
UNIT 17 INDIA-CANADA PARTNERSHIP

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17.1 INTRODUCTION

The relationship between Canada and India has been long-standing and generally amicable. Canada has benefited from its traditional link with British imperialism, which has served to open Canadian political and economic interests to the world, while as an independent country—the first to emerge out of the British Empire—Canada has, to a considerable extent, distanced itself from the British imperialism and has shared with India the status of independence within the Commonwealth. Most important, though, is the fact that over half a million Canadians are themselves of Indian descent, providing a lasting bond between these two countries and perhaps playing an enhancing role in business investments and developing partnership.

In the changed global scenario of post-Cold War years, Canada no longer comes to India as a developed country preferring aid and export-financing. It comes as an equal partner, with an eye to mutual advantage: a 'win-win' scenario. Bilateral trade between India and Canada has a high growth potential following New Delhi's new liberalised foreign trade and investment policies. Any Canadian company interested in foreign investment can ill-afford to ignore India. On its own part, the Indian government has also to rely on the expertise of the Indo-Canadian companies for the development of its infrastructure—power, transport, roads, telecommunications, environment and sustainable development. Of late, both countries realised that Indo-Canadian partnership holds out great promise.

17.2 INDIA-CANADA RELATIONS DURING THE COLD WAR (1947-1991)

India, in the Cold War period, remained aloof and independent from the two power blocs by adopting non-aligned policy; Canada, on the other hand, had aligned itself with the Western blocs by joining NATO, due to which both the nations grew suspicious of each other later on, which adversely affected the relations between these two nations. In fact, the myth or perception on Canadian side about India was that, it could not be aloof in the international politics, in the same manner the myth on the Indian side about Canada was that, it was acting according to the likes of the western bloc. Subsequently these two perceptions on both sides worked as an abrasive in further deteriorating their relations. Thus the myths that both the nations gathered about each other proved to be fettering all the way in their relations.

In spite of the misunderstandings in their relations, these two nations have been working for the same cause though they have different platforms to raise their voice. The cause of disarmament, speaking for the Third World, participating in the UN peace keeping forces, championing decolonisation, human rights etc. are some of the areas where they happen to work for the same cause, but on different platforms without coordination. This lack of coordination in their relations was mainly generated due to the misunderstandings caused by the myths and misconceptions.

The cooperation between these two nations in some cases can be traced back to the colonial days, when the extremists of India demanded from the British a Canadian dominion model of Government in India as their aim; later revolutionary organisations of the Indian Freedom Movement worked from Canada as a base. Canada was involved in peace keeping in Kashmir and also did its best to solve environmental problems in India (1966's food crisis, 1984's Bhopal Gas Tragedy etc.). There was economic cooperation between these two as well as some loans from Canada were free of interest. These two nations exchanged expertise in the field of mining apart from its supply of uranium to India though later it stopped the supply on the plea that India was piling up nuclear weapons. The cultural exchange is one of the important landmarks in the Indo-Canadian relations. The establishment of organisations like the Indian Association for Canadian Studies, Shastri Indo-Canadian Institutes etc. had brought these two nations a little closer in the recent times. The relationship further grew due to the migration of large number of Indians to Canada; these people have adopted themselves perfectly into the Canadian social structure, which helped in removing some myths about India. Indian emigrants are turning towards Canada rather than the USA and this has helped the public to know more about Canada. Moreover, Canada is one of the active members of the Commonwealth. Canada also played an important role in convincing other members about the need to accept the Republic of India as a member of the Commonwealth. These two have remained the major actors in Commonwealth, where they had jointly addressed various issues.

In short, during the Cold War period, though relations were normal and peaceful, they were devoid of any partnership in the true sense. In those years their relations were more guided by the NATO and NAM. Canada was not recognised as a major economic partner or a supplier of quality goods, services and technology. Canada's share in India's total exports has been very little, ranging from 0.9 to 1 percent in the 1970s and 1980s. Similarly, India's share in Canada's total exports ranged between 0.6 to 0.15 per cent in the same period. India's business potential was not fully appreciated in Canada till the 1990s.

