

ROARING INDIA: A DIALOGUE ON INDIA-CANADA RELATIONS

SUMMARY OF DISCUSSION

CONTEXT AND BACKGROUND

India today is dynamic and on the move. Its growing political and economic strength is promising, but by no means secure. Within Canada, Prime Minister Martin has declared relations with India to be a foreign policy priority. Canada-India relations now need to be re-evaluated in light of India's emergence as a major power - albeit a power with significant development challenges remaining – and Canada's changing foreign policy emphasis.

On March 1, 2004, South Asia Partnership Canada hosted a roundtable discussion in Ottawa to examine Canada's evolving relations with India, and to provide recommendations on how this relationship may be strengthened. Contributing to the dialogue was a spectrum of 25 people drawn from the public, non-government and private sectors who brought to the table deep knowledge of Indo-Canadian relations from a range of political, economic and social perspectives. The roundtable provided an to share information and views on "emerging India" and to explore present and potential India-Canada cooperation, particularly in the realm of civil society and people to people linkages.

The roundtable was chaired by Mr Richard Harmston, Executive Director, South Asia Partnership Canada. In his introduction, Mr Harmston welcomed participants and provided further background and context to the discussion. Two presenters initiated and framed the discussion. Dr. Arthur Rubinoff, Professor of Political Science, University of Toronto spoke on the issue of India as a global power. He discussed the changing political and economic landscape in India, outlined continuing challenges confronting India, and offered a modestly optimistic assessment of India's immediate prospects. Mr Arif Lalani, Director, South Asia Division, Department of Foreign Affairs and International Trade was the second speaker at the roundtable. Mr Lalani offered views on the potential and opportunities for Canada-India cooperation given recent developments in India. Mr Harmston provided final comment at the end of the day in which he flagged the main issues addressed in the roundtable and offered some preliminary ideas on sectors and issues that could be further pursued in advancing Canada-India relations.

Following is a snapshot of the main themes of discussion during the dialogue, and the broad recommendations arising from the discussion.

DISCUSSION THEMES

Is India roaring?

- India's seemingly bright economic prospects – the 11th largest economy in the world, a growth rate of 8.4% last quarter, and a burgeoning middle class – are garnering international attention.
- Rapprochement between India and Pakistan has boosted regional security, and India appears more self-confident and mature on the international stage. Some participants welcomed India's greater assurance; others cautioned against rising 'triumphalism' amongst some Indian elite.
- Domestically, many in India seem more positive and optimistic about the future. India's government is relatively stable, despite the need to rely on party coalitions. Some participants thought the willingness of Indian voters to change party allegiance is a sign of greater sophistication; others said that it is a function of an increasingly youthful electorate. The decline of the 'license raj', and the lessening stranglehold of the bureaucracy, also have a role in changing attitudes.
- But India remains a divided society. Prosperity is neither balanced nor egalitarian. Vast numbers of people, particularly in the north, remain in poverty. Human rights abuses continue and many women are oppressed. Communal violence simmers. While India has much to celebrate and share with the world, including its rich culture and open democracy, Indian 'pride' makes it difficult for some to acknowledge the continuing deprivation amongst so many.
- Even on the economic side, foreign investment in India is relatively low, unemployment is high, and India remains a relatively small player in world trade. Inadequate infrastructure is a major constraint to future development.
- India's history informs its present and future and cannot be ignored. That said, India does not have to be bound by its past. Some believe that a 'New India' has emerged and needs to be sustained.

What of Canada-India relations?

- Since India's independence, people to people links with Canada have grown steadily including academic, cultural and other exchanges. Anecdotal evidence suggests these linkages are broad and deep.
- On an official level, relations have had their ups and downs – a particular low point followed India's nuclear testing in 1998.
- On development, Canada has provided India with bilateral assistance for over 50 years.
- Prime Minister Martin has identified India as a foreign policy priority. Its potential economic importance to Canada was demonstrated by the fact that Mumbai was the first overseas destination for Canada's new Minister for Emerging Markets.
- Canada's relations with India are moving apace, with an unprecedented number of ministerial visits both ways in the last 9 months. This included a visit by Prime Minister Chrétien last October, and the issuing of a joint declaration. The declaration did not shy away from differences on the security agenda, but found mechanisms to deal with the issue.
- India needs to be recognized for its own merits – both opportunities and challenges. 'Compartmentalizing' the relationship is not useful, as the relationship needs to be viewed as a whole. Canada's challenge is how to pursue both the challenges and opportunities in tandem.

- Indo-Canadian relations can no longer be seen as something that is of interest only to the Indo-Canadian community. That said, the Diaspora has a particular role in promoting greater knowledge and understanding between the two countries. The Diaspora is a varied constituency with many differences within it. Within the business community however, the Diaspora is more unified.

Is there a problem?

