CENTRO STUDI PER I POPOLI EXTRA-EUROPEI "CESARE BONACOSSA" - UNIVERSITÀ DI PAVIA



# **ASIA MAIOR**

Vol. XXX / 2019

# Asia in 2019: Escalating international tensions and authoritarian involution

Edited by Michelguglielmo Torri Nicola Mocci Filippo Boni



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When this Asia Maior issue was finalized and the Covid-19 pandemic raged throughout the world, Kian Zaccara, Greta Maiorano and Giulio Santi, all children of Asia Maior authors (Luciano Zaccara, Diego Maiorano and Silvia Menegazzi), were born. We (the Asia Maior editors) have seen that as a manifestation of Life, reasserting itself in front of Thanatos. It is for this reason that we dedicate this issue to Kian, Greta and Giulio, with the fond hope that they will live in a better world than the one devastated by the Covid-19 pandemic.

# India 2019: Foreign policy dilemmas and their domestic roots

### Yogesh Joshi

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If the shifting balance of power and the triangular strategic competition between the US, China and Russia were not troubling enough, in 2019 Indian foreign policy had to also contend with the global ramifications of Narendra Modi's polarising domestic politics. Dwindling power resources – both material and ideational –severely hampered India's foreign policy. Modi's «Neighbourhood First» policy faced the full brunt of Bharatiya Janata Party's agenda of Hindutva. Revocation of Kashmir's autonomy and introduction of the Citizenship Amendment Act created both anxiety and fear among India's neighbours. On the other hand Modi successfully cultivated the middle power across three important regions: the Middle East, the Indo-Pacific and Europe. This was the only success story of Indian foreign policy in 2019. Support from these middle powers helped India tide through a difficult period characterised by both economic underperformance and domestic unrest. However, sustaining these relations would ultimately hinge upon Modi addressing India's economic and domestic fault lines. Lastly, India's policy vis-à-vis the great powers was characterised by a gradual but increasingly closer strategic embrace of the US. In spite of President Trump's reconfiguration of the American approach towards India from one of «benign hegemony» to a strictly reciprocal relationship, Modi continued to base his approach to the US on his firm belief that his own personal diplomacy would overcome Trump's transactionalism. Modi's attempt for a détente with China, which began with the Wuhan informal Modi-Xi summit, continued without much success, as the growing Sino-Russian entente was narrowing India's options considerably. Overall, the year 2019 made evident the correlation between domestic instability and foreign policy troubles. How Modi will resuscitate India's ailing economy, recuperate its injured and polarised body-politic, and reclaim its moral leadership in the region and the world would fundamentally determine the success and failures of India's foreign policy.

### 1. Introduction

In a seminal lecture in November 2019, India's newly appointed Foreign Minister S. Jaishankar laid down the fundamental objectives of Indian foreign policy.<sup>1</sup> For Jaishankar, rather than being an end in itself, foreign policy is a strategy to obtain three primary goals for the Indian republic: se-

1. Government of India, Ministry of External Affairs, *External Affairs Minister's* speech at the 4th Ramnath Goenka Lecture, 2019, 14 November 2019.

curity, welfare, and prestige. Security translates into «peace on the borders» and «protection» of Indian people.<sup>2</sup> Stability in India's neighbourhood, therefore, is an essential goal of Indian foreign policy. The second aim of India's foreign policy is welfare: to bring «greater prosperity at home» through increased economic engagement with the world. Status is the final goal of Indian foreign policy, i.e., whether India can be a player in the great power game of international politics. Both India's relations with existing great powers and its own ability to be a great power would determine its status in international politics.<sup>3</sup> As argued by senior fellow at the Carnegie Endowment for International Peace Ashley Tellis, the success and failures of India's foreign policy are predicated upon how India's foreign policy creates favourable «external circumstances» for realising these «fundamental goals<sup>4</sup>. However, if foreign policy is a strategy to achieve goals, the success and failure of such a strategy ultimately depend upon the resources - material and ideational - which the Indian state can mobilise in attaining such objectives. Without an objective appreciation of India's foreign policy resources and its external constraints, national aspirations, howsoever defined, can seldom be achieved.

Indian foreign policy in 2019 is a story of how Prime Minister Modi tried to reconcile India's foreign policy goals to the availability of resources within and the external constraints without, imposed by the international political structure.<sup>5</sup> Irrespective of the impressive victory registered by Narendra Modi in the general elections of May 2019, winning him a second term in office, the year was particularly troublesome for the Modi government because of dwindling power resources, both hard and soft, of the Indian state. India's economy has suffered a steady and conspicuous decline since Modi came to power in May 2014, epitomised by the decrease of the GDP growth rate from 8 to 5% per annum.<sup>6</sup> Historically speaking, this is the worst the Indian economy has performed in the last 42 years. If India's rise in the post-Cold War global order strongly correlated with its economic

#### 2. *Ibid*.

3. I define Great Powers as states that possess expansive military capabilities to induce change beyond their immediate sphere of influence. For the purpose of this study, the US, Russia and China are Great Powers in the current international system. Regional powers such as Japan, Australia, Saudi Arabia, Iran and Indonesia along with France and Britain who possess fair amount of economic and military resources are deemed as Middle Powers.

4. Ashley Tellis, 'Troubles Aplenty: Foreign Policy Challenges for the Next Indian Government', *Carnegie Endowment for International Peace*, 20 May 2019.

5. Arvind Gupta, '2019 was a Challenging Year for Indian Foreign Policy, 2020 will be even more so', *Vivekanand International Foundation*, 31 December 2019.

6. For a discussion of the economic slowdown in India, see Diego Maiorano, 'India 2019: The general election and the new Modi wave', § 2, and Michelguglielmo Torri, 'India 2019: Assaulting the world's largest democracy; building a kingdom of cruelty and fear', § 8, both in this same Asia Maior issue. boom; today, India inspires far less confidence globally.<sup>7</sup> The sliding growth has also unleashed some autarchic tendencies in India's economic outlook, most evident in New Delhi's decision not to sign the Regional Comprehensive Economic Partnership (RCEP) agreement.8 But it also affects the overall strength of the Indian state, particularly its military preparedness. The slowing economy has hit the Indian military hard, with minimal resources to modernise its antiquated armed forces.<sup>9</sup> Modi's domestic politics, on the other hand, has diminished another source of India's global influence: its soft power, function of its inclusive, democratic ethos.<sup>10</sup> The revocation of Jammu and Kashmir's autonomy through the abrogation of constitutional provisions provided under article 370, mass incarceration of Kashmiri leadership and the controversial legislation on Citizenship Amendment Act (CAA) which stipulates religion as a criterion for Indian citizenship has created instability within and invited massive criticism world over.<sup>11</sup> In 2019, internal resource constraints and upheavals in domestic politics had overshadowed foreign policy gains made during Modi's first term in office.

