

DEBATE

INDIAN FOREIGN POLICY AND DIPLOMACY: THE FIRST MONTHS OF THE NEW GOVERNMENT

Speaking at the first formal interaction with the media on 8 September 2014, Sushma Swaraj, Minister of External Affairs (MEA), catalogued the first 100 days of the new government and said that the Ministry ‘began its work immediately after the swearing-in ceremony’. The Minister was referring to the unprecedented presence of the Heads of State/Government of South Asian Association for Regional Cooperation (SAARC) nations (and Mauritius) at the swearing-in ceremony of Narendra Modi as Prime Minister on 26 May 2014.

In the few months since, the hectic activities in the diplomatic arena have seen interactions with scores of countries: Prime Ministerial visits to Bhutan, Nepal, Brazil, Japan and the USA; that of the External Affairs Minister to Bangladesh, Myanmar, Afghanistan, etc.; incoming state visits from Japan and China; foreign visits to different countries by the President and the Vice President of India; and dozens of inbound and outbound visits at the ministerial level. Observers – and indeed the world – have taken note of this new India that seems to be more confident and perhaps, more assertive. This is visible most specifically in India’s relations with China and Pakistan.

At the same interaction with the media, External Affairs Minister Swaraj also pointed out: ‘Diplomacy and foreign policy are not synonyms. Foreign policy means what you should do. Diplomacy is how you should do it’.

Keeping these words in mind, the *Indian Foreign Affairs Journal* invited a few eminent policy analysts and scholars for their comments on the subject. Their views are published as the ‘Debate’ in the pages that follow in this issue of the Journal.

(The views expressed by the authors are their own and do not reflect the views of the *Indian Foreign Affairs Journal*, or that of the Association of Indian Diplomats)

★ ★ ★

India's Foreign Policy and the New Government

Bhaskar Balakrishnan*

The coming to power of a majority government led by the Bharatiya Janata Party (BJP) and Prime Minister Narendra Modi opens up new possibilities in India's foreign policy and external relations. India's engagement with the outside world has lagged during the past five years, hamstrung by a weak coalition government preoccupied with managing internal cohesion and keeping afloat. This drift has been apparent in internal governance as well, with decisions on many key issues left dangling. The negative impact of this on economic growth, internal security and national morale has greatly diminished India's role in the increasingly complicated and competitive global environment.

What are the new possibilities and opportunities opened up by the new dispensation? And, will the new government be able to seize them? Rather than harping on the omissions and commissions of the past years, we should take a forward-looking approach. External relations are built on the foundations of national strength. Increased national economic strength and political and social cohesiveness will translate into greater options in India's foreign policy, and a greater Indian impact on global affairs. Therefore, it is necessary to look at some of the key areas wherein domestic policy changes could affect foreign policy.

Effects of Domestic Policy and Reforms

The greatest priority for the new government should be to boost India's economic strength, to unleash the latent energies of its people, and provide more resources for internal and external activities. Obstacles to business growth must be demolished, and all sectors opened up to foreign participation with minimal but effective and sensible regulation. India's business climate and environment must be competitive to attract global business and economic engagement.

The new government has raised high expectations among the business community. But if reforms take too long, disappointment will set in. Reforms are urgently needed in many areas. For example, to allow 100 per cent Foreign Direct Investment (FDI) in all sectors, reduce corporate taxation from the present high level of 30 per cent to a more competitive 20 per cent (the average in the Asian region), and reforms to raise India's ranking in the ease

*The author is a former Ambassador of India to Greece and Cuba.

in doing business from the present dismal 131 by streamlining all processes related to business start-ups. This will unleash investment flows and business growth in our economy. Our manufacturing sector is hampered by poor infrastructure and high capital costs, which must be improved. State governments must be encouraged to compete for national and foreign investment. Education and training for India's large young population must be stepped up in quality and quantity, with the participation of private parties, domestic and foreign, in order to meet the needs of a growing economy. Agricultural sector reforms are needed to boost productivity and efficiency. Energy is a key requirement for the economy, and secure and stable supplies must be assured.

Political cohesion must proceed along several strands. Most important is the outreach to the State governments who should be made real partners in the pursuit of development. The ruling BJP needs to reach out to Southern and Eastern India where it has less support. It also needs to reach out to people belonging to all religious communities, and enlist their support in the cause of national development. Religion has been a strong factor in ensuring social cohesiveness in India over the centuries, especially when its universal ethical content is emphasized. Promoting universal principles common to all faiths will strengthen national cohesiveness. Conversely, focusing on divisive aspects will weaken it. The BJP needs to transition to a genuine centre-right party, while the opposition Congress has a key role to play in the centre-left political space. Finally, political support of the states, major political parties, and the public is important for a successful foreign policy, especially when dealing with neighbours.

The next priority must be national security. Internal security requires a set of reforms to enable the centre and the states to work together to combat crime, terrorism, drug menace, and human trafficking. The police needs to be strengthened, and better trained and equipped. External security requires robust border management, strong defence forces with good equipment, training, and high morale. This requires major reforms in border management systems, defence manufacturing, procurement, and civil–military relations. If economic growth can be stepped up, resources for these tasks will be easier to find.

Having briefly touched upon some key domestic issues, we can turn to foreign policy. As mentioned above, success in achieving foreign policy objectives is critically dependent on national strength and cohesiveness. It is useful to analyse foreign policy objectives in terms of several sectors keeping in mind that they are interrelated. These sectors can be broadly identified as geographical and thematic. In geostrategic terms, these broad areas are: the neighbourhood, the extended neighbourhood, the major global power and major

economies, and the countries with key natural resources. Thematic areas could be described broadly to include: the multilateral system, the global economic system, human rights and social affairs, energy and environment, and security and terrorism. A comprehensive treatment of all these areas is not possible in a single article, hence only some key aspects will be covered below.

India's Neighbourhood

The new government has rightly given top priority to India's neighbourhood. In South Asia, India is expected by many countries to play a leading role, including promoting peace, stability, democracy, and development. To fulfil this role, India's own economic growth is important. Among the neighbours, the main challenge is to manage relations with China and Pakistan. The border issue with China must be pursued within the framework of the mechanisms already in place, and along agreed principles. Strong and robust border management is required, including ramping up border infrastructure, communications and logistics, and the integrated management of personnel deployed by the various agencies. Engagement in economic and other fields on the basis of mutual benefit must be stepped up.

With Pakistan, the fragile nature of the state and its democratic institutions, and the growth of extremist movements make the management of relations complicated. Strong and robust border management will pay off in terms of inflicting higher costs for infiltration and cross border terrorism. Counter terrorism measures – including intelligence collection that go beyond national boundaries – are required to deal with terrorist groups. The linkages between terrorism in Pakistan and terrorism in other theatres – such as Afghanistan, Iraq, Syria and Africa – are of concern, and need to be carefully watched. Economic engagement with Pakistan and people to people interaction should be promoted. The comprehensive dialogue framework should be used as far as possible.

Other significant challenges in our neighbourhood are Bangladesh, Nepal and Sri Lanka. The border adjustment and water sharing arrangements with Bangladesh needs to be finalised at the earliest to remove irritants in relations. Energy cooperation and transit arrangements to the North East could be pursued. In Nepal, the new Constitution is still to be put in place, and India's support could be helpful. The border with Nepal needs better management to curb smuggling and illegal activities, while opening up more crossing points and facilities. Economic partnership with Nepal should be pursued. Sri Lanka has still to recover from the civil war period, and reconciliation with the Tamil population is an area where India can provide support. This will need delicate

handling, and pressures to adopt infructuous condemnatory postures must be resisted. India can help the Tamil community by working with rather than against the government. Myanmar is an important neighbour, especially for the North East, and better border management and transport links, including border trading facilities, should be provided. With Bhutan, the setting up of hydroelectric projects should be stepped up, including through private sector participation, with linkages to India's power grid.

A common theme in India's relations with its neighbours is the importance of strong border management. Border areas need special handling by the Centre, with sufficient resources, support, and the efficient management of personnel. The economic potential of border areas can also be exploited. India's decrepit border management systems and facilities need a thorough overhaul, including a new policy framework, in order to meet growing challenges.

