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Dynamics of India-Canada Relations & Way Ahead

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Historically, India and Canada share a relationship marked with a mixed dynamics marked by cooperation as well as tension. The bilateral ties between the two democracies have seen significant vacillations in recent years in the geopolitical, economic and socio-political domains. India and Canada have since long enjoyed cordial relations based on shared democratic values, multiculturalism and cooperation in various multilateral forums such as the United Nations and the Commonwealth besides the residency of a large cross-section of Indian diaspora in Canada. But in 2024, the relationship has been found to be navigating through complex waters shaped by diplomatic disputes arising out of Canada's open support to Khalistan. The recent trigger for bringing the relationship down has been some undesirable statements made by the Canadian Prime Minister in the Canadian House of Commons, following which an advisory for Indian nationals and Indian students in Canada was issued on September 20, 2023 and the visa services for Canadian nationals were temporarily suspended on September 21, 2023¹.

Ironically enough, while there was a need for Canadian government to make conscious efforts to improve the constantly deteriorating relations, the Canadian parliament put another nail in the coffin by observing two minutes silence on June 18, 2024 to commemorate the one-year death anniversary of Khalistani separatist Hardeep Singh Nijjar². This actually gave a big jolt to the process of whatever positive thinking could have gone towards improving the deteriorating Indo-Canadian ties.

Economic Relations

The Economic engagements remained one of the significant cornerstones of Indo-Canadian relationship. However, the bilateral trade of goods between India and Canada valued at approximately USD 10.50 billion in 2022 with India's exports being USD 6.40 billion and India's imports being a worth USD 4.10 billion sharply declined to USD 7.65 billion with India's exports pitched at mere USD 4.70 billion besides India's imports also declining to USD 2.95 billion in 2023, which is considered below the actual potential of business between the two countries³. Range wise, India exports pharmaceuticals, textiles, and machinery to Canada, while Canada exports lentils, fertilizers and aerospace products to India. Efforts to diversify the trade algorithm led to negotiations on a Comprehensive Economic Partnership Agreement (CEPA) and a Foreign Investment Promotion and Protection Agreement (FIPA)⁴. But no significant progress has been made in respect of these initiatives mainly owing to the constantly deteriorating relations between the two countries.

In the past, on the Energy and Natural Resources front, Canada's vast natural resources and India's growing energy needs created a complementary economic partnership with Canada supplying uranium to India's nuclear energy program, and both countries having explored collaboration in renewable energy sectors such as solar and wind power⁵. Additionally, Canadian companies have been keen on investing in India's infrastructure projects under initiatives like Smart Cities and Make in India⁶.

It is also important to note here that the technology sector has been a significant area of partnership between the two countries. The Canadian tech companies were found investing in India's burgeoning IT and start up ecosystem, while Indian IT firms established a strong presence in Canada. Initiatives like the India-Canada Innovation Partnership aim to foster joint research and development in fields like artificial intelligence, fintech and clean technology⁷. But the entire spectrum of ties between the two nations is experiencing a downtrend due to various anti-India sentiments voiced by Canadian government in one way or the other.

Diplomatic and Political Ties

The ongoing diplomatic strains have periodically overwrought India-Canada relations, particularly over issues related to the Sikh diaspora and Canadian government's alleged support to the Khalistani separatist movement in Canada. As a nail in the coffin, the allegations of Indian involvement in the murder of Hardeep Singh Nijjar, a Khalistani separatist leader in Canada in 2023, led to a significant diplomatic fallout⁸. The world community witnessed the ugly expulsion of the diplomats by India and Canada leading to significantly deteriorating relations.

The political interactions between India and Canada also have been influenced by the Canadian Prime Minister Justin Trudeau's approach towards India having fluctuated between engagement on one hand and caution on the other, given the influence of the Sikh community in Canadian politics⁹. However, India's earnest gesture to improve the ties with Canada amidst ongoing tension, needs to be reciprocated by Canada by seizing its support to Khalistani sentiments within its territory.