If domestic volatility rose because of economic mismanagement and political polarisation, the global landscape was equally punitive.<sup>12</sup> First, the rise of China as a great power, although inevitable, was most disconcerting for New Delhi. India must reckon with a hostile great power in its immediate neighbourhood, with which it has profound differences, primarily the territorial dispute along the Himalayan border.<sup>13</sup> China's expanding influence in South Asia also endangers India's regional supremacy. Second, notwithstanding the rhetoric on the desirability of the multipolar world order, India's rise in the international system occurred in a period of US hegemony, and was intertwined with it.<sup>14</sup> China's challenge to the US primacy complicates India's foreign policy for several reasons.<sup>15</sup> First, New Delhi cannot

7. 'A Downturn in India reveals the desperate need for deeper reform', *The Economist*, 24 October 2019.

8. Mihir Sharma, 'India can't afford to turn its back on free trade', *The Economic Times*, 14 August 2018.

9. Promit Mukherjee & Aftab Ahmed, 'Modest rise in Indian Military Spending likely, Modernisation on hold', *Reuters*, 3 July 2019.

10. Sumit Ganguly, 'India under Modi: Threats to Pluralism', *Journal of Democracy*, Vol. 30, No. 1, January 2019, pp. 83-90.

11. Suhasini Haider, 'The new worry of depleting diplomatic capital', *The Hindu*, 2 January 2020; Jyoti Malhotra, 'Kashmir and CAA protests forcing foreign leaders to take a second look at PM Modi's India', *The Print*, 14 January 2020.

12. Michelguglielmo Torri, 'India 2018: The Resetting of New Delhi's Foreign Policy', *Asia Maior 2018*, pp. 295-96.

13. Rajesh Rajagopalan, 'Did India Lose China', *The Washington Quarterly*, Vol. 42, No. 1, 2019, pp. 71-87.

14. Manjeet S. Pardesi, 'American Global Primacy and The Rise of India', *Asia-Pacific Issues*, No. 129, March 2017, pp. 1-8.

15. Rajesh Rajagopalan, 'India's Strategic Choices: China and the Balance of Power in Asia', *Carnegie India*, 14 September 2017.

continue to bandwagon on US power to realise its global ambitions. Today, China enjoys far more sway in global politics, as is evident in its foreign policy behaviour in the UNSC concerning both the Kashmir question and India's membership in the Nuclear Suppliers Group (NSG). Even if Western democracies remain benevolent to India's rise, they do not wield similar influence in global politics as they did a decade back. Second, as the Cold War between the US and China intensifies, India would be forced to actively align with Washington. President Trump has underlined that US support for India necessitates reciprocity on India's part, through preferential trade agreements favouring US imports and the purchase of US military equipment. The last complicating factor is the burgeoning alliance between Russia and China.<sup>16</sup> For long, India considered Russia as an independent pole in the international system; under pressure from Washington, Moscow has now become a junior partner to Beijing. As a consequence, India's relationship with Russia is under duress both because Moscow's desire to embrace Beijing and as a result of Washington pressure upon New Delhi to forfeit its cooperation with Moscow.

Given these constraints from both within and outside, how did India manage its foreign policy landscape in the year 2019? The following analysis locates the success and failures of Indian foreign policy by concentrating on three levels of analysis: India's immediate neighbourhood; New Delhi's interaction with middle powers, and finally, its management of great power politics.<sup>17</sup> Such a structured analysis also corresponds with the three primary objectives of Indian foreign policy outlined earlier. The immediate neighbourhood, including its maritime sector, is essential for India's physical protection. Middle powers, on the other hand, are consequential for India's economic prosperity. Finally, the relation with great powers is bound to profoundly condition the status of India and its overall influence in global politics.

### 2. The (un)making of «Neighbourhood First» policy

A recent survey of India's strategic community by Brookings Institution made clear that the neighbourhood remains the most important avenue of India's foreign policy.<sup>18</sup> 83% of the respondents, on average, considered South Asia, including the Indian Ocean, of vital importance to India's national interests. India's security challenges in the region primarily emanate from China's growing influence in South Asia. 73% of the Indian strategic community considers the China Pakistan Economic Corridor (CPEC) as a

16. Torri, 'India 2018', pp. 308-09.

17. Ashley Tellis, 'Foreign Policy Challenges Lie Ahead', CEIP, 23 May 2019.

18. Dhruva Jaishanker, 'Survey of India's Strategic Community', *Brookings India*, 1 March 2019. significant security challenge; 63% are worried about China's forays into the Indian Ocean. Cross-border connectivity and building India's maritime capabilities rank among the top two priorities for Indian decision-makers, clearly outlining the lack of India's penetration into its neighbourhood. If the neighbourhood is India's strategic priority, New Delhi has not been able to make any serious headway in economically integrating the region: India's trade with its neighbours constitutes only 3% of its total trade.<sup>19</sup> In contrast, the most likely avenues where India might resort to the use of force are again in the neighbourhood: 44% of India's strategic community believes that India should resort to military interventions in South Asia, and 43% favour use of military force against Pakistan.

The survey underlines several undertones of India's foreign policy in its immediate neighbourhood. First, India's strategic eminence is increasingly getting compromised by the rise of China and its expanding influence in India's neighbourhood.<sup>20</sup> From Pakistan to Myanmar and from Nepal to Sri Lanka, for the first time in its post-colonial history, New Delhi is directly competing with a hostile great power for influence in its immediate neighbourhood. Second, except for military instruments of hard power, India has hardly developed any other tools of influence over its immediate neighbours. South Asia remains the most under-integrated regions in the world. India economic underperformance provides her with minimal resources to create meaningful dependencies among its South Asian neighbours. Third, China's rise and its economic penetration also translate into the fact that often India's bilateral relations with South Asian nations depend upon the tone and tenor of the domestic politics within its smaller neighbours.<sup>21</sup> Ideological orientations of local political groups have played a critical role in the success and failures of India's outreach to its immediate neighbours. Rather than New Delhi's policies, who comes to power in India's neighbourhood, therefore, becomes the critical variable affecting the efficacy of India's foreign policy.