17.3 INDIA-CANADA PARTNERSHIP IN THE POST COLD WAR PERIOD (1991 ONWARDS)

The international environment has witnessed numerous changes in the 1990s. These were: collapse of Communism in East Europe and in the Soviet Union, withering away of Communist Bloc, end of Cold War, end of military alliances, coming closer of old rivals, disintegration of the Soviet Union, unification of Germany, integration of Europe, revival of market economy at global level and rise of new centres of power especially economic powers, growth of liberalisation and globalisation, growing importance of economic factors, emergence of new trade blocs etc. In the globalised world, the economic factors and market forces play a dominant role. All these changes in the international environment have their own implications for India-Canada relationship.

Since 1991, India has undertaken significant economic reforms to liberalise trade and investment. Government duties and restrictions regarding import of capital goods, foreign technology and joint ventures have been relaxed to a considerable extent. At the same time the Canadian government began exploring the Asia-Pacific region. Moreover the fall of the Soviet Union, India's closest ally, and India's new status as an emerging market led Canada to reconsider its policy towards India. These changes in global politics and national policies have prompted Canada to reconsider its position vis-a-vis India. Emerging market, growing business and investment opportunities in India served as green pastures in Canada's eyes. On the other hand, for India's sustainable economic development, infrastructural and technological development and environmental protection, the Indo-Canadian partnership assumes immense importance.

17.3.1 Canada's Interests and Objectives

To a great extent, the post-Cold War diplomacy of Canada is driven by economic considerations. One can see the process of renewed economic ties between India and Canada in the post-Cold War period. This process started with "**Focus India**" initiative (1994) launched jointly by the Canada's Ministry of International Trade and the Department of Foreign Affairs. Its objective was to increase Canada's commercial profile in India. More specifically, Focus India provides a list of steps to follow for Canadian companies considering initial entry into the Indian market as well as an analyses of the Canada-India business environment influencing Canada's business development strategy. It assesses the marketing potential with emphasis on those sectors where Canadian capabilities and opportunities in the Indian market complement each other. Another milestone was Canadian Prime Minister Jean Chrétien's "**Team Canada**" mission to India in January 1996 which gave a boost to the economic and trade relations. Prime Minister Chrétien was accompanied by seven of Canada's 10 provincial premier, and more than 250 Canadian business people. That visit, which included the signing of \$ 3.3 billion of business agreements, marked a new beginning in Indo Canadian trade relations. After this came the report—A **Trade Action Plan for India: Canada's International Business Strategy 1996-97** prepared by the Department of Foreign Affairs and International Trade, wherein it suggested the activities to be initiated in India in three major sectors: i) Energy, including oil, gas and power; ii) Telecommunications and information; and iii) Environmental products and services. The report details the Canadian Government's objectives in India: "To capitalise on the flourishing business opportunities, to realise the market potential of the region with India

as a strategic partner; and to contribute to the sustainable economic development of India." It advises the Canadian corporate sector that its success will depend on its ability to achieve greater access to the Indian market and to develop initiatives that will result in the provision of the greatest possible competitive advantage to Canadian business. While the Focus India document explains the complexities of the business environment in what it calls the "New India", the Action Plan focuses on how to achieve the twin objectives of creating awareness in Canada about the opportunities in India and India's trade potential in Canada.

Since 1990s Ottawa is attempting to facilitate the increase of Canadian business involvement in India by initiating activities in the fields of political relations, economic and trade relations, business development initiatives, Canadian and Indian business networking organisations and financing. Canada's economic diplomacy insists that the country's interests are intermingled with a new global economy and that trade has become a key element in Canada's foreign policy. One of its primary aims is to capture the rapidly expanding markets of developing countries such as India. This shift in Canada's foreign policy is dictated by economic compulsions. The economic factor, which is going to be determinant of power and influence in future, is relevant and valid not only for developing country like India but for Canada as well.

