forays of the Chinese People's Liberation Army's research vessels in the Indian Ocean region.

The ESSO deposited an application fee of \$500,000 to the ISA – an autonomous international organization established under the 1982 United Nations Convention on the Law of the Sea (UNCLOS) to authorize and control the exploration of mineral deposits in the international seabed.

Colombo has argued that the area where India wants to explore cobalt-rich ferromanganese crusts is entirely within the extended continental shelf claim of Sri Lanka. The island nation's government has urged the ISA to refrain from accepting New Delhi's plea for exploration rights in Afanasy Nikitin Seamount till the United Nations Commission on the Limits of the Continental Shelf (UN-CLCS) decides on its continental shelf claim.

Sri Lanka's continental shelf claim also contradicts that of India's and that is why it remains pending with the UN-CLCS since 2009. The two neighbouring nations have been negotiating to end the impasse bilaterally. They, however, could not make any headway in the past one-and-a-half decades.<sup>27</sup>

The second dispute is about Katchatheevu Island. Katchatheevu is an uninhabited island spanning some 285 acres in the Palk Strait that separates Tamil Nadu and northern Sri Lanka. More precisely, it is located 14.5 km south of Delft Island and about 16 km to the northeast of Rameswaram. It is barren, has no drinking water or infrastructure, except a sole Catholic structure dedicated to St. Anthony.

The dispute on the status of the island of Kachchatheevu was settled in 1974 by an agreement between both countries. Later, in 2008, then Tamil Nadu Chief Minister filed a writ petition in the Supreme Court to declare as unconstitutional the 1974 and 1976 agreements between New Delhi and Colombo on ceding of Katchatheevu, an island off the Rameswaram coast, to Sri Lanka.

When the case came up in 2013, the Union government informed the Supreme Court that the question of retrieval of Kachchatheevu from Sri Lanka did not arise as no territory belonging to India was ceded to Sri Lanka.<sup>28</sup>

But on March 31 this year, Prime Minister Narendra Modi posted on social media platform 'X' that he blamed the Congress for "callously" giving away Katchatheevu island to Sri Lanka. He cited a media report on documents received in response to a Right to Information Act application from K. Annamalai, the Bharatiya Janata Party's (BJP) Tamil Nadu president. Soon after, External Affairs Minister S. Jaishankar held a media conference, in which he sought to elaborate on Mr. Modi's allegation. Calling for a "solution", he said the bilateral agreements signed by India and Sri Lanka in 1974 and 1976, when the Congress and the Dravida Munnetra Kazhagam (DMK) were in power respectively at the Centre and in Tamil Nadu, displayed indifference about Katchatheevu island, and compromised Indian fishermen's rights in the Palk Strait separating India and Sri Lanka.<sup>29</sup>

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<sup>27</sup> Anirban Bhaumik, "Sri Lanka opposes India's bid to explore cobalt from an undersea mountain in Indian Ocean", Deccan Herald, 10 July 2024 <https://www.deccanherald.com/world/sri-lanka-blocks-indias-bid-to-explore-cobalt-from-an-undersea-mountain-in-indian-ocean-3100636>

<sup>28</sup> J Venkatesan, "Kachchatheevu was not ceded to Sri Lanka, Centre tells court", *The Hindu*, **August 31, 2013** <https://www.thehindu.com/news/national/kachchatheevu-was-not-ceded-to-sri-lanka-centre-tells-court/article5076961.ece>

<sup>29</sup> Meera Srinivasan, "Why are Katchatheevu pacts being questioned", *The Hindu*, April 13, 2024 <https://www.thehindu.com/news/international/why-are-katchatheevu-pacts-being-questioned-explained/article68037230.ece>



Meera Srinivasan reports that while there was no official response from Sri Lankan authorities on the remarks by Prime Minister Narendra Modi and External Affairs Minister S. Jaishankar on Katchatheevu, the island nation's media took a critical view of the development, while fishermen's associations urged Sri Lankan authorities to take up the issue of bottom trawling more vocally with the Indian government.

She informs us that the Colombo-based English newspaper *Daily Mirror*, in its editorial on Tuesday, noted: "Sadly, even the seemingly unflappable Indian External Affairs Minister - Jaishankar - has dropped all pretence of statesmanship and has joined hands with his premier to rouse communal feelings in the hope of gaining a few votes in Tamil Nadu." "Lanka desires to be left to its own devices away from India's internal politics," it said. Another newspaper noted, "Remarks would force Colombo to 'seek security guarantees elsewhere'".<sup>30</sup>

**Reading the tea leaves:** Writing for *The Diplomat*, Rathindra Kuruvita<sup>31</sup> says Sri Lankan President's India visit has energized relations, but while the agreements and announcements signal opportunities for economic recovery and stronger bilateral ties, concerns remain regarding their long-term implications for Sri Lanka's sovereignty and economic independence.

Criticism has emerged domestically, most notably from the Frontline Socialist Party (FSP), a breakaway faction of the Janatha Vimukthi Peramuna, which forms the core of the ruling National People's Power coalition. The FSP has argued that these deals could disproportionately favor India while undermining Sri Lanka's local workforce, resources, and autonomy. These criticisms could dent the forward momentum of the Dissanayake administration, whose party had often criticised former President Ranil Wickremesinghe over its dealings with India.

In a statement, the FSP specifically raised alarm over the proposed development of Trincomalee into an Indian economic hub, which could result in the displacement of over 7,000 families. The allocation of large tracts of land to foreign projects and the prospect of resource exploration rights being handed over to Indian entities in regions like Mannar and Kuchchaveli have heightened fears that Sri Lanka's natural wealth could be exploited at the expense of its people.



[Source: Image](#)

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<sup>30</sup> Meera Srinivasan, "Sri Lankan media hit out at Modi's Katchatheevu remarks", *The Hindu*, April 04, 2024  
<https://www.thehindu.com/news/international/sri-lankan-media-hit-out-at-modis-katchatheevu-remarks/article68020552.ece>

<sup>31</sup> Op. cit



Another significant concern stems from the revival of the Economic and Technology Cooperation Agreement (ETCA), which Dissanayake had severely criticized in the past. The FSP argued that ETCA's provisions for liberalizing trade in services would open Sri Lanka's job market to an influx of Indian professionals, potentially displacing local workers.

Given India's large labor force, particularly in professions like medicine, where many local doctors remain unemployed, Sri Lanka's ability to protect its skilled workforce could come under pressure. The FSP warned that this would not only affect highly trained professionals but also small-scale workers in industries like transportation, barbering, and street vending, as cheaper labor from India could overwhelm the local job market.