These structural factors continued to shape the trajectory of India's foreign policy vis-à-vis its neighbours in the year 2019. Modi's «neighbourhood policy» has been unable to thwart China's march in South Asia. Unlike the bilateral equation between India and China, which is dominated by territorial conflict over the contested Himalayan border, the fight for South Asia is one of relative influence. China's economic wherewithal, rather than its military hardware, is New Delhi's primary concern.<sup>22</sup> Today, the trade volume between China and India's South Asian neighboursis approximately

19. 'South Asia should Remove Trade Barriers for Mutual Economic Gains: New World Bank Report', *The World Bank*, 24 September 2018.

20. Shyam Saran, 'A Tough Neighbourhood', India Today, 25 May 2019.

21. Tellis, Troubles Aplenty.

22. Nilanthi Samaranayake, 'China's Engagement with Smaller South Asian Countries', *United States Institute of Peace*, Special report, No. 446, 10 April 2019.

five times the trade between India and its South Asian neighbours.<sup>23</sup> China's share in foreign direct investments in South Asian economies has expanded drastically. If Nepal receives 90% of its FDI from China, China is also largest source of FDI into Bangladesh and Sri Lanka.<sup>24</sup> Except for Bhutan, all of India's South Asian neighbours have now climbed on the bandwagon of China's Belt and Road Initiative (BRI).<sup>25</sup>

If on India's western border, the China-Pakistan Economic Corridor (CPEC) has now entered its second phase, the culmination of the China-Myanmar Economic Corridor on the eastern seaboard will allow Beijing entry into the Bay of Bengal. The Trans Himalayan Economic Corridor will further erode India's influence in Nepal: China and Nepal agreed on a rail link connecting Kathmandu with the Tibetan town of Gyirong in October 2019.<sup>26</sup> Connectivity and infrastructure projects under the BRI provide China with unprecedented influence in South Asian countries, evident in growing military and diplomatic relations between South Asian countries and China.<sup>27</sup> Beijing is helping Bangladesh build a submarine base in Cox Bazaar and selling military equipment to the Nepalese army. Beijing's growing diplomatic clout has ensured that none of South Asia's Muslim majority countries condemned its treatment of Uighurs in Xinjian. China has also pressed upon Nepal not to provide refuge to Tibetan dissidents, and the communist government in Kathmandu has readily obliged to such demand.<sup>28</sup>

As was expected, the Modi government declined to participate in the second BRI summit held in Beijing in April 2019. Though Modi's «neighbourhood first» aimed to create «mutually beneficial, people-oriented, regional frameworks for stability and prosperity» principally through «infrastructure and connectivity» projects across South Asia, the results have been less than optimal.<sup>29</sup> Foreign Minister Jaishankar accepted the failure of Indian diplomacy in South Asia in these words, «regionalism has taken root in every corner of the world... [if] we have lagged behind, it is because South Asia does not have the normal trade and connectivity that other regions do.»<sup>30</sup>

23. Constantino Xavier, 'Sambandh as Strategy: India's New Approach to Regional Connectivity', *Brookings India*, January 2020.

24. Ibid.

25. Bhumitra Chakma, 'The BRI and India's Neighbourhood', *Strategic Analysis*, Vol. 43, No. 3, 2019, pp. 183-186.

26. Bansari Kamdar, 'What to make of India's Absence from the Second Belt and Road Forum?', *The Diplomat*, 9 May 2019.

27. National Institute of Defense Studies, Tokyo, 'China's Strategy for Reshaping the Asian Order and Its Ramifications', *China Security Report 2019*, February 2019.

28. Christopher Finnigan, 'Between Giants: China, India and the Security Sector Reforms in Nepal', *LSE South Asia Centre*, 15 February 2019.

29. Suhasini Haider, 'Neighbourhood First?', The Hindu, 1 December 2018.

30. Government of India, Ministry of External Affairs, *Statement by external affairs minister at the informal meeting of SAARC Council of Ministers (CoM) on the sidelines of* 74th UNGA, 27 September 2019.

Though, 2019 saw some progress in India's relations with Sri Lanka and the Maldives, mainly on account of the favourable domestic dispositions in these countries. Narendra Modi paid his first state visit to the Maldives and Sri Lanka, on 8-9 June 2019, soon after he won the second term; a clear demonstration of the strategic significance of the two island nations for India. Also, the Indian Prime Minister was the first international leader to visit Sri Lanka after the 2019 Easter bombings.<sup>31</sup> As a more feasible alternative to Chinese deals, India and Japan signed a joint initiative to develop the East Container terminal at the Colombo Port. To help the island nation, Modi also announced several lines of credit: US\$ 400 million for infrastructure, US\$100 million for solar projects, and US\$ 50 million for counter-terrorism.<sup>32</sup> The Indian Prime Minister stressed the need for a joint action to combat terrorism and called for a cooperative response by proposing bilateral as well as trilateral intelligence training between India, Sri Lanka and the Maldives.<sup>33</sup> The Maldives under its new president, Ibrahim Mohamed Solih, has put India on the priority list through Solih's «India First» policy. India was also striving to bolster the Indo-Maldives relationship through SAGAR (Security and Growth for All in the Region) in the Indo-Pacific, whose goal is to maintain trust and transparency and respect for maritime rules.<sup>34</sup> The Government of Male signed its first-ever Mutual Legal Assistance Treaty (MLAT) with India to cooperate and facilitate active investigation on criminal matters.

Vet, additional factors have complicated India's foreign policy. Some of them are external, such as the Afghan peace talks, which may once again bring the Taliban to power in Kabul. However, what is most disturbing from New Delhi's perspective is how Modi's domestic politics has further alienated its neighbours.<sup>35</sup> If the revocation of Jammu and Kashmir's autonomy has pushed relations with Pakistan to the brink, the recent changes in India's citizenship laws have created significant anxiety in Bangladesh.<sup>36</sup> The domestic upheaval within India has undercut Modi's claims for regional leadership but has also made South Asia a new focal point for external intervention. From a purely bilateral India-Pakistan problem, the Kashmir question has again become an international concern with foreign actors making a beeline for intervention in the protracted dispute.

