Canada and Emerging India

Contending Economic and Security Agendas

Louis A. Delvoie

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Occasional Paper Series

The Queen's Centre for International Relations (QCIR) is pleased to present the fifty-ninth in its Occasional Paper series. The Occasional Papers are intended to reach the policy-community and the broader public with short analyses of contemporary trends and issues in international security and in Canadian foreign and defence policy.

A former Canadian diplomat with extensive experience in South Asia, including as High Commissioner to Pakistan, Louis Delvoie assesses the prospects of Canada's relationship with India, an emergent economic and military giant dominating South Asia and seeking its rightful place in the concert of great powers. As India undertook to liberalize its economy and to engage fully in the globalizing post-Cold War world, Canada responded to the new trade and investment opportunities with the now-customary parade of Team Canada visits. Temporarily stymied by the crisis over the 1998 nuclear tests, and frustrated by the cautious response of Canadian business, the process of economic rapprochement has so far produced rather modest results – certainly so when compared to the figures for China.

Delvoie nevertheless sees a considerable upside for the relationship, while all the time cautioning us as to the serious political and cultural obstacles that stand in its way. Among these are continuing Canadian concerns about India's nuclear aspirations, the Kashmir issue, and broader regional tensions. The

Table of Contents

A Framework for Renewal	1
An Economic Agenda	3
Nuclear Proliferation and Regional Security	7
Good Governance and Human Rights	10
Knowledge and Perceptions	13
Conclusion	14
Notes	16
Biographical Note	19

Canada and Emerging India: Contending Economic and Security Agendas

li i e ai, a ic ae e i edi A i 2005, he Ca adia g e e c, ide ab e e ha i , he, eed f Ca ada de e a de a d i Leai, ih,e e e.gig e. cha Chia,Idia a d B.a.i.I de cibed he e c , ie a he le die fa, e e a fg ba ec, ic g_ had aid ha he i haea _f, di ac, Caada', g-e_ ec, icf e.¹ Wha i ill g, h e e i ha he'g e e ee e i age he cha e ge a d e a d i he e i he de e e f he e le eai, hi a ecie i ec, ice i hi e efe e ce he iica ad ec i di e i, fi ic ide ified e e he ei he ae-e. L' digi a be ig ig, de ibe ae _ he i e, e f he ifa i i iDe ' e c , e j'ai, ai, i g a deg ee f ic c he e ce i i a _ach heec', ie, a e'a' e fhe b ace he'achie ee fi bjecie. l he ca e fl dia, he eff _ f he Ca adia g e _ e i je _a e a , g d _ a _ e'a i , hi da e bacD - he id-1990'. The ha e fa_had , aileda, fcce. I he d fhefeig ic ae e _eai, hi ih l dia ha , de_ef_ed i he a . 2 Wh i hi ad ha a e he _ 'ec f _Ca ada de e i gac e a d b _ ad ba ed ¿eai, hi ih l diai hef ¿e? The h ¿a'e "e he e e i, be ha, , de the ligh c, dii, , e lea e i f le he de e e fa e ha cedad a ada age ec, iceai, -hi ih l dia, b ha, e fac i b h hec, e i, a a d h a ec i d'ai i e d c, ai he beadha dde h'fhe e a i, hi'.

A Framework for Renewal

The add, fhe Ca ada-I dia eai, hi e_i fi_ f _ ea_ ha e bee e e i e de cibed addic ed.3 The eed, be ec ed he e. S ffice i a hab he ed fha i e, he eai, hi a i he d d _ . A , e Ca adia ch a c e ed A Ca ada ad I dia e e ed he 1990', i a a e ige fhe ea ie ecia e ai, hi 'had a i hed.4

e He i he e i ee i g he d i Q ebec Ci i 2001. Wha i e, he aeg f _iga e '_edec, ic_ec e__ _ edi __had e c aged he Ca adia g e, e ai he eff _i b h _ade ic a d ade _ i, e_he, g e_ .6