Afghanistan poses a great challenge in view of the draw down of US and NATO forces, and the spectre of a resurgent Taliban bent on establishing an Islamic Emirate. The Afghan state needs considerable support in terms of budgetary resources, training and equipment for its security forces, in order to meet the Taliban threat. India can help mobilize this support through the UN and other forums in order to maintain the democratic state in Afghanistan. The Taliban is likely to gain control of some areas, especially in the south and east of the country, but may also make inroads into other areas. India has a common interest in countering the Taliban threat, along with other neighbours of Afghanistan such as Iran, Tajikistan, Uzbekistan, and Turkmenistan, and could work closely with them as well as major donor countries, including the USA, the EU, Arab countries, Russia, Japan, Turkey and China. On the positive side, the Presidential elections in Afghanistan have been held, though with disputes and problems, and 2015 will see the elections to the Afghan parliament.

India's Extended Neighbourhood

In our extended neighbourhood, there are three key areas: the Middle East, Central Asia, and South East and East Asia. The Middle East region provides much of India's energy requirements and hosts some 6 million Indians. Stability and peace in this region is critical, and the main threats arise from the conflicts in Syria, Iraq, Palestine, the rise of Islamic State of Iraq and Syria (ISIS), Al Qaeda, and other extremist groups, as well as the trend towards a sectarian Shia–Sunni confrontation involving Iran on the one hand, and Saudi Arabia and the Arab countries on the other. A Shia–Sunni sectarian conflict could have a serious spill-over effect on India's Muslim community. India should

continue its efforts to defuse tensions and prevent conflicts, while pursuing its engagement with the Arab countries and Iran in various fields. The time may be ripe for defence cooperation with some Arab countries, and this should be explored. Israel is an important partner in defence equipment, technology, and agriculture, and India should continue to build upon what has been achieved. India should also strengthen its systems for the protection of migrant workers and emergency response.

Central Asia contains large energy resources. However, transportation links with India remain a problem. Kazakhstan is a key country for India's energy requirements of oil as well as uranium, and relations with that country should be pursued further. The Chah Bahar port project in Iran, and the inward road and rail links with Central Asia and Afghanistan should be pursued. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline – which has the support of the Asian Development Bank and benefits India – should be implemented. In addition, there are many forms of cooperation, especially in the services sectors such as ICT, health care, and training that could be pursued with Central Asia. Indian companies could also be encouraged to set up operations in the region, or in Turkey and Iran to exploit the Central Asian markets.

India's Look East policy has paid good dividends, and has resulted in stronger relations with South East and East Asia. These should be developed further, especially with the ASEAN countries, South Korea, Japan, and Taiwan. Comprehensive economic engagement with this region is now possible, and mutually fruitful. Dialogue and discussion on security matters, including maritime security, could pave the way for more cooperation in security and defence and should be explored.

The African region can also be regarded as India's extended neighbourhood, and is an important market and source of natural resources, as well as being linked to India by history and tradition. India should play a befitting role in promoting peace, stability and development of Africa. Latin America and the Caribbean though distant offer important markets and support for India's foreign policy objectives, and should be given due importance. Robust partnerships should be built with major countries in this region, especially if India aspires to play a global role.

India's Growing Global Role

India's economic growth makes it imperative to engage deeply and widely with leading global economies such as the USA, the EU, Russia, China, and Japan. All avenues need to be exploited, such as bilateral interactions as well

as through the EU, G-20, Brazil, Russia, India, China and South Africa (BRICS), etc. The effort should be to attract investment and technology flows, and build exports in goods and services to these areas. In political and security matters, cooperation with the P-5 as well as with Germany and Japan is important. Wide ranging cooperation with the USA must be pursued, and bipartisan support for a stronger engagement with India within the USA should be promoted through the increasingly active Indian Diaspora and in the US Congress. With the EU, irritants in relations with Italy and Denmark should be resolved through negotiations, and cooperation with EU member states – especially the UK, Germany, France and Italy – should be promoted. Russia has been an important partner, especially in defence as well, aerospace, and nuclear energy, and cooperation should be enlarged and deepened in other fields.

India's economic growth requires access to external energy resources such as coal, oil, gas, and Uranium. For this reason, it is important to build stronger relations with leading global supplier countries on the basis of mutual benefit; and India should take care not to be seen as merely as an exploiter of natural resources. Sufficient attention should be given to ensuring that the benefits of the exports of these resources to India go towards national development. In addition, non-traditional hydrocarbon resources such as shale oil and gas are becoming important and India should work with countries that have technology to exploit this resource. India should also join the Energy Charter Treaty, which could enhance energy security.

But excessive dependence on depleting fossil fuels with high carbon impact must give way, in the long term, to renewable energy exploitation for meeting India's needs, through an appropriate policy framework that incentivises use of renewable energy. External cooperation can bring in new technology to meet this goal. The growth of the nuclear energy sector requires stronger cooperation with countries advanced in the field, and changes to Indian legislation on liability are needed to remove obstacles in the way of domestic and foreign suppliers. India's participation in the Nuclear Suppliers Group (NSG) would benefit India as well as the NSG members and must be pursued. While the NPT in its present form is not acceptable to India, there could be advantages in a confidence building joint declaration on the part of India, Pakistan and Israel to adhere to the principles of the NPT but as Nuclear Weapons States.

In the technology field, India has made good progress in areas such as space, ICT, biotechnology, nanotechnology, and basic science research. Further cooperation should be pursued in all these fields with external partners.

The regulatory system in the biotechnology sector needs to be streamlined to remove obstacles to growth. India should finalize the long pending proposal to join the European Organisation for Nuclear Research (CERN) as an associate member, in order to participate more effectively in frontier research in physics. India's foreign policy needs to increasingly take into account the technology dimension which is assuming growing importance in assuring competitiveness in a knowledge intensive global economy. External cooperation is critical in gaining access to key technologies in defence related areas, such as aerospace, cyber security, etc.

India should continue its efforts to reform the multilateral system, including the UN, the multilateral financial and trade institutions, and institutions relevant to global political and economic governance, to provide a conducive and enabling environment for its development. Such an effort needs constructive cooperation with countries seeking change as well as those supporting the status quo, and is a continuing effort over the future decades. The UN has been increasingly ineffective in the face of increasing crisis situations and huge economic and human losses. Climate change represents a major challenge, requiring adjustments on the part of all countries, in order to avert a crisis in the not too distant future. Terrorism is a global menace, and India's efforts to secure a comprehensive international convention against terrorism and other counter terrorism initiatives should be pursued.

The Indian Diaspora is increasing in almost all countries, and is becoming increasingly linked to India through improved communications. Larger numbers of Indian citizens live and work abroad, and issues and problems with host countries continually arise. These need sensitive and timely handling by Indian and host country institutions. India should hold annual Diaspora conferences in each country with a large number of resident Indian citizens. These should include host country official participation in order to deal with problem areas constructively and promote good and harmonious relations with the host countries. Such conferences can also contribute to cooperation in business, education, and culture.

The canvas of foreign policy is vast and growing especially in the wake of globalization, and new issues continuously arise. National strength and capability in terms of analysis and speed of response will become more critical in the future. India's foreign policy establishment must gear up to meet the challenges of a rising India that seeks to play a greater role in global affairs.



The Style and Substance of Modi's Foreign Policy

Satish Chandra*

Prior to his becoming Prime Minister, there was, understandably, considerable uncertainty about the nature of Narendra Modi's foreign policy and the manner in which he would conduct it. While some may have felt that it would be overly assertive, others may have believed that since he was a newcomer to the national scene, it would be diffident and tentative.

In a little over five months as Prime Minister, Modi has set to rest all speculation and provided clear indications of the style and substance of his foreign policy. In the process, he has demonstrated that he has taken to foreign policy as a duck takes to water, that he has definite views in this area, and that he is prepared to boldly act in keeping with them.

