

## Foreign policy under Modi government

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### Abstract

The present research paper is aimed to show the relation of India with other countries under Modi Government. The data for this study has been collected from secondary sources. The foreign policy under Modi Government may be affected by questions about the competence of its government and its whimsical ways. More importantly, there are concerns over its failure to deliver much-needed domestic reforms to ease the rules of doing business in India. Modi seems to be on a permanent election campaign, unable to take the tough decisions needed for the next wave of reforms.

**Keywords:** foreign policy, India, Modi government

### Introduction

Foreign Policy can be defined as a set of principles, decisions and means, adopted and followed by a nation for securing her goals of national interest in international relations. Foreign Policy defines the goals of national interest and then tries to secure these through the exercise of national power. The foreign policy of the Modi government (also referred to as the Modi Doctrine) concerns the policy initiatives made towards other states by the current Modi government after he assumed office as Prime Minister of India on 2014 (Harsh 2015). The Ministry of External Affairs, headed by External Affairs Minister Subrahmanyam Jaishankar is responsible for carrying out the foreign policy of India. Modi's foreign policy is currently focused on improving relations with neighbouring countries in South Asia, (Lakshmi, Rama. "Modi's speech in Nepal shows India is paying attention to its neighbors". The Washington Post. Retrieved 2014) engaging the extended neighborhood in Southeast Asia and the major global powers. In pursuit of this, he has made official visits to Bhutan, Nepal and Japan within the first 100 days of his government, followed by the United States, Myanmar, Australia, and Fiji.

### Background

While CM of Gujarat, and under sanction from Western states like the United States, Modi made several foreign trips to foster his business links with major Asian economic powers. This included meeting Japanese Prime Minister, Shinzo Abe twice in 2007 and 2012 and building a personal rapport. (Sharma, 2014) also reached out for investment deals with China (Zeenews.india.com 2014) and Israel, (Moskowitz, 2014), who sought to increase economic ties beyond defence and agriculture, according to outgoing Israeli Ambassador Alon Ushpiz. He was widely appreciated for his endeavour to organise Vibrant Gujarat, a biannual international business summit, to welcome investment in his home state which also helped build a pro-

development and business friendly image (The Times of India, 2014).

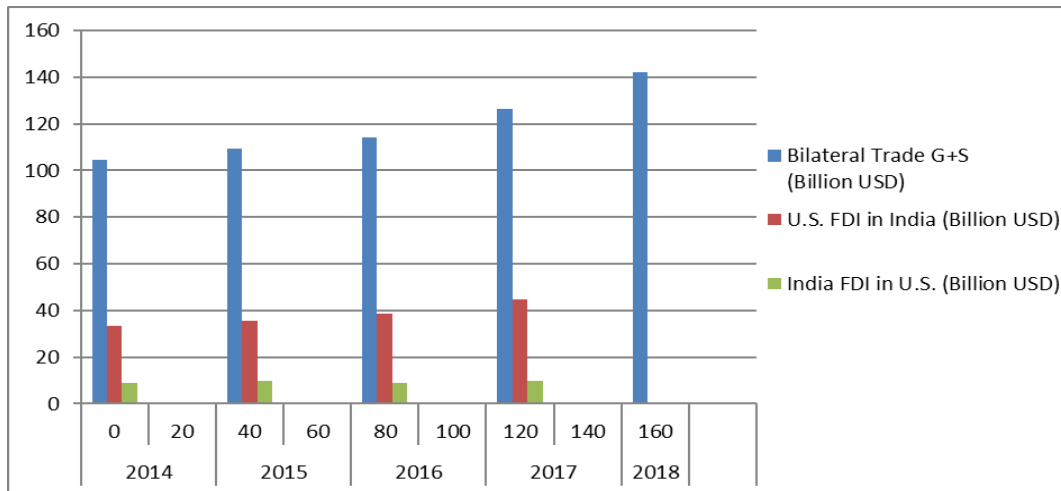
### Modi's Policy Regarding U.S.A., China and Pakistan.