The energy sector, another key focus of the visit, also drew scrutiny. While India's involvement in LNG supply, offshore wind power, and power grid interconnection could help address Sri Lanka's immediate energy needs, critics argue that such partnerships could make Sri Lanka increasingly dependent on Indian energy infrastructure. The FSP highlighted Bangladesh's experience with India, where energy agreements granted significant control to Indian conglomerates like the Adani Group, effectively reducing Bangladesh's energy sovereignty. Similar fears are being echoed in Sri Lanka, particularly as energy partnerships often lack transparency regarding long-term costs and benefits.

These criticisms are further tied to broader geopolitical concerns. The FSP's Wasantha Mudalige pointed to India's long-term vision for regional dominance, citing the "Akhand Bharat" concept which imagines a unified South Asia under Indian influence. According to Mudalige, India's increasing economic and strategic role in Sri Lanka could lead to an erosion of political autonomy, reducing Sri Lanka to a satellite state. The presence of such sentiments reflects deep-seated anxieties within Sri Lankan society about maintaining national sovereignty while pursuing external partnerships.

Despite these concerns, Dissanayake's visit also reflects a pragmatic approach to rebuilding the country's economy following the devastating collapse of 2022. India's financial support, which included \$4 billion in aid for food, fuel, and medicines, played a crucial role in stabilizing Sri Lanka's economy during its most challenging period.

The agreements reached during Dissanayake's first presidential visit to New Delhi aim to build on that foundation by encouraging investment-led partnerships, improving connectivity, and enhancing trade. India's plan to promote INR-LKR trade settlements could provide much-needed relief to Sri Lanka's foreign exchange reserves, while proposed capacity-building programs, such as training 1,500 civil servants over the next five years, represent efforts to strengthen local governance structures.

Balancing the benefits of these initiatives with the risks they pose remains a challenge for Dissanayake's government. Critics argue that Sri Lanka must approach these partnerships cautiously to ensure that they align with the interests and aspirations of its people.

While collaboration with India can offer economic opportunities, transparency, equitable resource sharing, and protection of domestic industries must remain priorities. Dissanayake's leadership will be tested in navigating these agreements in a way that fosters recovery without compromising Sri Lanka's sovereignty or local livelihoods.

The visit to India has undoubtedly set the stage for a new chapter in bilateral relations, but its success will depend on how these agreements are implemented and whether they truly benefit Sri Lanka's people.

As the country strives to rebuild, Dissanayake's government is likely to strike a careful balance — leveraging India's support while safeguarding Sri Lanka's independence, economy, and long-term stability.

And on our part, we seem to have learnt our lesson from our present messy relations with Bangladesh. While Disenayake certainly gets many brownie points on his first official visit after becoming President by skilfully shedding his left-leaning and anti-India image, Modi's handling of the visit the comments Modi was certainly circumspect.

The way he raised the Tamil people's issue without raising the hackles of the visiting President hasn't been missed by any. Same with the 13th Amendment of SL's Constitution. And most important, India's security concerns were addressed forcefully.

### 7.3 Myanmar



*Source: Image*

India and Myanmar share a long land border of over 1600 kilometres and a maritime border in the Bay of Bengal. Myanmar is important to India because of the geographic, historical, cultural and economic linkages that span centuries as well as for the overall development of North-Eastern Indian states.

The 1600 km long border separates the Indian states of Mizoram, Manipur, Nagaland and Arunachal Pradesh from Kachin state, Sagaing region and Chin state in Myanmar. Since Mizoram, Manipur and Nagaland have often been on the boil – with insurgents seeking refuge in Burmese soil – the border issue question is a perpetual cause of concern for the Indian government.

India's relationship with Myanmar primarily revolves around economic and strategic cooperation and security concerns. According to Wikipedia,<sup>32</sup> bilateral trade has crossed more than \$1 billion. India is Myanmar's 4th largest trading partner after Thailand, China and Singapore, and second largest export market.

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<sup>32</sup> [https://en.wikipedia.org/wiki/India%E2%80%93Myanmar\\_relations#:~:text=Myanmar%20is%20important%20for%20India,friendship%20was%20signed%20in%201951](https://en.wikipedia.org/wiki/India%E2%80%93Myanmar_relations#:~:text=Myanmar%20is%20important%20for%20India,friendship%20was%20signed%20in%201951)

The Indian government has worked to extend air, land and sea routes to strengthen trade links with Myanmar and establish a gas pipeline. While the involvement of India's private sector has been low and growing at a slow pace, both governments are proceeding to enhance cooperation in agriculture, telecommunication, information technology, steel, oil, natural gas, hydrocarbons and food processing. The bilateral border trade agreement of 1994 provides for border trade to be carried out from three designated border points, one each in Manipur, Mizoram and Nagaland.

*Strategic cooperation:*

India's move to forge close relations with Myanmar are motivated by a desire to counter China's 's growing influence as a regional leader and enhance its own influence and standing. Concerns and tensions increased in India over China's extensive military involvement in developing ports, naval and intelligence facilities and industries, specifically the upgrading of a naval base in Sittwe, a major seaport located close to Kolkata.

India's engagement Myanmar's military junta has helped ease the regime's international isolation and lessen its reliance on China. In 2013, India provided a loan of about US\$500million to Myanmar for its development; India and Myanmar have also agreed to cooperate militarily in order to help modernize Myanmar's military. In 2020, India gifted the Myanmar its first ever submarine.

But drug trafficking and insurgent groups operating in the border areas remains an immense cause for concern for India.

*Security ties:* Indian and Myanmar troops carried out jointly Operation Sunrise and Operation Sunrise 2 in 2019 in their respective territories to destroy several insurgent camps. However, the threat to the Kaladan multi-modal transit transport project, India's gateway to Southeast Asia continues.

India has also supported Myanmar in its efforts to combat Rohingya insurgent groups like the Arakan Rohingya Salvation Army (ARSA) and Aqa Mul Mujahideen (AMM), after Indian intelligence agencies found the ARSA and AMM to have links with terror groups like the Lakshar-e-Taiba (LeT) and Jaish-e-Mohammed (JeM) as well as reported Rohingya terrorists fighting alongside Pakistani extremists in Kashmir.