31. Chulanee Attanayake, 'Modi's Visit to Sri Lanka', ISAS Brief No. 671.

32. C Raja Mohan, 'India wants to woo Sri Lanka. But China stands in the way,' CNA, 1 December 2019.

33. Dipanjan Roy Chaudhury, 'India, Maldives, Lanka to restart NSA-level talks', *The Economic Times*, 12 June 2019.

34. Government of India, Ministry of External Affairs, *India-Maldives Joint Statement during the State Visit of Prime Minister to Maldives*, 8 June 2019.

35. Manasi Pritam, 'India's Domestic Troubles Are the Greatest Problem for its Foreign Policy', *The Diplomat*, 8 January 2020.

36. Pinak Ranjan Chakravarthy, 'Does India stand to lose Bangladesh's friendship over CAA and NRC', *ORF*, 21 December 2019.

Similarly, the Citizenship Amendment Act (CAA), which for the first time makes religion a benchmark for Indian citizenship, has left India's neighbours wondering about its commitments to liberal and democratic principles. The most debilitating impact of India's domestic politics has been on the Indo-Bangladeshi relationship. Even though problems of borders and water sharing continue to dodge any amicable solution, India and Bangladesh relations have witnessed an upward trajectory, especially under the Sheikh Hasina government. In 2019, Sheikh Hasina was invited to India by Modi as the chief guest at the India Economic Summit organised by the World Economic Forum (WEF) in October 2019.<sup>37</sup> The two leaders also signed several bilateral agreements. However, two ministers of Bangladesh cancelled their respective visits to India following the passage of the Citizenship Amendment Bill. Even though India has maintained in its statements that the CAA is an internal matter and that it would not cause trouble to its neighbours, Bangladesh fears that the act will let loose a refugee wave involving Muslims from Assam.<sup>38</sup> This is all the more worrying for Bangladesh, as it is already coping with the severe difficulties due to the wave of Rohingya refugees from Myanmar.

A more aggressive policy towards its neighbours appeared to be already in the cards on the eve of the Indian general election, in case of a new victory by Modi<sup>39</sup> After it, New Delhi adopted an unrelenting attitude towards its neighbours particularly in relation to its core concerns, such as terrorism and territorial integrity. This attitude was most evident in India's relations with Pakistan. Modi has finally overcome India's hesitancy in changing the status quo on Kashmir. Modi not only revoked Kashmir's autonomy, but there was also a renewed focus on India's claim to the whole territory of the former princely state of Kashmir, including Pakistan-held Kashmir. By focusing on the entire disputed territory of Kashmir, the intention was to put Pakistan on the defensive.<sup>40</sup> This belligerent approach to the territorial dispute is complemented by an equally aggressive attitude towards Pakistani sponsored terrorism. Modi's use of airstrikes against terror camps in Pakistan as a response to the terrorist strike against Indian forces in Kashmir in February last year was perhaps the biggest escalation

37. Government of India, Ministry of External Affairs, *India-Bangladesh Joint Statement during Official Visit of Prime Minister of Bangladesh to India*, 5 October 2019.

38. Haroon Habib, 'Bangladesh's Concern: Neighbour's worries over CAA and NRC', *Frontline*, 3 January 2020.

39. Sanjeev Miglani, 'If Modi wins Elections, neighbours can expect a more muscular India', *Reuters*, 30 March 2014.

40. Khivvraj Jangid, 'Under Modi, the «New» India Prioritizes Aggression – and Prizes Israel's Example', *Haaertz*, 3 March 2019; Sreeram Chaulia, 'How Modi government is using aggressive diplomacy to its advantage', *The Economic Times*, 27 October 2019.

in Indo-Pakistani low-intensity conflict by any Indian leader in history.<sup>41</sup> It also served to remind the Pakistani leadership that India does not believe in Pakistan's nuclear braggadocio and is willing to climb the escalation ladder in pursuit of its national security interests.

Such aggressiveness is not limited to Pakistan. Territorial assertiveness has also marred Indo-Nepal diplomatic relations.<sup>42</sup> In November 2019, New Delhi released new political maps which included certain territories claimed by Nepal. The bone of contention is the 35 km stretch of land along the Kali River, which Kathmandu claims to be its territory. However, India's Ministry of External Affairs has rejected Nepal's claims. Already frayed by Nepal's growing closeness with Beijing, India-Nepal relationship is going to be even more adversely affected by India's territorial assertiveness.

The second major trend in India's neighbourhood policy is New Delhi's abandonment of the traditional focus on the South Asian region and its progressive eastward shifting in the pursuit of regional integration and cooperation.43 Modi's embrace of BIMSTEC over SAARC engenders out of a belief that the latter is more of a hindrance than an asset in India's neighbourhood policy. The contrast was on display during Modi's inauguration ceremony in 2019; unlike 2014, when Modi invited the leaders of SAARC nations, 2019 saw Modi prioritising BIMSTEC countries. This eastward orientation of India's neighbourhood policy is the end product of several factors.<sup>44</sup> First, Modi has finally given up on any effort to recalibrate India's Pakistan policy. It considers Islamabad as the perennial problem child in any effort toward regional integration in South Asia. Rather than repeating what it sees as the same mistakes, the Modi government is trying to focus on relationships which it considers have productive potential. The eastward focus within South Asia also feeds into India's Act East Policy, as it aims to use the Bay of Bengal as a conduit to the South East Asian region. The Bay of Bengal has, therefore, gained immense traction in India's foreign policy.<sup>45</sup>

The third major trend is India's embrace of extra-regional powers as partners in its efforts to develop infrastructure and connectivity projects in South Asia.<sup>46</sup> For a long time, New Delhi considered extra-regional influence as necessarily counterproductive to India's interests in the region. China's

41. Sachin Parashar, 'We'll have Physical jurisdiction over PoK one day: Jaishankar', *The Economic Times*, 18 September 2019.

42. C Raja Mohan, 'How Balakot Changed the familiar script of India-Pakistan military crises', *Indian Express*, 4 March 2019.

