

The Image Crisis of India as a Development Partner in South Asia: A Regional Development Perspective

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Abstract: *In order to emerge as a regional leader and an influential global power, India has been expanding its role as a donor or development partner across South Asian and Sub-Saharan African countries. To cash on its identity of the Big Brother of South Asia India, despite having some serious domestic and regional problems, recently invested a lot of money in a number of development projects in neighbouring countries. This article attempts to delve into India's role as an emerging power in South Asian development business. With a view to examine India's prospect in this context, the article analyzes three pertinent development cases from three major South Asian countries namely Bangladesh, Nepal and Sri Lanka where India attempted to prove its regional development leadership through bilateral arrangements. After reviewing those cases, the author argues that India is still holding its image rather as a political Big Brother of South Asia with occasional attempts to interfere into the internal matters of its neighbours. In spite of some big joint development ventures in recent years, India in all three cases, failed to formulate trust and credibility among the people living in neighbouring countries. It also could not build an image of a regional development partner. This image crisis is one of the key reasons why it is very unlikely that India will soon become a regional or global super power especially in the light of increasing Chinese influence in the region.*

Keywords: India, Big Brother, Emerging Power in Development, South Asia, People's Perception

1. Introduction

Despite some serious domestic and regional problems and issues India has been emerging as a global power for a long time (Sarma, 2010). Both Wulf (2013) and Bhasin (2008) identified that the Big Brother role of India in the South Asian region has drawn ample attention and criticisms from inside and outside the country. Many have also questioned India's capacity to compete in the global politics and economy (Ambrose, 2012; Biswas, 2012). India does not seem to pay much attention to the criticism; rather it looks determined to demonstrate its leadership in South Asia as well as to grow as an influential global power in near future. What conforms that endeavour is that India is expanding its role as a donor or development partner not only among its neighbouring countries, but also in other developing parts of the world including Sub-Saharan Africa (Manning, 2016). India, although still receives the biggest amount of development aid among the BRICS (Brazil, Russia, India, China and South Africa) countries, has emerged as a donor primarily to boost its influence over global policy and governance. I am interested in looking into India's role in South Asia within this context of its rise as a global and regional development partner and donor.

As a student of Governance and Development, I want to examine the donor role that India plays in its neighbouring countries including Bangladesh, Sri Lanka, Nepal, and Bhutan through the lens of political economy, especially in regards to the ideas and interests (Hall, 1997) along with perceptions. Although India is investing a great deal of money in the form of joint venture development projects as well as grants and donations in neighbouring countries, it has not put much of its efforts to gain public support in these countries. In this paper, I argue that due to this lack of effort in public diplomacy (Dahal, 2011; McDowell, 2008, p. 7) India's current efforts are not contributing to building its image as a regional or super power. India is still holding its

image as the Big Brother in the region which mostly projects its political domination over the neighbouring countries. I also argue that unless India finds a way to alter its image to become more as a development leader or humanitarian donor, it would be very unlikely that it could succeed in competing with other emerging powers mainly China in terms of achieving regional and global economic interests.

In this paper, I present a few cases and my arguments in three major sections. In the first section, I discuss and focus on development cases from Bangladesh, Nepal and Sri Lanka. India has invested a lot of effort, interest and money in all three cases and I have deliberately chosen them as they have recently generated many issues and debates regarding the role of India in the region. The second section shall analyse the cases with the ideas, interests and the public perceptions behind India's involvement in those cases to understand how they contribute towards building India's image. Finally, I conclude with the argument of why the current development initiatives in these countries are very unlikely to deliver India's interest of being an influential regional or global power.