Being authoritarian, innovative, and a communicator par excellence, Modi has already left an indelible impress on Indian foreign policy and the manner in which it is conducted. Modi's unprecedented invite to the leaders of the SAARC countries and of Mauritius for his swearing in ceremony; the imaginative choice of Bhutan for his first bilateral visit; the out of the box decision to receive Xi Jinping in Gujarat rather than in New Delhi; and the hectic schedule in the USA – inclusive of the carefully crafted outreach to both the American business community as well as the Indian diaspora – all bear the mark of his personal touch, and are unlikely to have emerged from the minds of a staid bureaucracy wedded to past practice. His unmatched communicative skills now constitute an integral and invaluable part of India's diplomatic arsenal. This talent is particularly well suited to forging close personal equations with key players, and will stand India in good stead in the coming years. Modi's uninhibited and deliberate projection of Indianness – in making it a point to speak in Hindi; worshipping at the Pasupatinath temple in Nepal and providing funds to construct a dharamshala there; maintaining his *Navratra* fast in the USA; and calling for the observance of an international yoga day in his UN speech – form another novel element in Indian diplomacy and have been taken to a new level by him. The purpose of so doing is to underline India's distinctive identity and heritage, and to thereby inculcate a sense of pride in our country amongst all Indians as well as those of Indian origin the world over.

***The Author** is former High Commissioner of India to Pakistan and former Deputy National Security Advisor. He is presently a distinguished Fellow at the Vivekananda International Foundation, New Delhi.

Modi's overarching vision is to create a more secure, developed and prosperous India, and he clearly intends to harness foreign policy towards this end. In this context, Modi's foreign policy appears to encompass the following elements:

- Pride of place to relations with neighbours;
- Leveraging the capacities of all countries, particularly major players, for promoting India's development;
- Hedging against a rising China;
- Safeguarding India's national interests;
- Harnessing the Indian diaspora for furthering the country's interests.

India's foreign policy will, more than ever before, give pride of place to neighbours as there is recognition that a harmonious neighbourhood is critical to India's progress. That dealings with neighbours will enjoy a very high priority in Modi's foreign policy was evident in the President's address to Parliament on 9 June 2014 in which he underlined that the invitation to the SAARC neighbours for Modi's swearing in ceremony symbolized the government's "commitment and determination to work towards building a peaceful, stable and economically interlinked neighbourhood which is essential for the collective development and prosperity of the South Asian Region." Modi's choice of Bhutan for his first bilateral visit in June 2014, followed by his visit to Nepal in August 2014, is further evidence of the importance attached by him to India's relations with its neighbours. Visits to both countries were a resounding success, in part due to Modi's having won the hearts and minds of all those with whom he interacted, in part due to the content of the cooperative initiatives undertaken, and in part due to the largesse extended by India.

Specifically, in the case of Bhutan, India pledged Rs. 45 billion for its eleventh five year plan. Moreover, not only did Modi unveil the foundation stone for the 600 MW Kholungchhu hydro power project being undertaken as an India-Bhutan joint venture, but the two countries also committed themselves to achieve a target of developing 10000 MW of hydropower in Bhutan. Most important of all, in the best traditions of India-Bhutan relations, as per the joint statement issued at the end of the visit, both countries "agreed to continue with their close coordination and cooperation with each other on issues relating to their national interests, and not allow each other's territory to be used for interests inimical to the other."

Nepal's long felt sense of neglect by India has been considerably mitigated by the convening – in July 2014, after a gap of 23 years – of the third meeting of the India-Nepal Joint Commission during which the entire gamut of bilateral

ties were reviewed, and by Modi's own visit in August, the first bilateral visit by an Indian Prime Minister after 17 years. Both these developments signify the determination of the new dispensation in Delhi to engage with its neighbours and to dispel genuine grievances. In this context, during the Modi visit, a \$1 billion soft credit line was extended by India for infrastructure and energy development as per Nepal's priorities and requirements, and clear directions were also provided for the regular convening of bilateral institutional mechanisms. It was also decided that the 1950 treaty of Peace and Friendship and other bilateral agreements would be reviewed, as also the "once and for all" resolution of India-Nepal boundary issues would be undertaken. The provision of Indian assistance for a variety of connectivity and infrastructure related projects was also announced. Above all, the joint statement underlined that both countries would not allow their territory to be used against the other.

Modi's visit to Japan and USA further fortified India's ties with those countries, particularly in the economic and commercial fields. Similarly, Xi Jinping's visit was used to upgrade Sino-Indian economic links, notwithstanding the troubled relationship between the two countries. The joint statement issued during his visit indicates that China would seek to realize an investment of \$20 billion in the next five years, that it would set up two industrial parks in India (one each in Gujarat and Maharashtra), that it would participate in the country's rail modernization, and that steps would be taken to address the huge trade imbalance. In fact, the two sides signed a Five-Year Development Program for Economic and Trade Cooperation that lays out a roadmap for comprehensively deepening and balancing bilateral economic engagement.

In the case of Japan, the Tokyo Declaration asserted that the Modi-Abe meeting constituted the "dawn of a new era" in Japan-India ties. Economic links between the two countries are set to undergo a quantum jump, with Modi and Abe targeting a doubling of Japanese foreign direct investment and Japanese companies in India in the next five years. In this context, Abe went on to indicate that there would be 3.5 trillion yen of public and private investment and financing from Japan – including Overseas Development Assistance (ODA) – to India in five years. This money would be used to finance appropriate public and private projects of mutual interest, including in the areas of next generation infrastructure, connectivity, transport systems, Smart Cities, the rejuvenation of the Ganga and other rivers, manufacturing, clean energy, skill development, water security, food processing and agro industry, agricultural cold chain, and rural development. In this connection, Abe pledged an ODA loan of 50 billion yen to India Infrastructure Finance

Company Limited (IIFCL) for a public–private partnership infrastructure project in India.

Similarly, the India-US joint statement had a detailed section on economic cooperation, envisaging a fivefold increase in bilateral trade from the existing level of about \$100 billion, enhanced participation of US companies in Indian infrastructure projects, and US support for Smart Cities, for the sanitation and cleanliness drive, and for the modernization of its railway network. A Contact Group was established to advance India-US civil nuclear energy cooperation and to overcome the existing road blocks. In addition, Modi had extensive and in depth interaction with the heads of several important US companies, and made a powerful pitch that they invest in India under the ambit of his “Make in India” campaign.

The India-US and India-Japan joint statements are indicative of India’s having adopted a hedging strategy against China. The former unabashedly asserts that Modi and Obama intend “to expand defence cooperation to bolster national, regional, and global security”, and that the two countries “would build an enduring partnership in which both sides treat each other at the same level as their closest partners, including in defence technology transfers, trade, research, co-production, and co-development.” The 2005 Framework for the US-India Defence Relationship has been extended by 10 years to “facilitate deeper defence cooperation”, and defence teams in both countries have been directed “to develop plans for more ambitious programs and activities.” The Framework goes on to state that the two leaders expressed concern about rising tensions in the Asia Pacific, and “affirmed the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea”. In much the same vein, the Modi-Abe Tokyo Declaration mentions the intent of India and Japan to upgrade and strengthen defence cooperation through bilateral and trilateral maritime exercises; to engage in cooperation in transfer of Japanese defence equipment (like the US-2 amphibious aircraft as well as technology); and the belief of their leaders that “a closer and stronger strategic partnership” between the two countries is indispensable for their prosperous future, and for advancing peace, stability and prosperity in the world – in particular, in the inter-connected Asia, Pacific and Indian Ocean Regions.

The steady strengthening of India-Vietnam ties – marked by the visits to the latter by our External Affairs Minister and President in August and September 2014 respectively – and the visit of Vietnam’s Prime Minister to India on October 27 and 28 has led to further hedging against China. This is evident from the joint statement issued during the Vietnam Prime Minister’s

visit wherein it is stated that the two Prime Ministers “reiterated their desire and determination to work together to maintain peace, stability, growth and prosperity in Asia and beyond. They agreed that freedom of navigation and overflight in the East Sea/South China Sea should not be impeded, and called the parties concerned to exercise restraint, avoid threat or use of force, and resolve disputes through peaceful means in accordance with universally recognized principles of international law, including the UNCLOS-1982”. Furthermore, as stated by Modi in a media interaction on 28 October,

Our defence cooperation with Vietnam is among our most important ones. India remains committed to the modernization of Vietnam’s defence and security forces. This will include expansion of our training programme, which is already very substantial, joint-exercises and cooperation in defence equipment. We will quickly operationalise the 100 million dollars Line of Credit that will enable Vietnam acquire new naval vessels from India.