43. Sudha Ramachandran, 'India's BIMSTEC Gambit', *The Diplomat*, 31 May 2019.

44. Kriti Shah, 'South Asia', in Harsh Pant & Kabir M. Taneja (eds.), *Looking Back, Looking Ahead: Foreign Policy in Transition under Modi*, New Delhi: Observer Research Foundation, 2019, pp. 42-48.

45. C Raja Mohan, 'Prime Minister Narendra Modi's Eastward Tilt Remaps India's Neighbourhood', *ISAS Brief No. 695*, 29 May 2019.

46. Harsh Pant, 'Cornered by the Quad?', The Hindu, 28 February 2018.

penetration, both economic and military, has finally made New Delhi realise that it too needs allies to boost up its influence in the region. India cannot compete with Chinese investments and dwindling economic performance at home has only exacerbated resource problems evident in the reduction of foreign aid in India's annual budget. Partnering with friendly nations, such as the US, Japan, and Australia, in South Asia allows New Delhi not only to increase its diplomatic leverage but also to undertake new commitments in South Asia's economic development.<sup>47</sup>

# 3. Increasing engagement with middle powers

Sandwiched between a hostile neighbourhood and the increasing unpredictability of the contemporary great power politics, Prime Minister Modi has put a lot of emphasis on India's interaction with middle powers in the international system.<sup>48</sup> Most of them wield significant influence across different regions of the world, primarily because of their economic power. Under this policy of multi alignment, New Delhi has actively pursued middle power New Delhi not only aims to secure vital economic and security interests but also to hedge against an increasingly uncertain world, where a fundamental redistribution of power from the US to China appears to be underway.<sup>49</sup> First, middle powers share similar concerns vis-à-vis China's growing assertiveness as well as the USA's increasing inclination towards isolationism. In terms of structural international politics constraints, middle powers find themselves similarly positioned: they all seek a more significant voice in global affairs. Rather than accepting a bipolar world order dominated by the US and China, middle powers wish to operate in a multipolar world order, which can provide them with both greater flexibility of choices and enhanced relative importance in international politics. From the very beginning, Modi has devoted a great deal of attention to building three middle-power coalitions across three major regions of the world. The first of these coalitions concerns India's relations with major powers in the Middle East, namely Saudi Arabia, the United Arab Emirates (UAE), and Israel. The second middle power coalition focusses on the Indo-Pacific, and it is charecterized by New Delhi's relations in particular with Japan, Australia,

47. 'Japan, US, Australia and India look to establish alternative to China's Belt and Road Initiative', *Reuters*, 19 February 2018; Tara Kartha, 'Counter to BRI? Why India-US' thrust on Blue Dot Network will make China see red', *The Print*, 28 February 2020.

48. Tellis, *Troubles Aplenty*; Constantino Xavier, 'Modi's Middle Way', *The ASAN Forum*, 28 August 2019; C. Raja Mohan, 'Modi and the Middle Powers', *The Indian Express*, 9 April 2015.

49. Ali Wyne & Bonnie S Glaser, 'A New Phase in Middle-Power Adjustment to US-China Competition?', *The National Interest*, 5 November 2019.

Singapore, and Indonesia. The last coalition is the one focussed on Europe and including the UK, France, and Germany.

Since 2014, the Modi government has reoriented India's foreign policy towards developing a «deeper relationship» with critical states in the Middle East, especially the oil-rich monarchies of Saudi Arabia and the UAE.<sup>50</sup> Modi has transformed India's bilateral relationship with these states from one primarily characterised by New Delhi's dependence on Middle Eastern Oil and remittances from the Indian diaspora working in the region to a comprehensive economic and security partnership. It entails significant capital investments by oil-rich West Asian states into the Indian economy as well as greater cooperation in anti-terrorism, intelligence sharing and maritime domain awareness. Modi's «biggest success story» in foreign policy, as some have argued, has been facilitated by the emerging fault lines and new alliances within the region.<sup>51</sup> If the growing rift between Iran and the Gulf Cooperation Council (GCC) has elevated India's importance, the newfound strategic closeness between Saudi Arabia and Israel has also helped New Delhi's cause. In the past, India struggled hard to maintain a sense of balance in its relationship with the Muslim countries on the one hand and its growing security partnership with Israel on the other. The Iranian threat has created a new synergy between Israel and Gulf monarchies.

2019 saw India further consolidating its foreign policy gains in the Middle East. Since coming to power in 2014, Modi has visited eight states in the Middle East, the maximum visits made by any Indian prime minister in a single tenure. Such high-level diplomatic engagements have continued unabated, an evident example of them being the visit of Saudi Crown Prince Muhammad Bin Salman to New Delhi in February 2019.52 Modi also visited the UAE in August 2019, where he was bestowed with the country's highest civilian award - the Order of Zayed. Second, India's economic engagement with the Gulf countries expanded significantly. Gulf countries increasingly view India as a possible investment destination.<sup>53</sup> Following the visit of Saudi Crown Prince, the Saudi oil giant Aramco declared its intention to invest in India's Reliance Industries Limited to the tune of US\$ 75 billion. Saudi Arabia and the UAE have also decided to spend US\$ 60 billion in building a brand-new mega oil refinery in India to process crude oil from the Gulf. These growing economic linkages have been a blessing for the Modi government, especially in a period when the Indian economy has stagnated. Modi's unique diplomatic style, which privileges personal connections with

50. PR Kumaraswamy, 'Modi Transforms India's approach to the Middle East', *East Asia Forum*, 11 October 2019.

51. Kabir Taneja, 'How Modi turned the Gulf to his favour', ORF, 2 July 2019.

52. Zeenat Saberin, 'Saudi Crown Prince in India as «trade, investment» top agenda, *Aljazeera*, 19 February 2019.

53. Sanjay Pulpika & Mohit Musaddi, 'Power Shifts and re-calibrations: India and the Gulf', *The Economic Times*, 14 February 2020.

foreign leaders, along with growing economic interdependence, has also allowed India to initiate new security cooperation with the Gulf countries while strengthening the substantial security relationship it already has with Israel. During Modi's visit to Saudi Arabia in October 2019, several agreements on cooperation in the field of anti-terrorism, intelligence sharing, and defence manufacturing were signed.<sup>54</sup> In March 2019, India and the UAE conducted their first-ever joint naval exercise. Meanwhile India-Israel defence relationship has continued to deepen.<sup>55</sup> Indian Airforce used Israeli SPICE-2000 precision-guided bombs to target the terrorist hideouts in Pakistani Kashmir during the February crisis. As the crisis exposed glaring gaps in India's military inventory, New Delhi once again turned to Tel Aviv to make up for its defence deficiencies. In July 2019, Israel defence manufacturer Raphael Advanced Defence Systems signed a US\$ 100 million deal to supply missiles for the Indian Army and the Indian Air Force.