*Complicated Business:* A few months ago, an article on Myanmar in *The Hindu* carried a photo provided by the Kokang online media in which members of an ethnic armed forces group, one of the three militias known as the Three Brotherhood Alliance, posed for a photograph in front of weapons the group allegedly seized from Myanmar's Army outpost on a hill in Hsenwi township in Shan State, Myanmar, on November 24, 2023.<sup>33</sup>

Anybody who follows Myanmar in some detail would know that the country is a large multi-ethnic nation, located in a strategically significant neighbourhood.

What's however less known – but Rajiv Bhatia, the author of the article informs – is that fundamental tragedy lies in the historical reality that neither before nor during British colonial rule did it complete the task of nation-building — the crafting of a unified polity where its Bamar majority and a mixture of ethnic and religious minorities could live peacefully.

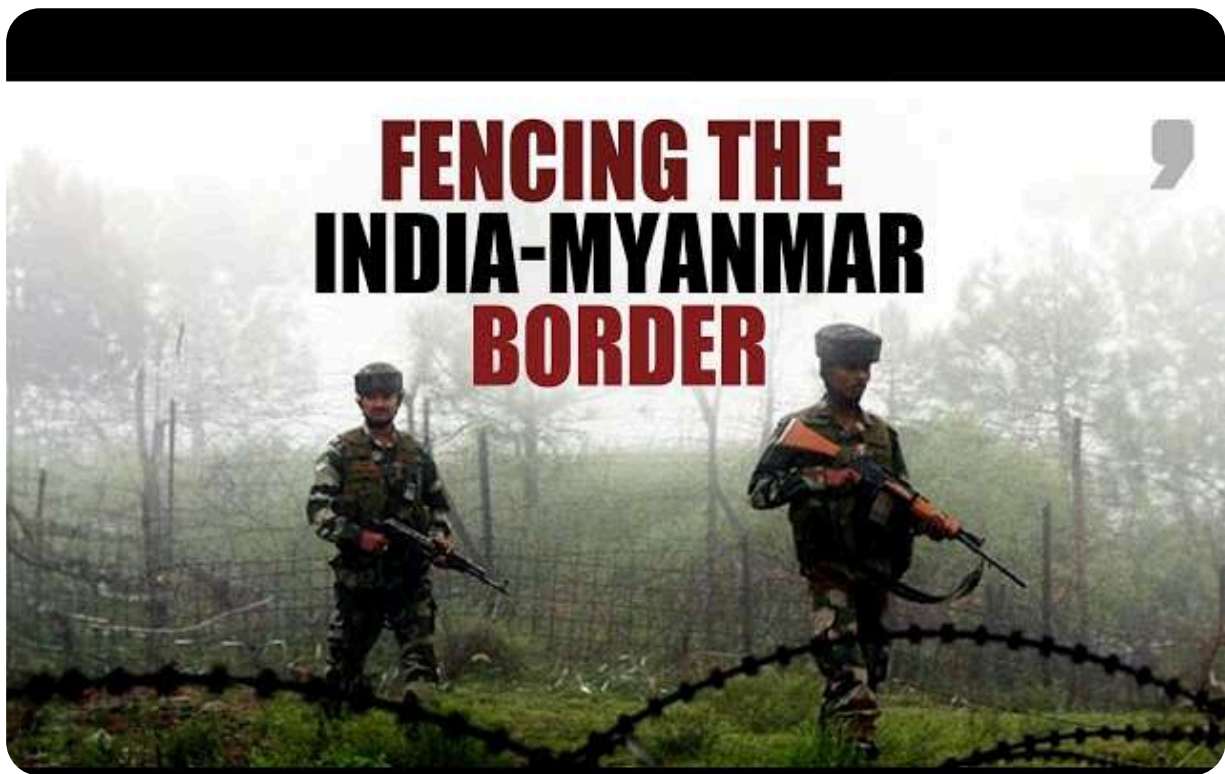
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<sup>33</sup> Rajiv Bhatia, "Finding light in Myanmar's darkness", *The Hindu*, February 01, 2024  
<https://www.thehindu.com/opinion/op-ed/finding-light-in-myanmars-darkness/article67796493.ece>

Decades of military rule complicated the situation and the latest coup compounded it. Three years after an illegal military coup deprived Myanmar of limited democracy, the nation continues to fight its inner demons. Dubbed the 'sick man of Southeast Asia', it sees no light at the end of the tunnel as its military regime, the political class, and ethnic organisations persist with the violent conflict. This civil war has little hope of a clear victory for anyone.

*Fencing - how effective is it likely to be:* India faces the dual problem of drug trafficking and insurgents taking refuge in Myanmar. Less than two months ago in September 2024, the Union government approved ₹31,000 crore to fence the Myanmar border.

The 1,643-km Myanmar border runs along the States of Arunachal Pradesh (520 km), Nagaland (215 km), Manipur (398 km) and Mizoram (510 km). Out of the total border length, a 10 km stretch in Moreh, Manipur already been fenced. Two pilot projects of fencing through a Hybrid Surveillance System (HSS) are under execution, the projects will fence a stretch of 1 km each in Arunachal Pradesh and Manipur.<sup>34</sup>



*Source: Image*

While the feasibility of the project has been widely doubted, the move has attracted adverse comments especially because it impacts upon the Free Movement Regime (FMR) agreement and potentially generates adverse effects on the bilateral ties of the two countries.

The current Free Movement Regime (FMR) agreement with Myanmar is under review as part of this initiative. While the fencing proposal is ostensibly rooted in security concerns, it is anticipated to face opposition and potentially generate adverse effects on the bilateral ties between the two nations.

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<sup>34</sup> "Government sanctions ₹31,000 crore to fence Myanmar border", The Hindu, 18 November 2024

<https://www.thehindu.com/news/national/government-sanctions-31000-crore-to-fence-myanmar-border/article68655939.ece>



After all, the FMR is a mutually agreed arrangement between the two countries that allows tribes living along the border on either side to **travel up to 16 km inside the other country without a visa. It was implemented in 2018** as part of the Indian government's **Act East policy. The rationale of FMR was because the British demarcated the boundary way back in 1826 without considering the opinion of local inhabitants.** The demarcation resulted in the division of people who share strong ethnic and familial bonds across the border. In addition to fostering people-to-people interactions, the Free Movement Regime (FMR) was envisioned to boost local trade and business activities. The area has a rich tradition of cross-border commerce facilitated by customs and border haats.

## 7.4 Bhutan



*Source: Image*

Two countries that enjoy the closest bilateral relations are India and Bhutan; historically bound by the Treaty of Perpetual Peace and Friendship 1949 / 2007. Common security is the foundational principle of the treaty. India and Bhutan are also two countries with which China has not resolved its border.