Modi has imparted a welcome robustness to Indian foreign policy in protecting Indian interests. Thus, he called off talks with Pakistan when red lines were crossed, and made it clear that unaffordable costs would be imposed for its adventurism across the International Border (IB) and the Line of Control (LOC). Pakistan’s efforts at the internationalisation of Kashmir were deftly met head on, and defeated. Pakistan is now on notice that if it is keen on talks with India, it would have to create a conducive climate for the same, and cannot induce the latter to engage in a dialogue under threat.

With China, Modi did some hard talking with Xi Jinping on the Chumar incident and secured a commitment from the latter for an early settlement of the border issue. He also had no compunctions in aligning himself with countries like USA and Japan on the issue of freedom of navigation, and the need to resolve maritime disputes in the South China Sea through peaceful means and in accordance with international law. He also lined up their support for upgrading India’s defence capabilities, and agreed to the holding of joint military exercises. Furthermore, Modi has been steadfast in working towards the upgradation of India’s ties with Vietnam. He has not allowed China’s apprehensions in this regard inhibit him. Accordingly India, apart from its efforts to beef up Vietnam’s defence capabilities, is also set to engage in oil exploration activity in blocks offered by the latter, one of which is in waters disputed by China.

With the USA, Modi resisted pressure to renege on India’s blocking of the Trade Facilitation Agreement pending a permanent solution to stocking

for food security, and with Japan he did not give in to pressures on nuclear related issues.

Finally, Modi is reaching out to the Indian Diaspora as never before as he sees in it an instrument to project India, and a resource to contribute to the country's modernisation. This explains his extensive interaction with persons of Indian origin in the USA, his announcement that they would be given a permanent Indian visa, and his appeal to them to return home and promote India's development. It also explains his invite to Navin Ramgoolam, the Mauritian Prime Minister, for his swearing in ceremony, and his plan to visit Fiji during his upcoming visit to Australia.

★ ★ ★

Assessing Modi Government's Foreign Policy

Smruti Pattanaik*

'Continuity' has been a part of India's foreign policy and a change in government can only bring in certain nuances in the conduct of that policy. The political environment that a new government brings in certainly creates some expectation from the government, but, any change in the foreign policy would be contingent upon a change in the strategic environment in which a state functions. Yet, the BJP led National Democratic Alliance (NDA) government's policy is keenly watched and there is an expectation that this government's foreign policy would be different in style and direction, if not in substance.

India's neighbourhood and Asia would be the most important priority areas for the government. What a strong BJP government would mean for the world in general and the neighbourhood in particular, would there be any significant change from the United Progressive Alliance (UPA) government's policy, etc. have been debated extensively ever since it became known that a change in government was imminent. There were general concerns in the country's neighbourhood regarding what Narendra Modi's victory would mean for neighbourhood and that country. India's approach was perceived through an ideological prism and the analyses were purely based on that narrow view.

For example, Colombo looked at the new government in terms of what it would mean for the Sinhala-Tamil equation, the thirteenth amendment and the UNHRC resolution. There was an expectation that the new government, which is not dependant on Tamil Nadu's political parties, may have an empathetic attitude towards the Rajapakse government. In Nepal the pro-Monarchical forces thought that with the coming of the BJP government they could revive the demand for Nepal as a Hindu state and would receive a sympathetic hearing in New Delhi. The others too were carefully watching the new government's actions and whether it would affect the bilateral relations.

Reinvigorating India's Foreign policy

While the larger dimension of the foreign policy remained unchanged, the NDA government's approach saw a subtle shift with emphasis being put on the neighbours and extended neighbourhood within the broader vision of 'India

*The Author, is a Research Fellow at the Institute of Defence Studies and Analyses, New Delhi.

first'. While domestically, economic development, investment and 'Make in India' became the priorities, in the external sphere, India's security and the government's resolve to improve its preparedness vis-à-vis China got a larger push with the announcement of new roads to be built in Arunachal Pradesh. BJP also laid emphasis on developing indigenous defence technology and fast track defence production in its manifesto. The issue of connectivity and the Bangladesh-China-India-Myanmar (BCIM) received a push – an agenda to be pursued with the Chinese. Most importantly, the BRICS summit and the announcement of the BRICS Bank gave an impression that India is seeking a new global order away from the Bretton wood system, which was considered biased towards the developed countries.

Four different strands of the policy emphasis become visible. First, India's immediate neighbourhood where India would walk the extra mile to have mutually beneficial relations; second, relations with China, both at the bilateral and multilateral level; third, its engagement with the US, which will help India in shaping global power dynamics; and, fourth, zero tolerance to terrorism.

This also has much to do with the realignment of forces at the global level: the growing Russia-China relations in the aftermath of the crisis in Ukraine, China-Iran relations and the power balance in West Asia. Some of the foreign policy postures in the past few months give a glimpse into the thinking of the BJP led NDA government.

The first indicator of foreign policy priorities of the new government in which the neighbourhood assumes critical importance got a boost when the Modi government decided to invite the heads of government of all the SAARC countries to New Delhi for the swearing in of the NDA government. This certainly provided a message to the neighbouring countries that they are important in the NDA government scheme of foreign policy. The countries in India's neighbourhood constitute a core area in India's foreign policy; however this area did not receive that much direct attention of the prime minister in the past. This was demonstrated by the absence of any prime ministerial visits for more than a decade barring the visits to two countries – Bangladesh and Afghanistan. Modi's choice of Bhutan and Nepal, though extremely significant from a bilateral relations point of view, also signalled that India is not bothered about size or power potential when it comes to establishing close ties with its neighbours. While it signalled a new beginning in South Asia, the retaliatory firing across the international border and the line of control in Jammu & Kashmir also signified a new policy towards Pakistan. The message was that India would not hesitate to retaliate to unprovoked Pakistani firing. The cancellation of the foreign secretary's talk also indicated that India would no

more pretend that it is business as usual when Pakistan attempts to meet Kashmiri separatists and tries to project a picture that it is interested to protect the interests of the Kashmiris. In a nutshell, Pakistan needs to make a clear choice regarding who it wishes to engage with— the government of India or the separatists. To Sri Lanka, Prime Minister Modi clearly conveyed the message that the Rajapakse government needs to deliver on the 13th Amendment and go beyond it, signalling continuity in the foreign policy. Though India has conveyed its displeasure to Sri Lanka on the berthing of the Chinese submarine in the Colombo port, the Rajapakse government's decision to allow the berthing of the Chinese submarine for the second time indicates that the Chinese card would remain a factor of concern for India.

In his address to the Nepal Parliament where he spoke in Hindi, Modi struck a chord with the people cutting across the party divides. He sounded convincing when he said, “We have not come here to interfere in your internal matters but we want to help you to develop”. The perceived Indian interference and political favouritism have been a sore point for Nepali leaders, especially with those who do not get New Delhi's attention. The \$ 1 billion aid package to Nepal signals the government's development agenda that includes its neighbourhood. The Power Trade Agreement that India has signed would further the cooperation in hydro-power sector between the two countries and signals a later possibility of increased power to Bangladesh. India has also proposed a SAARC satellite that can be used by its neighbours. Modi said, “India must share the fruits of our technological advancement with those who don't enjoy the same”, adding a dash of the ‘Vasudeiva Kutumbakam’ policy. The expanding Chinese interest in South Asia would be watched closely by India and it is likely that New Delhi would work closely with the governments in the neighbourhood to protect India's security interest and work for regional economic integration.

Even though Prime Minister Modi cashed in on his earlier acquaintance with China as the Chief Minister of Gujarat, the Chinese President Xi Jinping's visit also allowed the government to do some tough talking on the issue of frequent border incursions. It was expected that Modi's business friendly image would attract Chinese investment; however the proposed investment of \$20 billion was way behind the proposed investments of \$35 billion by Japan. Both the countries are likely to cooperate on the issues of terrorism, climate change and Afghanistan. China's proposed Maritime Silk Route is going to raise concern and India is yet to come up with any alternative to invigorate its naval outreach. India's Project ‘Mausam’, which was launched in June this year, is a “multi-disciplinary project that rekindles long-lost ties

across nations of the Indian Ocean ‘world’ and forges new avenues of cooperation and exchange” emphasising maritime routes and cultural landscapes, according to the Ministry of Culture. Bolstering defence in the border area has got priority after the BJP was elected to power. For example, building of infrastructure in the border areas in Arunachal Pradesh, the 1800 km Indo China Frontier Highway has now been proposed. It appears that in spite of the Chinese protest, this project will be implemented.