#### Relations of India with U.S.A. under Modi Government.

(The Times of India, 2005) during the run-up to the general election there was wide-ranging scepticism regarding future of the strategic bilateral relation under Modi's premiership as in 2005 he was, while Chief Minister of Gujarat, denied a U.S. visa during the Bush administration for his alleged poor human rights records. (Wall Street Journal, 2014) However sensing Modi's inevitable victory well before the election, the US Ambassador Nancy Powell had reached out to him as part of greater re-approachment from the west. (Whitehouse.gov.2014. Moreover, following his 2014 election as the Prime Minister of India President Obama congratulated him over telephone and invited him to visit the US. U.S. Secretary of State John Kerry visited New Delhi on 1 August to prepare the grounds for Modi's first ever US visit as Prime Minister. In 2014, days before visiting the US in an interview to CNN's Fareed Zakaria, Modi said that "India and the United States are bound together, by history and culture" but acknowledged that there have been "ups and downs" in relations. (Wall Street Journal. 2014) Modi travelled to US in 2014, beginning with his maiden address in the United Nations general assembly followed by attending a gala public reception by the Indian American community in New York's Madison Square Garden before heading Washington, D.C. for the bilateral talk with Obama. While there, Modi also met several American business leaders and invited them to join his ambitious Make in India program in a bid to make India a manufacturing hub. Burke, Jason (2014) Later President Obama greeted Modi by calling him a "Man of Action" during their brief interaction at the Gala dinner hosted by Myanmar's President on the eve of ninth East Asia Summit this was their second meeting since Obama hosted a rare dinner for Modi at the White House on 2014. (USTR Report

2019) reported that 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. 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). (Prashant K. Nanda, 2018) Further, immigration has emerged as a political lightning 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. 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. 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. Trade and FDI between USA and INDIA re shown in figure-1 while as various meeting for the development are mentioned in Fig-1.



Source: for India's FDI in the U.S. <https://www.statista.com/statistics/188940/foreign-direct-investment-from-india-in-the-united-states/>

Fig 1

**India- China relation under Modi Government**

PM Modi with President Xi Jinping of People's Republic of China, during latter's State Visit to India, 2014. Prior to election Modi had expressed reservation over alleged Chinese 'expansionism' into India's frontiers as India and China locked into bitter territorial disputes over last fifty years. During his Japan trip, Modi has said eighteenth century mind-set of vikaash-vad or expansionism won't work and vikaash-vad or peaceful development is needed for sustainable peace and tranquility in the world which was read by a portion of media as a subtle jibe on China. But he is also in favour of enhanced economic partnership with China. Economic activity defines relation with China as it is India's biggest trading partner in goods. Soon after taking office commerce Minister Nirmala Sitharaman has already made two visits to China. The two countries have forged a mechanism called 'strategic and economic dialogue' (SED) to discuss the trade and other economic issues. Modi has publicly expressed his willingness to enhance trade and economic cooperation with China. Describing the newly found activism in bilateral relation Modi said India China relation moving "INCH (India-China) towards MILES (Millennium of Enhanced Synergy)". (C Raja Mohan, 2014) India sent National Security Adviser Ajit Doval as a special envoy of Prime Minister Modi to Beijing to negotiate the agenda and the schedule of the presidential visit to India which is appreciated by the top Chinese leadership who are known to be fond of diplomatic decorum. (The Indian Express, 2014) President Xi Jinping, only third Chinese President to visit India, arrived in Ahmedabad, Modi's

hometown, on 17 September which coincides with Modi's birthday. China is expected to commit investment over US\$100 billion in India's infrastructure projects including in high speed trains and dedicated Chinese industrial parks to balance the huge trade deficit exists in China's favour. The two leaders had earlier met in Brazil this year on the sidelines of BRICS summit. Chinese imports from India amounted to \$16.4 billion or 0.8% of its overall imports, and 4.2% of India's overall exports in 2014. The 10 major commodities exported from India to the China were