Special characteristics of the relationship include open borders, visa-free travel, and duty-free trade. India has been Bhutan's major economic and development cooperation partner.

*1949 & 2007 Treaty:* The 1949 Treaty is a virtual reproduction of the British era Treaty of Punakha Dzong of 1910. Article 2 of 1949 treaty states that India will not interfere in the internal affairs of Bhutan. In turn, the government of Bhutan will be guided by the advice of India with reference to external relations.

The 2007 Treaty amended Article 2 to read as follows: "In keeping with the abiding ties of close friendship and cooperation between Bhutan and India, the Government of the Kingdom of Bhutan and the Government of the Republic of India shall cooperate closely with each other on issues relating to their national interests. Neither Government shall allow the use of its territory for activities harmful to the national security and interest of the other."

Compromising Bhutanese territory and security has direct implication for India as India can be attacked by China by encroaching on Bhutanese territory.

That's why both Bhutan and India cooperated on Doklam in 2017 to stop the road construction by China by invoking Article 2. In this context it may not be out of place to state that all the officers of Royal Bhutan Army and Royal Bhutan Guards are trained in National Defence Academy and in Indian Military Academy in India. And all their JCOs and men are trained at the Indian Military Training team at Ha in western Bhutan.



*Source: Image*

On June 15-16, 2014, Bhutan was the first country that Modi visited as prime minister. He inaugurated the Supreme Court building and also laid the foundation of the joint venture 600 megawatt Kholongchu hydroelectric project with an estimated cost of `400 million. When in June 2017 China entered Bhutanese territory to construct a road in the Doklam plateau, Thimpu raised objections and requested India to intervene leading to a standoff between India and China.

*Diversifying economic heft:* Indo-Bhutan Hydropower Cooperation is more than five decades old. From Hydropower, collaboration has extended to four other areas: mining, tourism, agriculture, and remittance. Modi's second visit from 17-18 August 2019 resulted in the launch of Mangdechhu Hydroelectric Plant, the 'RuPay' card, Ground Station for the South Asian Satellite (SAS), and Inter-connection between Indian National Knowledge Network (NKN) and DrukREN.<sup>35</sup>

*A closer look at China factor:* There's no denying that the roots of 1949/2007 Treaty lie in the China factor. But then this makes it necessary for us to understand the evolving relationship between Bhutan and China.

According to a PTI report datelined 25 October 2023,<sup>36</sup> during the recent visit of Bhutan's Foreign Minister Dr Tandi Dorji to China, the two countries signed a "Cooperation Agreement" outlining the responsibilities and functions of the Joint Technical Team (JTT) on the delimitation and demarcation of the boundary between the two countries after their 25th round of border talks.

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<sup>35</sup> <https://www.mfa.gov.bt/state-visit-to-bhutan-by-h-e-shri-narendra-modi-prime-minister-of-india-from-17-18-august-2019/>

<sup>36</sup> "China, Bhutan hold border talks, ink pact on functions of JTT for delimitation, demarcation of boundary", *PTI*, 25 October 2023 <https://www.deccanherald.com/world/china-bhutan-hold-border-talks-ink-pact-on-functions-of-jtt-for-delimitation-demarcation-of-boundary-2740047>

Dorji's October 2023 visit to Beijing came in the backdrop of remarks by Bhutanese Prime Minister Dr. Lotay Tshering to Belgian newspaper *La Libre* in March that year that Bhutan hoped to complete the demarcation of territories with China within one or two meetings: "We do not encounter major border problems with China, but certain territories are not yet demarcated. We still have to discuss it and draw a line." This was in spite of Doklam standoff of 2017 and the more recent Chinese claim on Sakteng Wildlife Sanctuary in Bhutan at the Global Environment Facility (GEF) Council by opposing funding for the project. Bhutan had then lodged a demarche to the Chinese Embassy in India over China's claim over the sanctuary made at the GEF meeting.

As Tshering's remarks raised concerns in India considering the close ties, Bhutan King Jigme Khesar Namgyel Wangchuck visited New Delhi in April and met Prime Minister Narendra Modi during which the two leaders resolved to expand the close ties between the countries.

Returning to the October 2023 meeting, China urged Bhutan to establish diplomatic ties with China as they have long maintained friendly exchanges. "China always respects Bhutan's independence, sovereignty and territorial integrity, and is willing to strengthen exchanges at all levels and in all fields, expand practical cooperation on the economy, trade, culture and tourism, and accelerate the boundary demarcation process and the establishment of diplomatic relations with Bhutan to bring more benefits to the two countries and the two peoples".

Interestingly, the Chinese Foreign Ministry press release quoted Dorji as saying that Bhutan firmly abides by the one-China principle meaning Taiwan and Tibet are part of China and stands ready to work with China for an early settlement of the boundary issue and advance the political process of establishing diplomatic relations. The Chinese press release also said Dorji expressed Thimphu's backing for President Xi Jinping's Global Security Initiative (GSI), the Global Development Initiative (GDI) and the Global Cultural Initiative (GCI) to further Beijing's strategic initiatives.

Even if we disregard the press statements of the Chinese, reality is that China and Bhutan have engaged in direct talks since 1984 to settle their border dispute. In 1996, Beijing put forward a package deal under which it offered to accept Bhutan's sovereignty over Pasamlung and Jakarlung in north-central Bhutan in exchange for Thimphu ceding control over Doklam in western Bhutan to China.<sup>37</sup>

Marcus Andreopoulos explains Chinese intent and action quite well – something that must be obvious to India's foreign policy and military strategists. He says that after years of so-called salami slicing along their shared border, China is attempting to engage in negotiations with Bhutan to formalize its ill-gotten gains—a strategy reminiscent of China's playbook along its border with India and in the South China Sea. What is different is the strategic importance of Bhutan's disputed regions to the China-India relationship.<sup>38</sup>

Andreopoulos points out that Chinese control of the disputed Doklam plateau would allow Beijing unhindered mobilization and more access routes in the event of military conflict with New Delhi. As a result, any China-Bhutan talks are not just a bilateral issue, but rather part of a Chinese strategy to gain a crucial advantage over India.