2. The Cases

The Bangladesh Case: Rampal Power Plant

The Rampal Power Plant is currently the most debated issue regarding development in Bangladesh. In 2010, the governments of Bangladesh and India signed a Memorandum of Understanding (MoU) that Bangladesh Power Development Board (BPDB) and the National Thermal Power Corporation (NTPC) of India would jointly set up a coal-based thermal power plant in Bangladesh. This joint venture was named as the Bangladesh-India Friendship Power Company (BIFPC). Both parties agreed to complete the project on a 50:50 contract basis. Both parties agreed that the NTPC would set up and operate the plant while the states of Bangladesh and India would have the share of 30%

of the total budget and the NTPC would invest the other 70% which is an amount of USD 1.5 billion in the form of bank loans (Begum, 2013). This was a big investment from India, and the Government of Bangladesh welcomed it not only for the fact that Bangladesh needed the power to continue its production and growth (Ethirajan, 2010), but also as a part of its political commitments (Asaf, 2008).

The Government of Bangladesh proposed this 1320 Megawatt power plant to be set up in around 1834 acres of land area called Rampal under the district of Bagerhat. This site is just 14 kilometres away from the largest mangrove forest of the world The Sundarbans that lies on the delta of the Ganges, Brahmaputra and Meghna rivers on the Bay of Bengal. Many environmentalists have opposed the idea of this power plant being situated so close to the Sundarbans. They argued that the plant does not meet the international guidelines of such coal-based power plant, and it poses a big threat to the environment of the area including the biodiversity and wildlife of the Sundarbans (Haque, 2013). A telegraph report also depicted that the proposed plant shall damage a huge livelihood for fish and human as the entire area of impact would be unsuitable for farming, jeopardising the significant amount of production of crops and fish (Salam and Wahiduzzaman, 2013). Many civil society organizations and activists started to protest against this plant and termed it as the project of deception and mass destruction (Muhammad, 2013).

The Government of Bangladesh is still determined to set up the plant at Rampal. The silence of the Indian government in this issue has built a negative image among the common people of Bangladesh. The mistrust of people towards the current government and India is now pretty apparent. People have discovered the political interests of both parties here. Many have argued that this project shall mostly deliver the interests of Indian companies and a few businessmen while the people of Bangladesh shall be the losers (Ritu, 2013). India has clearly failed to gain public support through diplomacy in this development case.

The Nepal Case: 2015 Nepal Blockade

Since the last quarter of 2015, Nepal had suffered from the economic and humanitarian crisis for a long period, when India imposed an undeclared blockade on Nepal. Historically Nepal has been dependent on India in economic, social and political aspects. India has always been interested in the politics of Nepal for a long period, and in 2015 when Nepal agreed upon and passed its constitution, India was displeased about it (Majumder, 2015). According to India, the ongoing protests against the common border areas became so violent that India had no other way but to put a blockade in those areas. As a result, the fuel that Nepal, being a landlocked country used to import from and through India was stopped. Soon the country ran out of fuel.

Nepal was struggling to develop its democracy since 2006. Eventually through a long struggle and movement, Nepal abolished the monarchy and established a democracy. In 2015, all groups and political parties in the country supported the constitution (Dixit, 2015). When India blocked the fuel transport, the Nepali people protested against the Indian government on the roads in the Capital. It

was a humanitarian case as Nepal was hit by a 7.8 magnitude earthquake several months ago and the reconstructions were going on. A Guardian report (2015) noted that the Indian blockade was inhuman and beyond imaginations as the fuel-based public transports, health and emergency services were interrupted (Pattison, 2015). The report also added United Nations' concern that blockade was threatening the country's future.

It was not a straight forward development case, but the point is, India has been a major donor to Nepal. Firstly, India being involved in the domestic politics of Nepal had many times influenced the way of discussions regarding the democratization in Nepal (Thapa, 2008). Secondly, in the 2015 earthquake India assisted Nepal with aid in the forms of money, transport and other assistances. India even created a joint fundraising campaign led by the president of 'India Development and Relief Fund'¹ to help the earthquake-affected Nepal. In this background, the blockade turned down all the leadership roles of India in Nepal in two months. The people's perception regarding India's involvement in Nepal changed and eventually Nepal had to turn to China and Pakistan for fuel (Samarasinghe, 2015).