1. Cotton: \$3.2 billion
2. Gems, precious metals, coins: \$2.5 billion
3. Copper: \$2.3 billion
4. Ores, slag, ash: \$1.3 billion
5. Organic chemicals: \$1.1 billion
6. Salt, sulphur, stone, cement: \$958.7 million
7. Machines, engines, pumps: \$639.7million
8. Plastics: \$499.7 million
9. Electronic equipment: \$440 million
10. Raw hides excluding furskins: \$432.7 million

Chinese exports to India amounted to \$58.4 billion or 2.3% of its overall exports, and 12.6% of India's overall imports in 2014. The 10 major commodities exported from China to India were:

1. Electronic equipment: \$16 billion
2. Machines, engines, pumps: \$9.8 billion
3. Organic chemicals: \$6.3 billion
4. Fertilizers: \$2.7 billion
5. Iron and steel: \$2.3 billion

6. Plastics: \$1.7 billion
7. Iron or steel products: \$1.4 billion
8. Gems, precious metals, coins: \$1.3 billion
9. Ships, boats: \$1.3 billion
10. Medical, technical equipment: \$1.2 billion

### India-Pakistan Relations under Modi

The events of 2019 vis-à-vis India-Pakistan relations have visibly not gone in Prime Minister Imran Khan's favor. The toughest political response that his government managed in the aftermath of the Balakot airstrikes was closing down Pakistani airspace to India for over four months, even at the cost of financial losses to Pakistan. From May to July 2019, several of Khan's offers for reopening bilateral talks were rejected by India. Pakistan also faced international setbacks at the Financial Action Task Force on Money Laundering (FATF) and the International Court of Justice (ICJ). To add to these, in 2019, the United States cut financial aid to Pakistan by USD \$440 million under the Pakistan Enhanced Partnership Agreement (PEPA), adding to aid cut the year before due to stated concerns over Pakistan's failure to combat terrorism. In a marked diplomatic victory for India, the Acting Assistant Secretary for South and Central Asia, Alice Wells, told the U.S. House Foreign Affairs Committee in 2019 that the Trump administration considers Pakistan's support to cross-border terrorist groups as the "chief obstacle" to the reduction of tensions between India and Pakistan through dialogue.

In one of the few successes for India-Pakistan bilateral relations, the two countries inaugurated the visa-free Kartarpur Corridor on 2019, allowing India's Sikh community to travel from Gurdaspur to the holy shrine, Gurudwara Sri Kartarpur Sahib in Pakistan's Narowal district in celebration of the 550th birth anniversary of Guru Nanak Dev. The Kartarpur initiative withstood the test of difficult bilateral relations throughout 2019 and has proved to be an instance of successful para-diplomacy or sub-national diplomacy between India and Pakistan. The Kartarpur Corridor initiative enjoyed wide political support in Pakistan, as Prime Minister Khan sought to salvage Pakistan's and his own international image while wading through an ongoing economic crisis. The Modi government, however, has been careful not to project Kartarpur as a political confidence-building measure (CBM) between the two countries. This is especially because the corridor entails cross-border security challenges for both countries; the Indian government is particularly concerned about the scope of radicalization in Punjab through a resurgent Khalistan movement with support from agencies in Pakistan.