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<sup>37</sup> Sudha Ramachandran, "Modi's Visit to Bhutan Amid Elections in India Raises Questions", *The Diplomat*, 2 April 2024  
<https://thediplomat.com/2024/04/modis-visit-to-bhutan-amid-elections-in-india-raises-questions/>

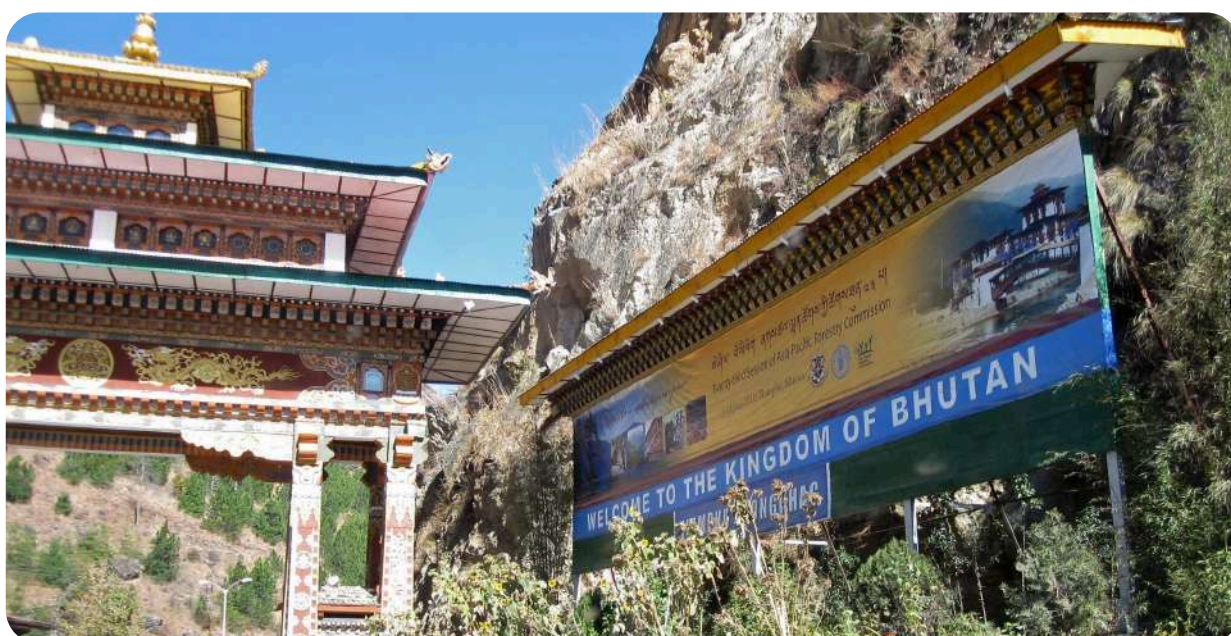
<sup>38</sup> Marcus Andreopoulos, "China's Border Talks With Bhutan Are Aimed at India", *Foreign Policy*, July 18, 2023  
<https://foreignpolicy.com/2023/07/18/china-bhutan-border-talks-india-dispute-security/>



A resolution between the CCP and the government of Bhutan would reverberate throughout India, threatening peace in the region and escalating the crisis along the Sino-Indian border. The implication is that this issue requires close attention from New Delhi as well as the Quadrilateral Security Dialogue—the Indo-Pacific partnership that includes Australia, India, Japan, and the United States.

For Beijing, Doklam remains the goal: It sits at a junction that connects Tibet, Bhutan, and India, and it would provide the Chinese People’s Liberation Army with a tactical advantage. Bhutan’s unwavering refusal to accept the deal may have prompted China to add the Sakteng claim, sending a message about how far it will go.

Meanwhile, China has stepped up its coercive measures and opted for more creative means of reaching a breakthrough. China erected entire villages inside Bhutan’s borders in recent years; Gyalaphug village in the northern Beyul region is one of three the Chinese have constructed, along with miles of roads, CCP administrative centers, and outposts for military, police, and other security officers.



*Source: Image*

Andreopoulos explains such an elaborate construction drive may seem to contradict China’s apparent preference for the western regions, including its offer to exchange the very land on which it has built villages. But this view misunderstands the CCP’s motive: Rather than annexing Bhutanese territory to occupy it fully, the CCP’s main objective seems to be to strike at the core of Bhutan’s Buddhist culture.

Quoting an expert, Andreopoulos says that Bhutan ceding the Beyul region—an area of immense cultural and religious importance—is as likely as Britain giving up Stonehenge. The silent occupation is instead intended to force the hand of the Bhutanese leadership, making it more eager to discuss the future of Doklam.

Similarly, the Chumbi Valley to the north of Doklam—often described as a Chinese dagger into Indian territory—represents a weakness for China, which sees the ancient gateway to Tibet as vulnerable to a pincer movement in which Indian troops could strike from both sides of the valley at once—from Bhutan and India.

By extending its claim by 89 sq km south of the intersection with Bhutan and India, China hopes to gain a vantage point that could serve both offensive and defensive purposes in a potential conflict with India.



India is aware that if China has Doklam under its control, it could exert more pressure on India; Chinese forces could easily sever India's connection to the eastern part of their disputed border. Such a resolution would also almost certainly precede more ambitious moves from China in Arunachal Pradesh, which could draw in the United States.

In this context it may not be unrealistic to surmise that India will push for Quad to bring military cooperation within its framework. With such high stakes, New Delhi should urge Thimphu to maintain the status quo in Doklam in the face of continued pressure from Beijing.

Without going that far, Professor Srikanth Kondapalli of JNU explains China's strategy. According to him, to exert further pressure on Bhutan, China began constructing "well-off society" villages at Gyalaphug (in Doklam Plateau in 2015) and several other places claimed by Bhutan. Further, in June 2020, China began constructing "well-off society" villages at Gyalaphug (in Doklam Plateau in 2015) and several other places claimed by Bhutan. Further, in June 2020, China began claiming 650 sq km of the Sakteng Wildlife Sanctuary in Bhutan's eastern district of Trashigang. Thimphu suspects that through these China's military will make inroads into Bhutan and send Chinese migrants for regional domination efforts.<sup>39</sup>

Another stealthy effort of China is in the economic field. India used to be Bhutan's biggest trading partner as well as aid provider. However, in the last few years, China displaced India and now accounts for more than a quarter of Bhutan's trade. (As we will see in the next section, it is in this context that India doubled its assistance to Bhutan to regain the number one spot)

Kondapalli further explains that to extend China's influence, it is necessary for China to invest in physical connectivity projects such as roads, railways, hydro-electricity and other projects. The Power Construction Corporation of China is involved in the Chukha hydropower project and the Punatshangchu Hydropower Project.

