



28th

ASIA-PACIFIC ROUNDTABLE

2-4 JUNE 2014, KUALA LUMPUR, MALAYSIA



PLENARY SESSION NINE
4 JUNE 2014

THE DYNAMICS OF INDIA'S RISE: NATIONAL IMPERATIVES AND INTERNATIONAL ASPIRATIONS

*How Will India Seek to Assert Its Influence in the Global Arena
in the Next Ten Years?*

by

Dr. Ian HALL

Senior Fellow and Director of
Graduate Studies in International Affairs (GSIA)
The Australian National University

SPONSORS



Konrad
Adenauer
Stiftung



NEW ZEALAND
FOREIGN AFFAIRS & TRADE



Embassy of Japan
in Malaysia



How will India seek to assert its influence in the global arena in the next ten years?

Ian Hall

Senior Fellow in International Relations

The Australian National University

Like all states, India has sought to assert its influence in world politics in different ways at different times. It has tried to lead others as a moral exemplar, passing judgment on the faults of others and demanding the thoroughgoing reform of certain states' behavior and that of international institutions – and some would like it to return to that kind of role (see, for example, Khilnani et al. 2012). It has flexed its military muscle and pursued its national interests by force or by the threat of force, as it did over Jammu and Kashmir in 1947-48 or Goa in 1961 or the prelude to the Sino-Indian border war in 1962 and in a series of crises and conflicts with Pakistan, as well as in interventions in Sri Lanka and the Maldives. It has mobilized like-minded developing states by diplomatic means, marshalling the Non-Aligned Movement and a series of coalitions opposed to trade liberalization, in particular. And it has tested a nuclear weapon, forcing the renegotiation of the global nuclear order, and forged a new, if not wholly stable relationship with the United States.

It needs to be observed that these various approaches have not always worked in the ways India has hoped they might. When India has tried moralism, it has provoked accusations that it is being disingenuous or even hypocritical. When it has tried force or the threat of force, it has generated mistrust, exacerbated existing tensions and sometimes – when it has made threats that it could not or would not carry out, as it did in the past with China and in more recent years with Pakistan – it has undermined its credibility and arguably also its ongoing security. India's mobilization of developing world coalitions has accumulated goodwill in some parts of the world, but its actions in successful rounds of world trade talks,

have also earned it (rightly or wrongly) a reputation for truculence (see Narlikar 2010; Narlikar and Narlikar 2014). Finally, its test of a nuclear weapon and its rapprochement with the United States has brought both some benefits and some further complications, especially in India's difficult relationship with China.

Today, as we all know, India faces many challenges. The most important of them, I think, remain the domestic ones of providing education, jobs, welfare, power, water and many other services to its population. But there is also a strong sense – in India and outside it – that India sits at a crossroads when it comes to foreign policy. It could return to internationalist moralism or it could fully embrace great power politics and political realism; it could help to renegotiate the terms of global governance and the institutions that serve it or it could lapse into atavistic nationalism, decrying the present order and demanding change on the grounds that a 'civilizational state' like India deserves not just recognition of its greatness, but of its desires.¹

Challenges

India faces two main international challenges: how to generate the economic growth it needs to lift the bulk of its population out of poverty and how to cope with the myriad problems of its immediate neighborhood. Moreover, it faces these challenges at a time at which world politics are being re-ordered, as the United States retrenches, Europe declines, China rises, and competition for capital, natural resources, and educated labor – let alone status and reputation – is intense.

In the 1990s, its approaches to these problems were clear, if not always successful. India tried to stimulate growth by the part-liberalization of parts of its economy and by opening the door, to an extent, to foreign direct investment (FDI), ideally from East Asia. It paired the economic aspects of what became known as the 'Look East' policy with a renewed

engagement with overseas Indians and people of Indian origin, looking to the knowledge and the resources of its diaspora communities, aiming to attract human and financial capital back home. India tried to address its external security challenges – above all the challenge posed by a fast-rising China – by testing five nuclear weapons, accelerating its ballistic missile programs, and adopting, in effect, a nuclear posture of existential deterrence. This move was designed to prevent so-called ‘nuclear blackmail’, deter conventional military interventions by great powers, and allow India the breathing space it needed to develop its economy and modernize its military. It also provided an opportunity to improve India’s ties with the United States.