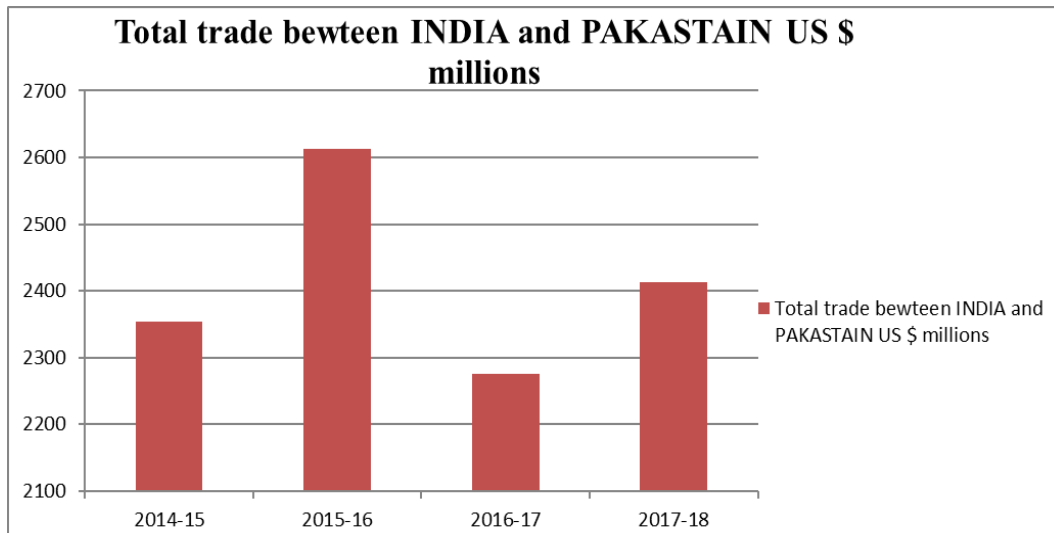
### Expectations in 2020

The new governments in India and Pakistan still harbor deep mistrust toward each other. In India, the Imran Khan government is understood to be functioning through the patronage of the country's powerful army and ISI. The Modi government doubts Khan's ability to take decisions vis-à-vis India that do not serve the Pakistani Army's interests. On the other hand, in Pakistan, the Modi government is seen as a Hindu right-wing majoritarian power with hegemonic ambitions in South Asia, a rhetoric that has been prominently at play in Pakistan's attempts to internationalize events since the abrogation of Article 370. Given the developments in 2019 and the shift in the regional balance of power in South Asia, the Modi 2.0 government is

unlikely to extend an olive branch to Pakistan on terms and timelines that can be set by the Imran Khan government. Three factors in particular could play a role in India's position on Pakistan bilateral relations in the coming year. First, the PTI government's willingness to show tangible action towards restraining individuals and groups based in Pakistan from inciting violence and acts of terrorism in India. Second, whether the U.S. position on India-Pakistan relations continues to align with the Indian rhetoric of calling out Pakistan on supporting terrorist groups against India. And third, the satisfactory transition of Jammu and Kashmir into separate union territories as per the reorganization act of 2019. For Imran Khan, as the Kartarpur fervor dampens, domestic pressures may also play a role in shaping his government's stance on relations with India—these pressures may include the urgent need to address the country's economic crisis without losing the narrative on Kashmir. The Kartarpur episode shows that in the absence of a structured formal dialogue process, even the low-hanging fruits cannot create the necessary confidence and atmosphere for conflict resolution. From one New Government to Another: India-Pakistan relations under the Imran Khan government

In 2018, Indo-Pak relations continued to traverse a tense political and military climate, even as the newly-elected, army-backed PTI government and Prime Minister Imran Khan sought a breakthrough in the form of dialogue and the opening of the Kartarpur route, a long-held request of the Indian Sikh community. The Modi 1.0 government took a more cautious stance, ahead of the approaching election-phase in India, and refrained from making overtures of its own toward Pakistan. The corridor moved ahead on schedule; however, the Indian side refused to resume formal talks with Pakistan. If a breakthrough in India-Pakistan relations was anticipated after the Indian elections in 2019, that eventuality was pre-empted by the crisis in February this year. The Pulwama-Balakot crisis set the tone of the bilateral relationship in more ways than one. The Pulwama attack not only lent further weight to India's accusation of cross-border terrorism emanating from Pakistan's territory but questioned the Imran Khan government's commitment and capacity to keep in check anti-India groups supported by the deep-state in Pakistan. In India, the Bharatiya Janata Party (BJP) cashed in domestically on the crisis with its "anti-Pakistan" and "decisive leadership" rhetoric which, post-poll studies now show, played an influential role in securing the Modi government a second term. The Balakot airstrikes also reiterated Indian willingness to retaliate militarily to major incidents of terrorism designed and launched by groups based in Pakistan.

