Looking Back, Looking Ahead: Foreign Policy in Transition Under Modi

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INTRODUCTION

Harsh V. Pant

As Prime Minister Narendra Modi begins his second term in office, there is a palpable sense of anticipation about the trajectory of Indian foreign policy under his leadership. Indeed, the country’s foreign policy has undergone a remarkable transformation in the short span of five years since Modi first came to power in May 2014. No Indian prime minister has ever before generated the kind of tenor and volume of academic literature that Modi has, particularly in the field of foreign policy. Even the government’s critics have had to acknowledge the shift in India’s foreign policy. The Modi government has no doubt left its unique imprint in a short period of time; it has made clear its objective of positioning India as a leading global player.

At the 2019 Raisina Dialogue in Delhi in January this year, Foreign Secretary Vijay Gokhale declared, “India has moved on from its non-aligned past. India is today an aligned state—but based on issues.” Underscoring that it was time for India to become part of the global rule-making process, Gokhale argued that “in the rules-based order, India would have a stronger position in multilateral institutions.” The foreign secretary was categorical in stating that India’s future would be largely shaped by the kind of role New Delhi manages to play in the G-20 and the Indo-Pacific, signalling clearly the changing priorities of the Indian foreign policy establishment. That his assertions were widely accepted was not a surprise. After all, during Modi’s first term, the government succeeded in gradually but decisively shifting the discourse on Indian foreign policy without many in the country’s strategic community even recognising it. Critics continued to be sceptical about even the most substantive changes, while the Modi government continued to redefine India’s foreign policy priorities, both in substance and style.

Much earlier, in 2015, as then Foreign Secretary S. Jaishankar delivered the Fullerton lecture on India, the United States and China at the International Institute for Strategic Studies, he had suggested that today’s India “aspire[s] to be a leading power, rather than just a balancing power.” As a consequence, he said, India was willing “to shoulder greater global responsibilities.” Jaishankar, of course, was taking his cue from Modi himself who, soon after taking office, had challenged his senior diplomats “to help India position itself in a leading
role, rather than [as] just a balancing force, globally.”

In the last five years, Modi has sought to transform India from being merely an important player in the global order into one that is willing—and able—to define the priorities of the international system. He has long shed any diffidence about India’s great-power aspirations, underscoring the confidence of a society that is willing to assert its civilisational soft power. This has resulted in a hyper-energetic diplomacy that not only seeks an ever-greater global footprint but also places an emphasis on the nation’s soft power attributes—from yoga and spiritualism, to the diaspora. The transition is not merely an expression of this nation’s greater self-assurance but is also driven by an ambition to be a rule-maker, not merely a rule-taker. It has imbued Indian foreign policy with a certain amount of risk-taking, departing from the risk aversion of past dispensations. India, from perpetually being a cautious power, is ready to take on a larger global role by being more nimble than ever in playing the great-power game.

The Modi government is redefining strategic autonomy as an objective that is attainable through strengthened partnerships rather than the avoidance of partnerships. By doing so, it is underlining that in today’s complex global scene, strategic autonomy should not necessarily be a twin of non-alignment. When India engages in the so-called “Quad,” for instance, it seeks to enhance its strategic autonomy vis-à-vis China. Meanwhile, when the country sits together with Russia and China for a trilateral, it is magnifying its strategic autonomy vis-à-vis a Trump administration that is intent on challenging the pillars of the global economic order.

This report examines the Modi government’s foreign policy in its first term, and underlines the challenges that continue to constrain New Delhi’s choices in the next five years of its incumbency. Divided into three sections, this is a comprehensive survey of the Indian foreign policy landscape over the past five years, acknowledging the achievements and underscoring the continuing challenges facing the nation’s policymakers.

The first section looks at India’s engagement with major powers. Kashish Parpiani and I examine the Indo-US dynamic and argue that while the Modi government has not shied away from ramping up defence trade and force interoperability with the US, under Trump’s ‘America First’ outlook, the Indo-US dynamic becomes susceptible to transactionalism. In tackling emergent challenges and consolidating the gains of the past five years, it would be imperative to seek further institutionalisation of this “natural alliance” between India and the US at the levels of the bureaucracy, legislature, military,
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and even public-private partnerships.

Samir Saran then underlines the China challenge for New Delhi, arguing that it would “be the government’s most complex task: navigating the disconnect between the opportunities of the Asian century and the hard realities of the Indo-Pacific.” He suggests that “even as India leverages Chinese investments to fuel its growth, it must offer to Asia and the world an alternative model for development that is based on democracy and a proposition for security based on international rules and institutions.”

In the third chapter, Nivedita Kapoor and Nandan Unnikrishnan argue that divergences between India and Russia over foreign policy priorities are likely to continue in the future. The most prominent of these, they observe, is the Russian displeasure over the idea of the “Indo-Pacific.” Despite bilateral convergences, this will continue to pose challenges to the partnership in the coming years, as both countries seek to strengthen their positions at a time of flux in the regional and global order.

Britta Petersen looks at India-EU engagement and notes that although the last five years have witnessed a revival in bilateral ties between India and the EU, “the challenge will be for both sides to keep the positive momentum alive and not to miss the forest for the trees that have been flagged in the numerous common documents produced over the past few years.”

India’s relationship with Japan is the focus of the fifth chapter, by K V Kesavan, who argues that “deviating from the traditional policy of focusing on economic engagements, the partnership has significantly diversified to include a wide range of interests — including regional cooperation, maritime security, global climate, and UN reforms.” Both India and Japan also share several common ideals like democracy, the rule of law, and human rights, in addition to the complementarities that bind their economies.

The second section focuses on key geographies in India’s foreign policy imagination. Kriti M Shah examines the South Asia landscape and concludes that the Modi government’s policy on the neighbourhood has focused on improving connectivity, building on cultural and religious ties, and providing developmental and humanitarian assistance, which she argues “must also be seen in the context of China’s growing economic and military presence in the region.” While the Modi government has continued to build India’s bilateral relationship with its neighbours, it has demonstrated that its “neighbourhood first” policy is a strategic necessity.
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This is followed by Anasua Basu Ray Chaudhury and Premesha Saha’s examination of India’s increasing involvement in the Indo-Pacific. Emphasising “inclusiveness” in the Indo-Pacific framework, countries like China and Russia are also being welcomed by India. Maintaining the delicate balance between the interests of all stakeholders will be a key challenge for New Delhi as it seeks a larger footprint in this geography.

In the eighth chapter, Abhishek Mishra surveys India’s growing engagement with Africa and notes that there has been a quantum increase in the continent’s centrality in Indian foreign policy initiatives. He suggests that “given India’s current re-engagement with Africa, there needs to be a clear mapping of the pull factors that define India’s current re-engagement with African countries, along with measures for realising the true potential of the India-Africa partnership.”

Kabir Taneja shifts the discussion to West Asia, where India’s “engagements have managed to create a strong bedrock for greater cooperation specifically between India and the Gulf, long seen as a difficult relationship that largely revolves around the issues of oil and Indian migrant workers.” Kabir argues that “the fact that regional players in the region know that India is not a disruptor, but will engage with all at an equal, bilateral pedestal without overlap, helps New Delhi gain significant strategic hold with an increasingly significant economic heft.”

Central Asia is the focus of Ayjaz Wani’s chapter where he argues that “under Prime Minister Narendra Modi, India has adopted a coherent strategy to upscale its relationship with Central Asia and reinvigorate the ancient socioeconomic and traditional ties with the region through new initiatives.” He points out that it was the first time New Delhi started looking at the region as a composite geographical unit, making it the link that also placed the Eurasian region firmly in New Delhi’s zone of interest.

Ketan Mehta examines India’s ties with Latin America with the suggestion that “the Modi government has shown interest in diversifying India’s engagement in Latin America, and while India’s interest in Latin America is relatively new, the relationship has been on an upward trajectory.” A dedicated foreign policy vision towards Latin America is expected in Modi’s second term, apart from the marshalling of more resources towards expanding India’s diplomatic footprint in the region.

The third and final section deals with India’s engagements with various dimensions of the global multilateral order. Arka Biswas examines India’s
relationship with the global nuclear order which he notes has strengthened steadily between 2014 and 2019, notwithstanding China’s virtual veto of India’s entry to the NSG. New civil nuclear cooperation agreements were negotiated, existing ones were implemented, and India garnered political support for its further integration with the order.

The Modi government’s interactions with two major international organisations, i.e. the United Nations (UN) and the World Trade Organization (WTO), are discussed by Aarshi Tirkey who underlines that the government has largely continued and expanded the agenda adopted by previous governments at the international stage. She notes that “while PM Modi’s government has succeeded in pushing India’s interests to global attention, much work remains to be done in actualising these goals before the multilateral platforms.”

In the final chapter, Aparna Roy outlines the Modi government’s climate change policy and argues that since the withdrawal of the United States from the Paris Agreement in 2017, India has emerged as an exemplar for other developing nations of the effective alignment of environment policies with development requirements. She suggests that “in the coming years, India has the opportunity to draw a fresh framework that reflects contextual efforts at local, regional and national levels on the projected risks and policy requirements.”

As this report points out, Indian foreign policy in the last five years has been extremely dynamic, led by the prime minister himself. The Modi government managed to articulate a worldview that did away with many of the shibboleths of the past and there is a renewed focus on pragmatic engagements in the realm of foreign affairs. As various authors highlight, however, the challenges remain equally significant as the Modi government looks at operationalising its ideas into policy. This is especially true at a time when New Delhi is being required to respond to multiple disruptions – structural, institutional and ideational. The global order is evolving at a pace which will only get more difficult to navigate. Structural fluidity will pose obstacles to stabilising partnerships, putting stress on New Delhi’s diplomacy. India will also have to sustain its growing global footprint to enjoy any credibility as a leading global power. Its ability to deliver on the ground will get scrutinised even more now that it wants to shoulder greater global responsibilities. This means that India’s institutional capacity deficit can no longer be ignored.

This report is not only an appraisal of the Modi government’s foreign policy in the first term, but is also aimed at engendering a debate on the future
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trajectory of Indian foreign policy. With this compendium of analyses, ORF seeks to generate a broader discussion on the opportunities and challenges facing Indian foreign policy as New Delhi makes its way to becoming a leading global power.

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1

INDIA AND MAJOR POWERS
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The 2019 Lok Sabha elections were conducted at a pivotal juncture in India’s history. As the 1.3 billion people-strong nation steadies its stride towards the US$5-trillion GDP-mark, its aspirations for its place in the world are coming to the fore. Leading the way, the government of Prime Minister Narendra Modi has effectively moved India from its historical fixation with ‘strategic autonomy’—a ghost of its nonaligned past, to ‘strategic alignment’. The government has redefined autonomy “as an objective that is attainable through strengthened partnerships instead of avoiding partnerships.”1 This has meant, for instance, Modi in his speech at Davos having no hesitation to find common-ground with China to defend globalisation against the America First-brand of protectionism, whilst otherwise embracing the United States on a host of other issues.

Under Prime Minister Modi, India-US bilateral trade of goods and services has crossed the goal of US$100 billion set during the term of President Barack Obama, to breach US$126.2 billion as of 2017.2 Either side’s Foreign Direct Investment (FDI) witnessed a double-digit growth in 2017—with US FDI in India rising by 15.1-percent and India’s FDI in the US surging by 11.5 percent (See Figure 1).3

Further, immigration has emerged as a political lightening rod under Trump, even causing an across-the-board decline in international student enrolments. Of those foreign students, Indian nationals accounted for 17.9 percent in 2017-18—second only to Chinese nationals, contributing US$7.5 billion to the US economy.4 Meanwhile, the number of US students studying in India has seen a year-on-year increase—from 4,181 to 4,704 in 2017-18.5

Importantly, the Modi government ramped up defence trade and force interoperability with the US. One may argue that this has largely stemmed from a convergence of interests with regards to a “free and open” Indo-Pacific, and a consensus on the US being India’s “most important partner” amongst 75 percent of New Delhi’s strategic community.6

However, the emerging strategic alignment with the US also has a realpolitik

UNITED STATES OF AMERICA

Kashish Parpiani and Harsh V. Pant
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relevance over foreseeable US military primacy. Despite its relative economic decline, the US is poised to dominate the military realm due to high defence spending, ahead-of-the-curve arms ingenuity fostered by a robust public-private defence industrial base, and unparalleled power projection capability of nearly 800 military outposts across 70 countries.

Indeed, India-US defence trade has increased from US$1 billion in 2008, to over US$18 billion today. Between 2013-17—largely coinciding with Modi’s first term—US arms exports to India saw a staggering increase of over 550 percent, making America, India’s second-largest arms supplier. As a result, India now operates the second-largest C-17 Globemaster and P-8 Poseidon fleets in the world.

Furthermore, the Defence Technology and Trade Initiative (DTTI) assumed the core of Indo-US defence trade relations. DTTI has effectively moved New Delhi and Washington from a traditional “buyer-seller” dynamic to one of co-production and co-development; this hones the potential of overcoming the supposed inconsistencies between Narendra Modi’s ‘Make in India’ and US President Donald Trump’s ‘America First’ push to indigenisation. For instance, with Tata Advanced Systems Limited (TASL), Boeing employs over 300 people at its Hyderabad co-production facility for the manufacture of fuselages of

Figure 1: India–US Bilateral Trade and FDI

Source for Indo-U.S. Bilateral Trade: https://ustr.gov/countries-regions/south-central-asia/india
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the AH-64 Apache helicopters.\textsuperscript{13} Indirectly, too, Boeing India employs over 1,200 and another 7,000 attached to its domestic supply chain partners.\textsuperscript{14}

Furthermore, with Lockheed Martin, TASL employs over 80 skilled personnel at India’s pioneering metal-to-metal bonding facility at Adibatla.\textsuperscript{15} In raising the tempo for technology transfers, India in 2018 also became just the third Asian country (after formal US treaty allies, Japan and South Korea) to receive clearance on purchasing licence-free space and defence technology under the Strategic Trade Authorisation-I.\textsuperscript{16}

Under Modi, stronger Indo-US defence ties also led to increased force interoperability. In 2016, the Modi government signed the Logistics Exchange Memorandum of Agreement (LEMOA) giving “access to designated military facilities on either side for the purpose of refuelling and replenishment.”\textsuperscript{17} In 2018, another defence foundational agreement, the Communications Compatibility and Security Agreement (COMCASA) was inked to “facilitate access to advanced defense systems and enable India to optimally utilize its existing U.S.-origin platforms.”\textsuperscript{18}

In addition to technical interoperability, India conducts most of its military exercises with the US. The Modi government furthered cooperation on that front by overseeing the revival of the Cope India exercise between Indian and American air forces after a gap of eight years.\textsuperscript{19} The first term of Modi also saw the integration of Japan into the Indo-US Malabar Exercise as a permanent member in 2015.\textsuperscript{20} Beyond the coming together of like-minded powers, the same may pave the way for institutional arrangements like the Quad to mature beyond its current state as a mere political cobbling.