An Economic Agenda

I a agai, hi bacDg_, d ha he Ca adia g e, e, bega, de -, _aea,e i e_e i l'diaa a e'iaec, ica__e_7 l'Ocbe__ 1994, he Mii e fle ai, a Tade, R. MacLae, eda aj Lade ii, Įdia. Acc a iedb 40 b į e e e e e e ę i g he e gi ee į g, e ec ic, e ec icai, a da ai, ec MacLae ade icea ha he Ca adia ge e a e a ed ie I dia a e f he _ i i g a De i he A ia Pacific egi, f Ca adia b i e , 8 a d, ge a a c , he a gi fi , g- a di g ec , ic i i- ie i A ia l a eech i Va c e a fe , h a e MacLa e e ici ec g i ed | dia' g i g i a ce i he i ica ec , f he A ia-Pacific egi Pacific egi ; :

Be , d he c, i ed a d a id g h f Ja a a d he A ia Tige_, he _egi (i he c_adef _ he e e_ge ce f e _ _ ' hi he _ c ed ec , ie : Chi, a a d l dia. M _e icD ha ' _eaie, hei_e e_ge ce i e'd h'cD a e h_ gh heg baec -, ic e ¹h cD a e ha i,eed be a agedad iae ab "bed, a., h., gh e be'z hii he, e W "d Tade O gaiai, b a h gh e be hi i APEC.

Ea_ i 1995, he Ca adia g e, e e a he, aj _ade i i, l dia, c, i i g f 44 b i e e a d ed b Sec.ea_ f Sa e, Ra d'Cha. A he a e i e he De a e f F eig Affai a d l e a i a Tade (DFAIT) i ia ed a e e i e ce f c, a i i h cia g e, e a d i h i a e ec c ai, i de de e a c he e a eg e Ca ada adea d ec ici e e i l dia. The e f he e c, ai, e i he bicai, i J, e 1995 fa e e e a ched a d de ai ed d c e e i ed Focus India: Building a Canada-India Trade and Economic Strategy. The a ed e f hi d c e e e h_eef d: c_ea e a highe_ _ fi e f _ dia i Ca ada; _ ai e he a a e e adie e fhe Ca adia jae ec ji hi a e e gig a le ;a d c diaeg e, e .g.a adaciiie i .de. bec eaca'a ficea ed ja e ec j e e i l dia. 10 Whie i ga ga facilie be, de a De b he Caadia

g e e , Focus India c ea aced he e ha i , he e f he Ca adia iae ec i e i g he i ie e e ed b he, e l dia;

The iie ece i, acc ded he bicai, f Focus India b he Caadia b i e c , i a heg , d

Bit he Ga adia g e , e , a bii e dea e cea e a, e a d ei ig a ed e ai, hi ih | dia. | Ja a 1996 | dia a hef ca i fa Tea Ca ada iii, A ia. Led b Pi e Mi i e Ch ie, he i i, c, i ed f e e i cia e ie , fede a Cabi e i i e a d e 300 b i e e e e e e i g 204 c a ie. The i i, a e e a a ie f e: ai e he fie f Ca ada a , g | dia' i ica a d ec, ic e ie , f e di ec c, ac a d dia g e be ee he i ica e ade hi f he c , ie , high igh Ca ada' i d ia ca abii ie he | dia b i e c , i , a d c , c de a be fagee e a d c , ac . I he e e , e 75 c e cia agee e e e i g ed i Ne Dehia d B ba, ha i a e \$3.4 bii , a d he i i , a j dged a e , di g cce b he Ca adia g e e e l he d f Secea f Sa e Ra , d Cha, he i i , had e ed e i a i e he e a i , hi a d he d he e c f a e c e , a e a di g a d i die i , a e a i , hi be ee | dia a d Ca adai he 21 ce . 13

I he ea f ighe Tea Caada ii, hee a a, iceabeiceaeihe, be fbiaeaechageadiiaie. A deegai, fhe C, fedeai, fl dia ld iied Caadai J, e 1996, a da fficia iib hel dia Miie fE e a Affai, K a Gja, Dacei Se e be f ha ea A he a e i e, he Caadia g e e a cedi i e i, e ghe i c e cia affi Ne Dehiad B ba, a d e, e c, a a dc e cia ffice Baga e, Mada a d Cha digah. S b e e he Caadia E De e e C ai, de igaed l diaa, e fi hee jijae a d cadia

Pa acie ea chf b i e i dia l 1997, i a he f Ca adia F eig Mi i e L d A h i i l dia a he head f a de egai, f b i e e e a d a ia e a ia . F i g hi a D i h Mi i e G j a i Ne De hi, i a a, ced ha a J i Mi i e ia C i ee d be f ed faci i a e c, a i, be ee he g e e , a ide a ge f i ica a dec, ici e . A d i a eech i Cac a, A h e he ef a, e ha e i he ea i, hi he he aid ha l dia i e e gi g a

