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INDIA-CANADA RELATIONS

SYLLABUS:

GS 2 > International relations > India and Global Powers > Separatist movement

REFERENCE NEWS:

- The tension between India and Canada reached a new height on October 14, 2024, when the Canadian government declared that Indian diplomats, including High Commissioner Sanjay Verma, were “persons of interest” in the ongoing investigation into the murder of Hardeep Singh Nijjar. In response, India decided to withdraw these diplomats and expelled six Canadian diplomats from the country, further escalating the diplomatic rift.
- Following this, Canadian police accused the Indian government of allegedly using notorious gangster **Lawrence Bishnoi** to execute criminal operations in Canada. **Prime Minister Justin Trudeau** accused India of repeatedly refusing to cooperate in the investigation of Nijjar's assassination.

MORE ON NEWS:

- Relations between India and Canada have been severely strained since **September 2023**, when **Prime Minister Trudeau** announced to the Canadian parliament that there was credible evidence linking Indian agents to the assassination of **Hardeep Singh Nijjar**, a prominent Sikh separatist, who was shot dead outside a gurdwara in **Surrey, British Columbia** in **June 2023**. India strongly denied the allegations, labeling them as “**absurd and motivated**”, and pointing out Canada's tolerance of Khalistani extremists as a key issue in the bilateral strain.
- This series of accusations and countermeasures has severely impacted diplomatic relations, leading to visa suspensions, diplomatic expulsions, and stalled trade talks between the two nations.

The **Khalistan movement** is a Sikh separatist movement seeking to create a homeland for Sikhs by establishing a sovereign state, called Khalistan (Land of the Khalsa). The proposed state would consist of land that currently forms Punjab region in India and Pakistan.

HISTORY:

- Canada and India have longstanding bilateral relations built upon shared traditions of **democracy, pluralism** and strong interpersonal connections.
- During the colonial period, Canada was an important destination for **migrants from India**.
- During the Cold War period, the personal equation between Indian Prime Minister Jawaharlal Nehru and his Canadian counterparts helped develop some strategic understanding between the two sides.
- During this period, India became the largest recipient of Canadian external assistance. Canada provided food aid, project financing and technical assistance.
- For instance,
 - Under the Colombo Plan, Canada provided grants to India's civil nuclear programme. The 'Canada India Reactor Utility Services (CIRUS)' went critical in July 1960.
 - In the 1960s and 70s, Canada supported projects such as **the Kundah power house project in Tamil Nadu and the Idukki Dam in Kerala**.
- However, following **India's Smiling Buddha nuclear test of 1974 and the bombing of the Air India Flight 182 by separatists**, Indo-Canadian relations deteriorated.
- But the cessation of Cold War hostilities and the LPG reforms of 1990s paved the way for rekindling the relationship.

AREAS OF COOPERATION:

- **Political:**

At the Ministerial level, Canada and India enjoy a strategic partnership underpinned by Ministerial Dialogues on foreign policy, trade and investment, finance, energy.

- At the official level, there are regular working groups that focus on counter-terrorism, security, agriculture, education, science and technology.
- India and Canada have also established a **Track 1.5 Dialogue** on involving experts, government officials and business leaders from both sides to explore the possibility of future cooperation.
- **Trade:**
 - Bilateral trade in goods amounted to **USD 10.50 billion in 2022 (India's exports: USD 6.40 billion and India's imports: USD 4.10 billion)** which is well below the business potential of the two countries. The bilateral trade in services in 2022 was USD 8.74 billion. In 2023 (January – October), bilateral trade in goods amounted to USD 7.65 billion (India's exports: USD 4.70 billion and India's imports: USD 2.95 billion).
 - Canada and India are working toward a **Comprehensive Economic Partnership Agreement and a Foreign Investment Promotion and Protection Agreement (FIPA)**.
 - Canada is the **fourth largest source of tourists** in India (based on 2021 figures)
- **Investment:**