While the focus on neighbourhood gained momentum, India also tried to prioritise and reinvigorate its relationship with Japan, which was the first destination of Prime Minister Modi’s visit outside India’s immediate neighbourhood. His visit to Japan emphasised two issues: Japan as a development partner as well as a strategic partner. India signed a Memorandum of Cooperation and Exchanges in the Field of Defence with Japan and Vietnam, rather than getting bogged down by the Chinese presence in India’s neighbourhood. India has also signed a defence pact with Vietnam. The Vietnamese president termed these agreements as being of mutual interest when he said, “We have shared interest in maritime security, including freedom of navigation and commerce and peaceful settlement of maritime disputes in accordance with international law”. India has signed an agreement with Vietnam for oil exploration in the South China Sea. Rebalance in Asia would remain an important component of India’s foreign policy but India needs to tread carefully and should not be seen as part of the US policy in the Asia Pacific.

Modi’s address to the UN clearly mentioned the government’s stance on a number of issues that India gives great importance to. While emphasising the neighbouring countries’ transition to democracy, he mentioned clearly and firmly that talks with Pakistan are possible only in a peaceful atmosphere without the shadow of terrorism. He emphasised a comprehensive convention on terrorism, disarmament, non-proliferation and the reform of the UN Security Council as India’s major goals.

Assessing the Modi Government’s Foreign Policy

The main challenge for India would be the transition in Afghanistan and its likely implications. The reintegration of Taliban would remain a major concern for India. Coupled with this, will Pakistan’s role in the post 2014 situation continue to strengthen the military muscle of the Taliban and patronise the Haqqani network? Development in Afghanistan is likely to have a larger implication for India’s relations with the Central Asian countries, China, Russia and Iran. Russia’s growing relationship with Pakistan, and the China-Russia

relationship in the aftermath of the Ukraine crisis will also have implications for India's Afghan policy. The US-Iran relationship to some extent would impinge on India's relations with Iran. The emergence of the ISIS and the formation of al Qaeda in the Indian subcontinent would have grave implications. However, how this proposed expansion of jihadi activities pans out would depend on how the international community, especially the Arab countries, Iran and Turkey formulate their policies to cope with the developments in West Asia. Analyses of the following developments give a glimpse into how the foreign policy may shape up and the challenges that India would face.

First, the BJP-led NDA government's foreign policy appears to be decisive and provides certain and clear directions regarding how India is going to play a larger role in world affairs. In the neighbourhood, while India would continue to engage its neighbours in achieving larger economic integration and providing economic aid and soft loan; it would not tolerate any attempt to undermine India's security. As the BJP manifesto reads, "In our neighbourhood we will pursue friendly relations. However, where required we will not hesitate from taking strong stand and steps". The cancellation of the foreign secretary level talks between India and Pakistan clearly indicates the government's stance in this regard, that unlike the past, this government will not tolerate the attempts of the Pakistani High Commissioner and political leaders to meet Kashmiri separatists on the Indian soil. India had unequivocally made it clear that meeting with the separatists would not be appreciated during Prime Minister Sharif's visit. For the first time, the government not only gave clear instructions for massive retaliatory measures but also said that if Pakistan wants the firing to stop it should take the initiative first and pick up the phone. This approach is a clear departure from the past – it is direct and the prime minister has not hesitated to speak on how he perceives things in the India-Pakistan context and in which direction he would like India to move. This provides a clear guideline for the diplomats to set an agenda and implement it since it has the prime minister's approval.

Second, the ability of the Modi government to shape the strategic outcome in Afghanistan would impinge on its relations with Pakistan. After the new 'unity' government assumed power; the NSA visited Afghanistan. Unfortunately, India's decision to financially aid the Russian arms transfer to Afghanistan has now been shelved as Afghanistan has expressed its desire to re-examine the issue. The arms supply, which includes helicopters, light artillery and mortars would have helped the Afghan army to deal with the growing Taliban insurgency. While Ashraf Ghani attended the fourth meeting of the Istanbul process in Beijing, India, China and Afghanistan appear to have come

to a consensus on the issue of terrorism, which instability in Afghanistan is likely to nurture resulting in strategic consequences for the region. India needs to partner Afghanistan's neighbours to have a fruitful engagement there. In this regard, its relations with Iran, China and Russia would be crucial. It should not allow its relations with the US to overshadow its relations with these three countries, which would be crucial to India's Afghan policy. In this regard the need to build Chabahar port expeditiously would go a long way to build a sustainable Afghan policy. Rather than following a cautious policy and being reluctant to implement a strategic partnership agreement with Afghanistan, India needs to take a fresh look at its approach to the Afghan army. While training constitutes an important aspect, arms and ammunition would be equally significant if India wants the Afghan army to fight the Taliban. The decision of the Ghani government to shelve India's offer to finance the Russian arms supply for the Afghan army only points to how delayed decisions of New Delhi fail to generate faith in the country's ability to deliver as a strategic partner.

Third, unlike India's past stance, Modi's primary focus would be the neighbourhood. He has already been invited by Bangladesh and Sri Lanka to make a visit to these countries. There is an expectation from the NDA government, which has a massive support in the neighbourhood to resolve pending bilateral issues. Moreover, Prime Minister Modi is perceived to be a strong leader who has the political will to take decisions and implement them. Unlike the UPA government, the NDA government does not have any coalition compulsion and it would not be amenable to the pressure from any Indian state, especially from Tamil Nadu and West Bengal.

Fourth, the Modi government's resolve and the objectives to have close counter-terrorism cooperation and intelligence cooperation cannot be confined to Pakistan only. Instead of mutely witnessing the ISIS march in Iraq and Syria, India needs to cooperate with the international community to work towards ending the progress of these savage forces. Radical forces would remain a threat to India as can be seen by the decision of a few young Muslims to leave India to fight in support of the ISIS. Close international cooperation is needed to keep an eye on the jihadis. It also needs to bolster its counter terrorism cooperation with the UAE and Saudi Arabia, which have emerged as shelters for Pakistan based Indian terrorists.

Fifth, India needs to create an enabling environment that is conducive to its growth and development. India's position regarding the Trade Facilitation Agreement (TFA) in the WTO is that it cannot accept a cap of ten per cent of the value of food grain production as public stockholding led to the failure of

the process that started in Doha. This value calculation is based on the 1986 prices that struck at the heart of the Food Security Bill in India. In the absence of a permanent solution on public stockholding, it was difficult for India to support the TFA even though many believe that the TFA has other provisions, which could help India. New Delhi has agreed to some ground rules regarding how to go about bringing a permanent solution to the food security issue in 2017. However, in the absence of any concrete assurance it is difficult for Delhi to pursue the agenda.

Reinvigoration of foreign policy can only be possible if the foreign policy making bureaucracy leaves its inertia and plays a proactive role. It cannot be confined to file pushing. At times it defeats the government agenda through bureaucratic red-tapism, which contributes to India's record as loud in announcement and extremely slow in implementation. This creates doubt regarding India's seriousness of intent in implementing various projects and delivering on its promises in time. While Development Partnership Administration has almost been relegated to the background, time has now come to bring it back to centre stage and create a separate department, which should act as a nodal centre for implementation and coordination among various ministries within India and the country, which is a recipient of Indian aid. India needs to take a lead in the SAARC. India's engagement with multilateral agencies like the BRICS, the IBSA and the Shanghai Cooperation Organisation (SCO) would augment India's foreign policy. To what extent BRICS bank would emerge as an alternative to fund developmental project remains to be seen. However, India's multilateral engagements also indicate that it is no more beholden to the major powers to create enabling space for itself. India would look at a stable neighbourhood for its economic growth and is likely to invest in infrastructure projects to improve the business environment for the Indian private sector to play a role. At the same time India would be proactive in the World Trade Organisation (WTO) and the UN. It will be difficult to predict whether Modi will make a complete departure from the Nehruvian foreign policy or will combine his political dynamism with business acumen that would boost India's growth and further its foreign policy agenda. As Prime Minister Modi said in the BRICS summit, "Corrective action must begin with the reform of institutions of global governance". To what extent India's strategic autonomy would help in creating an enabling environment to achieve its foreign policy goals and build a 'brand India' remains to be seen. However, a new beginning has been made in terms of drawing up of foreign policy agenda.