To be sure, challenges remain in maintaining the trajectory of India-US relations. For one, Trump’s ‘America First’ outlook magnifies the susceptibility of the bilateral dynamic to transactionalism. The latest illustration was the Trump administration’s intent to withdraw Generalised System of Preferences (GSP) status for India as trade talks to address the bilateral trade deficit continue to stall. Under the programme, India received duty-free access to the US market for exports worth US$5.6 billion.\textsuperscript{21} The move came despite US exports to India registering a 28-percent increase in 2018, effectively decreasing its deficit with India from US$22.9 billion in 2017 to US$21.2 billion.\textsuperscript{22}

Thus, as one analyst recently pointed out, going forward “compartmentalisation could be key” to ensure developments on the strategic front do not get eclipsed by inconsistencies on trade matters.\textsuperscript{23} In addition,
hurdles posed by leaders’ idiosyncrasies stand exacerbated in a time of an American president who often overstates the role of “personal chemistry” with other leaders.\textsuperscript{24}

Seeking more institutional touch-points could therefore be effective as Indo-US relations have generally also been overtly reliant on a top-down structure. One may argue that the erstwhile approach may now be unsustainable if this bilateral engagement is to achieve its full potential. As Cara Abercrombie—former Deputy Assistant Secretary of Defence for South and Southeast Asia, has noted, “Until and unless the U.S. and India routinely engage one another at all levels within government—from the strategic to the tactical—and build habits of cooperation, the relationship will not mature.”\textsuperscript{25}

The Modi government has taken steps towards developing such linkages at varied levels (See Table 1). The initiation of the 2+2 dialogue between Indian

Table 1: Indo-US Bilaterals and Other Significant Meetings

<table>
<thead>
<tr>
<th>Month/Year</th>
<th>Indian Official(s)</th>
<th>American Official(s)</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2014</td>
<td>Narendra Modi</td>
<td>John Kerry</td>
<td>New Delhi</td>
</tr>
<tr>
<td>September 2014</td>
<td>Narendra Modi</td>
<td>Barack Obama</td>
<td>White House</td>
</tr>
<tr>
<td>September 2014</td>
<td>Narendra Modi</td>
<td>Joe Biden, John Kerry</td>
<td>Washington</td>
</tr>
<tr>
<td>January 2015</td>
<td>Narendra Modi</td>
<td>John Kerry</td>
<td>Gandhinagar (Vibrant Gujarat Summit)</td>
</tr>
<tr>
<td>January 2015</td>
<td>Narendra Modi</td>
<td>Barack Obama</td>
<td>New Delhi</td>
</tr>
<tr>
<td>November 2015</td>
<td>Narendra Modi</td>
<td>Barack Obama</td>
<td>Paris (UN Climate Change Conference)</td>
</tr>
<tr>
<td>March 2016</td>
<td>Narendra Modi</td>
<td>Barack Obama</td>
<td>Washington (Nuclear Security Summit)</td>
</tr>
<tr>
<td>June 2016</td>
<td>Narendra Modi</td>
<td>Barack Obama</td>
<td>White House</td>
</tr>
<tr>
<td>August 2016</td>
<td>Narendra Modi</td>
<td>John Kerry</td>
<td>New Delhi</td>
</tr>
<tr>
<td>September 2016</td>
<td>Narendra Modi</td>
<td>Barack Obama</td>
<td>Vientiane (ASEAN Summit)</td>
</tr>
<tr>
<td>June 2017</td>
<td>Narendra Modi</td>
<td>Donald Trump</td>
<td>White House</td>
</tr>
<tr>
<td>October 2017</td>
<td>Narendra Modi</td>
<td>Rex Tillerson</td>
<td>New Delhi</td>
</tr>
<tr>
<td>November 2017</td>
<td>Narendra Modi</td>
<td>Donald Trump</td>
<td>Manila (ASEAN Summit)</td>
</tr>
<tr>
<td>September 2018</td>
<td>Sushma Swaraj, Nirmala Sitharaman</td>
<td>Mike Pompeo, James Mattis</td>
<td>New Delhi (2+2 Dialogue)</td>
</tr>
<tr>
<td>September 2018</td>
<td>Narendra Modi</td>
<td>Mike Pompeo, James Mattis</td>
<td>New Delhi</td>
</tr>
<tr>
<td>September 2018</td>
<td>Ajit Doval, Navtej Singh Sarna</td>
<td>Mike Pompeo, James Mattis, John Bolton</td>
<td>Washington</td>
</tr>
<tr>
<td>November 2018</td>
<td>Narendra Modi</td>
<td>Mike Pence</td>
<td>Singapore (East Asia Summit)</td>
</tr>
<tr>
<td>November 2018*</td>
<td>Narendra Modi</td>
<td>Donald Trump</td>
<td>Buenos Aires (G20 Summit)</td>
</tr>
</tbody>
</table>

\textit{Source: Archives of US State Department and Ministry of External Affairs}
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and American principals of foreign and defence cabinets could be central in dampening prospects of American sanctions (like CAATSA) over policy differences on India’s relations with US adversarial nations like Russia and Iran. The intended development of the Indo-US Industrial Security Annex—aimed at supporting “closer defence industry cooperation and collaboration”—could enhance technology transfers via identifying new public-private partnership avenues. The inaugural India-US CEO Forum—which was held early this year, can potentially address recent flare-ups on trade by identifying more “areas for closer collaboration for mutual benefit of both economies.” Lastly, in going beyond mere technical interoperability, the Modi government also sought military liaison contact points. Last year, it was announced that the defence attache at India’s embassy in Bahrain will double up as a representative at the US Naval Forces Central Command (NAVCENT)—home of the US Fifth Fleet.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tr>
<td>September 2014</td>
<td>Remarks by President Obama and Prime Minister Modi of India After Bilateral Meeting</td>
</tr>
<tr>
<td>January 2015</td>
<td>India-US Delhi Declaration of Friendship (Chalein saath saath; forward together we go)</td>
</tr>
<tr>
<td>January 2015</td>
<td>U.S.-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region</td>
</tr>
<tr>
<td>September 2015</td>
<td>U.S.-India Joint Declaration on Combating Terrorism</td>
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<tr>
<td>November 2016</td>
<td>Remarks by President Obama and Prime Minister Modi of India before Bilateral Meeting</td>
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<tr>
<td>June 2016</td>
<td>The United States and India: Enduring Global Partners in the 21st Century</td>
</tr>
<tr>
<td>June 2016</td>
<td>Narendra Modi’s Address at Joint Meeting of U.S. Congress</td>
</tr>
<tr>
<td>June 2017</td>
<td>Remarks by President Trump and Prime Minister Modi of India</td>
</tr>
<tr>
<td>November 2018</td>
<td>Remarks by President Trump, Prime Minister Abe of Japan, and Prime Minister Modi of the Republic of India Before Trilateral Meeting</td>
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Table 2: Key Indo–US Addresses, Declarations and Joint Statements

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Source: Archives of US State Department and Ministry of External Affairs
Therefore, in tackling emergent challenges and consolidating gains of the past five years, the Modi government, in its second term, will have to further prioritise moving away from the top-down approach to Indo-US relations. In continuing to “overcome the hesitations of history”—as Modi told the US Congress in 2016—it would be imperative to seek further institutionalisation of this “natural alliance” at bureaucratic, legislative, military, and even public-private partnership levels.

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Harsh V Pant is Director, Studies and Head of Strategic Studies Programme, ORF.
To understand India-China relations during the first term of Prime Minister Narendra Modi, it is important to place the bilateral within the larger rubric of rapidly changing political forces at work in Asia. For the past two decades, the so-called “Asian Century” has been defined by the rise of China, and to a lesser extent, India’s economic growth. It was also characterised by cooperation between the two Asian giants in a number of forums, such as the BRICS, and even more recently at the New Development Bank and Asian Infrastructure Investment Bank (AIIB). And even though the border remained a point of friction, China and India were often found defending similar positions in global arenas on issues such as trade and climate change.

Figure 2: AIIB Loans (in USD Millions)

<table>
<thead>
<tr>
<th>Country</th>
<th>Approved projects in USD Million</th>
<th>Number of Projects</th>
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</thead>
<tbody>
<tr>
<td>Azerbaijan</td>
<td>600</td>
<td>1</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>405</td>
<td>4</td>
</tr>
<tr>
<td>China</td>
<td>250</td>
<td>1</td>
</tr>
<tr>
<td>Egypt</td>
<td>510</td>
<td>2</td>
</tr>
<tr>
<td>Georgia</td>
<td>114</td>
<td>1</td>
</tr>
<tr>
<td>India</td>
<td>939.89</td>
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<tr>
<td>Indonesia</td>
<td>939.89</td>
<td>5</td>
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<tr>
<td>Kazakhstan</td>
<td>391</td>
<td>1</td>
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<tr>
<td>Lao PDR</td>
<td>2169</td>
<td>1</td>
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<tr>
<td>Myanmar</td>
<td>20</td>
<td>1</td>
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<tr>
<td>Nepal</td>
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<td>2</td>
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<tr>
<td>Oman</td>
<td>280</td>
<td>501</td>
</tr>
<tr>
<td>Pakistan</td>
<td>2.8</td>
<td>2</td>
</tr>
<tr>
<td>Philippines</td>
<td>207.6</td>
<td>1</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>280</td>
<td>2</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>2.8</td>
<td>2</td>
</tr>
<tr>
<td>Turkey</td>
<td>875</td>
<td>2</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>800</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: AIIB.
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This quasi-camaraderie ended in 2012, when President Xi Jinping proclaimed that the Middle Kingdom was committed to realising the “China Dream” by mid-century. Since then, Beijing has attempted to globalise its own “internal arrangement” for organising societies based on a mix of political authoritarianism and state-led capitalism. In 2017, President Xi called this “Socialism with Chinese characteristics for a new Era” and offered it to the world to embrace.

These developments marked an important point of departure for Asia and India. Beijing was now visibly willing to dictate the political, economic and security architecture of the continent—and it had little respect for existing sub-regional groups and balance of power arrangements such as those in South Asia and South East Asia, and extending right up to the European Union. The Belt and Road Initiative (BRI), which seeks to alter extant political geographies and economic models, is China’s most potent tool in this regard.

This expansive geopolitical ambition has naturally given rise to opposition from others. India, as a self-described “leading power,” was the first to vocalise discontent with the BRI—and set the template for the other critics that have emerged since. From this global pushback against China’s geopolitical ambitions emerged a new conceptualisation for Asia: “the Indo-Pacific.” While it was an American construct, India is undoubtedly the lynchpin of this new geography. The framing of this political geography is different from the imagination of the Asian century; this construct is driven not by cooperation, but by contest, conflict and competition.

The past five years of the India-China bilateral have been defined by this one trend: of vacillation between camaraderie in and of the Asian century, to the contest and acrimony in the Indo-Pacific. Consider, for example, the political dynamics of the China-led AIIB. India is the second largest shareholder in this institution that was widely recognised as a juxtaposition between Asia’s rise and America’s diminished influence over the international economic order. It was also perhaps the strongest indicator of cooperation between India and China. Contrast this with the BRI. China is coopting states in the Indo-Pacific into its broader BRI network to serve its export and national security interests while disregarding the territorial integrity of India and ignoring India’s priorities and vision for Asia.

Similarly, consider India ascension into the Shanghai Cooperation Organization (SCO). The SCO has developed norms that serve as a direct counterpoint to the extant liberal international order. It is an impressive testament to how multipolarity has given rise to new engagements and
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propositions. From cyberspace to multilateral trade, the Beijing-led organisation is developing uniquely Asian solutions to political, economic and security imperatives. In 2019, in fact, India joined other members to criticise the US’ aggressive attitude to trade. On the other hand, India is also invested in a revival of the Quadrilateral initiative. A grouping of democracies in the Indo-Pacific, the Quad seeks to preserve a democratic and rules-based order in the region. Like the SCO, the Quad’s cooperation is multifaceted and encompasses infrastructure investment, cyber norms and maritime security cooperation. Only this time, it is China’s mercantilist trade and investment propositions and its maritime coercion that India seeks to respond to.

Figure 3: India-China Trade

![India-China Trade](source: WTO)

Clearly there are two contradictory forces that drive the bilateral today: the appeal of an Asian Century that seeks to escape the burdens of colonialism, and a contest in the Indo-Pacific to avoid a new form of subjugation. This dynamic was invariably going to produce new friction and ultimately culminated in a skirmish in the Himalayas. The Doklam Standoff in the summer of 2017 marked the nadir in India-China relations and the sharpest decline in bilateral relations between the two powers in over four decades. Fundamentally, the dispute was a struggle to define and then manage Asia. The stand-off will likely be remembered as a moment when ‘a’ sovereign finally stood up to China’s aggressive attempts to redraw political maps. Beijing is unlikely to either forget or forgive this. It will be naïve to ignore the acrimony, unease, contest and struggle that has defined the relationship between the two countries ever since.
Politically, China has attempted to choke India’s options. Beijing is not being petty when it refuses to allow Masood Azhar’s listing as a global terrorist, or when it objects to the Dalai Lama’s travels in India or refuses to accept India into the Nuclear Suppliers Group (NSG). With these actions, China is being unrelentingly strategic in undermining India’s capacity to influence global and regional political developments.

On the economic and trade front, the numbers tell an obvious story about how China views the relationship with India: as a mere market for its manufactured industrial and consumer goods. China’s mercantilism offers no room for partnership; only dependence. Despite multiple negotiations in which India has indicated its displeasure with the negative balance of trade, the difference has only gotten larger.

On the security front, Beijing has been completely disregarding India’s sovereign concerns in Kashmir by investing in the China Pakistan Economic Corridor. It has also attempted to undermine India’s economic influence around the neighbourhood, most dramatically in the Maldives, Nepal and Sri Lanka even as it sustains its overtures to Bangladesh (See Figure 4). The Middle Kingdom has also been unrelenting with its pressure around Doklam, with satellite imagery suggesting that it maintains a growing security presence in the region.

By exercising diplomatic, economic and military pressure on India within the sub-region, China is positioning itself to unilaterally design the continent’s

**Figure 4: India FDI v. China FDI**

<table>
<thead>
<tr>
<th>Year</th>
<th>India FDI (India)</th>
<th>India FDI (China)</th>
<th>China FDI (India)</th>
<th>China FDI (China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>60 82.79</td>
<td>34,719.00</td>
<td>25 49.84</td>
<td>24653.00</td>
</tr>
<tr>
<td>2015-16</td>
<td>72 88</td>
<td>52.37</td>
<td>103 88</td>
<td>55440.00</td>
</tr>
<tr>
<td>2016-17</td>
<td>116 95.41</td>
<td>55.58</td>
<td>118 72</td>
<td>8,246.75</td>
</tr>
<tr>
<td>2017-18</td>
<td>181 125.28</td>
<td>500</td>
<td>500 5,098.81</td>
<td>40,500.04</td>
</tr>
</tbody>
</table>

Sources: Central Bank of Sri Lanka, Bangladesh Bank, and Nepal Rastra Bank
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security and political architecture. This vision is at odds with the original conceptualisation of the “Asian Century,” which was fundamentally a story of the rise of a group of countries in the region. Indeed, 21st-century Asia will not be defined by a solidarity of developing countries led by China and India. Instead, it will be defined by Beijing’s attempt to integrate, on its own terms and for its own interests, the Eurasian landmass.

Before India can respond to China with its own propositions, it must acknowledge another set of contradictory forces that drive the relationship: even while China may apply tremendous pressure on the political and security front, it has also emerged as the largest investor in key areas that are likely to drive India’s economic growth (See Figure 5). As India’s economy moves towards the US$5-trillion mark, both political friction and economic engagement will only increase. In managing this, India will find little help from the North-Atlantic countries—who are themselves struggling to set the terms of engagement with China, both individually and collectively. Italy’s decision to join the BRI and the EU’s inability to decide on the future of 5G infrastructure only drive home the point.

India will have to build its own capacity to resist and counteract China’s political aggression, even as it embraces investments and commercial opportunities. This is certainly easier said than done. However, China in its own emergence has demonstrated the method to do this. For years, it benefited from the American economy and investments even as it pushed back against a US-led world order and its presence in the Western Pacific. This is a template that India must emulate.

Figure 5: Chinese Investments in India (in USD Millions)

Source: China Investment Tracker, American Enterprise Institute.
This will be the government’s most complex task: navigating the disconnect between the opportunities of the Asian Century and the hard realities of the Indo-Pacific. Even as India leverages Chinese investments to fuel its growth, it must offer to Asia and the world an alternative model for development that is based on democracy and a proposition for security based on international rules and institutions. Which conceptualisation eventually characterises Asia will invariably define the contours of the world in the 21st century.
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Figure 6: A Timeline of India-China Engagement (2014-'19)

Source: Ministry of External Affairs, India

Samir Saran is President of ORF.
The year 2014 was marked by new developments for both India and Russia: the former saw a new government led by Prime Minister Narendra Modi take charge in May that year, and the latter witnessed deteriorating ties with the West over Crimea and the Ukrainian crisis. By that time, the impression had been created that Indo-Russia ties were stagnating as both countries not only tried to define their own roles in a changing world, but also to assess the importance of their bilateral relationship.

Despite the announcement in 2010 of the “special and privileged strategic partnership,” there were clear signs of a drift in the relationship. The goal of reaching US$20 billion in trade by 2015 was not even close to being achieved (See Figure 7). In contrast, India–US trade was recorded at US$142.1 billion in 2018 and Russia-China trade had reached US$107.06 billion in the same year.

Another indication of the relative stagnation of India-Russia ties was the fact that in 2014, the US emerged as the top arms supplier to India, pushing Russia to second position. Additionally, in 2016, much to the consternation of Russia, India became a major defence partner of the US (2016), it began the 2+2 dialogue (2018), and signed the Logistics Exchange Memorandum of Agreement (LEMOA, 2016) as well as the Communications Compatibility and Security Agreement (COMCASA, 2018). For its part, Russia overturned its decades-old policy and after 2014 supplied China with advanced weapons systems including Sukhoi 35 and the S400 missile defence system. It also

Figure 7: India–Russia Bilateral Trade (2014–17)

Source: Ministry of External Affairs, GoI, NDTV, The Hindu.
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engaged with Pakistan, much to the dismay of India, through the sale of Mi-35 helicopters and engines for JF-17 Thunder, and began joint military exercises.

Given that the military-technical ties have formed the bedrock of the bilateral relationship, a decline in the sector was a matter of concern. As analyst Dmitri Trenin has noted, the pattern of the relationship had failed to evolve in the changing global scenario and the ties had not been put on a “qualitatively new level.”

At the same time, however, the potential of the relationship was underscored by important agreements on the construction of 12 nuclear power plants in India over the coming two decades, the “localization of manufacturing” in India for Russian-designed nuclear power plants, and the finalisation in 2014 and 2015 of the supply of crude oil by Rosneft to Essar and cooperation in helicopter engineering. In 2016, crucial inter-government agreements were signed during the annual summit. These agreements concerned the supply of S-400 Triumph Air Defence Missile System, and four frigates (the deals were finalised in 2018), as well as the manufacture of Ka-226T helicopter in India (See Figure 8).

The year 2017 marked 70 years since the establishment of diplomatic relations between India and Russia. Various agreements were signed, though none of them big-ticket, during the annual summit in 2017, including on the construction of third stage of Kudankulam nuclear power plant.