The success of Indian foreign policy approach to the Gulf countries has also been highlighted by their muted reaction to Modi's divisive domestic politics. Both Saudi Arabia and the UAE have maintained absolute silence over the CAA and the revocation of Kashmir's autonomy. The support of Gulf Monarchies has also helped India to blunt the criticism emanating out of the Organisation of Islamic Cooperation (OIC). As claimed by the BJP, Modi appears to have finally untangled the Gordian knot of India's diplomatic troubles in the Middle East. India has been able to separate its relationship with the Gulf countries from the domestic politics around the treatment of Indian Muslims as well as neutralise Pakistan's influence over the OIC. How long this will continue without some realignment in Modi's domestic politics is however open to question.

If the Middle East is one of the most pivotal regions for India's economic and security interests, so is the region of the Indo-Pacific, which hosts some significant middle powers such as Japan, Australia, Indonesia, and the ASEAN bloc of countries. The rationale behind India's Indo-Pacific strategy is to foster New Delhi's engagement with South-East Asia, East Asia, and Oceania primarily to counter China's growing influence in the Indian Ocean.<sup>56</sup> States in the Indo-Pacific not only share common concerns associated with an increasingly assertive China and a decreasingly effective USled security order in the region, but also believe that hedging towards a local balance of power in the Indo-Pacific is in their long-term national interests. These motivations are the fundamental driving force behind the growing momentum of India's bilateral, trilateral and multilateral relationships in

54. Government of India, Ministry of External Affairs, *Joint Statement on Visit of Prime Minister of India to the Kingdom of Saudi Arabia*, 29 October 2019.

<sup>55.</sup> Harsh V. Pant & Ambuj Sahu, 'Israel's Arms Sales to India: Bedrock of a Strategic Partnership', *ORF*, Issue Brief No. 311, September 2019.

<sup>56.</sup> Government of India, Ministry of External Affairs, Prime Minister's Keynote Address at Shangri La Dialogue, 1 June 2018.

the Indo-Pacific region. Though the trajectory of India's security cooperation in the Indo-Pacific has been evident for the last few years, New Delhi has yet not been able to resolve its balancing strategy in the region. On the one hand, it wants to challenge China's growing diplomatic, economic and military penetration of the region; on the other, New Delhi also seeks to reassure Beijing that India's Indo-Pacific strategy does not intend to contain China.<sup>57</sup> Such ambiguity in India's Indo-Pacific policy is most evident in its approach towards the Quadrilateral Security Initiative (Quad). A security initiative of Asia's maritime democracies – India, Japan, Australia and the US – the Quad aims to balance China's growing maritime power in the Indo-Pacific and to preserve the liberal order in the region. Nonetheless, New Delhi has appeared to be hesitant in pursuing the full development of the Quad, as shown by its unwillingness, even after repeated appeals by the US and Japan, to inviting Australia to join the Malabar series of naval exercises.<sup>58</sup>

2019 also saw India using the Quad platform to synergise a concerted Indo-Pacific response to China's BRI.<sup>59</sup> Rather than creating a multilateral response, India feels more comfortable in pursuing bilateral approaches. The logic of this strategy is evident in India's burgeoning security relationships with Japan and Australia. India and Japan have been conducting joint naval exercises for almost a decade now; moreover, in 2018, India Army and Japanese Ground Self-Defence Forces conducted their first land exercises. On the top of it, during the 2+2 dialogue (putting together the ministers of Foreign Affairs and Defence of the two countries), held in November 2019, both sides agreed to coordinate fighter aircraft exercises in 2020.

On their part, Indian and Australian Navies also conducted their second naval exercise in April 2019. India and Australia have also agreed to sign a military logistics agreement that would facilitate interoperability in the Indian Ocean.<sup>60</sup>

New Delhi has also increased its security engagement with smaller states in the region, mainly the ASEAN countries. Following the announcement made by Prime Minister Modi in the 2018 Shangri-La Dialogue, India, Thailand, and Singapore performed their first-ever trilateral naval ex-

57. Rajesh Rajagopalan, 'Evasive Balancing: India's Unviable Indo-Pacific Strategy', *International Affairs*, Vol. 96, No. 1, 2020, pp. 76-77.

58. On India, the Quad and the significance of Australia's non invitation to join the Malabar Exercise see Michelguglielmo Torri, 'India 2018: The Resetting of New Delhi's Foreign Policy', pp. 296-97, 300, 313.

59. Government of India, Ministry of Defence, Press Information Bureau, Joint Statement: First India-Japan 2+2 Foreign and Defence Ministerial Meeting, 30 November 2019.

60. Dipanjan Roy Chaudhury, 'India, Australia to sign logistics sharing pact during PM Morrison's high-profile visit', *The Economic Times*, 3 January 2020. ercise in the Andaman Sea in October 2019.<sup>61</sup> Shortly after that, the three countries decided to make these trilateral exercises an annual affair.

Apart from increasing maritime cooperation, there has been some political movement related to the Quad. In September 2019, for the first time, the foreign ministers of the Quad countries met along the side-lines of the UN General Assembly.<sup>62</sup>

India's economic engagement with the region, however, was much less successful. It witnessed a significant reversal when India's refused to sign the Regional Economic Cooperation Agreement (RCEP), a free trade agreement between 16 major economics of the Indo-Pacific region. This decision was particularly disappointing for the ASEAN countries, such as Singapore and Indonesia, who support India's membership as a bulwark against future domination of the trading bloc by China.<sup>63</sup>

India's economic engagement in the Indo-Pacific has also come under the scanner due to Modi's domestic economic policies. The slowing down of the Indian economy has not only called into question India's attractiveness as an investment destination but has also revealed autarchic tendencies within. In the year under review New Delhi appeared to have come to the conclusion that its free trade agreements with ASEAN countries had been detrimental; hence New Delhi's attempt to revision them. The situation has been worsened by Modi's domestic politics, which have created some heartburn among Muslim-majority ASEAN states. Malaysia and Indonesia have criticised both the hollowing out of Article 370 and the introduction of the CAA. Compared to its «Act West» policy, India's «Act East» policy delivered only modest results in 2019.