India, in this case also, did not try to practice public diplomacy to win the public support from Nepal. India even denied an obvious blockade to Nepal (The Telegraph, 2015) which exposed India's political interests within the country and in Nepal before the people of Nepal. India was rather supporting the interests of Maoists in Nepal (Bava, 2007, p.4), and was not pleased with the constitutional development. India failed to continue its leadership in this case.

The Sri Lanka Case: Colombo Deep Sea Port and Sri Lankan Railway Project

After 25 years of civil war against Tamil tigers, Sri Lanka stored peace in 2009 (Weaver and Chamberlain, 2009). Despite that long held bloody civil war, this small island country has surprisingly developed substantially. It is in fact, in most social and economic indicators including education and health, leading among the South Asian nations. After the end of civil war, many countries including China and India wanted to invest in Sri Lanka in order to utilize the immense potential of this island in expanding port business.

India has had an interest in Sri Lankan politics for a long time and Indian peace keeping force stayed in Sri Lanka to help fight the Tamil tigers. After 2009, India hoped that it could continue its influence over Sri Lanka. India planned to take some mega development projects including USD 70 million the Indian Railway project (Radhakrishnan, 2011). India wanted to utilize the sea port of Colombo as well but it did not happen as the Government of Sri Lanka decided to receive more investments for China. China offered to build an international airport and a deep sea port in Colombo and the Government was glad to accept the 'best term' from Chinese investors (BBC, 2010). In 2010, Sri Lanka opened the first part of deep sea port as part of Chinese assistance to rebuild infrastructure worth of USD 6 Billion (BBC, 2010).

¹ Please find more about it at <http://www.idrf.org/tag/nepal-donations/>

India reacted explicitly on the increasing Chinese investments in Sri Lanka. The Government of India, through a press note expressed its concern over the increasing influence over the region of South Asia (Bajaj, 2010). The concurrent maritime boundary dispute lately added fuel to the issue. The Indian Government welcomed the new President in January 2015 when Sirisena defeated Mahendra Rajapaksa. India asked the newly elected government to rethink the security strategy in the Indian Ocean. It was important to India as a lot of Indian liquefied energy supplies take place through and around the island (Taneja, 2015). On one hand, India was still having a number of armies in the Northern part of Sri Lanka, and on the other hand, India was putting pressure on Sri Lanka not receiving any more investment from China for a deep sea port. It was a critical time for Sri Lanka, and the bilateral relationship with India was at a stake.

Many argued that due to the federal structures of government in Sri Lanka, India has an influence over the Tamil-dominated province in South and North (Shiya, 2015). Most Sri Lankans do not welcome this interference from India in their domestic affairs. Sri Lanka sees more opportunities with Chinese-funded projects than the Indian ones, but India does not want to lose their control over the Ocean against its traditional opponent and competitor, China (Sharma, 2015). In doing so, over the years, on these few development projects around and on the island of Sri Lanka, India has lost its credibility and acceptance among the Sri Lankans. India failed to create goodwill of a regional power in this case.

3. The Analysis

India's Ideas, Interests and People's Perceptions in South Asia

The above cases depict the stories how India has lately involved in their neighbouring countries. India does not have friendly relations with Pakistan, but it has friendly effective relations with other countries in South Asia. After Narendra Modi came in power, he wanted to have healthy relations with its neighbours (Ani, 2014). It was not surprising as the foreign policy of India has been following the principle of 'friendship with all enmity with none' (Sibal, 2012). At the same time, India had always tried to maintain its dominance over its neighbours especially through political influence (Ayoob, 1990, p.109). The neighbouring countries people most cases did not welcome India in their domestic affairs, although different governments have varied political interests with India (Buzan, 2002).