The first ever Tri-Services exercise under the annual INDRA format and

Figure 8: India–Russia Defence Deals (2018–19)

Source: Ministry of External Affairs, GoI, NDTV, The Hindu.
India joining Shanghai Cooperation Organisation (SCO) as a full member were positive developments that year. In terms of investment, the two countries had set a target of US$30 billion by 2025; the goal was reached by 2017, and the new target is set at US$50 billion by 2025. There were no significant arms deals signed in 2017. This development came in the backdrop of the cancelled Multi-role Transport Aircraft and India pulling out of the Fifth Generation Fighter Aircraft project that had begun in 2007.

In May 2018, it was announced that PM Modi will meet Russian President Vladimir Putin for an informal summit at Sochi, the first interaction in such format with the Russian leader. Coming just four months before the October 2018 annual bilateral summit, the Sochi summit was an acknowledgement of the need to address the drift in the relationship. The two leaders issued a joint statement after the October summit that contained concrete developments including the conclusion of the contract for supply of S-400, first meeting of NITI Aayog and Ministry of Economic Development, start of FTA talks between Eurasian Economic Union and India, launch of single window service in Russia for Indian companies, launch of Russia Plus in India to help Russian companies invest in India, holding of the India-Russia Business Summit, setting up of the Far East Agency in Mumbai, signing of the India-Russia Economic Cooperation: The Way Forward (March 2018), and the beginning of LNG supply from Gazprom (contract with GAIL). There have been over 50 ministerial level visits since 2017.

The S-400 deal, despite the threat of it attracting Countering America’s Adversaries through Sanctions Act (CAATSA), was a sign of India’s desire to maintain its strategic autonomy as well as build on its strong defence relationship with Russia. While overall, Russia remained India’s top supplier of defence items between 2014 and 2018, the total exports had fallen by 42 percent from 2009-13. Russia still commands 58 percent of total arms imports by India, followed by Israel and the US at 15 and 12 percent, respectively.

However, divergences over foreign policy priorities are likely to continue in the future. The most prominent of this is the Russian displeasure over the ideation of the “Indo-Pacific,” with Foreign Minister Sergei Lavrov calling it an “artificially imposed construct” being promoted by the US, Australia and Japan, to contain China. The remarks, made in February 2019, came despite the fact that some months earlier in June 2018, PM Modi in his Shangri La speech made it clear that the concept of Indo-Pacific for India is based on “inclusiveness, openness and ASEAN centrality and unity.” The two also have a divergence of opinion over Afghanistan, although intensive discussions have led to certain clarity.
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At the same time, there are areas of convergence between India and Russia that can provide a way forward, like the proposal in the 2018 joint statement to “actively promote joint projects in third countries” in areas “where there is a complementarity between them in terms of technology and resources.”\(^{57}\) (India and Russia are involved in the Rooppur nuclear plant project in Bangladesh on a trilateral basis).

Moreover, the proposal of President Putin for a “more extensive Eurasian partnership involving the EAEU and China, India, Pakistan and Iran”\(^{58}\) should be used by India to strengthen its presence in Eurasia. The main challenge here would be from China’s expansive Belt and Road Initiative (BRI), which Russia has joined; it plans to link the Eurasian Economic Union (EAEU) to the BRI. India’s connectivity plans in the region, in the form of the International North–South Transport Corridor (INSTC), have been languishing. Russia and India could jointly energise the project.

The trade relationship needs active intervention to take advantage of policies like ‘Make in India’. Concrete proposals in the areas already identified by the two countries need to be implemented on a priority basis. These include start-ups, infrastructure, shipbuilding, river-navigation, high-speed railways, space, food processing, and high-technology products (e.g. space technology, aviation, new materials, agriculture, information and communication technologies, medicine, pharmaceuticals, robotics, nanotechnology, supercomputing technologies, artificial intelligence and material sciences).\(^{59}\)

India can also be of help to Russia in providing workforce in sectors like agriculture and construction without engaging in permanent settlement. Given that the situation is particularly acute in the Russian Far East due to the continued decline of the population (having declined by 24 percent between 1991 and 2015\(^{60}\), India can provide a solution to the demographic problem apart from being a partner in investing in energy and other projects in the region. The two also have the chance to cooperate on issues in various multilateral forums such as the United Nations, the BRICS, SCO, G20, and the East Asia Summit. However, even in these cases, diverging foreign policy goals driven by factors beyond the bilateral dimension will continue to pose challenges to the partnership in the coming years, as both countries seek to strengthen their positions at a time of flux in the regional and global order.

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Nandan Unnikrishnan is a Distinguished Fellow at ORF.
Five years ago, the relations between India and the European Union (EU) reached rock-bottom, although there seemed hardly a reason for it given the convergence of interests between the two major powers. Negotiations about a free trade agreement had long been stalled when the infamous case of the Italian marines in 2012 caused the souring of relations between India and Italy. When Federica Mogherini, a former foreign minister of Italy became the EU’s High Representative for Foreign Affairs in 2014, the crisis caused by the case of the two Italian soldiers who allegedly killed two Indian fishermen off the coast of Kerala, reached EU level. The situation worsened to the point that the planned EU-India summit in April 2015 failed to materialise.

Much has changed since then, and India and the EU are currently experiencing a revival of their relations. Although many questions remain open, a flurry of activities under the government of Prime Minister Narendra Modi and EU High Representative Federica Mogherini have brought relations back on track. It is a development that is as much a result of shared interest in a quickly changing international environment as a “commendable combination of political pragmatism and diplomatic skills on both sides,” as senior Indian diplomat Bhaswati Mukherjee put it.

It is too early to assess the outcome of many newly planned common projects. The fact, however, that a large number of high-level meetings and dialogues accompanied by joint declarations and statements have taken place in the past few years, shows that the strategic partnership is back to life. The 13th EU-India Summit in March 2016 in Brussels (the first summit after a gap of four years) endorsed the India-EU-Agenda for Action 2020 and presented a clear roadmap for the next five years of the strategic partnership.

The Agenda for Action 2020 is a comprehensive document that starts with the area that saw most progress in the past few years: foreign and security policy. It mentions (amongst others) cooperation in counter-terrorism, cyber security and maritime security and coordination in international fora though “regular dialogues” between the Indian Ministry of External Affairs (MEA)
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and the European External Action Service (EEAS). The agenda also makes explicit mention of many of Prime Minister Modi’s favourite projects: the “Clean India,” “Clean Ganga,” “Smart Cities,” “Digital India” and the “Make in India” campaigns. Four Joint Declarations specify areas of cooperation—“the fight against terrorism,” “clean energy and climate partnership,” “water partnership,” and a “common agenda on migration and mobility” (CAMM). As a follow-up, a Memorandum of Understanding (MoU) on an “India-EU Water Partnership” was signed in October 2016. A high-level dialogue on migration and mobility took place in April 2017 in Brussels.

However, the much-delayed Bilateral Trade and Investment Agreement (BTIA) was conspicuously absent in the documents. Even two meetings of senior officials in 2017 and 2018 and three rounds of technical talks on specific roadblocks did not lead to a breakthrough; some observers perceive this to be “an embarrassment.” Ambassador Bhaswati Mukherjee has said that relevant Indian ministries are currently “of the view that the BTIA at present is of no benefit for India,” although both sides remain important trade partners and the volume of trade continues to increase (See Figure 9).

Aside from this, the 14th EU-India Summit in October 2017 in Delhi showed that the process of regular consultations and dialogue is back on track. It specified and deepened many areas of cooperation that were identified at the previous summit. Three Joint Statements were agreed upon: “cooperation in combatting terrorism,” “clean energy and climate change,” and a

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**Figure 9: EU–India Imports, Exports and Balance of Trade in Goods (2008–17)**

(EUR billion)

Source: Eurostat (online data code: ext_lt_main_eu)
“partnership for smart and sustainable urbanization.” These were followed-up in 2018 by new rounds of “counter-terrorism dialogue,” “cyber dialogue,” an informal meeting on “maritime security,” as well as some first steps towards military cooperation. Joint manoeuvres (PASSEX) of the Italian flagship of the EU’s Naval Force Operation Atalanta ITS Fasan and the Indian Navy vessel INS Trishul off the coast of Somalia have taken place in 2017. They were followed-up in December 2018 by an Indian escort to the UN’s World Food Program vessels and in January 2019 by a port call in Mumbai of the French destroyer FNS Cassard (which also flew the EU flag) acting in associated support with the EU anti-piracy-operation “Atalanta.”

In the area of climate change and energy, both sides plan to cooperate further through the India-led International Solar Alliance (ISA). In March 2018, the European Investment Bank (EIB) and the Indian Renewable Energy Development Agency (IREDA) signed a loan agreement of over 150 million Euros for financing renewable energy in India. Earlier in 2017, the EIB had opened its first office in South Asia in New Delhi.

Another milestone was the presentation of the EU’s “Elements of a new strategy for relations with India” by High Representative Federica Mogherini in December 2018. The document recommends “the EU and India should consider the negotiation of a broader Strategic Partnership Agreement.” With the elections in both the EU and India having been conducted in early 2019, the challenge will be for both sides to keep the positive momentum alive and not to miss the forest for the trees that have been flagged in the numerous common documents produced over the past few years. A free trade agreement would be especially beneficial in the wake of a new global economic downturn. The time for India and the EU is now.
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### Table 3: A Timeline of India-EU Engagement, 2014-19

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Participation/Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2015</td>
<td>Crisis in India-EU Relations</td>
<td>Row over Italian Marines Cancellation of EU-India Summit planned for April 2015</td>
</tr>
<tr>
<td>2016</td>
<td>13th EU-India Summit, 30th March in Brussels</td>
<td>“The meeting is the message” Endorsement of India-EU-Agenda for Action 2020 as a common roadmap to strengthen the EU-India Strategic Partnership</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Joint Declaration on the Fight against Terrorism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Joint Declaration on Clean Energy and Climate Partnership</td>
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<tr>
<td></td>
<td></td>
<td>- Joint Declaration on India-EU Water Partnership (MoU signed in October 2016)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Joint Declaration on Common Agenda on Migration and Mobility (CAMM)</td>
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<td></td>
<td>11th India-EU Science and Technology Steering Committee, 6-8 June in Brussels</td>
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<td></td>
<td>Dialogue on Information &amp; Communications Technology, 13-14 June in Brussels</td>
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<tr>
<td></td>
<td>1st India-EU Joint Working Group (JWG) on Energy Security Meeting on 28 October in New Delhi</td>
<td></td>
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<tr>
<td>2017</td>
<td>Delegation for Relations with India from the European Parliament to India visits New Delhi in February 2017</td>
<td>Delegation led by Chairperson, Geoffrey Van Orden</td>
</tr>
<tr>
<td></td>
<td>European Investment Bank (EIB) opens its first office for South Asia in New Delhi on 30 March</td>
<td>Portfolio of 2.2 bn Euro in India, mainly in infrastructure, energy, climate change projects</td>
</tr>
<tr>
<td></td>
<td>4th High Level Dialogue on Migration and Mobility on 4 April in Brussels</td>
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<tr>
<td></td>
<td>India-EU Ministerial Meeting on 21 April in New Delhi</td>
<td>EAM, Sushma Swaraj, Minister of State for External Affairs, M.J. Akbar and EUNR Federica Mogherini</td>
</tr>
<tr>
<td></td>
<td>5th Foreign Policy and Security Consultation on 25 August in New Delhi</td>
<td>Secretary (West) MEA, Ruchi Ghanashyam, Deputy Secretary General, Jean Christophe Belliard</td>
</tr>
<tr>
<td></td>
<td>2nd JWG on Energy Security on 13 July in Bruges</td>
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</tr>
<tr>
<td></td>
<td>Meeting of the India-EU Joint Commission for economic and commercial issues on 14 July in Brussels</td>
<td>M.D, Asia Pacific EEAS, Gunnar Wiegand, J.S. Dept of Commerce, Anita Praveen</td>
</tr>
<tr>
<td></td>
<td>14th EU-India Summit, 8th October in New Delhi</td>
<td>Joint Statement of the EU-India Summit</td>
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<tr>
<td></td>
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<td>- Joint Statement on Cooperation in Combating Terrorism.</td>
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<td>- Joint Statement on Clean Energy and Climate Change</td>
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<td>- Joint Declaration on a Partnership for Smart and Sustainable Urbanisation</td>
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<tr>
<td></td>
<td></td>
<td>- Joint Declaration between the Interim Secretariat of the International Solar Alliance (ISA) and the European Investment Bank (EIB) aimed at mobilizing investments for broad-based deployment of affordable solar energy applications across 121 prospective member countries of the ISA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Implementing Arrangement between the Science &amp; Engineering Research Board (SERB) and the European Research Council (ERC)</td>
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<td></td>
<td></td>
<td>- New 500 Million Euro EIB loan agreement for Bangalore Metro Phase-II Project</td>
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</tbody>
</table>
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<table>
<thead>
<tr>
<th>Event</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>10th India-EU Dialogue on Counter Terrorism on 30 August in New Delhi</td>
<td>Joint Secretary (CT) Mahaveer Singhvi, EEAE Director for Security Policy, Pawel Herczynski</td>
</tr>
<tr>
<td>4th EU-India Cyber Dialogue on 29 August in New Delhi</td>
<td>OSD (AD) Sanjay Kumar Verma, EEAE Director for Security Policy, Pawel Herczynski</td>
</tr>
<tr>
<td>31 August Informal Meeting on India-EU Maritime Security in New Delhi</td>
<td>JS (DISAQ) MEA, Dr. Pankaj Sharma, EEAE Director for Security Policy, Pawel Herczynski</td>
</tr>
</tbody>
</table>

Since 2017 Enhanced cooperation in maritime security

- October 2017: Joint manoeuvres of the Italian Flagship and the ship of the EU's Naval Force Operation Atalanta, ITS Fasan, and the Indian Navy vessel INS Trishul off the coast of Somalia
- December 2018: India escort to the World Food Program shipment in support of Operation Atalanta
- January 2019: port call of the French destroyer FNS Cassard (which also flew the EU flag) acting in associated support in Operation Atalanta in Mumbai

2018

10 December. EU Foreign Affairs Council endorses "Elements for a new strategy for relations with India" presented by the European Commission and the High Representative for Foreign and Security Policy

Focus areas:
- Sustainable modernization
- Climate change
- Trade and investment
- Innovation

11th India-EU Counter Terrorism Dialogue on 12 November in Brussels
5th EU-India Cyber Dialogue on 12 December in Brussels

Joint Secretary (CT) Mahaveer Singhvi, EEAE Director for Security Policy, Pawel Herczynski
EEAE Director for Security Policy, Pawel Herczynski
Joint Secretary MEA, Upender Singh Rawat

Note: Major events highlighted in darker blue.
Sources: European Union, Indian Embassy (Brussels).

Britta Petersen is a Senior Fellow at ORF.
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The India-Japan partnership, described as one of the most rapidly advancing relationships in Asia, has emerged as a significant factor contributing to the stability and security of the Indo-Pacific region. Deviating from the traditional policy of focusing on economic engagements, the partnership has significantly diversified to include a wide range of interests—including regional cooperation, maritime security, global climate, and UN reforms. Both India and Japan also share several common ideals like democracy, the rule of law, and human rights, in addition to the complementarities that bind their economies.

An important aspect of the partnership is that it has always enjoyed bipartisan support in the domestic political spectrum. In 2000, then Indian Prime Minister Atal Bihari Vajpayee, with his Japanese counterpart, Yoshiro Mori, launched the global partnership between the two countries. During the period 2004-14, Prime Minister Manmohan Singh laid the foundation for a stable partnership. Narendra Modi, PM Singh’s successor, went several steps further to make the bilateral relationship a strategic and global partnership for the peace and prosperity of the Indo-Pacific region.

When Modi took over as India’s prime minister in May 2014, he found his Japanese counterpart Shinzo Abe equally interested in promoting closer security and economic relations with India. Soon, both leaders developed a strong personal chemistry. From an Indian standpoint, Japan—a technological powerhouse with immense financial strength—could fulfil development needs in various spheres including infrastructure.