Canada is one of the Group-7 nations of the world. It is a territorially giant sized country of the world and boasts of the highest economic growth, is world's richest nation because its natural wealth is owned by relatively small population. Its natural resources are not only varied but are also in abundance. With the liberalisation and the globalisation of the world economy, Canada too has opened its floodgates to the foreign investors. Canada ranks eighth in the world in merchandise trade. Its aerospace industry is the sixth largest in the world. Canada is the world's largest producer of hydroelectric power and the third-largest producer of electricity. Besides Canada is the fifth largest foreign investor in India.

The country has come out with various investment schemes for the successful business persons who are willing to settle in Canada on permanent basis. There is no such country in the world which gives double benefit to the investors i. e. investment opportunity and residency privileges. In the light of these privileges which this country is offering to business magnets from all over the globe, the business persons are vying with each other to explore the Canadian economy by investing their risk capitals in the Canadian government sponsored schemes.

17.3.2 India's Interests and Objectives

Since 1991, India is committed to economic reforms and liberalisation. As a result there is growing number of business opportunities in India especially in sectors like power, information technology, transportation, oil, agriculture, environment and financial services. Indian government and corporate sector jointly sponsored first conference—the "Destination India: Global Summit on Investment Opportunities" in September 1996 to attract foreign investment. Canada was also invited to this conference. India offers many opportunities in virtually every sector, especially infrastructural areas as the economy continues to develop.

In the recent past, India embarked upon a reform programme designed to modernise its economy, liberalise trade and realise its economic potential. The progress of India's more liberalised economy has been spectacular and has added a fundamentally new dimension to the Indo-Canadian interaction. India has been identified by the west as among the 10

Big Emerging Markets (BEMs), which hold tremendous potential for boosting exports and profitable investments for Canadian business. On the other hand, never before has India needed Canada as it needs now with its finances, technology and markets. Even the Indian government realises that it needs to push hard if it wants to capitalise on these factors. The successive Governments of India renewed their strong commitment to economic reforms. There is a consensus in favour of economic reforms amongst various political parties.

In the late nineties, the Indian government fixed a phenomenal target of \$10 billion annual foreign investment, 12 per cent projected industrial growth, 6-7 per cent gross domestic product (GDP) which cannot be maintained unless there is a significant change in infrastructure. India lays emphasis on the development of roads, bridges and the power sector. Canada can be of great help to India in developing these communication and transit links.

India's latest policy objective with regard to Canada is to realise the full potential of bilateral cooperation and thereby to deepen and broaden the Indo-Canadian relations. Many common factors were recognized as both the nations are parliamentary democracies with similar forms of government, shared values and ideals, and economies with considerable complementarities. The opportunities for cooperation are considerable, especially in the context of India's economic liberalisation and the end of the Cold War. Both countries share common features such as multi-racial, multi-ethnic societies with Westminster style, democratic system of government.

The interaction of economic parameters and political parameters is increasing more than ever before. Economic needs are building up enormous pressure to improve relations between Canada and India. The latter's economic turn-around and big emerging market is attracting far more attention of the former than ever before. There has been a significant increase of Canadian interest in India in the last few years, particularly as a trade and investment partner. Mutual assistance can help both—the Canadian economy is under severe strain and needs overseas markets for its goods and services while India needs Canadian help to sustain its economic liberalisation and investment.

17.3.3 Growth in Trade and Investment

Before 1990, India had an adverse balance of trade with Canada. For example in 1989, the total exports from India were of the value of rupees 264.09 crores of rupees, and the imports rupees 453.89 crores; thus balance was unfavourable to the tune of rupees 189.80 crores. But the situation changed in the post-Cold War years. Canada and India have made a good start and their relations witnessed greater interaction, especially in the economic and commercial spheres. The acceptability of Indian products has shown dramatic gains since 1991. The Indian exports to Canada have multiplied significantly, and by late nineties, India enjoyed a favourable balance of trade with Canada. In the period between 1990 and 1996, the Indian exports to Canada rose by 70 per cent. Indian exports during the period January-August 1999 stood at Rs. 1,858 crores registering an increase of 10%. Indian imports from Canada during the same period stood at Rs. 695 crores, up by 21%.