, e fhe aj ـ _ _d a e _ fhe 21 ce, _ _. Ca ada _ecgie hi, a d e a gieldiahe jį idee e e į "feig eai, 14 A' fhi ac'i i b he Ca adia g e de ca e' a g ji di g ha i h heldia, cea_ea, e fMa 1998 (eebe), b afe_a hia f ea_ h_ee ea_i icDed eed agai f ig hea, ce e i Ma_ch, 2001 f he Ca adia g e_e e 'lei, e-e gage ihldia. The e e e i i l'diab De Pi e Mi i e Jh Ma e , l igiai, Mii e_Ei _Ca a, Na a Re _ce Mii e_He_b Dhai a a dl e_ai, a Tadé Mi i e Pie e Pe ig e a he héad fa a geb i e de égai, . D' jga i i 'O a a b he l dia Milie e fP e e he Ca adia E ' e De e C ai, ig éd a ag ee e e diga \$115 ii, i e fc.edi I dia Pe Fia ce Cai, fia ce he fg da de ice b Ca adia e e 15 Adia e e ci e e i ce fhe Fc I dia _jec f 1995, Pie_e Pe ig e a, , ced i 2002 he a, ch f a, e S h A ia Tade Aci, Pa, ai ed a e ha ci g he Ca adia b i-, e c , i 'a a e e' f'he ade, i e' e a dji e e i ie ffe ed b he egi, .16 M ece , i 2005, he Ca adia g e, e' ig ed a a d a Pag ée e i h l'dia i he fie d f'cie ce a d ech g, fied hich hege e, e ha de ified a De c i e e∡gig a∡De ∡a eg .¹7 '

Whiea fh eiliaie fheCaadia g e, e aeidicaie f i dee_iai, ad'e_i, e f 🕹 e'idee'iga, e'ec, ic eai, hi in I dia, he e da e, ea ed b he be, a.e e ha e ha e he i gf a Ca adia e eci e. The ade fig e i hef įgʻabei "a'e he

CANADIAN TRADE WITH INDIA¹⁸ (MILLIONS OF CANADIAN DOLLARS)

Year	Exports	Imports
1992	525.0	280.2
1993	267.1	354.4
1994	282.3	458.8
1995	427.7	597.1
1996	341.6	603.8
1997	481.9	743.2
1998	414.4	898.6
1999	388.1	1,015.8
2000	541.0	1,232.1
2001	611.5	1,153.8
2002	617.1	1,327.3
2003	760.3	1,423.7
2004	875.3	1,576.2

6 Canada and Emerging India

The efig e h a e f aj ead g h Ca ada'e - I dia e he a decade I deed, he di ce ibe a e i f g h I dia'e Ca ada. Whi e he Ca adia g e e ade i i I dia e e d bed high ef i e abi hi g c ac a d ai I g he Ca adia fie i I dia, e f he h a di g he

a egi geie e abaed a addcie fade e fcec, i gfaf-b, jad fdeie e : aicaf, a d-baed i iead ea-baed i ie ad ea-baed i jegadighe e e e fCaada ad he Wee, c, jegidiac, jed c, d c e faaje fcea-caabebai ic i ie, jcdighe Agii e ediae agebai-ic i ie. Adea j 2003 i aa, ced haldiahadc, c dedadea ih R ia (a eda \$3 bii,) ea ef gageb be, ceacaabe baje ada aicafcaje Aafhedea, heldia Defece Mii e j dicaed hahe c je hada ageed e e aji ga e de a e gage, ceacaabe c i e i ie.30

The, e e_eaile fl dia', cea___e, d bed ceae _be f Ca adia ic a eai he ee de e he biae a eai, hi ihl dia. The e eei _aedi a d ig he ii O a ai Se e be 2002 f he l dia Mii e f E e a Affai , Ya h a Si ha. l he c _e f