Modi attached great importance to the annual summit meetings with Japan during his first term, and between 2014 and 2018 there were five summit meetings held alternately between Tokyo and Delhi. Modi’s 2014 visit was followed by visits in 2016 and 2018. Similarly, Abe visited India in 2015 and 2017, and is due to visit later this year as well. The very first meeting held in Tokyo set the tone by issuing the Tokyo Declaration, which elevated bilateral ties to a special ‘Strategic and Global Partnership’ (See Box 1).
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Emphasising the need for closer coordination between the two countries to address regional security challenges, Modi has supported robust defence cooperation with Japan. Such cooperation has been expanding in recent years and is buttressed by the regular Annual Strategic Dialogue between the two foreign ministers (See Box 2) and the Defence Dialogue between the two defence ministers (See Box 3). In addition, there have been regular exchange visits by the respective Service Chiefs as well as the two National Security

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**Box 1: Joint Statements by Indian and Japanese PMs following their Annual Summit Meetings**

- **September 1, 2014**: Tokyo Declaration for India-Japan Special Strategic and Global Partnership (PM Modi's visit to Japan)
- **December 12, 2015**: Joint statement on India and Japan Vision 2025: Special Strategic and Global Partnership Working Together for Peace and Prosperity of the Indo-Pacific Region and the World
- **November 11, 2016**: India-Japan Joint Statement during the visit of Prime Minister Modi to Japan
- **September 14, 2018**: India-Japan Joint Statement during the visit of Prime Minister of Japan Shinzo Abe to India
- **October 29, 2018**: India-Japan Joint Vision Statement by PM Modi and PM Abe (PM Abe's visit to India)

*Source: Ministry of Foreign Affairs, Japan. Japan-India Relations (Archives), https://www.mofa.go.jp/region/asia-pacific/india/archives.html*

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**Box 2: India–Japan annual strategic dialogue at the level of Foreign ministers**

- **Eighth Strategic Dialogue**, Japan's Foreign Minister Fumio Kishida’s visit to India: 17-18 January 2015
- **No annual meetings held during 2016 and 2017**
- **Ninth Strategic Dialogue – Indian External Affairs Minister Sushma Swaraj’s visit to Japan**: 28-30 March 2018
- **Tenth Strategic Dialogue, Japanese Foreign Minister Taro Kono visited India**: 7 January 2019

*Source: Ministry of Foreign Affairs, Japan. Japan-India Relations (Archives), https://www.mofa.go.jp/region/asia-pacific/india/archives.html*
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Advisers. Further, at the 2018 summit, Modi and Abe agreed to create a new Foreign and Defence Ministerial Dialogue to further strengthen defence cooperation. In addition, Modi has elevated the US-India-Japan trilateral dialogue to the ministerial level. There is also greater coordination between India, Japan, the US, and Australia under the Quad format.

In 2014, the two countries signed the Memorandum of Cooperation and Exchanges in the Field of Defence. This was followed by two more framework agreements in 2015 on the transfer of defence equipment and technology, and security measures for the protection of classified military information. Both Modi and Abe have discussed the possibility of India acquiring Japanese technology in the production of submarines. They have also supported the “commencement of cooperative research in areas like Unmanned Ground Vehicles and Robotics.”

Now that the Japanese government has relaxed the rules governing the export of Japanese defence technology, there is ample scope for enhancing mutual cooperation in defence. PM Modi has shown great interest in Japan playing a key role in India’s defence production, since the Indian government has also considerably relaxed rules to encourage the entry of foreign technologies in the defence field under the ‘Make in India’ scheme. In this
context, it is important to note that both nations are keen to continue efforts to cooperate on the issue of purchasing Japan’s US-2 amphibian aircraft. The deal, when signed, will be a landmark in Indo-Japanese defence cooperation.

After protracted negotiations, both countries also signed a milestone agreement on civil nuclear cooperation in 2016—this could open new opportunities for close bilateral interaction in the energy sector.

Maritime security is another important subject on which both India and Japan have convergent interests. Both countries depend critically on seaborne trade for sustaining their economies. Both are strongly committed to respecting freedom of navigation and overflight, and unimpeded commerce in open seas. Regarding the disputes in the South China Sea, they have affirmed that all parties involved in the disputes should seek solutions through peaceful means without resorting to threats, use of force, or unilateral action.

As for their bilateral maritime cooperation, both navies are conducting annual exercises, with Japan participating in the annual India-US Malabar exercises on a regular basis. Now, the three countries conduct joint exercises in all the three wings of the defence forces.

With regard to China, both Modi and Abe share concerns on a range of issues including the future role of China in the Indo-Pacific region, Beijing’s assertive maritime postures in the Indian Ocean, and its Belt and Road Initiative. At a time when the Indo-Pacific region is faced with critical strategic challenges, both leaders have maintained a policy of engaging with Beijing. They are realistic enough to understand that in any future regional strategic scenario, because of its economic and military strength, China will figure quite prominently. It is therefore necessary to ensure that the rise of China takes place without disturbing the prevailing regional equilibrium. Interests of both India and Japan will be best served if the Indo-Pacific region remains multipolar with no single regional power assuming a preponderant position. Expanded economic engagement along with greater transparency in Chinese military strategies in the region could make Beijing a “responsible stakeholder.”

Despite the increasing importance of the strategic factor, economic cooperation continues to form the bedrock of the partnership and Modi has shown a great deal of interest in Japan getting deeply involved in several important Indian infrastructure projects. Praising Japan for having done more for India’s modernisation than any other country, Modi asserted that Japan’s technological and economic prowess could accelerate India’s development by transforming its infrastructure and manufacturing sectors.
In their first bilateral summit held in Tokyo, both Modi and Abe set the target of doubling Japan’s direct investment and the number of Japanese private companies in India. Japan agreed to extend US$33.5 billion public and private investment in India apart from funding from the Official Development Assistance (ODA) over five years. This amount would be used to support projects in several areas including infrastructure, connectivity, transport, smart cities, energy, and skill development. Modi decided to set up a number of industrial townships and electronic parks for developing technology, connecting people, and inspiring innovation. In turn, Abe affirmed that Japan would support India’s ‘Make-in India’, ‘Digital India’ and ‘Skill India’ programmes.

Between 2014 and 2018, the amount and quality of Japan’s ODA as well as Japanese private investment witnessed appreciable improvement. India remained on top of the list of ODA recipients and the economy gained numerous benefits from Japan’s ODA loans, which flowed into many critical sectors like power, transportation, communication, environment, water, public health, and agriculture.\(^9\)

The quantum of Japanese private investment has increased since 2014, owing to Indian government efforts—like the creation of a special Japan-Plus desk at the Ministry of Commerce and Industry with a view to reduce

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**Figure 10: India–Japan Bilateral Trade Since 2014 (In US$ billion)**

<table>
<thead>
<tr>
<th>Year</th>
<th>India's export to Japan</th>
<th>India's import from Japan</th>
<th>Total bilateral trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>5.38</td>
<td>10.13</td>
<td>15.51</td>
</tr>
<tr>
<td>2015-16</td>
<td>4.66</td>
<td>9.85</td>
<td>14.51</td>
</tr>
<tr>
<td>2016-17</td>
<td>3.85</td>
<td>9.75</td>
<td>13.60</td>
</tr>
<tr>
<td>2017-18</td>
<td>4.73</td>
<td>10.97</td>
<td>15.71</td>
</tr>
</tbody>
</table>

Source: [https://www.indembassy-tokyo.gov.in/india_japan_economic_relations.html](https://www.indembassy-tokyo.gov.in/india_japan_economic_relations.html)
bureaucratic hurdles in clearing new investment projects. The quantity of Japanese investment increased from US$1.7 billion in 2014 to US$4.7 billion in 2016-17 (See Figure 11). With a cumulative Foreign Direct Investment (FDI) of US$25.2 billion from April 2000 to December 2016, Japan is the third largest investor in India—accounting for eight percent of India’s total FDI. Japanese investment has flowed into the automobile, telecommunication, chemical and pharmaceutical sectors.\(^8\)

Modi has, from the beginning, emphasised the importance of India’s Northeast region (NER) in his “Act East Policy.” He has taken a special interest in Japan playing a key role in the development of the NER. Modi and Abe established the India-Japan Act East Forum, which will provide a platform for bilateral collaboration and identify projects for economic and social development of the region.\(^8\) Both leaders consider the NER as a critical region, where India’s Act East Policy and Japan’s “Free and Open Indo-Pacific Strategy” converge,\(^8\) and both countries are keen to extend their cooperation to the larger Indo-Pacific region—including the African continent.

In May 2016, Modi announced a proposal to develop an Asia-Africa Growth Corridor with the support of Japan.\(^8\) This proposal is aimed at creating a “free and open Indo-Pacific region” by building a series of sea corridors that would connect the African continent with India and other countries of South and Southeast Asia. One important objective is to bring about greater integration within the Indo-Pacific region by undertaking several infra-structure projects. India and Japan have already started collaborating on projects in Myanmar, Sri Lanka, Bangladesh, and Kenya to this end.
Lastly, a significant development in Modi’s connectivity programme relates to the construction of India’s first high-speed Shinkansen rail system connecting Ahmedabad and Mumbai with the financial assistance of Japan. The project aims to ensure smooth mobility, improve connectivity, and enhance regional economic development. The project is also intended to contribute to India’s ‘Make in India’ programme and generate employment in the region.

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2
INDIA IN PIVOTAL GEOGRAPHIES
In 2014, Narendra Modi invited the leaders of all the South Asian Association for Regional Cooperation (SAARC) nations to attend his swearing-in ceremony as prime minister. The move highlighted the value that India placed on its neighbours. Indeed, the Modi government’s policy on the South Asian nations has focused on improving connectivity, building on cultural and religious ties, and providing developmental and humanitarian assistance. India’s increasing outreach to its neighbours must also be seen in the context of China’s growing economic and military presence in the region. The following sections examine India’s relations with the nations of South Asia.

AFGHANISTAN

India and Afghanistan have always shared warm ties; the Modi and Ashraf Ghani era has been no different. India’s development assistance and large-scale infrastructure projects are welcomed in Afghanistan, with New Delhi constructing the parliament building in Kabul (inaugurated by Modi in December 2015) and the Afghan-India Friendship Dam in Heart (inaugurated in June 2016). The signing of the Trilateral Trade and Transit Corridor Agreement between Iran, Afghanistan and India in May 2016 for the development of the Chabahar port was a major step in expanding the possibilities of trade between New Delhi and Kabul. India took over operations of the port in January 2019 and in the following month, Afghanistan sent its first export shipment to India using the port. In 2016, India pledged US$1 billion in development assistance to Afghanistan over the next five years. In January 2019, both sides signed 11 MoUs worth US$9.5 million in areas of infrastructure and public services.85 While the US government hopes to have successful peace negotiations with the Taliban, India has continuously supported the sovereignty of the Kabul government and has voiced their disapproval of any agreement that undermines the legitimacy of the democratically elected government. Although after more than two decades of a policy of non-engagement with the Taliban, India did send two observers to the Moscow conference with the Taliban.
**BANGLADESH**

India’s relations with Bangladesh have focused on enhancing trade, and improving connectivity and transit facilities to India’s northeastern states. During Modi’s June 2015 visit to Dhaka, India and Bangladesh finally agreed on the implementation of the Land Boundary Agreement, resolving the 41-year-old border issue between the two countries. Modi and Bangladesh Prime Minister Sheikh Hasina also inaugurated the ‘India-Bangladesh Friendship Pipeline Project’ from Siliguri, West Bengal to Parbatipur, a project worth INR 34.6 million. In addition, new railway lines from Dhaka to West Bengal and new bus services between Kolkata, Dhaka and Agartala were inaugurated.\(^8\) In November 2015, a standard operating procedure for an agreement on coastal shipping was finalised between government representatives agreeing to make way for the use of eight bilateral waterways.\(^8\) During Prime Minister Hasina’s visit to New Delhi in April 2017, some 22 agreements were signed in the areas of defence, nuclear energy, cyber security and media. India has extended two lines of credit (LOCs) during bilateral visits, including a US$3-billion LOC in 2015 and US$4.5 billion in 2017, for 17 identified development projects in the country, including the upgrading of ports. The growing synergy in China-Bangladesh defence cooperation is one of the reasons why India has been keen to build its defence partnership with Bangladesh. In 2017, India provided a US$500-million line of credit for defence purchases; it was only a fraction of the China-Bangladesh defence partnership.\(^8\)

**BHUTAN**

It was to Bhutan where Modi made his first state visit as prime minister, stating that it was a “natural choice,” because of the “unique and special relationship between the two countries”; he wished to underscore India’s commitment to the small nation.\(^9\) The prime minister inaugurated India’s assistance projects in the country, including the building of the Supreme Court and laying the foundation stone for the 600-MW Kholongchu hydroelectric project, a joint venture between two countries, estimated to cost INR 400 million.\(^9\) In June 2017, Chinese troops entered the Dokhlam plateau with equipment to build a road towards a Bhutanese army camp; Bhutan raised its objections. At Thimpu’s request, India stepped in and stopped the construction, leading to a standoff. Over 73 days, Bhutan and India engaged in intense negotiations and high-level diplomacy. While India’s relationship with Bhutan continues to face challenges as a result of regional security dynamics, hydropower generation has been an important area of cooperation and holds potential for the future.
NEPAL

Modi was the first Indian prime minister to visit Nepal in 17 years in August 2014 and stepped up engagement and assistance to the country. In 2015, after the massive earthquake that struck Kathmandu, India was quick to reach out to Nepal in the recovery and rebuilding efforts, offering the country some US$67 million in relief assistance. Relations hit a rough patch when Nepal accused India of enforcing a nearly six-month-long blockade at the border after the Madhesi protests in 2016. The shutdown of the border halted the entry to Nepal of fuel and other petroleum products and important cargo from India. Despite repeated assurances from New Delhi that they had nothing to do with the blockage and Prime Minister KP Sharma Oli’s visit to meet Modi, India was unable to convince Nepal. During Oli’s second term, there was a concerted effort to improve ties. Modi visited Nepal on the back of Oli’s April 2018 trip and inaugurated the Ramayana circuit and a bus service between Janakpur and Ayodhya, focusing particularly on the two countries’ cultural and religious ties.

MALDIVES

India’s relationship with Maldives suffered after President Abdulla Yameen came to power in 2013. His detention of political opponents and judges, and his clampdown on freedom of speech was strongly opposed by India. Relations reached a new low when the Yameen government terminated the contract for India to renovate the Male airport. The arrest and trial of Mohammad Nasheed, former president who was friendly with India and Yameen’s cozying up to Beijing negatively affected the relationship between the two countries. The new government of Mohamed Ibrahim Solih, who defeated Yameen in October 2018 has once again led to the warming of ties. During Solih’s visit to New Delhi, India pledged financial assistance of US$1.4 billion for the debt-ridden country, along with the signing of four MoUs on mutual cooperation. There is a visible convergence between the priorities in the assistance offered by Modi and the Male government’s economic vision.

PAKISTAN

India’s relationship with Pakistan has always been tumultuous; it was no different in the first term of Prime Minister Modi, with New Delhi’s relations with Islamabad being repeatedly tested. Although Pakistan Prime Minister Nawaz Sharif attended Modi’s 2014 inauguration and Modi made a surprise
visit to Sharif’s hometown in December 2015, the bonhomie between the two leaders was short-lived. In January 2016, terrorists from Pakistan entered and attacked the Pathankot air force base, killing seven soldiers. The government allowed Pakistan investigators to visit the site of the attack and collect their own evidence, after they denied any involvement in the attack. Despite such attempts by India to force Pakistan to acknowledge their guilt, Islamabad remained unapologetic and accusatory. A few months later, in September, militants from Jaish-e-Mohammad attacked an air force base in Uri, killing 19 soldiers. The government retaliated a few days later by conducting surgical strikes in Pakistan-occupied Kashmir against terrorist camps. Predictably, Pakistan denied that any strike took place. The arrest of Kulbhushan Jadhav, a former Indian Naval Officer, on the suspicion of ‘espionage’ and ‘sabotage activities’ against Pakistan, caused additional harm to bilateral relations, especially since Jadhav was denied consular access and was sentenced to death by a military court in an opaque and arbitrary trial.

The election of Imran Khan in July 2017 did not bring about change. As Khan inaugurated the Kartarpur corridor linking a gurdwara in the city to India’s Gurdaspur district, with visa-free travel, there was a momentary thaw in hostilities as the government sent representatives for the inauguration ceremony. In February 2019, a suicide bomber attacked a convoy of CRPF forces in Pulwama, killing 40 soldiers. India responded by conducting aerial strikes on terror camps in Pakistan-occupied-Kashmir. Pakistan then targeted military installations in Kashmir, shooting down a MiG-21 fighter jet and capturing the pilot. Although the pilot was released by Pakistan the next day, the damage had already been done and India and Pakistan were once again back to square-one. The vacillation of the political establishment when it comes to deciding on a long-term plan on dealing with Islamabad has unfortunately been the centrepiece of the Modi government’s Pakistan policy.