A double Taxation Avoidance Agreement and Memoranda of Understanding on cooperation in the fields of telecommunications, surface transport and heavy oil industry were also concluded during the visit of the Canadian Prime Minister Chretien's visit to India in January 1996. To give a fillip to trade and strengthen cultural ties, regional trade and

liaison offices in Bangalore, **Chandigarh**, Chennai and Calcutta were opened in 1997. A number of high-level Canadian officials visited India - the Canadian Minister of Foreign Affairs Lloyd Axworthy, Minister of Parliament Gurbux Singh Malhi; British Columbia Minister for Multiculturalism, Human Rights and Immigration Ujjal Dosanjh and Parliamentary Secretary to the Ministry of Forests Harry Lali. Dosanjh and Lali, foresaw tremendous potential of wood products and hoped to increase their country's timber trade with India. Canada identified 10 countries as trade partners. India ranks 17th on the list of **Canadian export** markets but it is looking forward to becoming one of the top ten trade partners.

As for the Canadian investment approved by the Indian government, it was Rs.272.4 millions in 1993, Rs.420.4 millions in 1994, Rs. 3989.5 millions in January-October 1995. The number of Canadian corporate offices in India has risen from seven in 1993 to 50 in 1995, while more than 100 Canadian companies are engaged in business partnership with Indian firms. By the mid-1990s Canada was the **fifth** largest investor country in India with an investment of **Rs.3980 million**. In the first seven months of 1997 alone, projects worth almost **Rs.19860 million** have received the nod. Thus, in the past few years, investment from Canada has ~~been on~~ the rise. Canadian Foreign Minister Axworthy, during his visit to India in **January 1997**, said that areas such as hydro power and telecommunication have been identified for **joint** ventures while proposals have been forwarded in the fields of science and engineering and agro-food processing. Other areas identified by Axworthy where Canada is keen on investing are alternate fuels, transport and environmental technology. Next on the list are biotechnology, medical and health care products, insurance and financial services.

17.3.4 Financial and Insurance Sector

Canada's **international** banks are rapidly expanding their presence in India. From 1983 to 1997, the **Bank of Nova Scotia**, commonly known as Scotia Bank has opened branches in **Mumbai, Delhi, Coimbatore** and Bangalore. The Scotia Bank has increased its expertise and **knowledge of the Indian** market by developing strong relationship with many of the country's **leading corporations** and MNCs. The Toronto Dominion Bank another major bank in **Canada**, opened its first branch in Mumbai a few weeks before the Team Canada Mission visited India in January 1996. The Bank provides its resources for project financing specially in the power, telecommunications and environment sectors.

The health insurance sector was opened in February 1996 to the private sector, including foreign **firms**, with a minority holding. This was seen as the first step in opening up the sector to private **firms** in life and general insurance. Life, health and general insurance sectors present tremendous untapped demand in India. While the Indian market is still **restricted**, international insurance companies are actively investing in and researching the market. Many have already signed **MoUs** with the Indian companies for eventual joint ventures. For several Canadian insurance companies, India **would** not be a new market. For instance, Sun Life of Canada was the largest foreign insurer and fourth largest life insurance company operating in India at the time of nationalisation of insurance in 1956.

17.3.5 Institutional Mechanism

A joint business council was established between India and Canada to facilitate cooperation in industry and trade between the Federation of Indian Chambers of Commerce and Industry

(FICCI) and Canadian Chamber of Commerce in May 1983. Its meetings have been frequently held in Canada and India alternatively. Prior to that, trade between the countries was not governed by any bilateral agreement and governments did not have a direct role in trade. A **Canada-India** Institutional Linkages Programme was promoted in 1992 **between** the Confederation of Indian Industry (CII) and the Conference Board of Canada. The CII opened its first overseas office in Toronto in Collaboration with the Canadian Manufacturers Association (CMA). Subsequently, the Canadian High Commission in India helped the CII to establish the Indo-Canadian Business Club (ICBC) in New Delhi in April 1992 and its Bombay Chapter was opened afterwards in the same year. During the Canadian Foreign Minister Axworthy's visit to India in January 1997, Canada-India Joint Ministerial Committee was set up.