Ohe a ec fhe egi a ec i i ai, a a e be aic i d -Ca adia e ai, he ea fhe beigheld -PaD aic, fic e Kah i Si ce he e i a acD he U i ed Sae i Se e be accented to the later of 2001, heldia g e e ha a e e ed e Df ec e We - e fi ii, hic e iica, ide gica a d e i ia di eb a i gi a i e e ha a he hea e i he g ba a e i (i ch he a e a a R ia Pe ide P i a d I ae i Pi e

a ade ih l dia acc di g Sai ic Ca ada.) A df ad e ic ic e eci e, hie he e i a a ge a di f e ia l dia c i i Ca ada, he e i a a a ge a di f e ia Chi e ec i . A he cica i g fac c d be he e e hich he U i ed Sa e igh decide a l dia ff agai Chi a i eff e abi i Shad Ea A ia. I ha e e , Ca ada' e dea e e gage ih l dia igh a feed i Ca ada' a i a bia e a e ai, hi ih he U i ed Sa e . I bief, he cea a d egi, a ec i ea i e a e f fficie i .

a he i ai, LegaLdig Le ec f Lciiadh a Ligh ∡ėge, ėa, i, Lebe, ig. A į′a, A ia, c, √ie, hef iį g h a igh ab e a e e de ici l dia: ge de di ci l ai, chi d ab chi d i i, chi d b ded ab a d ad b ded ab Me be f ched ed ca e a d ha a e e a bace iie c i e ffe di ci i ai, a d e i ai, a he ha d f e ca e . The Nai, a H a Righ C' i i, hich a ceaedi 1993i, a a ic a effecie b d a di, fee f ica i e fe e ce. Wha i e, he l dia g e e ha c e e e heai', a e je fa hich į f j ge ; ci i îbe_le . The e i c de he P_e e i e De e i , Ac f 1950, he Mai e-, a ce fī e "a Sec i Ac f1980 a d he Te " i e Aciiie (Pie e i',) Ac f 1985. U de c e f he e Ac , I dia ec i f ce ha e e gaged i iica d'ig, abd ci, a d a i f fc eci e , i h e i a ea i hich e a a i ge e e ha e a ife ed he e , e.g. Ka h i P, jab, A a a d he a a e i N hea I dia. The e a e ab e ha e bee e d c e ed b i e a i, a b die cha H a Rìgh Wachad A, e le Lai, a, hich ha ei ed e_ _e '__ , | dia.45

The eg e a ceadh a igh i e ca, he b i hibi he e e hich Ca'ada ca de e a c e e a i , 'hi i h l dia, f a a a Ca adia feig ic ie a gae c e a dah a ec i age da. Tha de a ea ile cha ge i he fee eeabe fe _e. The g'e__ e 'f _eig ic a e e 'f A' i 2005 aDe ha ab, da cea

Caadaic ied e e digha igha dha ec i h_{-}^{\perp} gh he $_{-}$ d, ac † i'e, ha'a f $_{-}$ ' hef $_{+}^{\dagger}$ dai, f a ach g dg e ace .Ca ada i a e g á i 'f e_c i e, h a igh, de cacadhe_e fa ha ace i di id a ci i e a he hea f cie a d cea e a a e c i ed _ ec i g hei_ e fa_e.46

l, hecae flodia, he ⊾be fg e_{nc}aceadh a ∡igh a⊾e dee 🔪 ed a d he ea a ai ab e Ca ada effec a cha ge a.e., a he ea , e e e i ied. Ca adai, eihe a i _a a , _a aj _ ec, ic a e fldia, a di h, ile e j ch i ica i f e ce ih heldia geee Ad Ca ada'b, ede gaef bia ea a i a celdia i, i i i e ha e e ha de i ac, a di ceai i fficie ide he Ca adia geee ih a e e age iac , __ˈiÞe | dia he_e, i he _e/ fhe Caadia ˈle--eai, a De ee 'Agec,' he e e fée e a a i a ce i c,' i' e ' h'il Da he ec, g, a, ge, 47 l, h, he Ca adia g e, e i ha e ai i eai, hi ih l, dia h, gh a, d a e, ie f h, gh , aaabe eaile i e fCa adia a e Thi a e i he i fa

idb i e iDe <u>e</u> a i , hi ba ed , c ea <u>defi</u> ed a i e <u>e</u> , b i i , iDe - _ d c , e cha ac e i ed b a _ h _ ge i e fie d hi .

