

By Invitation

Indian foreign policy: Modi's bold reinvention

India's relations with foreign partners have not escaped Indian PM's bold and muscular approach to politics



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For The Straits Times

In campaigning hard for a second term as India's prime minister, Mr Narendra Modi has generated much controversy, not least his vigorous rallying of nationalist sentiments against Pakistan.

But a careful review of his foreign policy record over the last five years reveals the bold new directions he has set for India's external engagement. Seen together with his muscular diplomacy, Mr Modi's tenure has been a definitive moment in India's slow but certain emergence as a major power.

Consider the following: Mr Modi's willingness to take decisive positions and hold firm appears to be paying off in India's relations with its two most difficult neighbours: China and Pakistan.

Late last month, India chose to stay out of the second Belt and Road Forum convened by Chinese President Xi Jinping in Beijing. If China was disappointed, it did not show it.

In an even more interesting development a week later, Beijing finally lifted its "technical hold" at the United Nations that has long blocked India's efforts to list a Pakistan-based militant, Masood Azhar, as a terrorist.

Even as New Delhi resisted the pressure from Beijing to attend the Belt and Road Forum, it successfully isolated China on the question of Pakistan-based terrorism at the UN with the support of other countries, notably the United States, France and Britain. In trying to protect its ally Pakistan, China had sought to impose conditions on India for naming Azhar as a terrorist. It failed. Even if we dismiss this as a minor procedural issue, it is not often that other countries score a diplomatic point at China's expense these days.

The hard-nosed approach also paid dividends for Mr Modi in the case of Pakistan. After a terror attack on Indian security forces in mid-February, claimed by Azhar's outfit Jaish-e-Mohammed (JeM), Mr Modi chose to do something India had refrained from in the past – he ordered the Indian Air Force to attack the JeM's camp located within Pakistan's territory.

Since then he has turned this decision into a major theme of his election campaign, reminding

Indian voters of the contrast between his bold move and his predecessor Manmohan Singh's reluctance to respond in a vigorous manner to Pakistan-sponsored terrorism.

If the bombing of a terror camp in Pakistan reinforced Mr Modi's image as a strong leader, the reaction of Pakistani Prime Minister Imran Khan came as a big surprise. Notwithstanding the Indian PM's anti-Pakistan drum beat, Mr Khan publicly supported the return of Mr Modi to power, seeing better prospects for peace talks with a strong Indian PM.

Senior functionaries in the ruling Bharatiya Janata Party (BJP) have since signalled that if Pakistan is able to rein in anti-India terrorism, India will be ready to renew the peace process.

The BJP cannot be assumed to be always on side with Mr Modi's foreign policy views and initiatives. He had to overcome resistance within his own party to support a historic boundary agreement with Bangladesh negotiated in 2011 by the Manmohan Singh government. Mr Modi was quick to see the strategic significance of the agreement that cleaned up the messy border that India inherited at the time of independence and partition in 1947.

His efforts in overturning the BJP's opposition and investing personal political capital in getting the agreement ratified in Parliament were instrumental in gaining the trust of Bangladeshi Prime Minister Sheikh Hasina. This in turn opened new vistas for closer bilateral ties and greater economic integration of the eastern part of the subcontinent.

If India-Pakistan tensions point to the Hindu-Muslim divide, the warming of India's ties with Muslim-majority Bangladesh points to an alternative, more positive future for South Asia.

Going beyond the subcontinent, one of the biggest surprises of Mr Modi's foreign policy has been the aplomb with which he restructured India's engagement with the Middle East. If the previous governments were defensive about the strategic partnership with Israel, he brought it out of the closet. He was the first Indian prime minister to travel to both Israel and Palestine. He also sustained India's traditional good ties with Iran, the regional rival of the Jewish state.

But the biggest transformation of India's relations with the Middle East has been with the United Arab Emirates and Saudi Arabia – two states that New Delhi has long seen as being too close to Pakistan.

In breaking out of the zero-sum thinking about the Gulf, Mr Modi has created two partnerships that are likely to contribute in a

significant way to India's energy security and its ability to cope with the terrorist threat posed by Muslim militants in the years ahead.

WESTWARD SHIFT FROM NON-ALIGNMENT

The biggest foreign policy contribution of Mr Modi might well be his success in taking India beyond the presumed verities of "non-alignment", an idea that seemed to freeze Indian foreign policy in a straitjacket dating back to the early Cold War days. Equally important has been his

determination to shatter the notion that India will never get too close to the US and, more broadly, the West.

To be sure, India's relations with the US began to improve under successive governments in the new millennium. But it was Mr Modi's boldness that ended India's traditional ambivalence towards America. As he told the US Congress in the summer of 2016, India's "historic hesitations" about the US are now over.

He has intensified India's defence relationship with the US, supported the American construction of the

Indo-Pacific as a new geopolitical theatre and revived the Quad – the four-way engagement with the US, Japan and Australia.

There has also been significant improvement in relations with other Western powers such as Britain, France and Germany. Mr Modi also ended India's traditional neglect of the Commonwealth and the European Union.

All this amounts to nothing less than a confident re-engagement with the West – not as a "junior partner" as leftist critics allege, but on India's own terms. Nor is it about

containing China, as many observers believe. Even as he takes India close to the West, Mr Modi has sustained a dialogue with Mr Xi on the many difficulties that hobble the relationship with China. New Delhi has also refused to abandon its old friends in Moscow.

Under Mr Modi, India is no longer defining its foreign policy in terms of non-alignment. It has outgrown that. After all, India is now the world's seventh-largest economy, on its way to becoming the third after America and China. It has one of the fastest growth rates in the world and has the fourth-largest defence budget. The India of today is very conscious of its interests and is not defensive about pursuing them vigorously.

POLICY FAILURES

For all his bold, forward-looking initiatives, Mr Modi has had his share of mistakes on the foreign policy front, none of them more consequential than on trade policy.

Until the turn of the 1990s when India embarked on economic reforms, India was a reluctant trader. Since the 1990s, India's trade policy has advanced in fits and starts. But the Modi government seemed intent on turning the clock back towards protectionism.

Despite India's total annual trade now rising to more than US\$1 trillion (\$1.36 trillion) – out of a total gross domestic product of US\$2.8 trillion – India's approach to global trade has been seen as crabby and defensive. The trade policy paralysis of the last five years has deeply disappointed India's partners, including Asean, Japan and the EU.

But one leader is not willing to let it be. US President Donald Trump has not stopped trolling India as a "tariff king". Although India's trade surplus is a modest US\$25 billion, Mr Trump is threatening India with significant measures, including the withdrawal of benefits under the generalised system of preferences.

Thanks to him and pressure from other partners like Asean, Mr Modi is now acutely aware of the problem he has on the trade front. In talks this week in Delhi with US Commerce Secretary Wilbur Ross, the Modi government reportedly promised action on the trade front immediately after the Indian polls.

Instead of seeing it as a problem that India must deflect, the next government in Delhi must recognise the urgency of adapting to the unfolding structural changes in the global trading order marked by the US-China trade war and the backlash against globalisation in the West.

The crisis in the global trading system might also be an opportunity for India to seize on and gain from the reorganisation of global production and value chains.

There is undoubtedly little political enthusiasm for trade liberalisation in the BJP and its affiliates.

Large sections of the industry, too, prefer protectionist policies. If Mr Modi can bring his characteristic boldness to press for the modernisation of India's foreign economic policy, his potential second term could turn out to be truly consequential.

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