These moves gave the impression that India was normalizing its foreign and security policies and beginning to act like a regular aspiring great power. To some, it seemed like India had finally ‘crossed the Rubicon’, to use C. Raja Mohan’s evocative phrase from his iconic book (Mohan 2003). Finally, it seemed as though India was shedding its Nehruvian moralism in favor of a more realist set of policies grounded in the dispassionate calculation of the national interest. Most importantly of all, it seemed as though India was in the process of shifting from being a ‘reactive power’ to becoming a proactive one that set out to influence events, set agendas and drive change. Raja Mohan predicted: ‘An India that stays true to the values of Enlightenment, deepens its democracy, pursues economic modernization and remains open to the external world will inevitably become a power of great consequence in the coming decades’ (Mohan 2003: 272).

In the ten years that have passed since the publication of *Crossing the Rubicon*, these hopes have not been realized. Manmohan Singh’s United Progressive Alliance (UPA) governments did achieve one great foreign policy triumph: completing the negotiations on the US Nuclear Deal and then getting the enabling legislation through parliament (see especially Baru 2014). In other areas, however, progress has been slow, at best. The liberalization of

India's economy has stalled, as the failure to properly open its markets to foreign retailers illustrates. Foreign direct investment into India has also stalled: in 2012-13 some US\$16bn in remittances and outward investment flowed out of the country, while FDI dropped 38% to \$22.6bn (Rodrigues and Xie 2013; Business Week 2013). Partly as a result, and partly as a consequence of sluggish economic growth, the value of the rupee has declined significantly, collapsing to a low of Rs. 68.85 to the US dollar in late August 2013, and recovering since then only to around Rs. 60 to the dollar (Times of India 2013).

In regional and multilateral diplomacy, India has also struggled. Despite repeated claims that India wishes to be the agent of regional integration, little has been achieved. Progress in resolving differences with Pakistan has been stymied by Islamabad's sponsorship of terrorist attacks and India's inability to find a creative approach to the challenge posed by its neighbour. Since the late 1990s, India has found its way into a series of regional and international forums that could have provided opportunities for action, but it arguably failed to capitalize on its advantage. In 1997, it became a founder member of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), renamed the Indian Ocean Rim Association in 2013 (IORA), and two years later, it became a member of the G20 group of industrial nations. In 2003, India helped create the IBSA Dialogue Forum, to try to establish with Brazil and South Africa, a coordinated approach on major international issues. In 2005, in what some commentators saw as a triumph for the 'Look East' policy, it became a founder member of the East Asian Summit (Borah 2012). In 2007, India joined the G8+5 Climate Change Dialogue, and two years later, after a series of ad hoc meetings between Brazil, Russia, India and China, it participated in the first formal BRICs Summit. Finally, in 2011-12, India sat as a nonpermanent member of UN Security Council.

For all this multilateral summitry, India has arguably gained very little except perhaps enhanced status. In part, this is because India has continued to 'just say no', as Stephen P.

Cohen famously characterized its negotiating strategy (Cohen 2002). It has continued to resist any notion that it binds itself into the Nuclear Non-Proliferation or Comprehensive Test Ban Treaties. At Copenhagen in late 2009, India collaborated with China to block a deal on binding targets for carbon emissions. In 2011-12, at the UNSC, India displayed first ambivalence and then hostility to the idea of military intervention in Libya and Syria under the auspices of Responsibility to Protect (Hall 2013). In late 2013, India rejected out of hand the deal proposed on agriculture in the ongoing Doha Round of international trade talks.

India has also faced problems in its foreign economic policy. It has been outbid and outmaneuvered by Chinese firms in its search for natural resources, especially in oil, though it has succeeded in persuading the US to exempt India from the sanctions regime on Iran, from which much of its oil now comes.