**SRI LANKA**

The Modi government has moved with speed and intensity to repair India’s ties with one of its most important strategic partners, which suffered during the presidency of Mahinda Rajapaksa. Since 2014, New Delhi and Colombo have intensified their political engagement with a number of mutual visits. Cultural diplomacy has been a crucial part of India’s engagement in Sri Lanka, with the government developing the Ramayana train in Sri Lanka and the Buddhist circuit in India. During the celebrations of International Vesak Day in May 2017, Modi highlighted the cultural ties between the two countries. Through his message about Buddhism, he sought to take the relationship away from
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the baggage of Tamil politics and place it within the ambit of cultural unity.95

To be sure, economic engagement between India and Sri Lanka has remained weak. Despite a large number of bilateral visits, there has been little substance to show for it. While an MoU signed in 2017 saw a roadmap for the future—improving economic ties, promoting Indian investments, and pushing for economic partnerships—not much has been done. Despite the establishment of a joint working group on fisheries and a hotline between the coast guards of the two countries, the frequent incidents of Indian fishermen being arrested for “poaching” across the International Maritime Boundary Line (IMBL) remains a problem.96

Figure 12: Total Trade between India and South Asian States (value in US $ millions)

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### Table 4: High-Level Bilateral Visits

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<tbody>
<tr>
<td><strong>Afghanistan</strong></td>
<td></td>
<td>December 2015: PM Modi visits Kabul</td>
<td>June 2016: PM Modi visits Heart to inaugurate India-Afghanistan Friendship Dam</td>
<td>September 2017: CEO Abdullah visits New Delhi</td>
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<tr>
<td></td>
<td></td>
<td>December 2016: PM visits Kabul to inaugurate Afghan parliament</td>
<td>October 2017: President Ghani visits New Delhi</td>
<td></td>
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<tr>
<td></td>
<td>October 2017: King and Queen visit New Delhi</td>
<td>August 2015: PM Hasina visits New Delhi</td>
<td>May 2018: PM Hasina visits West Bengal</td>
<td></td>
</tr>
<tr>
<td><strong>Bhutan</strong></td>
<td>June 2014: PM Modi visits Thimpu, addresses parliament</td>
<td>October 2014: King and Queen visit India</td>
<td>November 2014: President Pranab Mukherjee visits Bhutan</td>
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<tr>
<td></td>
<td>October 2017: King and Queen visit New Delhi</td>
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<td>July 2018: PM Tobgay visits New Delhi</td>
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<tr>
<td></td>
<td>August 2018: King visits New Delhi for Vajpayee funeral</td>
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<tr>
<td><strong>Nepal</strong></td>
<td>August 2014: PM Modi visits Nepal</td>
<td>February 2016: PM Oli visits New Delhi</td>
<td>August 2017: PM Sher Bahadur Deuba visits India</td>
<td></td>
</tr>
<tr>
<td></td>
<td>November 2014: Modi attends SAARC summit in Kathmandu</td>
<td>September: PM PK Dahal visits India</td>
<td>April 2018: PM Oli visits New Delhi</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>October 2016: PM Dahal visits Goa to attend BRICS-BIMSTEC summit</td>
<td>May 2018: Modi visits Nepal</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>August: Modi visits Nepal for BIMSTEC summit</td>
<td></td>
</tr>
<tr>
<td><strong>Maldives</strong></td>
<td>November 2014: EAM Swaraj visits</td>
<td>October 2015: EAM Swaraj visits</td>
<td>December 2018: PM Solih visits New Delhi</td>
<td></td>
</tr>
<tr>
<td><strong>Pakistan</strong></td>
<td></td>
<td>July 2015: Both PM met on sidelines of SCO summit in Ufa</td>
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<td></td>
<td></td>
<td>November 2015: PM meet on sidelines of COP21 in Paris</td>
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<tr>
<td></td>
<td></td>
<td>December 2015: PM Modi stops in Lahore</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sri Lanka</strong></td>
<td></td>
<td>February 2015: President Sirisena visits New Delhi</td>
<td>October 2016: President Sirisena visits Goa for BRICS-BIMSTEC summit</td>
<td>May 2017: PM visits Sri Lanka for Vesak Day</td>
</tr>
<tr>
<td></td>
<td></td>
<td>September 2015: PM Wickremesinghe visits New Delhi</td>
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</table>

While the Modi government has continued to build India’s bilateral relationship with its neighbours, it has demonstrated that its “neighbourhood first” policy is a strategic necessity and reality. China is increasing its aid and developmental assistance for South Asian states, who are eager to grow their economies while balancing between India and China in their neighbourhood. China’s Belt and Road Initiative boasts infrastructure projects that have the potential to regionally isolate India, if encircled by Chinese allies. As India continues to work through these geopolitical dynamics, it must continue to build and nurture its relationship with its South Asian neighbours.

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The term ‘Indo-Pacific’ is gaining currency as a new construct in recent times, with various countries using it in official statements. Despite having been in use in Indian policy circles for years, the nomenclature gained a clear meaning and vision from Prime Minister Narendra Modi’s keynote speech at the Shangri-La Dialogue in June 2018. Further, he highlighted that India has been an active participant in mechanisms like the Indian Ocean Rim Association (IORA), the East Asia Summit, Association of Southeast Asian Nations (ASEAN) Defence Ministers Meeting Plus, ASEAN Regional Forum, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, and Mekong Ganga Economic Corridor. India also convenes the Indian Ocean Naval Symposium. Through the Forum for India-Pacific Islands Cooperation (FIPIC), India is moving towards engaging with Pacific Island countries. India’s multi-layered engagement with China as well as its strategic partnership with Russia is key to ensuring a stable, open, secure, inclusive, and prosperous Indo-Pacific.

The Indo-Pacific provides a geographic and strategic expanse, with the two oceans being linked together by the ten ASEAN countries. Inclusiveness, openness, and ASEAN unity, therefore, lie at the heart of the notion of Indo-Pacific. India does not see the Indo-Pacific Region as a strategy or as a club of limited members. Security in the region must be maintained through dialogue, a common rules-based order, freedom of navigation, unimpeded commerce, and settlement of disputes in accordance with international law. India supports a rules-based, balanced, and stable trade environment in the Indo-Pacific region. Sustainable connectivity initiatives promoting mutual benefit should be continually fostered. In this regard, India has been an important stakeholder in the New Development Bank and the Asian Infrastructure Investment Bank.

An emerging realisation in strategic circles has gained ground: that there are linkages between the Indian and the Pacific Oceans. For India, the geography of the Indo-Pacific stretches from the eastern coast of Africa to Oceania (from the shores of Africa to those of the Americas), which also includes the Pacific...
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Island countries. For the purpose of this article, however, the focus is on the ASEAN countries and Oceania (Australia, the Pacific Island countries).

In recent times, beyond the Indian Ocean, the Western Pacific has been identified as being within the ambit of India’s security interests. The focus on maritime issues is evident from the increase in maritime exchanges led by the Indian Navy with countries such as Vietnam, Singapore, Indonesia, and Japan. India’s trade in this region is growing rapidly, with several overseas investments being directed towards the East. India has Comprehensive Economic Partnership Agreements with Japan, South Korea, and Singapore; and Free Trade Agreements with ASEAN and Thailand. The nation is also entering into negotiations for the early conclusion of the Regional Comprehensive Economic Partnership. India’s approach to the region is exemplified by its evolving ‘Act East’ Policy, comprising economic engagement with Southeast Asia and strategic cooperation beyond Southeast Asia to East Asia (Japan, Republic of Korea), Australia, New Zealand, as well as the Pacific Island countries. Nonetheless, the term lacks holistic acceptance in the region. While China is apprehensive about its connotation, there is a lurking fear among ASEAN nations that they could be marginalised if the Indo-Pacific concept takes on a more concrete relevance.

India’s efforts to advance its Indo-Pacific vision can be traced in the following spheres:

**Maritime Domain Awareness:** The induction of the P8-I long-range maritime patrol aircraft in 2015 at INS Rajali, Arakkonam, and the inauguration of the Information Fusion Centre at Gurugram in December 2018 clearly reflect India’s aims to collaborate with partner countries and multinational agencies to develop maritime awareness, share information on commercial cargo vessels, and strengthen inter-navy linkages through training and professional interactions.

**Operational outreach of the Indian Navy:** In July 2018, the Indian Navy put forward “new mission based deployment” in the Indian Ocean, involving mission-ready ships and aircraft along critical sea-lanes of communication. The access given to the port of Sabang by Indonesia last year is already improving the outreach of the Navy. The commissioning of a new air base—INS Kohassa in the Andaman and Nicobar Islands—by the Indian Navy in January 2019 to expand operational presence in the Indian Ocean is also significant.

**Strategic coherence:** In March 2015, Prime Minister Modi put forward the concept of ‘SAGAR’ (Security and Growth for All in the Region), a maritime
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initiative aimed at enhancing a range of capacities, engaging with other countries, and fostering greater cooperation in the littoral. Worth mentioning in this context are the dialogues that have been conducted between India and other countries—like the 2+2 dialogues104 with the US, Japan, and Australia, the trilateral dialogues between India-Japan and US, India-Japan-Australia (JAI),105 Russia-India-China, India-Australia-Indonesia, and the Quadrilateral meetings between India, Japan, Australia and the US. The signing of the Shared Vision Statement of India-Indonesia Maritime Cooperation in the Indo-Pacific during Modi’s first visit to Indonesia in May 2018 is notable.106 Modi also visited Myanmar and Malaysia in 2018. The invitation to the 2018 Indian Republic Day celebrations—extended to the leaders of all ten ASEAN countries—underscored the significance of India’s Act East policy. In April 2019, India set up an Indo-Pacific wing in the Ministry of External Affairs.107 The division will integrate the IORA, ASEAN region, and the Quad to the Indo-Pacific table.

**Joint exercises for better interoperability:** The Indian Navy has been part of coordinated patrols with Indonesia (Ind-Indo CORPAT), and joint naval (AUSINDEX) and air (Pitch Black) exercises with Australia. The first ever India-Myanmar bilateral joint military exercise (IMBAX) took place in November 2017, and in 2018 the first bilateral naval exercise (IMNEX) was held. The first bilateral naval exercise between India and Indonesia—named Samudra Shakti—was conducted in 2018.

**Capacity Building:** In August 2018, India was given the status of STA-1 (Strategic Trade Authorisation) from the US for hi-tech product sales, particularly in the civil space and defence sectors. Furthermore, India will start defence component manufacturing for the F-16 and C-130 aircraft. India has also provided training to Vietnamese combat pilots and given technical support to the Myanmar Navy.

**Maritime infrastructure:** India is developing Sittwe port in Myanmar’s Rakhine State and implementing the US$484 million Kaladan transport project to connect Rakhine State with India’s northeast state of Mizoram.108

**Trade:** Trade and economic relations between ASEAN and India have seen a rise, and the two-way trade between India and ASEAN has risen from US$35 billion in 2007 to US$65 billion in 2016. Both exports and imports almost doubled over the same period, from US$14 billion and US$21 billion respectively in 2007, to US$26 billion and US$38 billion respectively in 2016 (See Figure 13). India stands as ASEAN’s 11th largest trading partner in the year 2016.
Besides the ASEAN, an upward trajectory in economic and trade relations can be seen with countries like Australia. Two-way goods and services trade between Australia and India totalled US$19.4 billion in 2015-16. Australian investment in India reached US$10.6 billion at the end of 2015, and Indian investment in Australia was at US$11.6 billion. This shows significant growth over investment levels a decade ago. With regard to increasing trade with Pacific Island countries Prime Minister Modi, while speaking at the first FIPIC Summit in November 2014, announced the setting up of a ‘Trade Office’ in India.

All these engagements portray India’s increasing involvement in the Indo-Pacific. Emphasising “inclusiveness” in the Indo-Pacific framework, countries like China and Russia are also being welcomed by India. Maintaining the delicate balance between the interests of all stakeholders will be a key challenge. Moreover, it will be a difficult task for India to make it clear to the US that there is a need to bifurcate the Quad and the Indo-Pacific construct. Thus, India needs to carefully design its Indo-Pacific policy while keeping its long-term strategic and economic interests in mind.

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Various historical, cultural, and economic linkages underpin the Africa-India relationship. In the last few decades, and more specifically from 2014 onwards under the Narendra Modi-led BJP government, India is increasingly investing in its relationship with Africa. This is both for political reasons and as an expansion of its economic stake in the continent. After Prime Minister Modi’s declaration that his government will accord ‘top priority’ status to Africa in the country’s foreign and economic policy, India’s long-standing ties with the continent have acquired vibrancy and dynamism, marked by an unprecedented intensification of political engagement.

India has an intrinsic stakeholder interest in helping Africa realise its true potential. The spirit of ‘developing together as equals’ defines their bilateral partnership. When it comes to addressing challenges in specific areas, this partnership can stimulate South-South Cooperation. There is a renewed focus on development cooperation, lines of credit, and capacity building in human resource and technology. At the same time, the Indian private sector is poised to play an increasingly important role by participating in projects of national development and regional connectivity in Africa. Investment is also increasing in diverse sectors including pharmaceuticals, telecommunications, energy, power and automobiles, IT services, computer sciences, and hydrocarbon, among others.

Undoubtedly, there has been a quantum increase in Africa’s centrality in Indian foreign policy initiatives. However, for the longest time, India was unable to leverage its century-old trade partnership and socio-cultural linkages built on a thriving diaspora. Given India’s current re-engagement with Africa, there needs to be a clear mapping of the pull factors that define India’s current re-engagement with African countries, along with measures for realising the true potential of the India-Africa partnership.

The challenges facing India and African countries are similar. Both possess emerging economies with a demographic dividend and youth bulge. Just as India and Africa fought colonialism, both continue to work together for a just, representative, and democratic global order that has a voice and role for
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one-third of humanity that reside in both regions. The present realities of the world cannot keep Indian and African voices out of the decision-making process.

The new thrust and vigour in the India-Africa partnership found its most concrete expression during PM Modi’s address at the Parliament of Uganda during his state visit there in July 2018. In his speech, he outlined a vision for not just a bilateral partnership with Africa but also a partnership at the multilateral level by espousing 10 Guiding Principles for India-Africa engagement. Each of these principles is a reflection of India and Africa’s emerging partnership, as both stand on the threshold of a future of great promise.

From 2014 onwards, there have been a total of 29 visits to African countries from the Indian side at the level of President, Vice President, and Prime Minister, apart from several ministerial level visits. From the African side, more than 32 Heads of State or Government have visited India in the last four years. Even in the International Solar Alliance (ISA), out of the 48 countries that have signed and ratified the ISA Framework Agreement, 25 countries are from the African continent. Given the success of these high-level visits, the Indian government has approved the opening of 18 new Indian Missions in Africa over a period of four years from 2018-2021. This will increase the number of Resident Indian Missions in Africa from 29 to 47. The first of these resident missions opened in Rwanda in July 2018.

India is currently Africa’s fourth-largest trading partner, and Africa’s third-largest export destination. Indian government initiatives like Focus Africa (2002), TEAM-9 (2004), Duty-Free Tariff Preference Scheme for Least Developed Countries (2008), and the institution of the India Africa Forum Summit (held in 2008, 2011, 2015), have succeeded in lifting bilateral trade and investment flows to new heights. On the trade front, bilateral trade volumes between India and Africa have grown from a mere US$7.2 billion in 2001 to peak at US$78 billion in 2014, before falling to US$59.9 billion in 2017. For the year 2017–18, India’s bilateral trade with Africa stood at US$62.66 billion, reflecting an increase of nearly 22 percent over the previous year (See Figure 14).

Despite recent growth, India has a negative trade balance with African countries mainly due to its over-dependence on and high demand for oil and natural resources. To correct this imbalance, India needs to expand and diversify its exports to include both primary and manufactured goods. Negative trade balance notwithstanding, there has been a surge in Indian investments in
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Africa, owing to high-growth in some African markets and their mineral rich reserves. India is currently the fifth-largest investor in Africa with cumulative investments of US$54 billion.\textsuperscript{114}

Under PM Modi’s leadership, India’s engagement with the Indian diaspora in African countries has acquired new salience, enabling a shift from the policy of ‘active-disassociation’ in previous decades, to ‘proactive association’ in recent years. PM Modi’s charisma, oratory skills, and personal bonds with African leaders have attracted large crowds during his visits, and infused enthusiasm within the Indian community living in various African countries. However, it is vital for the Indian government to move beyond rhetoric. There should be a push towards enhancing people-to-people contacts and sensitising Indian communities about the diversity, culture, and ways of life of Africans. The nation must refrain from blindly following Western media’s reportage on and portrayals of Africa. An increase in media contacts is essential for Indians to gain a clear picture of the diversity of the continent. To further increase people-to-people contacts and boost tourism, the number of direct non-stop

\textbf{Figure 14: Trends in India–Africa Trade (in US$ billion)}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{trends.png}
\caption{Trends in India–Africa Trade (in US$ billion)}
\end{figure}

\textit{Source: Author’s calculation based on Department of Commerce, Export Import Data Bank.}
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flights connecting Indian cities like New Delhi and Mumbai to African cities must be increased. Airlines such as Air India are already working on expanding their operations in cities like Nairobi, Dodoma, Dar es Salaam, Maputo, Mahe, Port Louis, Djibouti City, Antananarivo, and Mogadishu.115

In spite of increased engagement, incidents of racism and intolerance against African students who come to study in India are hindering India-Africa relations. India must take strict action against the perpetrators of such acts and establish effective institutional mechanisms to redress the grievances of foreign nationals and ensure their safety. Arranging frequent meetings with Residents Welfare Associations and working on community awareness programmes would be a step in the right direction.

Today, Africa is a continent of limitless possibility, with increasing trade, investments, and a surge in innovation. India’s re-engagement with Africa is taking place in a fast-changing and dynamic environment. African governments and leaders are playing an effective role in shaping the continent’s future and the region is witnessing rapid growth. At a time when various non-western powers like Japan, China, Malaysia, and Singapore are stepping up their presence in Africa, it is imperative for India to regularly consult with its African partners, and leverage its unique blend of development packages, technology transfer, human resource development, and infrastructure development, in order to be truly recognised as an ‘alternative development partner’.

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It may be seen as an anomaly that a government led by a Hindu-nationalist party, the Bharatiya Janata Party (BJP), would do well in its West Asia policy. Indeed, during Prime Minister Narendra Modi’s first term, New Delhi’s outreach to West Asia—with its multidimensional challenges, from security to religion—has arguably been one of the government’s biggest successes in foreign policymaking.