While a full assessment of the Balakot airstrikes is still pending, the episode underscores the shift in the regional balance of power in South Asia, in India's favor: India, the status-quo larger power challenging the nuclear deterrence of the smaller revisionist power, Pakistan. What the Modi 2.0 government seems to have learnt from the February crisis is that, with domestic support for its actions and negligible international intervention, it is now in a position to assert its terms and conditions for the resumption of dialogue with the Government of Pakistan. This way, the Modi 2.0 government has been able to retain its slogan of "terror and talks cannot go together." India and Pakistan trade under Modi government is shown in fig 2



Source: Export Import Data Bank, Department of Commerce, Government of India, New Delhi, <http://commerce-app.Gov.in/eid b/iecntq.asp>.

Fig 2: Total trade between India and Pakistan

**Conclusion**

Despite the self-inflicted wound of demonetization, India’s economy will remain a growth magnet and attract foreign investment. But the India story may be affected by questions about the competence of its government and its whimsical ways. More importantly, there are concerns over its failure to deliver much-needed domestic reforms to ease the rules of doing business in India. Modi seems to be on a permanent election campaign, unable to take the tough decisions needed for the next wave of reforms.

Our worries are undiminished. Pakistan, far from being isolated for its support to terrorism, it is getting enhanced attention because of the compulsion of the great powers like the US, Russia and China to obtain peace in Afghanistan. Indeed, the Russia-Pakistan entente and the Russia-China relationship pose troubling questions for New Delhi.

China continues to swarm over us in South Asia. The latest sign of this has been the \$24 billion aid, loans and investment commitments made by Xi Jinping during his visit to Bangladesh in 2016. As it is, all three of the wings of the Bangladesh military are equipped with Chinese equipment. Indian aid to Nepal has dipped, while China has now piped India as the top aid donor. More worrisome are the internal trends suggesting growing Chinese influence in the country. The new Srisena government had promised to review many of the allegedly pro-Chinese actions, but as time goes by it is apparent that there has been no real change. Chinese influence is now a growing reality that India must take into account in Sri Lanka. In the mid 1990s, India thought of itself as a player in Central Asia, but today, the Chinese have swamped everyone, including the US and Russia. Chinese bilateral trade with the region is in excess of \$ 50 billion, compared to India’s roughly \$ 1.3 billion. Chinese banks hold a significant portion of the government debt of several of the “stans”. And Chinese pipelines and railroads are turning away the region from their historic ties to Russia. A major problem in India’s foreign policy is its illusion that it is somehow competing with China. We are certainly a budding rival of China, the only one with sufficient physical size and population to offset its power. But we are a long way from actualizing the potential. In the meantime, we urgently need a strategy to do so. Because of

the enormous difference in economic and military power between India and China, what we need are asymmetrical means of dealing with Beijing. We have substantial soft-power assets, but those can only be effective together with the real currency of hard power— cash and exportable military goods.

The broad thrust of India’s foreign policy remains is legitimate and worthwhile. But what is needed is retrenchment and focus. We cannot take on China across-the-board. Our South Asian neighborhood is a priority, and Modi’s outreach to the Persian Gulf has great value because that is the most important external region for India. It is where it gets most of its oil and where it has 7 million citizens who send back substantial remittances. Saudi Arabia, UAE and Qatar have huge sovereign wealth funds which are always looking for good investment destinations. India needs to not only access these funds, but build security linkages to secure its oil and its nationals there.

The Chah Bahar project offers us a relatively inexpensive riposte to the One Belt One Road strategy by enabling a multi-modal link to Europe through Iran, the Caucasus and Russia. If we can provide sub-continental and Indian Ocean linkages, we, too, can be in the connectivity business.

Though the first indications are that there could be opportunities in the Trump era, there is need for caution since there are too many imponderables at play at this juncture. 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 vision towards Latin America is expected from the new government, apart from marshalling more resources towards expanding its diplomatic footprint in the

region. But real success for Modi's foreign policy will necessitate an effective domestic policy focusing primarily on investment and economic growth. This requires not just vision—which Modi has in surfeit—but competence and execution, which seem to be in short supply.

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