Finally, India has struggled over the past decade to build the hard power resources that it would need should it seek to pursue a more muscular foreign and security policy. It has built useful security-focused relationships with Israel, Japan, Singapore, the United States and, to a lesser extent, Australia, Indonesia and Vietnam (see the essays in Hall 2014b). The list of defense procurement projects that are late or unfulfilled continues to grow, as India's domestic defense industry fails to deliver or as India's defense bureaucracy fails to close deals with foreign suppliers. It remains far from being able to deploy a truly credible nuclear deterrent, as its 100 nuclear bombs can only be delivered by aircraft and perhaps by a medium-range missile. India is probably a decade away from possessing a fully operational long-range or intercontinental missile in any militarily significant numbers, and doubts remain about the quality of its under-tested nuclear weapons and whether sufficient numbers of these weapons have been miniaturized to fit on top of such a missile (Hall 2014a; Koithara 2012). All in all, India lacks the means to credibly deter and credibly compel potential adversaries, and this weakness obviates its ability to act as even as aspiring great power.

Whither India?

Expectations are very high that a new Indian government, if it is indeed led by Narendra Modi and the Bharatiya Janata Party (BJP)-dominated National Democratic Alliance (NDA), will inject energy into Indian foreign and security policy and address all of these issues. Certainly, this is what the BJP has promised in its election manifesto, which states:

BJP believes a resurgent India must get its rightful place in the comity of nations and international institutions. The vision is to fundamentally reboot and reorient the foreign policy goals, content and process, in a manner that locates India's global strategic engagement in a new paradigm and on a wider canvass, that is not just limited to political diplomacy, but also includes our economic, scientific, cultural, political and security interests, both regional and global, on the principles of equality and mutuality, so that it leads to an economically stronger India, and its voice is heard in the international fora (Bharatiya Janata Party 2014: 39).

What this means in practice, according to the BJP, is a focus on improving relations with India's South Asia neighbours, the leveraging of India's 'soft power',² the building of 'Brand India', especially in diaspora communities, an emphasis on trade in foreign policy, and the expansion of India's diplomatic corps. The manifesto also highlights the need to improve India's national security with a more joined-up, whole of government approach, overhauling the intelligence agencies, revamping the defense industry and modernizing the military, and dealing with terrorism with a 'firm hand'. Finally, it promises a 'strategic nuclear programme', including a fresh look at India's nuclear doctrine, and the maintenance of a

‘credible minimum deterrent’ (Bharatiya Janata Party 2014: 37-39). All of these changes, the BJP manifesto promises, will be guided by ‘pragmatism’.

Is this the right approach...and can these changes be made? Setting aside the perennial problem that new governments – and new Prime Ministers, especially those making a jump from state politics to the Centre – often lack experience in foreign and security policy, there are a number of other issues at play. It is clear, above all, that the Ministry of External Affairs (MEA), with its tiny, albeit excellent group of Indian Foreign Service (IFS) officers, will likely remain in control of much of the foreign policy agenda, within the MEA and outside it, including in the Prime Minister’s Office (PMO) (see especially Chatterjee Miller 2013). It is notable, in this regard, that of the various names rumored prior to the election results to be considered for the post of National Security Adviser (NSA), two were of prominent IFS officers, the current ambassador to the US, Subrahmanyam Jaishankar, and the former ambassador to the UN, Hardeep Singh Puri (Uttam 2014). This fits the established pattern – three of the four NSAs to date have come from the IFS – but it is possible that the pattern might be broken, with two former intelligence chiefs, Sanjeev Tripathi and Ajit Doval, also reportedly considered, as well as long-time advisor to Manmohan Singh, Shyam Saran.

If the MEA do remain in control, India’s foreign policy will likely remain in the ‘holding pattern’ it has been in for the past decade. Moreover, the IFS will likely stymie an NDA governments push to make economic diplomacy, as well as ‘Brand India’, soft power and public diplomacy, the core business of Indian diplomats. Like many traditionalist diplomats, the IFS has long been resistant to greater involvement in stimulating trade and procuring investment, and suspicious of public diplomacy. They have also been resistant to expanding the IFS from a small service of around 700 officers to the kind of numbers that middle powers, let alone great powers, would expect.

When it comes to security policy, the likelihood of dramatic change is also small. It will take an energetic minister to overhaul the defense bureaucracy, in which there are considerable divisions between civilian and uniformed staff, and between the individual services. It will take an extraordinarily energetic minister to overhaul the interminably slow defense procurement processes India uses and to shake-up the indigenous defense research and development operations, as well as the defense manufacturing industry. A review of India's nuclear posture is necessary – not least because its nuclear doctrine still remains only in draft form, almost fifteen years on – though it will cause concern inside and outside India. A shift towards a more credible posture is needed, however, if India is to address its external security challenges, especially that posed by China.