The New Government and India's Foreign Policy: Old Issues, Firmer Resolve

D. Suba Chandran*

When the new government assumed office there was a general expectation, both within the country and outside, that there would be a new vigour in India's foreign policy. Led by Narendra Modi, the new government did take steps to reinvigorate the external relations. While it is early to judge the intent and the outcome of the decisions taken so far, a trend can be easily identified.

Instead of analysing the efforts taken by the new government in terms of individual countries, it would be useful to identify the broad parameters under which the relationships are being pursued and their effectiveness. In this context, three distinct trends could be identified, in terms of strategies adopted by the new government – the core, outer core and the periphery. Rather than looking through the geographic prism of the immediate neighbourhood, the extended region and the rest, the relationships should be viewed based on their importance and impact.

The US, Japan and Australia along with the EU may geographically lie in a different zone from India, but politically and economically they are vital for India's foreign policy projections and hence, should be seen as a part of India's core. The prime minister in his first few months visited Japan (September 2014) and the US (September 2014). He played host to the Australian Prime Minister (September 2014) and the Chinese President (September 2014). The prime minister, immediately after swearing in, visited Bhutan (June 2014) and Nepal (August 2014). His foreign minister visited Bangladesh, Myanmar and Afghanistan. Along with the rest of the countries in India's immediate neighbourhood, the above countries should form the "core" of India's foreign policy.

A clear objective and subsequent strategy in achieving India's interests seems to be emerging vis-à-vis the core. Obviously, India will have to formulate a similar strategy vis-à-vis the outer core and periphery; given the fact that the new government has not even completed a year in office, perhaps it is too early to expect a coherent roadmap on all three areas. The government has to prioritise its efforts and strategies. It appears, it has the core right in its prioritisation. The strategies and road map have to follow.

*The author is Director, Institute of Peace and Conflict Studies (IPCS), New Delhi.

Emphasis on the Neighbourhood: Converting the Positive Gestures into a Regional Doctrine

The Indian foreign policy establishment has been generally criticised for not providing adequate attention to its immediate neighbourhood. The new government seems to be addressing this point, as could be seen from the initial set of state level visits, statements and efforts.

The decision to invite the heads of the states of the SAARC countries was a good beginning. So was the decision of the prime minister to visit Bhutan and Nepal as a part of his initial foreign trips soon after taking power. Similarly, a few statements have been already made in terms of expanding regional cooperation and revitalising the SAARC. It appears, except for Pakistan, the new government has made multiple positive gestures to improve relations with them.

The visits to Bhutan and Nepal were a success as Narendra Modi succeeded in establishing a rapport with the people directly. This is important for India to secure its interests, as there has been a steady growth of anti-Indian sentiments in the neighbourhood. In fact, a few political parties and organisations, including select media houses in the neighbourhood, have been using this sentiment for their own narrow-minded mobilisation, and in the process have been hurting the larger bilateral relations.

For example, the sale of electricity and gas has become a politically sensitive issue due to the prevailing anti-Indian sentiment. Ruling parties and constituencies that want to improve relations with India have to be circumspect, despite the merits of bilateral projects. In this context, Narendra Modi's visit to Nepal is a great success; he could reach out to the common person in the streets and strike a chord with the population. Today, a section even says jocularly, that if Narendra Modi decides to contest for elections in Nepal, he would easily win there as well.

The bigger challenge for Modi is to sustain this momentum in the immediate neighbourhood and create a similar sentiment in Bangladesh and Sri Lanka as well. While there have been positive "gestures", there is yet to be a clear regional strategy or doctrine articulated coherently, as a new Indian doctrine. In this context, the "Gujral doctrine" whether formally promulgated or as has come to be understood by the neighbours is a model; while there have been disagreements and criticism over what constitutes the Gujral doctrine, there was at least a clear articulation of what India aims at in the region, and how it wishes to pursue the same.

The new government needs a similar regional doctrine with clear objective and likely strategies. Such a doctrine should enunciate how India wants to see the region in 2025, ten years from now or in 2030, fifteen years ahead. This doctrine should also spell out how India would want to achieve the same, in terms of strategies.

This doctrine also will have to address the trust deficit amongst India's neighbours, in terms of India's ability to fulfil its promises. Multiple projects in Myanmar, Iran and Afghanistan have been pending and there is dissatisfaction about India's "delivery". Iran's dissatisfaction on the progress in Chabahar port and Myanmar's on Kaladan are a case in point. The media report on the decision of the new Afghan President to shelve buying arms from India due to delay will highlight the credibility issue that the new government will have to address.

Setting New Parameters with Difficult Neighbours

China and Pakistan have been India's difficult neighbours, despite numerous processes in the past decades. While the premiers of both countries visited India after Narendra Modi became the prime minister raising expectations, larger relations between the two countries have been clouded primarily due to developments along the Line of Actual Control (vis-à-vis China) and the Line of Control (vis-à-vis Pakistan).

The Modi government appears to be setting new parameters in terms of what is acceptable and what is not, while pursuing the larger bilateral relation. With Pakistan, the new government is giving out clear signals, followed by even clearer actions on what is not acceptable at the ground level. The cancellation of meeting between the foreign secretaries of India and Pakistan, following the meeting of the Pakistan High Commissioner with the Kashmiri separatists is a clear signal. So was the strong (and even disproportionate) military response to Pakistan's cross-LoC and cross-border firings during September 2014.

The Modi government is setting benchmarks and conveying the message loud and clear to Pakistan that it will not pursue the docile approach of the previous government on the same issues. Pakistan did not expect such a response from the new government and expected it would be business as usual, and it certainly was caught by surprise.

With China, there was a similar approach, when there were border violations by the Chinese troops during the visit of their president to India.

While Narendra Modi hosted Xi Jinping in his own home state and provided a personal touch, he asked his troops to respond appropriately at the border. The new government has also announced its plans to augment the road infrastructure along the India-China border. Again, as with Pakistan, the new government is setting new parameters vis-à-vis China.

Unlike the previous government, the new government appears not to be afraid of taking tough decisions. It should be amply clear for the political and military leadership in Pakistan and China that there is a new government in New Delhi and unlike the Congress led government, this new government is not apprehensive of projecting a strong political and military response.

Having made that signal to China and Pakistan on what is not acceptable, the new government has to move forward and also signal what is acceptable.

With China, fortunately, there is much substance in the bilateral relations between the two countries. In the recent years, there has been a quantum leap in the bilateral economic relations. Figures at the bilateral trade level and the projections in the years to come would amply exemplify the growing relations between the countries at the economic level. President Xi Jinping's recent visit and the multiple bilateral agreements signed between the two countries would signify the substantial transformation in the bilateral relations.

This has to be strengthened further at the political and strategic levels. At the political level vis-à-vis China, there are two initiatives that would further expand the relationship between the two countries. Nathu La, opened for limited border interactions, it has the potential to expand the trade relationship between the two countries. Though Nathu La is now better connected with the rest of China and India by road, India is yet to make the crucial decision about what it has to do next. Unlike some of the other states in India's Northeast, Sikkim has no reservations about India engaging in bilateral trade with China as it expects such an economic engagement to bring substantial rewards to the local communities.

A similar decision has to be taken for opening the Stillwell route and engaging China through the Bangladesh-China-India-Myanmar (BCIM) corridor, linking Kolkata with Kunming. While in principle India has agreed to open the corridor and is working on that, there is general criticism in the rest of the corridor that New Delhi has reservations.

Both on Nathu La and the BCIM corridor, India will have to make its intentions clear and pursue a coherent strategy, just as it made clear on what is acceptable on the border. What New Delhi wants and how far it is willing

to move forward to achieve the same has to be in black and white; the existing approach, a remnant of the previous government's policy has to be done away with.

Outside the bilateral relations, the new government has made positive overtures on issues relating to the BRICS, the Maritime Silk Road, etc. India should project itself as a big player and be willing to take a larger role in global governance.

With Pakistan, similarly, India has made clear the terms that are not acceptable, but is yet to articulate a positive road map as well in terms of what is acceptable. While setting parameters of dialogue is important, equally significant is an end-goal. This is where the new government is lagging, as it is yet to clarify what it wants to do with Pakistan. There are a few big-ticket items such as the pipelines from Turkmenistan and Iran via Pakistan. Both the TAPI and IPI have been stranded because of India's inability to proceed further due to security considerations.