- Participants expressed different views on the extent to which Canada-India relations need to be enhanced. Some said relations were developing well already, fuelled by mutual self-interest. Others argued Canada was not sufficiently focused on maximizing the potential of the relationship. Another viewpoint was that India needed to be better ‘mainstreamed’ as a foreign policy priority.
- Arguments for strengthening relations fell into three main areas, which participants noted were not mutually exclusive:
 - Economic/commercial – in addition to the potential for mutual financial gain, growing prosperity in India is a force for regional security and provides the government with the potential to address development priorities more effectively.
 - Humanitarian/social – if the international community is to have any hope of meeting its Millennium Development Goals, it must help India deal with its poor. Addressing poverty is also crucial to regional stability and security. Canada and India have much to gain from further exchanges on cultural and social issues.
 - Security – military and non-military issues (including environmental and major health issues) in South Asia are of international concern because of their cross-border implications.

Misperceptions on both sides?

- Canada is not well known in India and the reverse is also true. Canada needs to work on its image, as building a relationship begins with the images.
- Within Canada, some participants said that the Canadian media does not treat India seriously. Stories published about India perpetuate stereotypes and ‘circulate ignorance’.
- Lack of knowledge of India extends to some Canadian bureaucrats and politicians.

Are comparisons useful?

- The United States has done better at fostering greater understanding of contemporary India, and dispelling stereotypes. This has been fuelled in part by commercial interests. The Indian Diaspora in the United States has also been successful at developing knowledge of India amongst legislators, although the political culture in the U.S. and Canada is different.
- Some participants noted that China had done much better than India in fostering greater awareness of recent developments and suggested that this should be further studied. Others cautioned against these comparisons, as much of China’s economic growth has come at a considerable social and environment cost.

Resource implications?

- Officials noted that new funding was unlikely to be found for promoting relations with India. Instead, funds will be reallocated from existing resources. The challenge will be to decide on priorities, given the many competing interests.
- Some noted that when dealing with India, it is not so much the dollar amount involved that is important, but the approach used.
- Many NGOs were disappointed that funds from Canada's bilateral aid program to India were not redirected to support civil society programs in India. CIDA Partnership Branch funds are however still available for NGO projects. Some stated that the withdrawal of the bilateral program to India increased the importance of greater NGO to NGO linkages.
- Some participants said that continuation of the Shastri Institute program is a priority for promoting civil society links.

IDEAS ON 'NEXT STEPS'**Niches for Canada?**

- Canada will always be a relatively small player in India but there are niche opportunities for Canadian skills and knowledge.
- A few areas that were identified as possible niches include infrastructure development, environmental technology and know-how, strengthening civil society, and cultural linkages including through literature.
- Interested Canadian organizations could have a better understanding and analysis of Indian development priorities and approved projects to help define further niches for Canada over the next few years.

Areas for Possible Action?

- Further work could be undertaken to identify opportunities for greater business, academic and civil society/NGO partnerships with India. This work could also include a study on linkages between the voluntary sector and corporate Canada working in India, which could provide practical examples of corporate social responsibility in action. Civil society should be a source of creativity about potential new partnerships in India.
- Within civil society, it would be useful to identify an 'apex' for coordinating knowledge on India among various groups and constituencies. This apex could provide, for example, a practical mechanism for linking knowledge of developments in India, and projects underway, with those who could assist in Canada.
- A strategy to raise the calibre and improve the content of media coverage of India in Canada could be developed.
- Further work could be undertaken on mechanisms to provide greater information and knowledge on India particularly for legislators and officials in Canada.
- Greater policy coherence on India is needed among different government departments and officials are now examining possible coordination mechanisms.
- Better mechanisms are needed to foster interaction between civil society and the government officials.
 - Civil society could form 'clusters' of interest around particular issues in the relationship.

- This cluster idea could be linked to DFAIT's idea of extending 'Focus India' into a forum for on-going dialogue.
- More information is needed on how CIDA operates.
- Civil society could provide ideas for CIDA on proposals for venture driven philanthropy.
- Opportunities exist in EDC for greater NGO involvement in public sector activities.
- Civil society could develop further ideas on how to develop a more visible presence in India (for example, one idea was put forward about developing greater linkages between Canada and India's literary communities).
- Within Canada, there are opportunities for greater public advocacy on strengthening relations with India
 - This could include MPs and Ministers.
 - CCIC is a key mechanism for pursuing issues concerning development assistance.
 - The Diaspora has a particular role to play within Canada to correct misperceptions about India.
- Promoting Canada as a tourist destination in India makes commercial sense given the growing middle class, but may also be a way of addressing some outdated stereotypes.

South Asia Partnership Canada
1 Nicholas Street, Suite 200
Ottawa, Ontario
K1N 7B7 Canada

Tel 1 613 241 1333
Fax 1 613 241 1129
Email sap@sapcanada.org
Website www.sapcanada.org

SAP Canada gratefully acknowledges the financial support of the John Holmes Fund of Foreign Affairs Canada for this event.