- Canada accounts for **0.56%** of the total FDI in India according to the Indian Department for Promotion of Industry and Internal Trade (DPIIT)
- India has also emerged as an attractive investment destination for several Canadian pension funds.
- **Developmental assistance:**
 - **Global Affairs Canada** provide development assistance to India through Indian and Canadian Non-Governmental Organizations, and through multilateral mechanisms such as the World Bank and the Asian Development Bank.
- **Strategic:**
 - In late 2022, **Canada released an Indo-Pacific strategy which called India a “crucial partner”** and termed China an “increasingly disruptive” global power. The strategy states that Canada will seek new opportunities to partner and engage in dialogue with India in areas of common interest.
 - The strategy also contains funding commitment on infrastructure projects through the US-led **G7 Partnership for Global Infrastructure and Investment**, an **enhanced military presence including a third frigate in the Indian Ocean**, and expanded participation in regional military exercises.
- **Multilateral:**
 - India and Canada collaborate closely in international fora, particularly through the UN, Commonwealth and G-20.
- **Security and defence:**
 - Defence ties have been expanding with **mutual ship visits**. There is also robust cooperation on counter terrorism issues particularly through the framework of **the Joint Working Group (JWG) on Counter Terrorism**.
 - The security cooperation was further enhanced with the **Framework for Cooperation between India and Canada on Countering Terrorism and Violent Extremism** signed in February 2018.
- **Science and technology:**
 - **Nuclear Cooperation:**
 - **A Nuclear Cooperation Agreement (NCA) with Canada was signed in June 2010 and came into force in September 2013.**
 - In 2015, Department of Atomic Energy (DAE) and Canada’s Cameco Corporation signed an **agreement for supply of uranium ore concentrate** to India in 2015-2020.
 - **Space:**
 - ISRO and Canadian Space Agency have signed MOUs in the field of exploration and utilisation of outer space.

- ISRO and ANTRIX, the Commercial arm of ISRO, have launched several Canadian satellites. Eg: Canada's first LEO satellite was launched by the PSLV from Sriharikota in 2018.
- **Arctic research:** Department of Earth Science and Polar Canada have started a programme for exchange of knowledge and scientific research on Cold Climate (Arctic) Studies.
- **Agriculture:**
 - The **bilateral MoU** on agriculture cooperation was signed at the federal level in 2009. A **Joint Working Group for Pulses** has been set up separately.
- **Energy Cooperation:**
 - In February 2018, the scope of the Energy Dialogue was expanded to additionally include electricity, energy efficiency and renewable energy.
 - **India Oil Corporation has a 10% participating interest** in a Liquid Natural Gas project in British Columbia.
- **Capacity building:**
 - **Education** is a key area of mutual interest. Recently, **India became the top source of foreign students studying in Canada.**
 - **Every 7th Indian student studying abroad is in Canada** according to data maintained by the Ministry of External Affairs.
 - **Canada's Foreign Service Institute (CFSI) has undertaken training initiatives to Indian diplomats** at FSI, New Delhi on Bilateral & Multilateral Negotiation and Diplomacy and Global Affairs including Canada's Foreign Policy Approach.
- **Cultural:**
 - Canada is home to **5.26% of overseas Indians** according to the data available from the Ministry of External Affairs
 - Canada is home to one of the largest communities of Indian origin, with approximately **4% of Canadians being of Indian heritage.**
 - Canada was the first western democratic nation to **celebrate Diwali officially in Parliament.** Diwali has been celebrated on the Parliament Hill since 1997.
 - There are institutions like the **Shastri Indo-Canadian Institute (SICI)** for fostering education and cultural cooperation and collaboration between India and Canada.
- **Diplomatic:**
 - In India, **Canada is represented by the High Commission of Canada in New Delhi** beside Consulates General in Bengaluru, Chandigarh and Mumbai.
 - India is represented in Canada by a **High Commission in Ottawa and by consulates in Toronto and Vancouver.**
- **Connectivity:**

- There are direct flights between Indian and Canadian cities. Indian and Canadian carriers have also expressed interest in expanding their business in the other country.
- **India and Canada have recently finalised an expanded air transport agreement.** This could further boost connectivity between the two nations.

AREAS OF CONCERN:

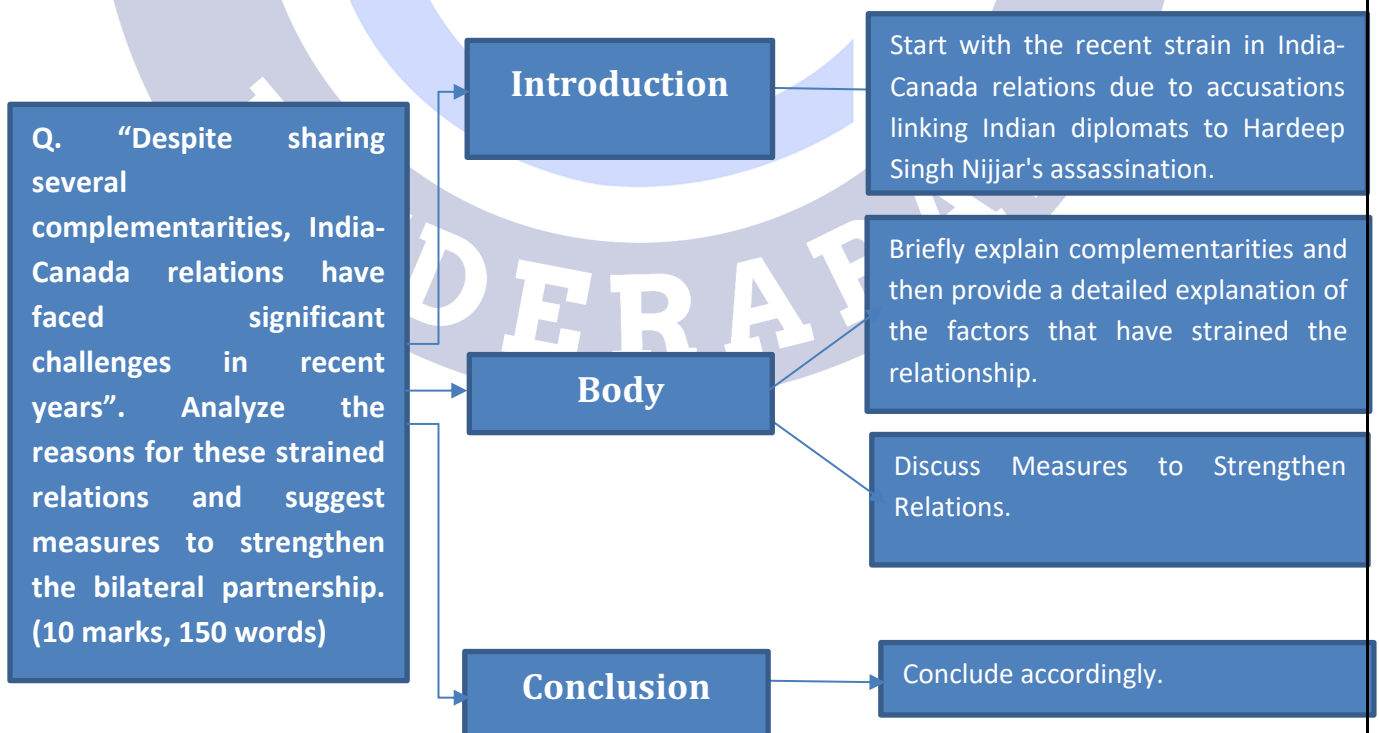
- **Canadian tolerance for separatists:**
 - **Khalistan activism** is strong in Canada. But its inability to assuage Indian concerns regarding the same has made New Delhi apprehensive of its ties with Ottawa.
- **Rising violence:**
 - Instances of **vandalism of temples, hate crimes and sectarian violence against Indian nationals** have been on the rise in Canada.
- **Lack of clear policy:**
 - Despite the apparent interest in furthering its relations with India, there is lack of a clear plan of action and policy on the part of Ottawa to effectively engage with India.
- **China factor:**
 - Despite its criticism, Canada has stronger relations with China, partly due to its **expansive trade relations with Beijing.**
 - This is evident from the fact that while Canada has engaged with China on issues ranging from extradition, free trade and cyber-security cooperation, it does not accord the same treatment to its relations with India.
- **Lack of concern for Indian sensitivities:**
 - On many occasions, Canada has shown a lack of concern for Indian sensitivities and interfered in India's internal affairs.
 - For instance, in December 2020, **Canadian PM raised concerns about the handling of farmer protests by India.** In response, the Indian Ministry of External Affairs stated that PM's comments were "an unacceptable interference in our internal affairs".
- **Low levels of trade:**
 - While India–Canada economic relations have made some progress, **Canada remains an insignificant trading partner for India compared to other North American countries,** particularly USA and Mexico.
- **Challenges in FTA negotiations:**
 - The trade negotiations are stuck on two crucial factors. **India is asking for further flexibility on freer movement of professionals, while Canada wants a specific cut on fruits and vegetable** — a concession India is unwilling to offer, given the vulnerability of its farming sector.

WAY FORWARD

- **Addressing Khalistan Activism:** India and Canada should engage in diplomatic dialogue to tackle concerns over Khalistani extremism. A framework for cooperation, including intelligence sharing and law enforcement coordination, is crucial. Canada must strengthen legal measures against individuals and groups promoting violence or hatred.
- **Enhancing Trade and Investment:** Re-engage in Comprehensive Economic Partnership Agreement and FIPA negotiations, focusing on flexibility in areas like professional movement and agricultural concessions. Diversifying trade in sectors like IT, pharmaceuticals, and renewable energy will create a resilient economic partnership.
- **Building Trust in Bilateral Relations:** High-level dialogues between political leaders and officials should be increased to improve trust. Platforms like G20 and the Commonwealth can be used to collaborate on global issues such as counter-terrorism, climate change, and development.
- **People-to-People Connectivity:** Promoting educational and cultural exchanges, expanding scholarships, and improving air connectivity and visa processes will enhance mutual understanding and boost tourism and economic ties.
- **Strategic Cooperation in Indo-Pacific:** Canada and India can strengthen cooperation in areas like maritime security and regional stability in the Indo-Pacific, countering China’s influence and advancing mutual strategic interests.
- **Principle of Reciprocity:** Relations should be based on equality, mutual respect, and reciprocity, ensuring that both nations uphold their responsibilities and respect each other’s sovereignty.