Bringing the Indian States on Board vis-à-vis the Neighbourhood

Another clear articulation of India's foreign policy in terms of projection and implementation is related to the ability of New Delhi to take the bilateral relations forward with Bangladesh and Sri Lanka, without being hindered by domestic pressure. Tamil Nadu, West Bengal and Northeast play an important role, not always positive, vis-à-vis India's foreign policy relating to Sri Lanka and West Bengal.

The previous government could not take the states on board when deciding the terms of its relations with Bangladesh and Sri Lanka. The new government is yet to demonstrate a coherent strategy in taking its states along with it.

Given the fact that these states are ruled by non-BJP governments (especially Tamil Nadu and West Bengal) and have tough leaders (in Jayalalitha and Mamta Banerjee), it will not be easy for Narendra Modi and Sushma Swaraj to get them on board. The same point was used, in fact, more as an excuse by the previous government to draft an inclusive foreign policy towards Bangladesh and Sri Lanka. Select media houses and commentators based in New Delhi painted the two states as villains of India's foreign relations and demonised their leaders.

Such an approach is unlikely to yield any positive result. The "national" interest cannot be defined without taking into account its sub-regions; after all, they are not outside the purview of the national interest. As stated above,

it was more an excuse for the inability of the previous government to engage the states; besides there was also arrogance in relevant bureaucracies in framing the external relations: what do the states and their leaders know about foreign policy and why should they be consulted?

This is a political issue and New Delhi will have to accommodate regional interests by engaging them, not by ejecting them from the process. The new government has to understand this and ensure that the foreign policy towards the neighbourhood remains inclusive. Perhaps, the new government should attempt an institutional arrangement in getting the states on board in the foreign policy decision making, instead of pursuing arbitrary strategies. Sending the home minister or the National Security Advisor (NSA) for fire fighting will neither help nor be productive.

Engaging the Big Powers: From Red Tape to Red Carpet and from Looking to Acting

Narendra Modi's visits to the US in September and to Japan earlier have undoubtedly been a huge success in terms of winning the hearts and minds in both these countries. Both the US and Japan, along with South Korea and Australia (which the prime minister will be visiting shortly) are significant as investment sources.

The prime minister made an interesting statement while he was touring Japan, "...red carpet and not red tape". The prime minister seems to have understood the real problem in India's external economic relations, especially in attracting foreign investment. If his other initiative, "Make in India" has to succeed, there has to be an investment friendly environment in India. Unfortunately, the previous government failed to make use of the international interest in India by making foreign investment a cumbersome and complicated process. The multiple legislations, rules and regulations along with the bureaucracy are bound to make the process corrupt, resulting in providing an unwholesome horror-filled experience. Many investors from Southeast Asia, for example, preferred to move to Myanmar during the last few years.

Slogans of big market and bigger democracy are unlikely to attract foreign investment if the environment is not friendly. Narendra Modi, having succeeded in attracting foreign investment in Gujarat understands the problem and is aware of creating an investment friendly environment.

In the above context, Narendra Modi has to convert the positive image that he has created during his trips to Japan and the US into action. Though

the relations between the two countries were frozen due to the slow movement in the Indo-US nuclear deal, the momentum went further down during the previous government's tenure, primarily due to the inability of the government to broad-base the relationship.

Conclusion

To conclude, the new government has taken multiple bold steps; they have to be followed through. Given the credibility question associated with India's external relations, especially in terms of making promises and not following them up for implementation, the new government has to project its firmer resolve in taking the policy decisions to their logical conclusion. While setting new norms and standards vis-à-vis certain countries is a welcome development, it has to be followed up by the larger endgame. In this context, a formal regional doctrine would help.

Second, besides identifying the countries, the new government also has to identify a few issues – from economy, trade, investment and environment as its core issues, and pursue a firm foreign policy towards the same. As multiple summits from the Asia-Pacific Economic Cooperation (APEC) to G20 are in the pipeline, a clear stand and firm projection also need to be thought through.

Third, from the beginning India has identified a few issues as its core, within its foreign policy projections. From global nuclear disarmament to democratic values, there are issues that India has raised in multiple international forums. While some of them are valid, and perhaps assume a greater salience today than they had before, as a confident and emerging nation, India will have to take a relook at its earlier projections and positioning. Some of the older projections and pursuits have earned the dubious record of being sound in rhetoric and but not being translated into reality. Some other issues, for example in non-alignment, the rest of the world see India as a hypocrite. The new government will have to rework these old issues and prioritise them. As an emerging nation, India will also have to bring something to the table, to pursue them, instead of only advocating them and being politically correct.

Fourth, the new government will have to identify what constitutes the outer core and periphery, and have a road map for them as well. Just because a particular country, a region or an issue is of peripheral interest to India, it cannot be completely avoided. There has to be a clear endgame and a strategy even towards the peripheral.

Finally, the new government will have to ensure, that the foreign policy is inclusive and not an exclusive domain of a few institutions. While the PMO and the MEA will have to lead and give directions, both will also have to take other ministries and the states of India along with them.

Modi's Foreign Policy: Difficult to Theorize, Easy to Understand

Chintamani Mahapatra*

First few months of Narendra Modi Government has created a series of historical milestones in India's engagement with the international community. Invitation to all SAARC heads of government for Prime Ministerial inauguration, first foreign visit by Prime Minister Modi to Bhutan, sudden postponement of an announced visit to Japan, while going ahead with a visit to Brazil to attend the BRICS summit, and spectacular summits with three major powers – Japan, China and the US are undoubtedly new and unprecedented historical moments in early months of any new government formation in India.

Wherever Prime Minister Modi went, he used well chosen words, announced some new initiatives, offered his role as a facilitator of trade and investment and concluded concrete agreements with host countries. The world has witnessed spectacular leadership in the international stage from time to time that has created a new phenomenon in world affairs. Pandit Jawaharlal Nehru, Abdel Nasser, Joseph Broz Tito, Sukarno, Nkrumah, Muhathir Mohammad and a few others from the developing world left their marks on international relations of their time.

There is no dispute that Narendra Modi has emerged as an international leader in his own right. He has been able to put India yet again on the global agenda. India has become a magnet to attract all major powers as an important destination of foreign investment and emerging market largely due to Modi's diplomatic skill and initiatives. It seems clear that Narendra Modi has accepted the challenge from those who argued that India was not Gujarat and that Modi could not possibly manage an economic growth rate for India to an extent he could in Gujarat.

By demonstrating a stunning boldness in his conviction to turn India into the story of the next economic miracle, he has repeatedly been inviting global capital to "come and make in India". While the outcome of his message cannot be assessed now, the current success of his initiatives is widely visible for everyone to see. Eliciting a commitment by the Japanese Prime Minister to get \$35 billion worth of investment to India in next five years, a commitment by the Chinese President to invest \$20 billion in five years and his ability to

***The Author**, is Chairperson of the Centre for Canadian, U.S. and Latin American Studies, School of International Studies, Jawaharlal Nehru University, New Delhi.

attract American investments to the tune of more than \$40 billion (according to some estimates) during his interactions with CEOs of American companies cannot be underestimated by calling them empty promises.

Trade and investment, to a large extent are driven by psychology. Expectation of profit in the future by traders and investors plays a key role in signing agreements and making commitments. And such expectations, among other things, revolve around appraisal of political stability, economic policies of a new government and the potential strengths of a given market. Narendra Modi-led BJP's impressive mandate in the last national election has ended the uncertainties of the coalition era of Indian politics. Narendra Modi's economic policy is believed to end the economic stagnation and policy paralysis of the previous government. And there is widespread belief in the international arena that coming ten years of Indian political scene will be marked by the Modi phenomenon.

Prime Minister Modi is well aware of this psychology of business and has been able to make the most out of it by championing an economy-dominated diplomacy from the very first day of being in the office. His goal is clear – to construct a “Vibrant India.” His plan to clean the rivers and waterways of India, including River Ganga, his initiatives towards “*Swachha Bharat*” and policy aimed at a peaceful neighbourhood all ultimately seek to make India the next growth story of the world. After all, in this age of globalization no country can remain an island of peace and prosperity, if it is surrounded by an unstable, violence-prone, terrorism-ridden and poverty-stricken neighbourhood. Secondly, a clean India with modern infrastructure alone can make it more attractive to foreign manufacturing and technology firms.