Sinohydro Corporation, China Gezhouba Group, China Road and Bridge Corporation and other Chinese State-owned companies are involved in several infrastructure projects in Bhutan, while China Railway Eryuan Engineering Group Co is exploring railway connectivity through the Lhasa-Gyantse link. Chinese Party-State companies also built the 220-km Friendship Highway in 2008, 290-km Lateral Road in 2013, 100-km Gelephu-Gomtu Road in 2016, 60-km Wangdue-Trongsa Road in 2017, in addition to mining copper and gold.<sup>40</sup>

Additionally, China dominates the crucial telecom sector in Bhutan laying down fibre optic cables, expanding mobile networks, and establishing internet access points. Huawei is involved in Bhutan since 2009 in 3G and 4G telecom networks. Prior to the pandemic, China sent over 80,000 tourists to Bhutan, but the latter is aware that China could weaponise tourism, as it did against South Korea, Malaysia and Taiwan. China is thus exerting tremendous pressure on Bhutan to establish diplomatic relations. Territorial dispute resolution is a step in that direction, though China's overbearing conduct towards Thimphu and New Delhi could stall that process for the time being. China's territorial concessions to Bhutan are nominal and tactical in the central sector while the gains it seeks in the western sector are substantial and strategic in nature, aimed at countering and weakening India.

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<sup>39</sup> Srikanth Kondapalli, "Bhutan under China's shadow", *Deccan Herald*, 03 December 2023  
<https://www.deccanherald.com/opinion/bhutan-under-chinas-shadow-2794475>

<sup>40</sup> *ibid*

India's response: Perhaps then it was natural that during Prime Minister Narendra Modi's third visit to Bhutan on March 22 and 23 this year, India announced the doubling of its assistance to Bhutan from 50 billion Indian rupees (\$0.6 billion) for its 12th Five Year Plan (2018-2023) to 100 billion rupees (\$1.2 billion) for its 13th Five-Year Plan (2024-2029). The Gelephu Special Administrative Region, an economic hub that will come up on Bhutan's border with Assam in India's Northeast, and connect with an economic corridor linking South Asia to Southeast Asia, is expected to be a major beneficiary of India's substantially enhanced assistance to Bhutan.<sup>41</sup>



*Source: Image*

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As we write this, Bhutan Prime Minister Tshering Tobgay has just attended the first "Global Conference of the International Co-operative Alliance (ICA)" in New Delhi on November 25, 2024. Pitching the upcoming Gelephu Mindfulness City as the biggest "co-operative project" in Bhutan, Bhutanese Prime Minister Tshering Tobgay said that he was grateful for India's support on the 2,500 square kilometre "Zero Carbon" city being developed.<sup>42</sup>

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<sup>41</sup> Sudha Ramachandran, op. cit.

<sup>42</sup> Suhasini Haidar and Vijaita Singh, "As India inaugurates global co-operatives alliance, Bhutan pitches Gelephu as biggest co-operative project", The Hindu, November 25, 2024 <https://www.thehindu.com/news/national/as-india-inaugurates-global-co-operatives-alliance-bhutan-pitches-gelephu-as-biggest-co-operative-project/article68911123.ece>

But a more ominous development has come to the fore. On December 18, even as NSA Ajit Doval's was meeting China's foreign minister on the India-China boundary issue in Beijing, there was report of China building 22 villages in Bhutan, including 8 near Doklam, and in the process takes 2% of Bhutan's territory.<sup>43</sup>

Robert Barnett, a research associate at the School of Oriental and African Studies (SOAS) who authored *Forceful Diplomacy: China's Cross-Border Villages in Bhutan*, the key concern for India in these developments revolves around the Doklam issue.<sup>44</sup> Bhutan, which is obligated by treaty to uphold India's security interests, has asserted that resolving the Doklam issue would require a trilateral approach rather than a decision made solely by Bhutan. As a result, any resolution on Doklam is unlikely to exclude India's involvement, according to Barnett.

Barnett expressed a larger concern, pointing out that, in the long term, the key issue is whether China's use of intense pressure—essentially force—might succeed in pulling Bhutan out of India's sphere of influence and aligning it with Beijing. He observed that Bhutan seems to have already surrendered substantial territory to China, a development India was unable to stop.

Similarly, Ashok Kantha, who served as India's envoy to Beijing from 2014 to 2016 and is an honorary fellow at the Institute of Chinese Studies, holds that China's construction of villages within Bhutanese territory breaches the 1998 agreement between the two nations on maintaining peace and tranquility in border areas.

According to him, these developments are part of China's strategy of "incrementally and systematically changing facts on the ground". He has likened this approach to China's activities in the South China Sea, where artificial features were created and militarised. According to him, while these actions are particularly concerning for India as they occur in a sensitive region near the Siliguri Corridor "Bhutan is unable to challenge these actions due to the significant power imbalance and this reflects China's typical behaviour of asserting its claims, disregarding prior commitments and the perspectives of other countries, and facing no real consequences."<sup>45</sup>

We close this section on India-Bhutan relations with the uncomfortable but realpolitik acknowledgment that while Bhutan will remain close to India, it has little wherewithal to escape the relentless pressure of the Chinese dragon – and that will impact on India's security concerns.



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<sup>43</sup> [Bhaswar Kumar](https://www.business-standard.com/external-affairs-defence-security/news/china-in-doklam-beijing-builds-22-villages-takes-2-of-bhutan-s-territory-124121800557_1.html), "China in Doklam: Beijing builds 22 villages, takes 2% of Bhutan's territory", *Business Standard*, Dec 18, 2024 [https://www.business-standard.com/external-affairs-defence-security/news/china-in-doklam-beijing-builds-22-villages-takes-2-of-bhutan-s-territory-124121800557\\_1.html](https://www.business-standard.com/external-affairs-defence-security/news/china-in-doklam-beijing-builds-22-villages-takes-2-of-bhutan-s-territory-124121800557_1.html)

<sup>44</sup> *ibid*

<sup>45</sup> *ibid*

## 7.5 Nepal



[Source: Image](#)

Few countries have more intimate relations than Nepal with India as they share an open border that allows their nationals to move freely. Their relationship is characterised by close economic, security and cultural ties. India remains a major trade and transit partner, where a number of Nepalis continue to earn a living or pursue higher education.

Good ties with Nepal, meanwhile, help India address security and geopolitical issues in its neighbourhood more smoothly. Yet, their political relationship, in the near past, has gone through more ebbs than flows, largely due to a border dispute over the Kalapani area.

