

India's Foreign Policy and the New Government

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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

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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.