Lately India emerged as a donor and development partner in the world development business. Neighbouring governments also found their benefits in cooperating with Indian investments and aid driven projects. That is why; Indian investment in public and private sectors in these countries has recent increased by margin (Sharma, 2015). The idea behind this change of foreign policy, despite so many domestic problems within the country (Sarma, 2010), is to earn public support with the region, and to deter the dominance and aggression of China. This was a good idea but it did not deliver the interests in most cases. As in the Bangladesh case, India made investment in the project in

order to promote NTPC and their political interests with the government of Bangladesh. India was supporting the present Government of Bangladesh which has been suffering to gain legitimacy itself as the unfair and unopposed 2014 election led them to power (Ahmed, 2014). To add on that the current Awami League led government came into power through January 2014 election in which the main opposition Bangladesh Nationalist Party did not participate in the election, and only around 22% (which is official government information) voters turn out to vote. More significantly, 153 electorates which are more than 50% of the total electorates of 300 were elected unopposed without any poll (Ahmed, 2014). There are a few other important issues that India did not solve such as the river water share with Bangladesh. In addition to that, the environmental threats by the project did not much contribute to change people's perception about India.

India has treated Nepal as a province as the citizens of the two countries do not require visas to visit each other. The economy as well as the political development of Nepal was pretty much dependent on India. India could utilize this historical bilateral tie to its favor which it tried by offering increasingly more political and developmental aid in recent years. In the case of the blockade, India failed to depict humanity. Its role in the post-earthquake Nepal was condemned by the Nepali people as well as by the international community. In this case, India was struggling to manage its marginal ethnic groups residing at the borders areas adjacent to Nepal. The Indian idea of regional dominance, in this case, badly turned into a political interest. In the end, people held better perceptions about China.

In the case of Sri Lanka, the main idea was to deter the dominance of China in the Indian Ocean. India contributed a lot in the domestic peace building in Sri Lanka, but the latest development projects like the railway and its concern about deep sea port clearly showed their interest to dominate over this region as a Big Brother, not as a humanitarian leader or donor.

The interests of India which are to dominate their neighbours and to utilize the national governments to take control over the region were apparent in these cases. In terms of political economy, the winners were the national governments, as they received more and more aid within the competitive context between India and China. India did lose to a great extent as they could not win the public support although they invested a lot.

4. Conclusions

India, as I mentioned before, is definitely emerging as a power in world development. The question is how far it can go. This depends on many domestic, regional and international factors. Being the largest country in South Asia as well as the biggest democracy (with the most number of elections) in the world, India is still struggling to hold its geographic integrity and peace. As Haan(2006) pointed out, India has been struggling with its immense inequality among its regions. Half of its population lives under the poverty line (Kumar, 2010). Still several areas are fighting for separation within country. Despite these major issues within the

country, India is still trying to emerge as a global donor. People in India and in the neighbouring countries do not find this idea logically sound.

I analysed the above cases and showed how those kinds of cases where India is trying to invest in a development projects or trying to provide aid, are mostly failing to clarify its legitimacy as a donor. In most cases, people still perceive India's interest of a dominating Big Brother power within the region. People do not have clear understanding what India can bring for them, if it emerges as a global power in future. India has developed a plan to connect its rivers within its territory which shall affect Bangladesh, and it has problem of maritime boundary with Sri Lanka. It is also fighting with Pakistan. These neighbouring countries have good ties with China and it is investing more and creating a much better image in the South Asian region (Brunjes, Levine, Palmer, and Smith, 2013).

Although on the platform of BRICS, India and China are operating together and putting funds in the same development bank, they are competitors and have conflicting interests in South Asian region. The above cases and the analysis in the previous section show that India is still far behind to be able to create a good humanitarian or development partner image in its neighbouring countries. The image that India is now having which is of a more politically motivated and interest driven neighbour that always interferes in neighbouring countries internal matters embedded in the practices of regional cooperation as well as in the minds of people. People do not really trust India and do not see it as a super power in world development business.

However, India may look to improve its image in this region by improving public diplomacy policies within the region. In doing so, it has challenges within itself. Considering all these factors and the current evidences that I observe and the cases I presented above, it seems very unlikely that India would become a big development partner or an influential global player of world development where the Chinese influence is rapidly increasing.

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