India maintained a ‘non-aligned’ presence in West Asia, balancing between the three poles of power—i.e. Israel, Iran and Saudi Arabia. At the same time, Modi’s outreach to strengthen these pre-existing but limited engagements has garnered immediate benefits, both in the security and economic arenas. Modi visited the capitals of all three power centres of Jews, Shia Muslims and Sunni Muslims alike, and his government reaped: terror suspects were deported from Saudi Arabia and the UAE; technological and defence partnerships were negotiated with Israel; and the Indian government came to the defence of India–Iran oil trade and the Chabahar investments amidst American pressure against Tehran. While these three sub-regions have gained the most, other regional players such as Turkey, Oman, Qatar, Jordan—and even Syria and Palestine—also benefitted from the Modi government’s expansion of its regional outreach.

To be sure, the optics tended to score higher than the actual deliverables in many cases. Still, these engagements have managed to create a strong bedrock for greater cooperation specifically between India and the Gulf, long seen as a difficult relationship that largely revolves around the issues of oil and Indian migrant workers. There were many firsts during Modi’s tenure, including the first staging visit by an Indian Air Force flying contingent stopping over in Saudi Arabia, and Modi getting the highest civilian honour from the UAE, the Zayed Medal. Over the past five years Modi visited all regional strongholds and areas of Indian interest: Riyadh, Tel Aviv, Abu Dhabi, Tehran and even Ramallah. In return, New Delhi hosted leaders Benjamin Netanyahu of Israel, Hassan Rouhani of Iran, Sheikh Mohammed bin Zayed of the UAE who was the chief guest at the Republic Day Parade in 2017, Saudi heir apparent Mohammed Bin Salman, and Palestine’s leader Mahmoud Abbas. These
visits cut across regional tensions and conflicts to maintain not only working, but fast developing bilateral ties.

**INDIA–IRAN**

India shares civilisational ties with Iran. Their contemporary relations, however, have been especially relevant in India's energy security. This is reflected in the trade between the two countries, where the balance tilts for Iran through its oil sales to India. Between 2014 and 2018, the two countries signed a total of 21 Memorandums of Understanding (MoUs), many relating to the development of Chabahar. Total trade for the years 2017–18 was recorded at US$13.8 billion; of the total, India's imports were worth US$11.11 billion, mostly oil, while India's exports stood at a mere US$2.7 billion (See Figure 15). This trade deficit has acted as an irritant in the bilateral for a long time. During the same period, nine high-level bilateral visits took place between Tehran and Delhi, including Modi's visit in May 2016. This was followed by the operationalisation of the Chabahar port in January 2019, which many analysts regard as a significant economic and diplomatic feat. India has had to manage American expectations on Iran over its nuclear programme. Meanwhile, the Trump administration—after its withdrawal from the Iran Nuclear Deal, an agreement New Delhi prodded Tehran to commit to—has escalated its moves against countries that continue to maintain bilateral relations with Iran.

**Figure 15: India–Iran Bilateral Trade**

![Figure 15: India–Iran Bilateral Trade](https://mea.gov.in/Portal/ForeignRelation/India-Iran_bilateral_August_2017.pdf)

**INDIA–SAUDI ARABIA**

Saudi Arabia hosts more than 2.7 million Indian citizens; the sheer size of this diaspora makes it a massive responsibility for Indian diplomacy. Overall, the Indian diasporic communities across the world sent the largest amount of remittances ever recorded into India, totalling US$78 billion; with more than
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55 percent coming from the Gulf region.\textsuperscript{124} Figure 16 summarises the India–Saudi bilateral trade between 2013 and 2018. The outgoing head monarch, King Salman, visited India in 2006 as the chief guest for the Republic Day celebrations, opening a new chapter in India–Saudi Arabia ties, which have long been viewed via the prism of Pakistan. The Modi government took it to the next step, successfully showing Riyadh—albeit in a limited manner—that an MBS-led reformist agenda will not benefit from betting on the Indian economy, rather than maintaining an exclusive alliance with its satellite-state, Pakistan. New Delhi seems to have latched on to this strategic vacuum, making a strong economic argument for itself as a reliable investment partner for Riyadh. Modi’s visit to Riyadh in April 2016 helped India find its space as an economic destination for Saudi petro-dollars. Saudi state-run Saudi Aramco, along with Abu Dhabi National Oil Co (ADNOC), have also committed to a new US$50-billion refinery on India’s western coast,\textsuperscript{125} scheduled to start operations by 2025 and designed to be capable of refining up to 1.2 million barrels of oil per day.

\textbf{Figure 16: India–Saudi Arabia Bilateral Trade (USD billion)}

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from Saudi Arabia</th>
<th>Exports to Saudi Arabia</th>
<th>Total trade</th>
<th>% increase in bilateral trade</th>
<th>% increase in Indian imports</th>
<th>% increase in Indian exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2018</td>
<td>5.88</td>
<td>1.05</td>
<td>6.93</td>
<td>-19.24</td>
<td>-27.71</td>
<td>-27.71</td>
</tr>
</tbody>
</table>


\textbf{INDIA–UAE}

During his first term, Prime Minister Modi made two visits to the UAE, showing the growing cooperation between the two countries. While trade remained the primary focus of those visits, shared security concerns with Abu
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**Figure 17: India-UAE Bilateral Trade (USD million)**

Source: Embassy website/MEA/Misc

Dhabi also took centrestage. This cooperation extended to its big ally, Riyadh. In the earlier parts of this decade, a gainful counter-terror and intelligence-sharing cooperation between India and UAE would have been unheard of. Today, UAE often deports to New Delhi both terror suspects and those being prosecuted for financial crimes. On the economic front, the Gulf countries, predominantly UAE and Saudi Arabia, have in the past two years committed over US$52 billion to the Indian economy in areas such as infrastructure, oil refineries, and aviation. Figure 17 shows the bilateral trade between India and the UAE since 2014. Gulf cities like Dubai and Abu Dhabi have also become popular with Indian professionals in areas such as technology and business, representing a significant departure from the time when India was known only for providing blue-collar workers.

**INDIA–ISRAEL**

The Modi–Netanyahu friendship was seen as a ‘natural’ alliance even before Modi won the elections in 2014. The two leaders represented similar political and ideological approaches, and each saw parallels in the other, specifically as victims of terror. This led to the first Indian prime ministerial visit to Israel, which was preceded by Netanyahu’s visit to New Delhi. Between 2014 and
2018, India and Israel signed nine MoUs and conducted 25 high-level bilateral visits. Trade during the 2016–17 period stood at US$5 billion, excluding defence deals (See Figure 18). Both countries are also looking to commence talks on a Free Trade Agreement which is expected to propel bilateral trade over the US$10-billion mark in the short term—again this is expected to be led by the defence sector, which is reportedly already in the process of clearing US$13 billion worth of procurement deals. During this period, Air India also commenced direct flights between Tel Aviv and Delhi, overflying Saudi Arabia which does not recognise Israel as a state. This was seen as a significant achievement for all three parties, and highlighted as one of the cornerstone successes of India’s diplomacy approach in the region that is moving forward to ‘strategic autonomy’.

Overall, perhaps West Asia has been a major success story of Indian diplomacy in balancing competing regional interests. The fact that regional players in the region know that India is not a disruptor, but will engage with all at an equal, bilateral pedestal without overlap, helps New Delhi gain significant strategic hold with an increasingly significant economic heft. Modi’s visits to Israel, Iran, Saudi, UAE, and Oman (which often acts as “the Switzerland of the region” with its relatively neutral posture) helps maintain the required balancing act to conduct effective diplomacy in the region.

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India has a long history of cultural and commercial relations with Central Asia (CA), facilitated by their geographical proximity and the Silk Route. However, India–CA relations stagnated in the 20th century, due to the Anglo-Russian rivalry in the “Great Game” and the consequent emergence of nation-states with differing ideologies. The breakup of the Soviet Union led to the formation of the independent republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Due to its strategic location and rich natural reserves, CA is an important player in global politics. Consequently, the “New Great Game,” which defines modern geopolitics in CA, has seen fierce competition between global players to increase influence, hegemony and power over the region. However, unlike during the Great Game, CA governments are now working to use the renewed external involvement of the New Great Game to their sovereign advantage by fending off disruptive demands, reinforcing their political control at home and bargaining for bilateral or regional agreements. Under Prime Minister Narendra Modi, India has adopted a coherent strategy to upscale its relationship with CA and reinvigorate the ancient socioeconomic and traditional ties with the region through new initiatives.

In 1991–92, all the heads of CA countries visited New Delhi. India, in turn, sent a semi-official delegation led by former Union Minister R.N. Mridha to Tashkent (Uzbekistan) and Almaty (Kazakhstan) to establish diplomatic relations. Then Prime Minister Narasimha Rao visited CA in 1993 and provided a much-needed financial support of US$10–15 million to each country in the region. Thus, during the early 1990s, the India–CA relations started to improve. However, issues such as instability in Afghanistan and the India–Pakistan discord prevented India from reaping the benefits of its engagement with the hydrocarbon-rich and geostrategically important region. Political problems within the CA countries further hindered India’s outreach, e.g. the civil war in Tajikistan; the Tulip Revolution in Kyrgyzstan; and authoritarian regimes in Turkmenistan, Kazakhstan and Uzbekistan.

The growing geostrategic and security concerns regarding the China–
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Pakistan Economic Corridor (CPEC)—China’s flagship venture with Pakistan under the Belt and Road Initiative (BRI)—forced New Delhi to fix its ineffectual strategy. Soon after assuming office, Narendra Modi visited all the CA countries in July 2015, boosting the momentum of the “Connect Central Asia” Policy of 2012 and setting in motion the next stage of international cooperation. The visits also marked a major shift in India’s diplomatic relations with CA. For the first time, New Delhi was looking at the region as a composite geographical unit. Eventually, the CA became the link that also placed the Eurasian region firmly in New Delhi’s zone of interest. India and CA signed several deals on a range of issues including security, energy, trade and culture, with the prime minister reiterating the region’s importance to India’s future.

The reciprocal high-level state visits by the presidents of Tajikistan, Kyrgyzstan and Uzbekistan in the last four years further highlight the evolution of the India–CA dynamics through bilateral and trilateral arrangements (See Table 5). Uzbekistan’s president returned to India within three months of his

Table 5: India–CA High-Level Official Visits and Agreements Consequently Signed

<table>
<thead>
<tr>
<th>Year</th>
<th>Who visited</th>
<th>Country</th>
<th>Agreements</th>
</tr>
</thead>
</table>
| 2015 | Prime Minister of India | Kazakhstan     | 1) Defense and military technology.  
2) Railways  
3) Uranium supply to India  
4) Sports  
5) Transfer of sentenced prisoners |
| 2015 | Prime Minister of India | Uzbekistan    | 1) Joint Working Group on Counter Terrorism  
2) Uranium supply to India  
3) Uzbekistan-India Joint Working Group on Counterterrorism |
|      | Prime Minister of India | Kyrgyzstan    | 1) Agreement on Defense Cooperation.  
2) MoU and Cooperation in the field of Elections  
3) Culture |
| 2015 | Prime Minister of India | Turkmenistan  | 1) MoU on Supply of Chemical Products  
2) Programme of Cooperation in Science and Technology  
3) MoU on Cooperation in the Field of Tourism  
4) Defence agreement |
| 2016 | President of Tajikistan | India        | 1) Agreement to prevent financing of terrorism and money laundering  
2) MoU for youth exchange programmes  
3) MoU on agriculture and food security |
| 2018 | President of Uzbekistan | India        | 1) MoUs on Tourism, Agriculture & Allied Sectors, Health & Medical Sciences, Pharmaceutical Industry, Science & Technology and Innovation, Military Education |
| 2019 | President of Uzbekistan | India        | 1) Agreement on importing uranium from Uzbekistan  
2) MoU on cooperation between Gujarat and the Andijan region of Uzbekistan |

**Source:** Data collected by the author.
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first visit as the chief guest at the Vibrant Gujarat Summit. These developments are indicative of improved relations as well as India’s constructive engagement with the region for energy, market and security.

India’s renewed focus on the region has coincided with CA’s efforts for internal regional integration. A “silk visa” has been proposed to allow tourists to visit all countries in the region with a single visa. The stronger economic integration proposed by Kazakhstan President Nursultan Nazarbayev and the Ashgabat–Turkmenabat highway between Uzbekistan and Turkmenistan also shows that the CA countries are keen to take advantage of the renewed global interest in the region.

The Chabahar port that was recently made partially operational gives New Delhi direct land access to CA. India has made a capital investment of US$85.21 million and committed to an annual revenue expenditure of US$22.95 million for the equipping and operating of two berths in Chabahar Port Phase-I. In the last five years, India has invested in projects such as the International North–South Transport Corridor (INSTC). The INSTC made substantial progress after India joined the Customs Convention on International Transport of Goods under cover of TIR Carnets (TIR Convention).

In 2016, some CA countries (e.g. Uzbekistan) signed trilateral transit-and-trade corridor agreements with India, Iran and Afghanistan. It was agreed that the existing Iranian road network from Chabahar port would be linked to Zaranj in Afghanistan, which could then connect to the 218-km Zaranj–Delaram Road—constructed by India in 2009 at a cost of INR 680 crore—and finally to Afghanistan’s Garland Highway.

India’s Central Asia Policy received a significant boost in 2018, when New Delhi’s diplomatic efforts paid dividends in the form of admission into the Ashgabat Agreement, signed in 2011 between Iran, Oman, Turkmenistan and Uzbekistan and Qatar, for the establishment of an international transport and transit corridor. In 2016, Kazakhstan and Pakistan joined the group. This agreement allows India to use the existing land connectivity networks to facilitate trade and commercial interaction with both CA and Eurasia, by exploiting the natural resources of the region and exporting products to CA. One of the railway lines under the Ashgabat Agreement that connects Iran Turkmenistan and Kazakhstan became operational in 2014.

Such high-level engagement in the last five years is reflected in increased trade between India and CA countries (See Figure 19).
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Figure 19: India’s Trade with Central Asian Countries by Year (Value in USD Millions)


CA countries, particularly Kazakhstan and Uzbekistan, are keen to have India as a key partner in their quest to consolidate their position in the global arena. In February 2019, Kazakhstan’s ambassador to India, Bulat Sarsenbayev, said, “Our trade is growing but the potential is much more. Chabahar and Bandar Abbas are part of one project in reality. Chabahar will be completed, they (Kazakhstan) will construct a railway from Chabahar to the Iranian railway network; it will later go to Turkmenistan and Kazakhstan.”

A direct access to CA will help India to not only establish itself as one of the major players in the New Great Game but also undermine China’s much-hyped BRI flagship projects.

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LATIN AMERICA

Ketan Mehta

INTRODUCTION

Much was expected from Prime Minister Narendra Modi in developing ties with Latin America—a region that is increasingly gaining salience in India’s foreign policy. In view of India’s growing demand for energy and its interest in seeking overseas investments, Latin America attracts New Delhi’s interest. After all, the region is rich in extractive resources. Given that three G20 economies, i.e. Brazil, Mexico, and Argentina are in Latin America, Indian businesses are keen to tap its expansive market. During the last two decades, India’s trade with Latin American countries has grown substantially and its investments are diversified in sectors such as Information Technology (IT) and manufacturing. Moreover, the region has emerged as an important market for the Indian pharmaceutical and automobile industries.

At the same time, however, there are only a few analysts within India’s strategic community who have stressed the need to upgrade relations with Latin America. They are of the view that China is fast emerging as Latin America’s economic and strategic partner, and that India must begin expanding its own footprint in the region. To its advantage, India’s status as a rising power, its economic growth, as well as its soft power in the form of its cultural and civilisational practices such as yoga have gained traction in Latin America. Yet, despite the heightening political significance of Latin America between 2014–19, it does not emerge as a priority region under the Modi government.

INDIA’S LATIN AMERICAN ENGAGEMENT UNDER MODI

In hindsight, Modi’s intervention in India’s Latin America engagement has been intermittent. As prime minister, Modi visited Latin America only thrice; two of the visits were on the sidelines of the 6th Brazil, Russia, India, China and South Africa (BRICS) summit in Brazil, and the 13th G 20 summit in Argentina. As protests against Venezuelan President Nicolás Maduro intensified in 2019, the crisis posed some challenge to the dynamics of India’s foreign policy.
India’s leading hydrocarbon entity, the Oil and Natural Gas Corporation (ONGC) found itself in a difficult position owing to the delay in payment of dues by Venezuela’s Petróleos de Venezuela, S.A. (PDVSA).\textsuperscript{146} Added to this, US economic sanctions on Venezuela threatened India’s energy relations with the latter to some degree, even when it has intended to develop energy relations with other states such as Mexico.

**INDIA AND MEXICO: SEARCHING FOR A GREATER BONDING**

As the second largest economy in the region after Brazil, Mexico has shown some interest in seeking a ‘strategic partnership’\textsuperscript{147} with India. Indian enterprises see Mexico as a ‘springboard’ to gain better access to the much larger US market. Mexico is India’s second largest trading partner in Latin America and in 2017-18 bilateral trade was valued at approximately US$8.30 billion.\textsuperscript{148} In 2016, India exported more to Mexico than to some countries in its more immediate neighbourhood such as Thailand, Myanmar, and Iran.\textsuperscript{149}

Since Mexico opened its oil sector for foreign participation in 2014, New Delhi has viewed it as a viable source of crude oil and associated investments. India’s Minister of State for Petroleum and Natural Gas, Dharmendra Pradhan has expressed interest in purchasing more crude oil from Mexico and investing in its energy sector. In line with this goal, India’s ONGC decided to participate in bidding for Mexico’s oil blocks. In part, India’s outreach to Mexico under Modi derives from the government’s move to diversify the country’s energy sources.