If we are to focus on the developments over the last decade, then the first thing to observe is the revision of the 1950 treaty. After years of dissatisfaction by the Nepalese government, India in 2014, agreed to revise and adjust the treaty to reflect the current realities, however, the modality of adjustment hasn't been made clear by either side. Due to geographical proximity, socio-cultural affinity and economic dependence of Nepal, India has strong influence on Nepal and its policy decisions.

Modi's first visit to Nepal in August 2014 as part of his 'neighbourhood first' policy was highly successful. He was the first foreign leader to address the Constituent Assembly — the body tasked with drafting Nepal's new constitution. His remarks drew widespread praise from all Nepalese political parties and seemed to promise a new beginning in India–Nepal relations.

Minister Narendra Modi had expressed its displeasure at Nepal's constitution, a position made clear in a series of statements issued by Ministry of External Affairs (MEA) in New Delhi. Citing MEA sources, Indian Express even circulated a seven-point demand for amendments to the constitution, within days of its promulgation. With the election of nationalistic leader K P Oli as prime minister in Nepal, the rift between Delhi and Kathmandu was widened, and lead to a massive humanitarian crisis, as shortages of fuel, medicines, and essential supplies become acute across Nepal.



*The Blockade:* According to Wikipedia, the 2015 India Blockade of Nepal, which began on 23 September 2015 and lasted about six months, was an economic and humanitarian crisis that severely affected Nepal and its economy. Just as an illustration, roughly 300 fuel trucks enter from India on a normal day, but this dwindled to a sporadic passage of 5–10 fuel trucks daily during the crisis, though shipments of perishables like fruits and vegetables had generally been allowed to pass. Moreover, India had also been stopping some Nepalese trucks at the Kolkata harbour. The blockade choked imports of not only petroleum, but also medicines and earthquake relief material.



*Source: Image*

Nepal accused India of imposing an undeclared blockade. It is generally accepted that the blockade was triggered by Indian concern about changes to the Nepali constitution, violent ethnic conflict, and Nepal's increasing cooperation with China. India denied the allegations, stating the blockages were imposed by Madheshi protesters within Nepal.

But the blockade was perhaps more harmful for Indian interests. In “Is This the End of India's Influence Over Nepal?”, Biswas Baral, the editor of *The Annapurna Express* states that the 2015-16 blockade imposed by India “[T]he main catalyst for the end of the era of “special relations” between India and Nepal, and there is now little doubt that India has lost strategic space to China in Nepal”.<sup>46</sup>

*Focus on HIT:* During his Nepal visit in August 2014, Prime Minister Modi had invoked ‘neighborhood first’ to denote a new beginning in relations. To highlight the focus on connectivity, he coined the acronym HIT, covering Highways, Infoways, and Transways. However, relations took a downturn in 2015 with the economic blockade. Repairing the relationship has been a slow process but results are now visible, leading PM Modi to recall and revive the old acronym.

A change of government in Nepal with the fall of the hawkish regime led by Khadga Prasad Sharma Oli and the restoration of the pre-2022 election Nepali Congress and Maoist alliance to power raised expectations of a thaw in this matter.

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<sup>46</sup> Biswas Baral, “Is This the End of India's Influence Over Nepal?” *The Diplomat*, March 14, 2018  
<https://thediplomat.com/2018/03/is-this-the-end-of-nepals-special-relationship-with-india/>

With Pushpa Kamal Dahal as the new Prime Minister, the border irritant in ties was not delved upon. According to The Hindu editorial on India-Nepal ties<sup>47</sup>, the focus was on trade and development ties during the Nepali PM's four-day visit in early June 2023.

Economic ties received a fillip with progress in expanding cooperation in power sector development and trade. The finalisation of an agreement to increase the export of power from Nepal to India to 10,000 MW within 10 years, development of new transmission lines, an MoU for the construction of a petroleum supply pipeline between Siliguri and Jhapa, besides extensions to existing pipelines and construction of new terminals were positives. But the highlight of Mr. Dahal's visit was an agreement to take forward the Indian proposal of the export of Nepal's hydropower to Bangladesh through Indian territory.

The Hindu editorial rightly pointed out that the success of Mr. Dahal's visit would be assessed when these agreements come to fruition, but the progress made in recent Indian ventures such as in rail connectivity and hydroelectric projects should be encouraging. New Delhi's emphasis on expanding ties by taking a focused approach on development projects contrasts well with the high sounding but less viable Chinese forays into infrastructure projects in Nepal.

Besides, it has suited the Indian government to take a less intrusive approach to the complicated internal political dynamics of Nepal in recent years, especially after the perceptions of Indian interference in the Madhesi agitations of the last decade, led to hyper-nationalists fanning anti-India rhetoric. While the emphasis on economic ties should keep the relationship in good stead, the governments cannot just put the border issue on the back burner and expect it to be sorted out.

*Three Irritants:* According to Rakesh Sood, former Indian Ambassador to Nepal, there are three irritants in India-Nepal relations. The first is the Agnipath scheme that impacts the recruitment of Gurkha soldiers into the Indian Army's Gurkha regiments, a practice that began in 1816 by the British Indian army. This was continued under a 1947 treaty based on 'equal treatment'. The Agnipath revision of the terms has not gone down well with Nepal which now refuses its citizens to join the Indian Army under this scheme.

The second is Kalapani boundary issue that was deliberately stoked as a nationalist cause by Mr. Oli in 2020 when his position as Prime Minister was under threat. He pushed through a constitutional amendment and unilaterally changed Nepal's map. According to Sood, resolving this will need time because a lasting solution will need political wisdom and understanding. But Sood does not mention that the "unprecedented defiance" by Nepal was triggered by India organising a road inauguration ceremony in Kalapani, a disputed region between Nepal and India, "giving a massive setback to the Modi government"<sup>48</sup>.

The last is the legacy issue - the 1950 Treaty of Peace and Friendship. In Nepal, a conviction has taken root that the Treaty is unfair to Nepal as it was imposed somehow. But Ambassador Sood clarifies that this ignores the reality that in 1949, the Nepali regime was perturbed by the Maoist revolution in China and the subsequent takeover of Tibet.