Conclusion

The big unanswered question in the BJP manifesto, and arguably in much of the contemporary official and semi-official debate about international relations in India is this: for what purpose will India use its influence in the global arena? The glib answer to this question is: India will use its influence to further its national interest. But the national interest is never self-evident. India must, of course, use its foreign and security policy to further the development of India and the well-being of Indians. There is, however, significant disagreement about the context in which this should happen and the kind of world politics India would like to see.

To my mind, there are three visions of world politics vying for preeminence in New Delhi. The first has been around since Nehru's time: a vision of a multipolar world in which no one state or alliance of states is dominant, in which resources and wealth are more evenly distributed, and in which the post-1945 Westphalian norms and rules of sovereignty and non-intervention prevail. This is the vision of the *NonAlignment 2.0* document published by an

influential group of thinkers a couple of years ago (Khilnani et al. 2012). It is a vision which is both conservative and radical: conservative in terms of its understanding of what the international system should look like; radical in terms of looking forward, eagerly and (I think) over-optimistically, to the decline of American economic, military and ideational power.

The second vision has been expressed by Raja Mohan and by others who call themselves realists, but who are really liberal realists. Their vision is grounded in the recognition that the US is declining only relatively, not absolutely, as the proponents of multipolarity would have it, and in the recognition that the best course for India entails staying true to democratic values and following liberal economic logics. Realizing that vision would involve India shedding some of its inherited preferences for ‘Third Worldism’ and shifting its priorities from developing world multilateralism to whole world multilateralism, and from criticizing international institutions to taking up the responsibility to reform them from the inside. It would also involve India beginning to articulate a new normative agenda in the global arena in partnership with likeminded states, Western and non-Western, perhaps becoming a stronger advocate of democracy and a shaper of new values and rules concerning the use of force or the governance of the global economy.

The last vision is hostile to that agenda. Its core assumptions are akin to those that inform Zhang Weiwei’s conception of China as a civilizational state – a state with ‘exceedingly strong historical and cultural traditions’ that ‘does not easily imitate or follow other models’, which can ‘exist and evolve independently of the endorsement or acknowledgement of others’ (Zhang 2012: 2-3). In India, the advocates of this kind of vision are adherents of *Hindutva* – Hindu nationalists or supporters of political Hinduism. As in China, elsewhere in Asia and indeed in the Arab world, the vision has its roots in eighteenth,

nineteenth and twentieth century responses to European imperialism, and especially in the perceived need to revitalize traditional knowledge and practices to resist Westernization.

In India, it has been articulated by a series of thinkers, most clearly by prominent figures in the *Rashtriya Swayamsevak Sangh* (RSS), including V. D. Savarkar and M. S. Golwalkar. Savarkar's *Hindutva* (1923) or Golwalkar's *Bunch of Thoughts* (1966) articulate an alternative political vocabulary to the liberal one inherited by postcolonial idea, one in which the ultimate aim is the establishment of a Hindu Rashtra or state that encompasses all of *Akhand Bharat* – undivided India – from Afghanistan to Myanmar. To do this, these thinkers seek a new, 'manly' Hinduism and a muscular foreign policy that follows Hindu philosophies, including that of Kautilya's *Arthashastra*, striking a better balance, as nationalists see it, between *shanti* (peace) and *shakti* (power) (see Ogden 2014). These ideas remained in the background during the NDA's period in office in 1998-2004, partly because that government's foreign policy was driven – much to the disgust of the RSS and other nationalists – by old-school realists like Jaswant Singh. It may, however, become more prominent under a Modi-led administration that seeks to assert India's claim for recognition not just as an emerging power, but an emerging civilizational state with its own distinctive, culturally-specific way of approaching domestic and foreign affairs.