Within India's foreign policy framework of multi alignment, the role played by the European Union as a body and some major European countries – Germany, France and Great Britain – appears to be increasingly important. Three factors have contributed to strengthening these relation. First, both sides feel that the growing tensions in the Sino-US relationship will result in a new Cold War, marginalising their interests and influence in global politics.<sup>64</sup> Second, the rise of protectionism in the US, along with President Trump's war against multilateralism, has reinforced the need for a new strategic relationship between India and Europe. For New Delhi, a new trade relationship with the European Union can help off-set some of the problems accruing out of Trump's protectionist trade policies. Lastly, Many

61. Yogesh Joshi, 'Singapore, India and Thailand Trilateral Naval Exercise and Maritime Security in the Bay of Bengal', *ISAS Brief No. 700*, 20 September 2019.

62. Yogesh Joshi, 'Quad Foreign Ministers' Meeting Sends a Clear Signal to Beijing', *ISAS Briefs*, 3 October 2019.

63. Rezaul H. Laskar, 'Disappointed but understand India's move, say Asean states', *The Hindustan Times*, 6 November 2019.

64. Rajnish Singh, 'The Future of EU-India Relations', *The Parliament Magazine*, 27 January 2020.

European states are becoming increasingly concerned that, given China's massive and growing economic weight, the relationship with the Asian giant could limit their freedom of action sometime in the future. Accordingly, the development of the economic connection with India – which is seen as the other rapidly growing Asian economy – is considered by the EU and the major European states as introducing another main player on a chessboard that, otherwise, would be dominated by China. For Brussels, India presents the «best bet to stay relevant in Asia».<sup>65</sup> Confirming these perceptions, India and the European states have focussed on strengthening their bilateral relationship along three main dimensions: defence and foreign policy, cooperation on global challenges, and finally, the trade relationship between India and the EU.

Aware of this situation, Prime Minister Modi has actively pursued a closer cooperation with some European states. In August 2019, Modi visited France for the annual bilateral summit and held extensive consultations with President Emmanuel Macron. The two sides signed agreements on the Joint Maritime Domain Awareness Mission and Roadmap of Cybersecurity and Digital Technology.<sup>66</sup> Both during Modi's official visit and also in the UN Security Council France offered its steadfast support to Modi's decision to revoke Kashmir's autonomy. France also views India as a preferred security partner for its own Indo-Pacific strategy.<sup>67</sup> The two sides had already signed a logistics sharing agreement in 2018. The growing maritime engagement was visible in the enlarged scope of their annual naval exercise in May 2019, when French and Indian aircraft carriers, along with Indian and French nuclear submarines, participated in the training.

If India's relations with France progressed smoothly and positively in 2019, those with the UK were more uneven. In early 2019, India rejected London's constant appeal not to support the Mauritian claim over the islands of Diego Garcia in the United Nations. The revocation of Article 370 and the introduction of CAA have also created blowback in the UK's domestic politics, especially on the part of the Liberal Party. Yet, the conservative victory in the British general elections has brought a more supportive government to power at the Westminster. Prime Minister Boris Johnson views India as a significant strategic and economic partner and has expressed his willingness to work with Prime Minister Modi to further India-UK commercial relationships.

66. Government of India, Ministry of External Affairs, India-France Joint Statement on Visit of Prime Minister to France, 22 August 2019.

67. Britta Patterson, 'Growing beyond the Bilateral'.

<sup>65.</sup> Britta Patterson, 'Growing beyond the Bilateral', ORF, 26 August 2019.

### 4. India and the «great game» between the US, China and Russia

Perhaps for the first time after the end of the Cold War, the world is witnessing a fundamental change in the global political order. After almost two decades of US unipolarity, the 2008 financial crisis allowed China to increasingly assert its rising power in the international system. China's rise in the past decade has not only eroded the US unipolarity, but most political pundits agree that the world has already entered a bipolar phase characterized by the contraposition between a declining US and a rising China.<sup>68</sup> The current shift in global politics is enormously consequential for India's position in the world. Today, New Delhi confronts a hostile great power in its immediate neighbourhood: China. Even during the Cold War, India was not only geographically distant from, but also held no fundamental clash of interests with the great powers. China's rise has brought great power politics at India's doorsteps.

As already noted, India's growth in the global system occurred during the period of US unipolarity. The American policy of «benign altruism» not only favoured India's integration in the global economic order, but, after resisting it for a long time, under President George W. Bush, it decided to accept it as a legitimate Nuclear Weapons Power, helping its assimilation in the global nuclear order.<sup>69</sup> The rise of China, however, has not only weakened American hegemony; it has also called into question the liberal global order supporting India's growth. Domestic disarray in American politics provides the impression that America has lost both the capacity and resolve to lead the world precisely when China's rising power is challenging it. Under Trump, America has become much more inward looking and seeks specific reciprocity in its engagements with other states. This has become evident in the US relations with Western Europe and East Asia, as well as India.Recently, the current strategic flux is creating new fault lines in the international system and engendering new networks of alliances.<sup>70</sup>

The downturn in Sino-American and US-Russian relations has invigorated unique power balances such as the Sino-Russian entente. Russia's growing strategic closeness with China has created an alignment of interests between the world's revisionist powers who seek to challenge the present US-centred global order.<sup>71</sup> Particularly relevant from the viewpoint of this analysis, the entente between Russia and China has created significant challenges for Indian foreign policy. New Delhi had always treated Russia

68. Rajesh Rajagopalan, 'India's Strategic Choices; China and the Balance of Power in Asia', *Carnegie India*, 14 September 2017.

69. Robert D. Blackwill & Ashley Tellis, 'The India Dividend: New Delhi Remains Washington's Best Hope in Asia', *Foreign Affairs*, Vol. 98, No. 5, 2019.