17.3.6 Canadian Aid Programmes in India

Canada as a member of Group 7 (G-7) **countries** of the world, with a GNP of more than \$500 billion, has been one of the leading donor states of the world. In 1968, the Canadian International Development Agency (CIDA) was established to manage most of the aid programmes of the Federal Government. At present, the CIDA administers about 75 per cent of Canada's **official** development assistance, and the remaining 25 per cent is channelised through various international agencies and development organisations. Though India was not a **major** recipient of the Canadian aid in the past, there is a major **possibility** for Canada **in extending** assistance to improve India's thermal generation capacity. With its reservoir of **high** technical skills for oil **exploration**, Canada can help the Oil and Natural Gas Commission (ONGC) to increase the yield **from** **sick** oil wells. It can also help in the expansion of India's feeder airline network.

Canada had also brought out a "commodity basket" programme for India which is tied to the CIDA. Under this arrangement, the Indian importers would be able to pay for certain essential commodity imports like edible oil, oil seeds, wheat etc. in rupees which had amounted to a significant savings in foreign exchange outflow from India. Some of the projects which are being undertaken with the help of Canadian aid and collaboration are as follows: i) The Montreal based Met-Chem has provided mining expertise to various mining projects in India such as a project with Kundremukh Iron Ore Co. Ltd. in Karnataka, Rajmahal open-cast coal mine project with Coal India Ltd., with the National Mineral Development Corporation for providing technical assistance for mining iron ore in Madhya Pradesh; ii) Development of certain major ports including the new Nhava Sheva Port near Mumbai by Howe (India); iii) The **Chamera** hydro-electric project for which the Ottawa based Export Development Corporation has provided \$405 million loan; iv) Montreal's SCN Lavalin entered into partnership deals with the Kerala State Electricity Board, for works ranging from the construction of the Idukki dam to providing engineering services for the 110 KV and 220 KV transmission systems and introducing efficiency measures to the Idukki power house. There are several other collaborative projects with **Canadian firms** and companies that are going on in India.

In the sphere of education, the Shastri Indo-Canadian Institute established in 1968 **and** based in Calgary University continues to be the foremost institution engaged in the exchange of scholarship between the two countries and helping joint research studies which have **proved** very useful for students, scholars and teachers of both India and Canada.

Canada is also **funding** a number of non-governmental organisations in India in an effort to combat child labour and provide education, counselling and rehabilitation to children employed in hazardous industries.

17.3.7 Foreign Visits

After Canadian Prime Minister Jean **Chretien's** "Team Canada" mission to India in January 1996, high level visits became a regular feature of Indo-Canadian relationship. The first visit to India by a Canadian Governor General in March 1998 gave more economic content to the recently revived relationship with New Delhi. Canadian Governor General Le Blanc was accompanied by a delegation consisting of Canadian business leaders, intellectuals and senior **officials** of the administration, including the Secretary of State for Asia Pacific, Raymond Chan, and the Minister for Revenue, Herb Dhaliwal. Le Blance's visit was not just a ceremonial one, but was more an opportunity for the two countries to step up the pace of cooperation-political and economic. During this visit a Memorandum of Understanding (**MoU**) in the field of telecommunications was signed with Canada. In the **wake** of India's nuclear tests in May 1998, Canada had decided to put political contacts with India "on hold." However, during 1999, Canada has taken steps to re-establish political contacts with India. A Canadian delegation led by the Secretary of State (Asia Pacific), Raymond Chan, visited India from 13-15 May, 1999.

17.4 ISSUES AND PROBLEMS

The India-Canada partnership is not free from problems. Real problems exist between the two countries on a wide variety of trade and investment-related issues: market-access, child labour, human rights, nuclear proliferation, hassle of submitting tenders, investment protection etc. The following issues serve as disincentives to Canadian business investment in India and complicate relations between India and Canada.