In addition, Narendra Modi government appears to have had no penchant for earlier era idealistic foreign policy formulations or diplomatic strategies, such as non-alignment. His goal seems to be to evolve a multi-alignment strategy in managing relationship with major powers of the world. Votaries of non-alignment always argue that non-alignment believed in friendship with all. But in the eyes of major powers, India's non-alignment policy was often a suspect.

What Prime Minister Modi seems to be aiming at is harnessing all available opportunities to build constructive ties with major powers of the world. This was certainly the goal of earlier governments as well. But India hardly succeeded in achieving this goal during the Cold War era when India was perceived as a close Soviet ally. In the post-Cold War era, many countries perceived India as aligning closely with the United States, even though India argued that its relationship with the US was “strategic partnership” and not “strategic alliance”.

It is too early to determine a pattern in Modi government's approach towards major world powers. But it is clear that Prime Minister Modi has been able to maintain cordial and constructive ties with all major powers. Significantly, on 29 May 2014, Chinese Prime Minister Li Keqiang was the first foreign Head of Government to congratulate Prime Minister Narendra Modi after he assumed office. Chinese Foreign Minister Wang Yi soon travelled to India as the Special Envoy of the Chinese President on 8-9 June 2014. The following week, Prime Minister Narendra Modi and President Xi Jinping met on 15 June 2014, on the sidelines of the 6th BRICS Summit in Fortaleza, Brazil.

Vice-President Hamid Ansari paid a visit to China in the second half of June 2014. He attended events to mark the 60th anniversary of 'Panchsheel', and signed three agreements related to industrial parks, training of public officials, and exchange of flood season data on the Yarlung Zangbu River. When Chinese President Xi Jinping visited India in September 2014, about sixteen agreements of cooperation were signed. Although the incident involving alleged Chinese incursions into the Indian side of the border threatened to throw cold water on the Sino-Indian bonhomie, what was achieved for promoting cooperation cannot be underrated.

Why did the Chinese President allow Chinese army to create tension along the border during his visit to India? Flexing muscles along the border, while committing billions of dollars of investment, cannot have a simple answer. Some suspected differences within the ruling Chinese establishment on Xi Jinping's India policy. Others saw in it a Chinese intention to signal to Pakistan that everything was not hunky-dory with India. Still others interpreted as a Chinese way of expressing dissatisfaction over Prime Minister Modi reaching out to Japan in a big way in the midst of growing Sino-Japanese tension over island dispute in the East China Sea.

But Prime Minister Modi should be credited for indulging in "tough talk" over the border incident, while welcoming Chinese interest in doing business in India. News over Modi's planned visit to Japan to make it his first foreign visit had already irked Beijing. When Modi visited Japan for a summit meeting and came out with a huge Japanese commitment on building infrastructure in India and improve security ties with India, Beijing must have taken note of it. China clearly does not want India to inch too closely towards Japan at a time of persistent Sino-Japanese rift. This perhaps explains Chinese intention to enlarge its own economic presence in India, but simultaneously China seeks to keep alive its "Pakistan card". This in turn explains China's unfriendly movement of troops along the border.

While boosting ties with Japan, Modi government does not want to convey an impression that its policy is guided by strategic considerations alone. In fact, welcoming Chinese investment into India highlights the Modi government's priority given to foreign economic diplomacy rather than strategic coalition building.

Similarly, one could guess that China's prompt diplomatic approach towards India had the intention of influencing India's policy towards the United States as well. Beijing perhaps judged that visa denial to Narendra Modi by the US for about a decade and the continuing spat between India and the US particularly since the Devyani Khobragade episode provided an opportunity for building ties with India in a way that would discourage India from building a strategic equation with the US that could harm Chinese interests in the long run. It was with this intention that the Chinese Premier landed in India much before US Secretary of State John Kerry visited India. Although the government of India and the strategic community in India have made amply clear that India would never join any anti-China coalition building, growing military ties between India and the US and the planned American "pivot to Asia" were suspects in the Chinese strategic calculation.

Prime Minister Modi's pragmatic diplomacy, nonetheless, did little to address the Chinese apprehensions. When President Barack Obama telephoned Modi to congratulate him on his assuming the office of the Prime Minister and invited him to visit Washington, Modi promptly agreed to do so. The Modi visit to Washington subsequently turned a new page in Indo-US relations that had reached a plateau during the previous administration and then had run into rough weather with expanding differences between the two countries on a host of issues related to intellectual property rights violation, aircraft safety ranking, pharmaceutical business and solar power panels production in India.

Modi once again turned his diplomacy in the United States into an exercise to promote India as an attractive destination for trade and investment. He wrote an article in the *Wall Street Journal* to reach out to Corporate America. His joint article with President Barack Obama in the *Washington Post* likewise sought to reach out to the policy making community within the capital's beltway and make a case for the US to partner in building a prosperous India.

Significantly, Modi-Obama summit followed Modi-Xi Jinping summit. Modi's interactions with the Chinese Premier and the Chinese Foreign Minister likewise preceded his meeting with US Secretary of State, Defence and Commerce. China sought to stay ahead of the US in engaging India. China

has successfully built robust economic ties with a host of American allies in Asia and has also been systematically boosting its economic cooperation with India. In other words, China, the perceptibly rising superpower, has been making inroads into the traditional and emerging US spheres of influence.

India, nonetheless, has been seeking a kind of strategic autonomy that would make India an independent centre of power rather than a country where other major powers would compete for influence. Modi's diplomacy in the US sought to promote India as an independent centre of power. Unlike in the past, Modi government's pragmatism has changed India's foreign policy language by replacing ambivalence with clarity of its position on international issues.

The joint statement issued during Modi's visit to Washington, for instance, indicates a clear Indian position on the political turbulence in the South China Sea. India under Modi clearly now supports the US position that all disputants in the South China Sea should abide by international law, respect peaceful navigation of ships and resolve disputes through peaceful negotiations. China's reaction to it was quite obvious. India for long watched when China established "all weather" alliance with Pakistan and supplied conventional weapons as well as WMD technologies to Pakistan. Modi government, like the United States, appears determined to improve security ties with Vietnam.

The signal to China is clear. If India could improve economic cooperation with China, despite the nature of Sino-Pakistan relationship, China should have little to worry about Indo-Vietnamese or Indo-Japanese security cooperation. If Sino-US relations in the field of trade and investment could be deeper and large, despite their political differences, India could keep building its strategic partnership with the US, despite Indo-US differences over a host of political and economic issues.

In other words, the current state of global order is qualitatively different from the earlier ones. The nature of major power relations is not only fluid but defies any model making and discernible pattern. Ideological division of the world has come to an end with collapse of communism, weaknesses in commercial capitalism, drawbacks of neo-liberal economic policies, and current difficulties of authoritarian capitalism of China and Russia.

The Western world wants India to institute reforms along neo-liberal economic principles, Modi government speaks of inclusive growth and poverty alleviation. Food security and poverty eradication have been Modi's mantra both in domestic politics as well as diplomacy. Prime Minister Modi is depicted by some as the agent of the corporate sector, others look at him as a man of

the masses. He has called for G-All world at the United Nations, yet has sought to strengthen BRICS. He has invited Chinese investment into India, but so also the Japanese and American investment. He wants to build regional connectivity in South Asia, yet finds it difficult to rope in Pakistan in a constructive way. He has reached out to all major powers, yet has not ignored the smaller neighbours and smaller countries of the South Pacific.

It is difficult to theorize Modi's foreign policy or diplomatic approaches. It appears to be a kaleidoscope. There is no articulation of a comprehensive foreign policy by the new government, although foreign affairs have consumed lots of time of the Prime Minister. He is seen by some as an authoritarian foreign policy decision maker, but his foreign minister Sushma Swaraj has visited more countries and interacted with many more foreign ministers than the Prime Minister. Modi's visible diplomacy is complemented by Swaraj's quieter diplomacy. One thing seems clear, however. Modi's foreign policy aims at making India economically a more prosperous, militarily much stronger and politically a more forceful leader in world affairs.

★ ★ ★