The Indian diaspora in Canada, constituting one of the largest Indian communities abroad, plays a crucial role in bilateral relations. With over 1.4 million people of Indian origin, the diaspora contributes significantly to Canada's multicultural fabric through cultural exchanges, academic collaborations and even political lobbying.

Educational exchanges between India and Canada have been healthy in the past, with over 230,000 Indian students having been enrolled in Canadian universities and colleges as of 2023. But the number of Indian students seeking registration in the Canadian universities and colleges has significantly declined by around 40% if the reports in public domain are to be believed¹⁰. Some sections of print media hinted at decline in the strength of Indian students seeking admission in academic institutions to the tune of even 86% due to the present decline in bilateral relations between India and Canada¹¹. This trend further strengthens the belief that the ties between the two nations need a definite improvement.

However, notwithstanding the ongoing deterioration in the ties, the Indian festivals, Tollywood films' screenings and academic conferences still have a significant fan following in Canada amongst the Indian diaspora.

Security and Strategic Relations

The undesirable and avoidable involvement of Canadian government alongwith some sections of Indian diaspora in issues like the Khalistan movement has subjected the bilateral relations to testing situations.

Therefore, the security cooperation between India and Canada needs to focus upon countering the terrorism and extremism. Infact, both the countries have in the past, expressed concerns about the activities of extremist groups, and there was also an ongoing dialogue to enhance intelligence sharing and counter-terrorism strategies with the joint working group on counter-terrorism providing a platform for deliberating upon the security concerns and coordinating efforts to address them¹². But the recent developments emanating from Canadian government's support to ant India activities have created an air of uncertainty in the ties.

The defence cooperation, though limited in scope due to deterioration in the ties, offers opportunities for improvement. India and Canada have engaged in dialogues on defence and security issues, including maritime security and peacekeeping. The potential for collaboration in defence technology and defence trade is being explored, but it remains an underdeveloped area in the bilateral relationship, primarily due to present downtrend in the ties. An MoU between Defence Research & Development Organisation (DRDO) and the Canadian Commercial Corporation (CCC) for development of military and defence related technology, infrastructure, training and services was signed in October 2016 which was renewed in 2021¹³. But the progress on the execution of the said MoU needs to be explored and ascertained.

Way Forward

Resolving the irritants related to the Sikh diaspora and Khalistani separatism is beyond any doubt crucial for improving the bilateral relations between India and Canada. Towards this, both the governments need to engage in active dialogue to address the concerns while respecting each other's sovereignty and legal frameworks.

Besides improving the diplomatic relations, it would also be desirable to strengthen the economic ties through the revival and effective execution of agreements like Comprehensive Economic Partnership Agreement (CEPA) focusing on sectors like technology, renewable energy and infrastructure which can create mutually beneficial opportunities and make the frameworks for boosting trade and investment between the two nations even stronger.

Further, it would also be desirable to enhance the educational exchanges, cultural diplomacy and mobility programs to foster deeper mutual understanding and collaboration. Initiatives to support the integration of the Indian diaspora in Canadian society while promoting India's cultural heritage to help improving the bilateral relations.

This apart, balancing the geopolitical interests of India and Canada in context of their respective relationships with major powers like the United States, China, and Russia is essential too. With a cautious approach, both the countries need to navigate these dynamics duly being careful to avoid conflicts so as to enhance their strategic partnership.

Last but not the least, leveraging the multilateral forums to address global challenges and promote shared values possesses the potential to strengthen the deteriorating India-Canada relations.

Conclusion

But any effort in the direction of improving the mutual ties will be subject to cessation of the Canadian government's support to Khalistan, due to which the India-Canada relationship has already witnessed a downtrend in light of ongoing disputes and controversies. But while the diplomatic tensions, particularly over diaspora-related issues, pose significant hurdles, there also exist numerous opportunities for collaboration in areas such as trade, technology, education, and security. But to improve the ties, Canada first needs to clear its stand by staying away from its support to Khalistan while both the countries engaging in constructive dialogue addressing the contentious issues and building the relationships based on shared interests.

Notes:

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