The political stability of India had been called into serious question in **mid-1990s** as India endured the election of four successive prime ministers in just fifteen months (1996-97). No doubt the twelfth parliamentary election (1998) ushered in an era of coalition government in India, but stability returned thereafter. Nevertheless, other political malaise exist. Many Canadians are perturbed over the corrupt and chaotic politics of India and its governance while the smaller countries in Southeast and East Asia are racing ahead. The development process in India has not only failed to provide decent, universal elementary schooling, basic local health care and sanitation, but also failed to end the oppression of women in India.

India's economic instability and problems are not less discouraging. ~~The~~ surge of business expansion and new patterns of consumption have concomitantly increased a trade deficit. This deficit, combined with external debt has together contributed to inflation. Heavy government spending to protect the value of the rupee has led to a credit crisis and higher interest rates, all of which serve to weaken foreign investor interest.

The population of India is now over one billion, and growing by about fifteen million a year; the annual growth rate of 1.8 % remains high by global standards. A population of one billion may, on the one hand, offer market opportunities; on the other hand, this is surely reduced when such a significant proportion of the immense population consists of

the poor and illiterate. At least one-third of Indians are still estimated to be living below the poverty line. The question also becomes, then, how much aid should Canada provide to India and where exactly should this aid be directed?

There is, however, the problem of widespread Indian impression of fundamental foreign (including Canadian) interference in the traditional Indian culture. Modernisation, if it means Westernisation, may well be good business from a Western standpoint, but it could be an anathema to the Indian traditionalists. In the recent past, in Bangalore, a traditionalist local political faction threatened to demolish Kentucky Fried Chicken franchises, claiming that they represented a cultural invasion of India that was foisting unhealthy eating habits on unsuspecting Indians. The same anathema was seen against the opening of McDonald's in India.

Ethno-religious separatism, notably Sikh militancy, has proven particularly problematic to India-Canada relations. Indeed, there has been some financial support from the Canadian Sikhs for the separatist cause of Khalistan. Persistent Sikh militancy, accepted neither in India nor in Canada, has been a continuous problem in both countries and has exacerbated the diplomatic relations. Canada has imposed a visa requirement on all immigrants from India, while India has insisted on Canadian cooperation in undercover anti-terrorist moves. The third meeting of the India-Canada Joint Working Group on Terrorism was held in New Delhi in February 2000. During the meeting, the two sides exchanged information and views on the activities of various terrorist groups. Both sides viewed the Working Group as a useful mechanism that will strengthen other existing mechanisms to combat terrorism such as the Extradition Treaty and Mutual Legal Assistance Treaty.

Human rights questions have persistently and increasingly interfered with India-Canada partnership. The Canadian questioning of complicity in the use of child labour, and more generally cheap labour, in India has increased and become more pointed in recent years. Despite the Indian law theoretically prohibiting child labour, the practice remains rampant in many of the Indian industries, especially carpets, glass, matchsticks, crackers etc. The Government of India informed Canadian government that the former is committed to combating child labour; however, considering India's abject poverty and high rate of illiteracy, progress towards this end is much difficult.

Of lesser concern, perhaps, though periodically receiving considerable attention in the Canadian media, have been environmental issues in India. Canadians and their companies operating in India are concerned over water pollution, noise pollution, air pollution, over-cultivation, urban over-crowding, congestion and terrible health conditions endemic.

Nuclear non-proliferation and India's nuclear programme have remained irritants in India-Canada relations. Whenever India had undertaken the peaceful nuclear explosions, relations between the two got a set back. India's peaceful explosion of a nuclear device in 1974 led to cooling off of the ties between the two countries till the 1990s when India embarked upon a liberalisation programme. Relations between the two were again mired when in May 1998 India conducted five nuclear tests. Especially Political relations between the two countries were strained between May 1998 and May 1999, following Canada's excessive reaction to India's nuclear tests. Nevertheless, there were some useful interactions between the two countries. Normalcy started returning almost after a year.