Knowledge and Perceptions

Ye a he_b ace he dee e i g f he Ca ada-l dia eai, hi fa he ea f p edge a d e ce i . The e ee i e d b ha a Ca adia , p e ab l dia ha he hei a ce did e hi ea ag . C , ib i g hi ead f p edge ha bee he e e ce i Ca ada fa a ge a d e e i cea i g c , i f l dia igi, a f h e e be ha e i e i e cei iic, b i e a d he fe i . A he c ib i g fac i he e a Pabe Pd, e b he Sha il d -Ca adia l i e i g acade ic a d h e cha ge be ee he c ie, a d i i g l dia die a d e each ga e i Ca adia i e i le .Tha aid, h' e e i i diffic di agee i h he ge e a _ i i , f _ a d b P _ fe _ J h W d he effec ha:

De iea fhe icab 'c , a i ie', i i iea a e ha Ca ada a d \downarrow dia a e , i e ide f he g be, \downarrow diffe e ciaic, e, ad ide eaaedb hc aad, a, be... f cia a dec, ic i dica _ De i e a he e a i e i he be _ f Ca adia f l dia _ igi , he a _ aj _ f e e i bhc, ie Phieabeach he 48

Hege, i ha hi i ai, i c , ded b he fac ha The c eage f he he c , i each c , i edia i i j g, b i a he ica eaD. 49

14 Canada and Emerging India

A he_diffic i a f hi i ha he i age hich Ca adia a

Notes

- 1. G e, e f Ca ada, Canada's International Policy Statement: Overview (O a a, 2005) . 17.
- 2. G e_y e_y f Ca ada, Canada's International Policy Statement: Commerce (O a a, 2005) . 17.
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- 10 DFAIT, Focus India: Building a Canada-India Trade and Economic Strategy (O a a, 1995), . 43.
- 11. Ibid., .43.
- 12. Ibid., .1.
- 13. DFAIT, Statements, N . 1 (O a a, 1996), . 3.
- 14. DFAIT, Statements, N . 1 (O a a, 1997), . 1.
- 15. DFAIT, News Release, N . 77 (O a a, 2001).
- 16. DFAIT, Statements, N . 2 (O a a, 2002), . 1-5.
- , N AIT9 g 8 4, -H ((O () e 1993 e140.04 184465Tc T -10)116.5 16 T -0.0018 e2 R1 1 Tf.19 TD0.0

21. The i ai, i a eq e ha e i i ce f he Ca adia g e e e ' e dea e e i ai e Ca ada' ec, i c e ai, hi i h he E e ea C , i i he 1970'; he g e e h ed c, i de ab e eade hi, b , f a a ale f ea , , he i a e

- 39. S i Ga g , E ai i g he l dia N c ea Te i Th a a d G a (ed .), India's Nuclear Security, .56-58. A, ed Ca adia ie, ec i affai gge he c eii, a , e e d e ace. See G , e D e A ia Ri a Se E gage i Ne S ace Race i The Kingston Whig-Standard, J , e 10, 2003, .7.
- 40. Pa R.B.a , I dia: De caic ge ad be i Seig Hall, et al. (ed.), India and Pakistan: The First Fifty Years (Ca bidge: Ca bidge: U i eli Ple , 1999) . 34. I i eli eli 102 c , ie , he Beli ba ed ga i ai , Ta ale c I elai , ala eli dia a , g he 30 c le c , ie i eli eli eli eli eli bic ffice full a e gai . See The Economist, Feb. al. 1, 2003, .90.
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- 43. Sida h Bha ia, Ligh i g he f e f ha ed i The Globe and Mail, Dece be 19, 2002, A23.
- 44. ∫ dia Piic: The, ai, ai 'da Pic jits rel

Biographical Note

F. 1995 2002, he a a adj, c fe fi, e ai, a eai, a Q ee' U i e i a da R a Mii a C ege. He i a Se i Fe i he Ce ef le ai, a Reai, a Q ee' U i e i a da i i g ec e a he Ca adia F eig Se ice li e i O a a. He i a fe e c e a Midde Ea e a d S h A ia affai CBC Radi. Hi e a ice Ca adia f eig a d ec i ic, a d i e a i, a eai, ge ea ha e a ea ed l International Journal, Behind the Headlines, Canadian Defence Quarterly, Policy Options, Canadian Foreign Policy, The Round Table, British Journal of Canadian Studies, Canadian Military Journal a d i a a ie f b