**BRAZIL: INDIA’S ENDURING PARTNER IN LATIN AMERICA**

India’s relations with Brazil stand out in Latin America as both are widely regarded as ‘rising powers’ in the international system. Owing to their association in emerging multilateral groupings such as the BRICS and IBSA\textsuperscript{150}, both sides envision greater cooperation in multiple areas.

In Latin America, Brazil was instrumental in guiding India in the negotiations for the India-MERCOSUR Preferential Trade Agreement (PTA) under which reciprocal tariff preferences are offered between the signatory countries.\textsuperscript{151,152} India’s total trade with MERCOSUR countries in 2017-18 amounted to over US$10.5 billion.\textsuperscript{153} Soon after the 8\textsuperscript{th} BRICS summit in 2016, India signed a Social Security Agreement with Brazil which would exempt expatriates from either country from paying social security contributions if they are already doing so in their home country.\textsuperscript{154} Cooperation in key areas like energy—
where potential is high—remained insignificant during Modi’s tenure. Since investing more than US$400 million in Brazil in 2006, ONGC floated tender in 2018 to sell its BC-10 block investment.\textsuperscript{155} While India’s trade with Brazil grew by over 20 percent and amounted to little over US$11 billion in 2014-15, the bilateral trade slumped to just over US$8.50 billion in 2017-18.\textsuperscript{156}

**INDIA AND ARGENTINA: EXPANDING HORIZONS**

In times when relations between Argentina and China have grown rapidly, the 2019 visit of Argentine President, Mauricio Macri to India may yet prove crucial in shaping India-Argentina relations.\textsuperscript{157} With Macri’s visit, both sides are exploring ways to step up cooperation in areas such as defence, nuclear energy, and space. In a step forward, the MoU on defence cooperation between Argentina and India could be significant in view of the former’s evolving military cooperation with China. Similar synergy was evident in other strategic areas including Civil Nuclear and Space.

**SEEKING AN APPROACH TOWARDS ENGAGING THE REST OF LATIN AMERICA**

Traditionally, India’s engagement with Latin American countries has been guided by its role in the Non-Aligned Movement (NAM) apart from being facilitated by the ‘Global South’, which still has some resonance in Latin America. Interestingly, Indian President Ram Nath Kovind in conclusion of his Cuba visit delivered a speech on “India and the Global South” at the University of Havana.\textsuperscript{158}

Earlier in 2016, India’s Vice President Venkaiah Naidu attended the NAM summit in Venezuela, another country which identifies itself with the Global South. These visits underscore the legacy of India’s association with the NAM and that it continues to influence New Delhi’s engagement with Latin America. It seems that the Modi government intends to preserve this dynamic during its tenure.

Elsewhere in Latin America, India is looking to expand its economic footprint. For one, New Delhi’s outreach to Chile is noteworthy. Chile is India’s sixth largest trading partner in the region and its advantageous geographical position incentivises New Delhi to explore broader economic cooperation with Santiago. India and Peru, meanwhile, are deliberating on a comprehensive free trade agreement for which three rounds of discussions have taken place so far.
Apart from this, India appears to be focusing on developing relations with multiple Latin American nations in the sphere of energy. India is looking at Guatemala to join its International Solar Alliance initiative in which several Latin American countries including Brazil, Costa Rica, Suriname, and Venezuela are members. Likewise, in Peru, Vice President Naidu emphasised cooperation in renewable energy. Peru is a founding member of the International Solar Alliance. Other Latin American countries such as Panama are recognising India’s growing capabilities in specific areas and seek to gain from agencies such as the Indian Space Research Organization which is interested in setting up a Telemetry, Tracking and Tele Command (TTC) Earth station there.

**CONCLUSION**

Overall, the Modi government has shown interest in diversifying India's engagement in Latin America, and while India's interest in Latin America is relatively new, the relationship has been on an upward trajectory. Latin American countries such as Mexico, Brazil, Panama, and Argentina are seeking cooperation with India in new sectors such as space, science and technology, and defence—this represents a positive dynamic from New Delhi's viewpoint. However, in quantitative terms, trade between India and Latin America remains modest despite registering growth in recent years. Also, it would seem that India has not made much of an effort to engage Caribbean countries such as Trinidad and Tobago, Haiti and Dominica. A dedicated foreign policy

**Figure 20: India’s Trade Profile with Brazil, Mexico and Argentina in 2014–15**

<table>
<thead>
<tr>
<th>Country</th>
<th>2014-15</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>$11.364</td>
<td>$8.561</td>
</tr>
<tr>
<td>Mexico</td>
<td>$6.254</td>
<td>$7.713</td>
</tr>
<tr>
<td>Argentina</td>
<td>$2.452</td>
<td>$2.937</td>
</tr>
</tbody>
</table>

*Note: Figures are in US$ billions. Source: Data retrieved from the Government of India, Ministry of Commerce, Export-Import Data Bank, https://commerce-app.gov.in/eldb/.*
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vision towards Latin America is expected from the new government, apart from marshalling more resources towards expanding its diplomatic footprint in the region.

Table 6: High-Level Diplomatic Interactions between India and Latin American Countries

<table>
<thead>
<tr>
<th>Year</th>
<th>High-level visits/ MoUs/ Participation in conferences and conclave and summits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>• 6th BRICS summit</td>
</tr>
<tr>
<td>2015</td>
<td>• High-level state visit to Mexico</td>
</tr>
<tr>
<td></td>
<td>India’s Minister of State for Petroleum and Natural Gas, Dharmendra Pradhan visited Mexico and held discussions with his Mexican counterpart and the head of Mexico’s national oil company, PAMEX.</td>
</tr>
<tr>
<td>2016</td>
<td>• Prime Minister’s visit to Mexico in June.</td>
</tr>
<tr>
<td></td>
<td>Fourth bilateral high-level meeting on trade, investment and economic cooperation which was held in Mexico.</td>
</tr>
<tr>
<td></td>
<td>• 17th NAM summit</td>
</tr>
<tr>
<td></td>
<td>In September 2016, India’s Vice President, Venkaiah Naidu, attended the NAM summit in Venezuela.</td>
</tr>
<tr>
<td></td>
<td>• Third meeting of the Joint committee of the India-MERCOSUR Preferential Trade Agreement.</td>
</tr>
<tr>
<td></td>
<td>• During the bilateral visit of the then Brazilian President, Michel Temer, three Memoranda of Understanding’s (MoU) were signed between India and Brazil.</td>
</tr>
<tr>
<td></td>
<td>• 7th India-Latin America conclave</td>
</tr>
<tr>
<td></td>
<td>In November 2016, the 7th edition of the India-Latin America conclave was hosted in Mexico and was organized in partnership with the United Nations Economic Commission for Latin America and Caribbean (UNECLAC). The conclave was attended by India’s Minister of State for External Affairs, VK Singh.</td>
</tr>
<tr>
<td></td>
<td><strong>In 2017, India concluded a PTA with Chile that was signed in 2006.</strong></td>
</tr>
<tr>
<td>2018</td>
<td>• High-level state visits</td>
</tr>
<tr>
<td></td>
<td>President, Ram Nath Kovind visited Cuba in June 2018 and became the first Indian president to visit Cuba since the 1959 revolution.</td>
</tr>
<tr>
<td></td>
<td>India’s Vice President, visited Gautemala, Panama and Peru in March 2018.</td>
</tr>
<tr>
<td></td>
<td>India-Latin America &amp; Caribbean Conclave was held in Santiago, Chile.</td>
</tr>
<tr>
<td></td>
<td>• MoUs</td>
</tr>
<tr>
<td></td>
<td>India and Guatemala also signed an MoU to cooperate in the training of diplomats. India also offered to provide training in the English language to Guatemalan teachers under Indian Technical and Economic Cooperation (ITEC).</td>
</tr>
<tr>
<td>2019</td>
<td>• High-level state visits</td>
</tr>
<tr>
<td></td>
<td>Visit of Argentine President, Mauricio Macri to India.</td>
</tr>
<tr>
<td></td>
<td>Vice President’s visit to Paraguay and Costa Rica in March 2019.</td>
</tr>
<tr>
<td></td>
<td>President Kovind visited Bolivia and Chile in 2019.</td>
</tr>
<tr>
<td></td>
<td>• MoUs</td>
</tr>
<tr>
<td></td>
<td>India signs MoU with Argentina in several areas including Defence and Civil Nuclear cooperation.</td>
</tr>
</tbody>
</table>

Ketan Mehta is a Research Assistant with ORF’s Strategic Studies Programme.
3

INDIA AND
MULTILATERALISM
India’s relationship with the global nuclear order has strengthened at a modest pace between 2014 and 2019, during the first term of Prime Minister Narendra Modi. Progress in one of the Modi government’s key foreign policy objectives – joining the Nuclear Suppliers Group (NSG) – stagnated, due largely to China’s hard stance. However, cooperation with other key stakeholders of the order has been vibrant—in both the consolidation of the political understanding behind India’s integration with the order, and in further negotiations and implementation of accords of nuclear exchanges and supplies.

These developments between 2014 and 2019 are only part of the remarkable shift in India’s engagement with the global nuclear order in the last two decades. India’s integration with the global nuclear order can be credited less to any particular Indian government, and more as having been catalysed by external geopolitical and geo-economic factors including the end of Cold War and rise of a revisionist China, as well as the liberalisation of the Indian economy and its rapid growth, leading to the creation of a large market. This is not to take the credit away from the government formed by the United Progressive Alliance (UPA) between 2004 and 2009 which led the majority of the difficult negotiations with the US government, while manoeuvring internal political pressures against civil nuclear cooperation with the US. The seeds for India’s integration with the global nuclear order, however, were sowed by then US President George W. Bush with his Indian counterpart, Atal Bihari Vajpayee, eventually leading to the Next Steps in Strategic Partnership initiative of January 2004.

Following the conclusion of civil nuclear cooperation with the US and having acquired a waiver from NSG to the condition of implementing full-scope safeguards of the International Atomic Energy Agency (IAEA) for engaging in global nuclear commerce, India negotiated a number of civil nuclear cooperation agreements. These included the deals with France in 2008; Russia, Canada and Argentina in 2010; and Kazakhstan and South Korea in 2011. The ground impact of these agreements, however, were hampered by concerns
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over suppliers’ liability under India’s Civil Liability for Nuclear Damage Act of 2010. The Indian government, meanwhile, assumed conversation with the US over the next step of strengthening the country’s relationship with the global nuclear order – joining the NSG. The Bharatiya Janata Party (BJP)-led government since 2014 has pursued strengthening the said relationship with greater vigour.

**POLITICAL ACCEPTANCE OF INDIA IN THE GLOBAL NUCLEAR ORDER**

Since 2014, India has actively pursued its goal of joining the NSG to establish itself as a norm-setter in the global nuclear order, instead of being a passive actor. Prime Minister Modi undertook numerous international visits to key stakeholders of the order to garner their political support to India’s inclusion in the group. Table 7 lists the visits by PM Modi which resulted in joint statements reflecting these countries’ political acceptance of India’s NSG membership.

The table includes only the joint statements and communiques issued during state visits by PM Modi himself. Apart from these, visits by President Pranab Mukherjee and Foreign Secretary S. Jaishankar, particularly around May 2016 when India submitted its formal membership application, also aimed at garnering support for India’s inclusion in the NSG. While most of

**Table 7: PM Modi’s International Visits, 2014–17**

<table>
<thead>
<tr>
<th>Country</th>
<th>Date</th>
<th>Declaration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>September 01, 2014</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>United States</td>
<td>September 30, 2014</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>France</td>
<td>April 10, 2015</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>Germany</td>
<td>April 14, 2015</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>South Korea</td>
<td>May 18, 2015</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>Russia</td>
<td>December 24, 2015</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>Belgium</td>
<td>March 30, 2016</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>United States</td>
<td>June 07, 2016</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>Germany</td>
<td>May 30, 2017</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>Spain</td>
<td>May 31, 2017</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>Netherlands</td>
<td>June 27, 2017</td>
<td>Joint Communique</td>
</tr>
<tr>
<td>Switzerland</td>
<td>August 31, 2017</td>
<td>Joint Statement</td>
</tr>
<tr>
<td>Sweden</td>
<td>April 17, 2018</td>
<td>Joint Action Plan</td>
</tr>
<tr>
<td>Japan</td>
<td>October 29, 2018</td>
<td>Vision Statement</td>
</tr>
</tbody>
</table>

*Source: Data from Ministry of External Affairs, Government of India.*

*All the Joint Statements can be accessed in the MEA website.*
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the countries listed in the table had extended their support to India’s entry to the group, two new and important additions were Japan and Switzerland. Both these countries are known for their hard position on nuclear non-proliferation and had previously expressed disapproval of India’s nuclear weapons programme. Other additions to the list were Mexico and South Africa. Though the joint statement issued during PM Modi’s visit on 8 June 2016 did not refer to the NSG, Mexican President Enrique Pena Nieto was reported to have announced their support to India’s NSG membership. Similarly, during his state visit to South Africa in July 2016, PM Modi was quoted as having thanked then South African President Jacob Zuma for supporting India’s membership to the NSG.

While countries like New Zealand, Austria and Turkey are yet to support India’s entry to the group, the opposition has primarily been led by China. In the past five years, the Indian government has spent significant diplomatic capital in getting China on-board, but to no avail. However, while China explained its position on principled grounds given that India is not a signatory to the Nuclear Non-Proliferation Treaty (NPT) and possesses nuclear weapons, Beijing’s opposition appears to be more a function of China’s bilateral relations with India that have larger geopolitical underpinnings, the examination of which is beyond the scope of this analysis.

**CIVIL NUCLEAR COOPERATION**

Other than garnering political support for its integration with the order, the Indian government has actively pursued civil nuclear cooperation with partner countries channelled via the waiver issued by the NSG in 2008, including implementation of the cooperation agreements in the form of supplies of nuclear material and technology.

The following six agreements have been negotiated by India since 2014:


3. Agreement between the Government of India and the Government of
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Japan for co-operation in the peaceful uses of Nuclear Energy (11-Nov-2016)\textsuperscript{188}


5. Agreement between the Government of India and the Government of Sri Lanka on cooperation in peaceful uses of Nuclear Energy (16-Feb-2015)\textsuperscript{190}

6. Agreement between the Government of India and the Government of Australia on cooperation in peaceful uses of Nuclear Energy (हिंदी में: भारत और ऑस्ट्रेलिया के बीच नाभिकीय ऊर्जा के शांतिपूर्ण उपयोगों के संबंध करार) (05-Sep-2014)\textsuperscript{191}

Of these agreements, the one signed with Japan was of particularly significant consequence. This is because several key components of western nuclear reactors are Japanese-manufactured. Enabled by the agreement with Japan, US-based Westinghouse, after several turbulences including over India’s liability law and facing bankruptcy in 2017, has announced the construction of six nuclear reactors in the Indian state of Andhra Pradesh. The announcement of March 2019 also captures India and international nuclear suppliers to be overcoming the impasse effected by India’s liability law.

Moreover, of importance is the agreement signed with Bangladesh as that underlines India’s long-term goal of establishing itself as a supplier. Enabled by the bilateral agreements, India signed a tripartite pact for civil nuclear cooperation with Russia and Bangladesh on 1 March 2018.\textsuperscript{191} As part of the agreement, the Nuclear Power Cooperation of India Limited (NPCIL) will supply equipment and material for the construction of Russian nuclear power stations in Bangladesh.

Other visits led by PM Modi concluded in joint statements that captured the inclinations to pursue nuclear cooperation with India of countries like China (15 May 2015),\textsuperscript{192} Mongolia (17 May 2015),\textsuperscript{193} Kazakhstan (8 July 2015),\textsuperscript{194} United Arab Emirates (17 August 2015),\textsuperscript{195} and Indonesia (30 May 2018).\textsuperscript{196}

Meanwhile, the following were the key developments on the implementation of various civil nuclear cooperation agreements:

1. April 2015: Canada’s Cameco and India’s DAE sign an MOU under which Canada will supply India with approximately 3000 MT of uranium from
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2. July 2015: Kazakhstan’s NAC Kazatomprom and India sign an MOU under which Kazakhstan will supply 3700-7000 MT of uranium to India from 2015-2019. The first shipment is made in 2016.

3. October 2015: Russia’s JSC TVEL supplies India with 42 MT of enriched uranium oxide pellets pursuant to a single delivery contract.

4. May 2017: The Indian government approves the construction of ten 700 MW heavy water reactors in a fleet mode.

5. July 2017: Australia reportedly makes its first shipment of uranium to India.

6. March 2018: India and the EDF Group of France sign an agreement to jointly construct six EPR reactors at Jaitapur. The total planned capacity at the site is 10 GW.