PRACTICE QUESTION:

Q. “Despite sharing several complementarities, India-Canada relations have faced significant challenges in recent years”. Analyze the reasons for these strained relations and suggest measures to strengthen the bilateral partnership. (10 marks, 150 words)



MODEL ANSWER:

India-Canada relations have recently been marked by heightened tensions, particularly after the Canadian government accused Indian diplomats of involvement in the **murder of Hardeep Singh Nijjar in 2023**. This issue has escalated into diplomatic expulsions and visa suspensions, severely affecting the bilateral relationship.

India and Canada share complementarities in political values, economic interests, and strategic goals, supported by strong **people-to-people ties through the Indian diaspora**. Both democracies offer opportunities for collaboration in sectors such as IT, pharmaceuticals, renewable energy, and education. **Canada's natural resources and energy reserves, combined with India's growing market and technological expertise**, present significant potential for deeper trade and investment. However, despite these shared strengths, the relationship has yet to fully realize its potential.

Reasons for Strained India-Canada Relations:

1. **Khalistan Issue:** The rise of Khalistani extremism in Canada and its perceived tolerance by the Canadian government have been major points of contention for India. India views **Canada's inability to take decisive action** against these elements as a **threat to its sovereignty**, particularly as separatist activities continue to gain traction within Canadian borders.
2. **Rising Sectarian Violence:** Incidents of temple **vandalism, hate crimes, and violence against Indian nationals** in Canada have increased, further straining the relationship. These acts, often associated with extremist groups, undermine trust between the two countries.
3. **Lack of Clear Diplomatic Engagement:** Canada's inconsistent policies toward India have hindered progress in bilateral relations. While Canada has shown interest in furthering ties, its lack of a clear strategy to engage effectively with India has led to missed opportunities, particularly in the fields of trade and security cooperation.
4. **China Factor:** Canada's relatively stronger relationship with China, particularly in areas like trade and cybersecurity cooperation, has left India feeling sidelined. Despite **Canada's Indo-Pacific strategy**, which names India as a crucial partner, its deeper engagement with China poses a challenge for India-Canada relations.
5. **Low Trade Levels:** Trade between India and Canada remains significantly below potential. The two countries have been negotiating a **Comprehensive Economic Partnership Agreement (CEPA) and a Foreign Investment Promotion and Protection Agreement (FIPA)** for years, but talks have stalled due to disagreements on key issues such as the movement of professionals and agricultural concessions.
6. **Interference in Domestic Affairs:** Canada's stance on certain domestic issues in India, such as the 2020 farmer protests, has further strained relations. India perceives such comments as interference in its internal matters, which has led to diplomatic friction.

Measures to Strengthen India-Canada Relations:

1. **Resolving the Khalistan Issue:** Both countries need to engage in open and constructive dialogue to address the Khalistan issue. **Strengthening legal frameworks** to deal with extremism and enhancing **intelligence-sharing** mechanisms can help both nations mitigate the impact of separatist activities.
2. **Reviving Trade Talks:** Efforts to resume negotiations for **Comprehensive Economic Partnership Agreement (CEPA) and a Foreign Investment Promotion and Protection**

Agreement (FIPA) should be prioritized. Flexibility on key issues, such as professional mobility for India and agricultural concessions for Canada, will be essential in unlocking the trade potential between the two countries. Diversifying trade in sectors like IT, renewable energy, and pharmaceuticals could also be beneficial.

3. **Enhanced Diplomatic Engagement:** Increased frequency of high-level dialogues and ministerial meetings can help rebuild trust between the two nations. Strategic dialogues on issues **like counter-terrorism, climate change, and economic cooperation** should be revitalized to provide a platform for regular engagement.
4. **Focus on People-to-People Connectivity:** Expanding educational and cultural exchanges will further strengthen the interpersonal ties between the two countries. Additionally, improving air connectivity and easing visa processes will promote tourism and enhance mutual understanding.
5. **Strengthening Strategic Cooperation in the Indo-Pacific: Canada's Indo-Pacific strategy, which identifies India as a key partner,** offers significant opportunities for cooperation in areas like maritime security and regional stability. By collaborating in multilateral forums and regional groupings, the two countries can counterbalance China's growing influence and enhance their strategic partnership.

India-Canada relations, despite their complementarities, have struggled to flourish due to differences over key issues like the Khalistan movement, trade disputes, and diplomatic engagement. Both nations must work towards resolving these issues through constructive dialogue, mutual respect, and stronger strategic cooperation. By capitalizing **on shared interests, such as trade, education, and Indo-Pacific security**, India and Canada can build a more resilient and mutually beneficial partnership in the future.