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<sup>47</sup> <https://www.thehindu.com/opinion/editorial/economic-emphasis-the-hindu-editorial-on-india-nepal-ties/article66946828.ece>

<sup>48</sup> "Is India's 'neighbourhood first policy' unable to win regional allies?", Proceedings of international webinar "Failure of India's Neighborhood First Policy under BJP Government: Implications for Regional Cooperation". <https://www.trtworld.com/magazine/is-india-s-neighbourhood-first-policy-unable-to-win-regional-allies-50492>

It sought an understanding with India and the 1950 Treaty, in large measure, reflects the provisions of the 1923 Treaty between Nepal and British India. In fact, the Treaty enables Nepali nationals 'equal treatment' in terms of employment and permits them to apply for any government job, except for the Indian Foreign Service, Indian Administrative Service and the Indian Police Service. Nepali nationals work in the Indian private and public sector, have joined the revenue services and in the Army, have risen to become two-star generals.<sup>49</sup>



People light candles on an outline of the new map of Nepal drawn on a road as they celebrate the approval of the political map to include territory claimed by both India and Nepal, in Kathmandu, Nepal, June 13, 2020.

*Waiting in limbo:* After being sworn in as Prime Minister of Nepal for the fourth time in July this year, K. P. Sharma Oli had met Prime Minister Narendra Modi on the sidelines of a United Nations conference in September, while Nepal Foreign Minister Arzu Rana Deuba had visited New Delhi for talks with External Affairs Minister S. Jaishankar in August.

Although Oli had expressed his desire to visit India, no such invite came his way. With no invite from India, Nepal PM Oli headed to China on first visit abroad - making him the first Nepali leader not to visit India on his first bilateral visit abroad after taking over.

Suhasini Haidar termed the silence on New Delhi's part and Oli's subsequent visit to China as a symptom of strained ties over issues such as denial of overflight rights and New Delhi's objection to Chinese investment or components in India-Nepal projects.<sup>50</sup>

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<sup>49</sup> Rakesh Sood, "More HIT Than Miss in India-Nepal Ties", 22 Jun 2023, Asia Pacific Leadership Network [https://www.apln.network/news/member\\_activities/more-hit-than-miss-in-india-nepal-ties](https://www.apln.network/news/member_activities/more-hit-than-miss-in-india-nepal-ties)

<sup>50</sup> Suhasini Haidar, "No invite from India, Nepal PM Oli heads to China on first visit abroad", *The Hindu*, November 14, 2024 [https://www.thehindu.com/news/international/no-invitation-from-india-new-nepal-pm-oli-heads-to-china-for-bilateral-visit/article68859901.ece#cxrecs\\_s](https://www.thehindu.com/news/international/no-invitation-from-india-new-nepal-pm-oli-heads-to-china-for-bilateral-visit/article68859901.ece#cxrecs_s)



The emergent uncertainty raises the question as to what sort of government in Nepal should India support. Writing almost four years ago for ThePrint, Shyam Saran, former Foreign Secretary and India's Ambassador to Nepal had cautioned:

“There is a fond belief in some quarters that a Right-wing coalition in Nepal, perhaps with the return of the monarchy and a Hindu kingdom label, will safeguard Indian interests and keep the Chinese at bay. One sees repeated assertions of this kind. A careful reading of history will show that it is the Hindu ‘samraats’ who have led the way to promoting anti-Indian sentiment. They have served as dependable sentinels of Chinese interests in Nepal. The Chinese never supported the Maoists against the monarchy. They built their relations with the Maoists only after it became clear in 2006 that the monarchy was irretrievable.

No matter which political dispensation is in power in Nepal, no matter what its label, as long as China has powerful instruments of security and economic leverage, it will use them. It has worked with a Hindu Nepal before and will do so again. Let us not fall naively into a trap.

(Further) the political empowerment of the Madhesis who inhabit the Nepali terai adjacent to the Indian plains through a democratic dispensation is important to India because any unrest there will spill over into our country. We have witnessed this before. In acquiescing to a tactical move that may be a setback to China, let us not sacrifice the interests of people whose well-being also safeguards the security interests of India.

India should meet the China challenge in Nepal by drawing upon the considerable assets it has in its relations with that country, assets which China is unable to replicate. It is by positioning itself as a partner of choice for the economic and social development of Nepal that India can retain its considerable presence there. A Nepal that gets caught up in great power confrontation is not in India's interest and we should not encourage this for ephemeral short-term gains.”<sup>51</sup>



<sup>51</sup> Shyam Saran, “A stable Nepal is in India's interest. Supporting Oli or hoping for Right-wing coalition isn't”, ThePrint, 30 December, 2020 <https://theprint.in/opinion/a-stable-nepal-is-in-indian-interest/576092/>



## 7.6 Concluding remarks

Most think tanks and seasoned observers of India's relations with its neighbours had held that after a promising start had nosedived significantly over the last ten years. Our detailed treatment with respect to our relationship with neighbours largely underscored the opinion of experts.

But it is good to cull out the critical aspects. First, when populist leaders stoke sectarian or chauvinistic issues in the garb of nationalism and security for vote bank politics targeted for their domestic constituency, the negative impact on bilateral relations can be severe. Developments in Maldives, India, Pakistan, Nepal, and Bangladesh are ample proof. In other words, the elites' route to capture and retain power often comes in the way of building sound bilateral relations.

Second, it needs great skill and statecraft to shed the negative baggage of above and build bilateral relations. Muizzu and Dissanayake are two different but apt practitioners of this art; while Oli of Nepal isn't.

Third, even if the political leader has shown the necessary adroitness and skills of the trapeze artist, it may still not compensate for the anger and sense of alienation that citizens of the receiving country may exhibit. It'll take Maldives a long time to see the same level of tourist influx from India, or for wounds of Bangladeshis to heal for being called termites.

Fourth, the China factor is now overwhelming and is bound to cast its long shadow on our relations with neighbours. This means at least four things. One, it is not just that China's resources are so much more than India's. China has demonstrated to the world that India has to stand down for China to be seen as the unquestioned emerging superpower. Two, our "little" neighbours now have a choice; so, gone are the days when India could play the "big" brother role; now it'll be seen more as intervention. Three – and almost as a corollary – smaller neighbours may be inclined to play China-India card to gain concessions. So, taken together, a question may arise for India: why not collaborate rather than compete with China?

Fifth, it's time not only to revive SAARC but for India to take active role in this direction. There has been a host of advice from saner and well established quarters of late; it will serve the foreign policy mandarins to heed these and inform their political masters. On balance, there'll be nothing to lose and everything to gain.

In our opinion, this "panchmukhi" could just be the framework to revive our relationship with our neighbours.





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