A Canadian delegation led by Paul Myer, Director General, International Security Bureau of the Canadian Foreign Office visited India for a security dialogue in March 2000. On the core nuclear issue, the Canadian delegation reiterated its position that Canada attached a great deal of importance to the NPT and CTBT. The Indian delegation on its part reiterated that India has always been in favour of complete nuclear disarmament and it will be guided solely by its national security considerations on the question of the CTBT.

17.5 CASE FOR INDIA-CANADA PARTNERSHIP

The case and need for enhanced Indo-Canadian trade partnership is as follows:

- a) India and Canada are the members of the Commonwealth and played vital roles in developing the Commonwealth.
- b) Canada is a rich nation with no stigma of political or economic dominance over weaker nations. Canada is regarded more as a "Collaborator" as opposed to a "Coloniser."
- c) Both have similar exposure to parliamentary democracy. Canadians have a better appreciation of the Federal system of governance in India while a similar power sharing system exists in Canada.
- d) Both are powerful advocates of human rights. Both have remained at the forefront of the global movement for a peaceful world order.
- e) **Canadians** have worked alongside Indians in peace-keeping missions around the world.
- f) Canada has a successful track record of bilaterally funded projects.
- g) Canadians have proven technology in power, mining, agriculture, telecommunications, oil and gas pipelines and environmental protection all of which are in great demand in India.
- h) Exchange programmes and academic interests in Indo-Canadian projects provide trust and mutual cooperation for a long-term relationship.

17.6 PROSPECTS OF INDIA-CANADA PARTNERSHIP

It is necessary for Canada and India to overcome the diverse obstacles and complications which we have noted in this Unit, in order to enhance economic, political and social co-operation while India should look at Canada independent of the US. Canada should **recognise** India's growing importance in South East Asia and its leadership in South Asia. The time has come for both the nations to dispel their damaging myths and identify promising realities and **unite** together **in** spite of their geographical distance.

Both the countries need to realise the importance **of** the process of re-engagement. In 2003, Canada identified India as one of the four countries in the world (with China, Mexico and Brazil) that present Canada with new opportunities for productive partnerships. It has also identified that India, along with **China** and Japan, is one of the key countries in Asia for developing closer ties. Two high-level visits took place **from** Canada to India in quick succession in 2003. The Canadian Export Development Corporation had identified India **as** a major market for Canadian exports and Canada needs cross investment in information technology and other emerging technologies. A **joint statement entitled "Partnership**

for the 21st Century" was released after talks between the Prime Ministers of both the nations outlining their vision to strengthen governmental, commercial and civil society linkages between India and Canada.

Thus it can be safely concluded that prospects of India-Canada partnership is bright in future. Both should work to further deepen this partnership which will be mutually beneficial.

17.7 SUMMARY

In this unit, you have studied the Indo-Canadian efforts towards forging amicable partnership in the post-cold war years. While the liberalisation of the Indian economy has led to better trade and investment facilities, the Indo-Canadian partnership, on the whole, holds out great promise. The initial myths and misconceptions have now given way to working together for various causes like protection of human rights, disarmament, UN peacekeeping and other issues. Growth in trade and investment, increase of expertise and knowledge in sectors of power, telecommunications, health, Canadian aid programmes in India have greatly contributed towards strengthening the partnership. The contentious issues relate to the market access, child labour, India's nuclear policy etc. and these have complicated the relations to an extent. Nevertheless, the useful interactions between both the countries and the realisation of potential benefits have strengthened the bilateral relations.

17.8 EXERCISES

- 1) Discuss India-Canada partnership during Cold War era.
- 2) Discuss India-Canada partnership in the Post-Cold War period.
- 3) What are the Indian and Canadian interests in developing mutual partnership?
- 4) Examine the Trade and Commercial relations between India and Canada in the recent past.
- 5) Analyse the issues and problems in India-Canada relations.
- 6) What are the prospects of India-Canadian partnership in near future? Give arguments in favour of India-Canada partnership.

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