CONCLUSION

India’s relationship with the global nuclear order has strengthened steadily between 2014 and 2019, notwithstanding China’s virtual veto of India’s entry to the NSG. New civil nuclear cooperation agreements were negotiated, existing ones were implemented, and India garnered political support for its further integration with the order. For its part, Beijing has indicated its interest in pursuing civil nuclear cooperation in the few joint statements it has issued with India.

Meanwhile, the global nuclear order itself has been subject to various severe pressures—be it North Korea’s nuclear signalling, the Iran nuclear deal and the Trump administration’s decision to pull out, and the growing divide between nuclear haves and have-nots at the NPT on the issue of global nuclear disarmament. These have resulted in increased sensitivities within the order and amongst its stakeholders. Given this context, India has fared well in improving its relationship with the order.

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India’s engagement with international organisations is an important part of its diplomacy, as they provide a platform to protect and pursue the country’s national and international interests abroad. The government of Prime Minister Narendra Modi has led robust interactions, in particular, with two major international organisations, i.e. the United Nations (UN) and the World Trade Organization (WTO). Overall, the government has largely continued and expanded the agenda adopted by previous governments at the international stage. Broadly, this comprises of establishing India as a global power, tackling terrorism, and pursuing development objectives.

UNITED NATIONS

The United Nations (UN), set up in 1945, undertook the responsibility of confronting various challenges facing the international community, like peace and security, climate change, human rights, disarmament, terrorism and development. The UN Security Council (UNSC) is the primary organ for the maintenance of international peace and security and is the most powerful body for global governance. However, its decision-making process is not only largely archaic—reflecting the power structures of a bygone era—but has also obstructed action on important matters. For instance, due to China’s repeated obstructionist strategy, it took nearly a decade for the UN 1267 Sanctions Committee to successfully designate Masood Azhar as a global terrorist.

Given the need to reform the UNSC, the G4 (India, Germany, Japan and Brazil) have proposed several changes—including the grant of permanent seats to the G4—to reflect current geopolitical realities and make the process representative, legitimate, efficient and transparent. While it remains to be seen if any concrete steps will be taken towards this end, there has been a growing need to re-examine the utility of these reforms since they are criticised on the ground that they may only end up accentuating disparities.

India’s voting patterns at the UN General Assembly (UNGA), the main deliberative, policymaking and representative organ of the UN, provides a
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bird’s eyview of the country’s stance on important foreign policy issues. The present government has maintained its traditional support for development, disarmament and the Palestine cause by voting affirmatively on these resolutions. The Ministry of External Affairs (MEA) also issued an order to implement various economic, commercial and military sanctions against North Korea’s aggressive regime. Per contra, India abstained or voted no on resolutions condemning its allies and neighbours, i.e. Russia (on the Crimea issue), Myanmar, and Iran. India, additionally, abstained from voting on resolutions related to Syria on the ground that it “mixed humanitarian elements with political elements.” While the diktat of realpolitik requires the government to refrain from endorsing resolutions that may alienate its allies, it has raised tough questions on New Delhi’s commitment to protecting human rights.

India’s contribution to the UN Peacekeeping Operations (UNPKO) has emerged as a way to project itself as a responsible global power that is committed to securing peace, order, and conflict resolution. Though India has dropped from being the highest troop and police contributor (8,132 as of April 2014) to the 4th highest (6,319 as of April 2019), the country remains the largest cumulative contributor to the UNPKO. However, the failure of UNPKOs in various missions, such as Rwanda and Somalia, have highlighted their operational weaknesses arising from a top-down approach, vague mandates, poor organisation, and lack of training. In this context, New Delhi needs to re-evaluate the importance of contributing its personnel to the UNPKO, and its returns – if any – to the country’s global status.

A unique initiative under the present government has been the efforts to leverage “soft power” by promoting various aspects of India’s culture and heritage. The announcement of June 21 as International Yoga Day, the International Conference on the Zero (2016) and the recent, somewhat controversial move to adopt Hindi as an Official UN language, aims to further India’s global presence.

The government’s decision to bring the Kulbhushan Jadhav case before the ICJ on the Vienna Convention on Consular Relations (1963), reaffirms India’s faith in the international legal system and the primary judicial organ of the UN. Table 24 summarises India’s presence in the UN’s specialised agencies and Table 25 lists the treaties and agreements India has signed under the aegis of the UN.

On treaties, two challenges continue to remain for the next government. The first is to convincingly project New Delhi’s commitment to nuclear
Figure 21: India’s Presence in UN Specialised Agencies and Adjudicatory bodies (2014–19)


Figure 22: Treaties and Agreements

disarmament given its refusal to participate in the Treaty on Prohibition of Nuclear Weapons (2017). The treaty is viewed as a landmark achievement since it is the first legally binding agreement to comprehensively prohibit nuclear weapons. Though India has expressed reservations about its efficacy given that all nuclear weapons states have avoided signing the treaty, there has been a growing opinion that New Delhi needs to take tangible steps to legitimately back its position on nuclear disarmament. The second is to work out an agreeable framework for India’s proposed Comprehensive Convention on International Terrorism (CCIT), which is currently stalled on the issue of defining terrorism. The test for the next government, therefore, is to adopt a fresh diplomatic strategy to address these concerns.

**WORLD TRADE ORGANIZATION (WTO)**

The World Trade Organization (WTO) was established in 1995 to liberalise trade rules, negotiate trade agreements, and settle trade disputes between member states. The Doha Development Agenda (DDA), which began in 2001, is the latest round of negotiations to achieve a “single undertaking” for “improving trade prospects for developing countries, by lowering trade barriers and increasing prospects for global trade.”

The primary areas of DDA negotiations include agriculture, services, market access in industrial goods, rules on anti-dumping, trade facilitation and environment.

In 2008, stark differences emerged between the developed and developing countries on the future course and trajectory of WTO’s negotiating agenda. The developing countries, including India, wish to pursue the roadmap set by the DDA and finalise binding commitments, especially on agriculture. This includes measures like public stockholding for food security purposes, special safeguard mechanism (SSM) and the elimination of agricultural export subsidies maintained by developed countries. The developed countries, for their part, are keen to move away from the issues of agriculture and development, and introduce new ones to the negotiating table, such as e-commerce, labour, environment, competition policy, and investment.

The biennial meetings of the Ministerial Conference – WTO’s highest decision-making body – is where matters came to a head between the developed and developing countries, thereby throwing the future of the DDA in uncertainty. The present government represented India at two Ministerial Conferences, i.e. Nairobi, Kenya (2015) and Buenos Aires, Argentina (2017). To India’s dismay, the Nairobi meet ended without reaching any permanent solution on the SSM and public food stockholding. This was a worrisome
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Figure 23: India’s Disputes before the WTO (2014–19)

Source: Disputes by Member, World Trade Organization, https://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm.

development, since the Nairobi outcome was a step back from the 2013 Bali Ministerial Conference where countries declared support for the DDA. Matters worsened by the time of the Buenos Aires meet, since the conference ended without any ministerial declaration. Given that fundamental divisions have now materialised between the member states of the WTO, the future seems uncertain for development-centred trade negotiations.

In the backdrop of this turbulent trade environment, India ratified the Trade Facilitation Agreement (TFA) in April 2016. The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. While it is believed that the TFA’s implementation will reduce trade costs and boost global trade, there are concerns that the agreement may disproportionately benefit developed countries more than developing countries.

The WTO’s Dispute Settlement Mechanism has been regarded as the most successful adjudicatory mechanism amongst various multilateral organisations. (Table 26 gives an overview of India’s disputes from 2014 to
2019). Noticeably, all of India’s complaints are against the US’ protectionist policies, which demonstrate America’s disregard for the established rules of free and fair trade. Furthermore, the US has also been responsible for actively blocking the appointment of new members to the WTO's Appellate Body – thereby raising serious concerns for the expeditious disposal of disputes.

There is no doubt that the emergence of protectionist and nationalist tendencies from developed countries will pose a complex and arduous challenge to the new Indian government.

**NEED FOR AN INNOVATIVE ROADMAP**

While PM Modi’s government has succeeded in pushing India’s interests to global attention, much work remains to be done in actualising these goals before the multilateral platforms. However, while some of New Delhi’s efforts to usher in a new order call for introspection, others that aim to preserve the old one need to be supported with a fresh narrative. For the new government, the priority in this area would be to formulate an innovative roadmap that will provide for inventive and skilful diplomacy to protect India’s key interests before international organisations.

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Prime Minister Narendra Modi’s government has earned accolades for demonstrating leadership towards environment security and mitigating climate change. Modi himself was recently named among the 2018 “Champions of the Earth” by the United Nations Environment Programme (UNEP) under the “Policy Leadership” category for his “pioneering work in championing the International Solar Alliance and promoting new areas of levels of cooperation on environmental action.” Since the withdrawal of the United States from the Paris Agreement in 2017, India has emerged as a shining example for other developing nations of “how stronger [environment and] climate actions could be successfully aligned with development imperatives.”

The revised pragmatism and reformed insights of the post-2014 government on climate action was evident from the reconstitution of the Prime Minister’s Council on Climate Change aimed to “revive and streamline the council and set the agenda to deal with climate change.” In the COP-20 in Lima, and then again in the COP-21 in Paris, the government stressed India’s enhanced commitment in the global fight against climate change. Subsequently, India demonstrated its will towards enhanced action in its Intended Nationally Determined Contributions (INDCs) submissions.

Indeed, India today is leading the world in the path of green energy transitions. It has embarked on an ambitious goal of achieving renewable power capacity of 227 gigawatts (GW) by the year 2022 and is committed to reducing industrial carbon intensity by 35 percent from 2005 levels. However, the energy sector, followed by agriculture continue to contribute the highest share of carbon emissions, thereby making India third among the world’s biggest emitters. Ironically, despite India’s consistent improvement in Climate Change Performance Index (CCPI) rankings since 2014, its contribution to global emissions has remained steady (See Table 27). In the coming years, one of the key challenges for the Modi government would be to address the gap and secure more financial as well as technological resources that could further improve the targets.

As a potential global leader in climate action, India should assume the
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Table 8: India’s Climate Change Performance and Emission Scenario During Modi Government’s First Term

<table>
<thead>
<tr>
<th>Year</th>
<th>CCPI Ranking*</th>
<th>Share of Global CO₂ Emissions (Energy Sources)</th>
<th>Share of Global Primary Energy Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>36</td>
<td>5.14%</td>
<td>5.72%</td>
</tr>
<tr>
<td>2015</td>
<td>31</td>
<td>5.70%</td>
<td>5.89%</td>
</tr>
<tr>
<td>2016</td>
<td>25</td>
<td>5.81%</td>
<td>5.73%</td>
</tr>
<tr>
<td>2017</td>
<td>20</td>
<td>6.24%</td>
<td>6.02%</td>
</tr>
<tr>
<td>2018</td>
<td>14</td>
<td>7.00%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

*For Background and Methodology, visit https://germanwatch.org/en/2623. Source: Author’s compilation. Data from BP Energy Outlook, International Environment Agency and German Watch for respective years.

responsibility to ensure that countries, especially the developing ones, fully embrace a socially fair and equitable clean energy transition, while benefiting from the economic opportunities offered by such transition. While the Modi government, in the last five years, has invested in modernising its own energy infrastructure, it must play a key role in mobilising significant finance for other developing countries that will help in capacity development and meet the basic energy reliability and access needs. India could use its experience to build the capacity of the regions that are in the process of developing market rules and physical infrastructure, and enable them to take advantage of the rapidly changing dynamics in global clean energy markets. India has the opportunity to encourage an energy-efficient development that ensures high penetration of renewable energy and could minimise new demand for oil or coal.

India has played a ‘responsible’ and ‘uniting’ role at the Poland negotiations ahead of the COP-24 and in defining the “rule book” for implementation of climate actions. While a consensus has been drawn on measuring, reporting and verifying emissions reduction efforts and contributions to climate finance, there is still the need for finalising of rules regarding carbon market mechanisms, and preparing a long-term sustainable vision. At the plenary session of the World Economic Forum at Davos in 2018, Modi pushed for the developed world’s commitment to supply requisite technology and finances to developing countries, critical for achieving success in the fight against climate change. Securing the long-term interest of the developing countries and creating a global unified response to climate change would depend on mobilising adequate finances to implement the respective countries’ mitigation and adaptation efforts.
In terms of determining progress in climate action, a majority of measures or outcomes of the global climate negotiations are mitigation-centric. As a result, adaptation measures or even for mechanisms such as the loss-and-damage receives less attention and financial support. These, however, are imperatives for the developing countries. Alongside mitigation efforts, the developing countries must ensure that their development gains are made resilient from the impacts of climate change. India should shape its foreign policy agenda on climate in such a way that enables a paradigm shift from a state-centric model of climate diplomacy, to a decentralised one that brings increased focus on specific resilience and adaption needs of various communities in the developing and least developed countries.

The international politics of climate change is built on ‘material’ structures, ‘anarchic’ principles and ‘power’ politics. Such a system is harmful for efforts and collective actions for climate change mitigations and adaptation that requires the bridging of financial and technological gaps between countries. While the global community is increasing efforts towards deepening cooperation on climate action, there is still a divide along geopolitical and geo-economic lines, such as the United States’ regression from climate action, thereby impacting collective progress in climate action.

In the coming years, India has the opportunity to draw a fresh framework that reflects contextual efforts at local, regional and national levels on the projected risks and policy requirements. Such a framework should be geared towards securing the interests and voices of the most affected communities. Ensuring a strong bottom-up policy framework and highlighting it in the international stage can transform the nature of global climate politics. While such a policy pathway is in progress through the Paris Agreement, however, there is a need for more concerted approach to bolster and sustain the efforts. This is especially required in developing countries where the socio-economic, political and ecological variables are less clear. As a country leading the global climate governance, India in the coming years must create frameworks for the rest of the developing economies to foster climate compatible development, and lead energy transitions while ensuring reduced socio-economic disparities and technological divide.

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ENDNOTES


3 Ibid.


5 Ibid.


12 Ibid.


14 Ibid.


26 Ajai Shukla, “2+2 Talks: US-India Sign COMCASA, Agree To Do Tri-Service...
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Looking Back, Looking Ahead: Foreign Policy in Transition Under Modi


Looking Back, Looking Ahead: Foreign Policy in Transition Under Modi


54 Ibid.


59 “Saint Petersburg Declaration by the Russian Federation and the Republic
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Looking Back, Looking Ahead: Foreign Policy in Transition Under Modi


77 Ibid., para 15.

78 Ibid.


80 Ibid., para 4.


82 Ibid., para 2.


87 “India and Bangladesh Sign Standard Operating Procedure (SOP) to Operationalise Agreement on Coastal Shipping,” Press Information Bureau, Ministry of Shipping, Government of India, 15 November 2015.
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110 Ibid.


112 “Cabinet Approves Opening of Missions in Africa to Implement
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114 Ibid.

115 Low levels of direct air connectivity between India and African countries is a major issue, which is why Air India is looking to start direct air services from Indian cities such as Mumbai and New Delhi, to African countries especially on the east coast.


122 The Iran Nuclear Deal is officially known as the Joint Comprehensive Plan of Action (JCPOA).


124 Shreehari Paliath, “India Remains World’s Top Recipient of Remittances


127 “The Great Game—also known as Bolshaya Igra—was an intense rivalry between the British and Russian Empires in Central Asia, beginning in the nineteenth century and continuing through 1907 wherein Britain sought to influence or control much of Central Asia to buffer the ‘crown jewel’ of its empire: British India.” See, “What Was the Great Game?” https://www.thoughtco.com/what-was-the-great-game-195341.


131 It was inaugurated on 11 January 2019.


136 “India, Iran and Afghanistan Sign Chabahar Port Agreement,”
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139 In Indian official documents, Latin America comprises 42 countries, including Brazil and the Caribbean countries.


145 The period between 2014 and 2018 was significant as elections were held in multiple Latin American countries, including Peru (2016), Chile (2017) and in Columbia, Brazil and Mexico (2018).


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150 The acronym IBSA stands for India, Brazil and South Africa.


152 MERCOSUR member countries are Argentina, Brazil, Uruguay, Paraguay, Uruguay and Venezuela.


161 Ibid.


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165 “About Us | India-Latin America & Caribbean Conclave,” op. cit.

166 “State Visit of President of Argentina To India (February 17-19, 2019),” op. cit.


170 “Joint Statement during the visit of Prime Minister to USA,” Ministry of External Affairs, Government of India, 30 September 2014, accessed 3 July 2019, https://www.mea.gov.in/bilateral-documents.htm?dtl/24051/Joint+Statement+during+the+visit+of+Prime+Minister+to+USA.


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180 “India-Switzerland Joint Statement During the State Visit of the President of the Swiss Confederation to India (August 30-September 02, 2017),” Ministry of External Affairs, Government of India, 31 August 2017, accessed 3 July 2019, https://www.mea.gov.in/bilateral-documents.htm?dtl/28908/IndiaSwitzerland_Joint_Statement_during_the_State_Visit_of_the_President_of_the_Swiss_Confederation_to_India_August_30September_02_2017.


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193 “Joint Statement between the India and China During Prime Minister’s
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210 Proponents against the adoption of Hindi as an official UN Language argue that Hindi is not spoken uniformly across India and is the official language of very few foreign countries.
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215 The SSM is a mechanism that will permit countries to impose measures in circumstances where there is a surge or a decline in prices of agricultural imports.


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