Sadly for the liberal realists, it seems most likely that, for the next decade at least, India's elite will adhere to the first and third visions I have outlined – the establishment, anti-Westerner, multipolar-centric view and the resurgent nationalist one. This is going to pose challenges for the United States, should it decide to re-engage India once more, and for its Western allies. But it will likely be reasonably good news for West Asian states, especially Iran, whose elite has its own conception of a civilizational state, for Japan, with which India has formed close ties, and with South East Asia, where India sees not just economic opportunities, but also possible strategic allies with strong cultural affinities.

Bibliography

- Baru, Sanjaya, 2014. *The Accidental Prime Minister: The Making and Unmaking of Manmohan Singh*. New Delhi: Viking, 2014.
- Bharatiya Janata Party, 2014. *Ek Bharat, Shreshtha Bharat: Sabka Saath: Sabka Vikas*. New Delhi: BJP.
- Borah, Rupakjyoti, 2012. 'India plays it safe at the East Asia Summit', *East Asia Forum*, December 1, 2012, <http://www.eastasiaforum.org/2012/12/01/india-plays-it-safe-at-the-east-asia-summit/>.
- Business Standard, 2013. 'FDI inflows into India contract 38% in 2012-13', *Business Standard*, May 28, http://www.business-standard.com/article/economy-policy/fdi-inflows-into-india-contract-38-in-2012-13-113052701103_1.html.
- Chatterjee Miller, Manjari, 2013. 'India's Feeble Foreign Policy: A Would-Be Great Power Resists its own Rise', *Foreign Affairs* (May/June).
- Cohen, Stephen P. 2002. *India: Emerging Power*, Washington, DC: Brookings.
- Hall, Ian, 2012. 'India's New Public Diplomacy: Soft Power and the Limits of Government Action', *Asian Survey* 42(6), 1089-1110.
- Hall, Ian, 2013. 'Tilting at Windmills? The Indian Debate on Responsibility to Protect after UNSC 1973', *Global Responsibility to Protect* 5(1), 84-108.
- Hall, Ian 2014a. 'The Requirements of Nuclear Stability in South Asia', *Nonproliferation Review*, forthcoming.
- Hall, Ian (ed.) 2014b. *The Engagement of India: Strategies and Responses*. Washington, DC: Georgetown University Press.
- Khilnani, Sunil et al., 2012. *Non-Alignment 2.0: A Foreign and Strategic Policy for India in the Twenty First Century*. New Delhi: Centre for Policy Research, 2012, http://www.cprindia.org/sites/default/files/NonAlignment%202.0_1.pdf.

Mohan, C. Raja, 2003. *Crossing the Rubicon: The Shaping of India's New Foreign Policy*.

New York: Palgrave, 2003.

Narlikar, Amrita, 2010. *New Powers: How to Become One and How to Manage Them*.

London: Hurst & Co., 2010.

Narlikar, Amrita and Narlikar, Aruna, 2014. *Bargaining with a Rising India: Lessons from the Mahabharata*. Oxford: Oxford University Press.

Ogden, Chris, 2014. *Hindu Nationalism and the Evolution of Contemporary Indian Security: Portents of Power*. New Delhi: Oxford University Press.

Rodrigues, Jeanette and Ye Xie, 2013, 'India Fighting Worst Crisis Since '91 Limits Capital Flows (3)', *Business Week*, August 13, <http://www.businessweek.com/news/2013-08-14/india-restricts-foreign-exchange-outflows-to-stem-rupee-s-plunge>.

Times of India, 2013. 'Rupee hits new low of 68.85 vs dollar, logs biggest single-day loss', *Times of India*, August 28, <http://timesofindia.indiatimes.com/business/india-business/Rupee-hits-new-low-of-68-85-vs-dollar-logs-biggest-single-day-loss/articleshow/22121575.cms>.

Uttam, Kumar, 2014. 'Bureaucrats join rush for NSA, cabinet secy [sic] posts', *The Hindustan Times*, May 12, <http://www.hindustantimes.com/india-news/bureaucrats-join-rush-for-nsa-cabinet-secy-posts-in-next-govt-at-centre/article1-1218200.aspx>.

Zhang, Weiwei, 2012. *The China Wave: Rise of a Civilizational State*. Shanghai: World Century.

¹ On the concept of a 'civilizational state', see especially Zhang 2012.

² On India's soft power and its public diplomacy campaigns to date, see Hall 2012.