70. Torri, 'India 2018', pp. 308-09.

71. Angela Stent, 'Russia and China: Axis of Revisionists?', *Brookings Institution*, February 2020.

as an independent pole in the global system and a reliable partner in its quest for strategic autonomy. If Russia's growing closeness with China has left its independence suspect, its hostile relationship with the US has complicated India's relations with Moscow.<sup>72</sup> Managing these global shifts of power and the triangular relationship between the US, China, and Russia has become a real headache for Indian foreign policy. Though it has always been difficult for New Delhi to walk the diplomatic tightrope between the US, China, and Russia, how did Indian foreign policy manage this triangular competition in 2019?

Modi's policy vis-à-vis China has elements of both conflict and cooperation. The main contention between the two countries remains their unresolved border dispute along the Himalayan frontier. The two sides have frequently reiterated their allegedly genuine desire to negotiate a solution, while maintaining calm on the border through various «confidence building measures». Nonetheless, New Delhi appears convinced that Beijing uses the border dispute as leverage and has little interest in resolving the conflict.<sup>73</sup>

China's growing military power across the border - with major amassment of firepower and improvement in military logistics - has made New Delhi extremely jittery.74 The Sino-Indian security dilemma is further intensified by India's growing strategic partnership with the US and China's «all-weather» friendship with Pakistan. For New Delhi, the biggest obstacle in improving the bilateral relationship remains China's unwavering diplomatic, economic and military support to Islamabad. India's revocation of Kashmir's autonomy and Modi's aggressive policies towards Pakistan have further strengthened the Sino-Pakistani alliance. In 2019, these fault lines accentuated, as shown by Beijing's diplomatic initiative against India's Kashmir policy in the UNSC as well as its support for Islamabad during the Financial Action Task Force (FATF) deliberations in Paris.<sup>75</sup> China, too, is increasingly feeling anxious about the growing momentum in Indo-US relationship. Weaning India, away from an explicit alliance with the US, is Beijing's primary objective.<sup>76</sup> The resurgence of Quad has once again intensified the Sino-Indian competition in the Indo-Pacific.77

72. Tanvi Madan, 'Between a Cold War Ally and an India-Pacific Partner: India's US-Russia Balancing Act', *War on the Rocks*, 16 October 2019.

73. Tom Hussain, <sup>T</sup>Is China turning up heat on India through Pakistan flank amid Doklam standoff?', *SCMP*, 21 July 2017.

74. Yogesh Joshi & Anit Mukherjee, 'From Denial to Punishment: The Security Dilemma and changes in India's Military Strategy towards China', *Asian Security*, Vol. 15, No. 1, 2019, pp. 25-43.

75. Ivan Lidarev, '2019: Reviewing a Passable Year in India-China Relationship', *The Diplomat*, 4 January 2020.

76. Yun Sun, 'China's Strategic Assessment of India', *War on the Rocks*, 25 March 2020.

77. '«The Quad» will meet in Singapore – can it balance China's influence or is it «stoking a new cold war»?', *SCMP*, 15 November 2018.

Despite such continuing tensions, as has been the trend in yesteryears, Modi has continued to engage Beijing for a rapprochement in the Sino-Indian relationship.<sup>78</sup> On 11 and 12 October 2019, Chinese President Xi Jinping and Indian Prime Minister Narendra Modi met for their second informal summit in India's coastal town of Mamallapuram (also known as Mahabalipuram). Modi and Xi not only represent Asia's biggest economic and military powers but are also perceived as influential nationalist leaders by their domestic constituencies. The series of such informal summits began in April 2018, when Modi and Xi met in Wuhan in Central China.<sup>79</sup> The backdrop was a two-month-long stand-off between the Indian and the Chinese military in the summer of 2017 at Doklam, their worst military crisis in recent memory. The expectation was that Modi and Xi, by conducting these informal summits, could bring to bear the influence of their strong personalities on the trajectory of Sino-Indian relations.<sup>80</sup>

The October 2019 meeting came in the wake of rising diplomatic tensions between the two countries over India's revocation of the Kashmir's autonomy and China's support to Pakistan's position in the UN Security Council. Modi's controversial move rattled both China and its long-time all-weather ally, Pakistan.<sup>81</sup> Beijing's initial reaction was to ensure that India's actions would not alter the status quo of the Sino-Indian border. However, China's position quickly became one supporting Pakistan's claims that Modi's decision was both illegal and illegitimate. China forced the UNSC to discuss Kashmir in a closed-door meeting; UNSC last discussed Kashmir in 1964-65.<sup>82</sup> When Pakistani Prime minister Imran Khan visited Beijing, just before the Modi-Xi summit, President Xi reiterated China's support to Pakistan on Kashmir, casting a shadow on the October summit.<sup>83</sup>

China is India's biggest trading partner; the total trade between the two countries stands at US\$ 90 billion. However, India suffers from a large trade deficit as Chinese goods constitute almost 70% of the total trade. India has often complained about China's protectionist trade policies; Indian companies have usually found it challenging to penetrate the Chinese markets. President Trump's trade wars have given both China and India new reasons to resolve differences. America's protectionist trade policies in-

78. Torri, 'India 2018', pp. 300-301.

79. Ibid., 297-298.

80. Yogesh Joshi, 'Xi Jinping and Narendra Modi met again this month. Here are the four things to know about Sino-Indian relationship', *The Washington Post*, 22 October 2019.

81. Asfandyar Mir, 'Here's how India's Decision to cut Kashmir's autonomy will affect South Asia- and the world', *The Washington Post*, 9 August 2019.

82. 'UN Security Council discusses Kashmir, China urges India and Pakistan to ease tensions', UN News, 16 August 2019.

83. 'China paying close attention to situation in Kashmir: Xi Jinping tells Imran Khan', *Press Trust of India*, 10 October 2019. centivise robust trade between the two countries as both India and China want to off-set losses accruing from Trump's trade wars. However, politically sensitive issues such as Huawei's investment interest in India and India's reluctance to join China-led Regional Comprehensive Economic Partnership (RCEP) continues to be a bone of contention.<sup>84</sup>

In this situation, the Modi-Xi October summit once again failed to make any breakthrough concerning the border problem. Mamallapuram, as Wuhan before it, may help India and China to keep their rivalry manageable. However, the Modi-Xi dialogue cannot be an end in itself; conversation without substantive results may only accentuate the prevalent distrust in Sino-Indian relations.

The emerging fault lines between India and China are further accentuated by the gradual shift in Russian grand strategy. The growing rift between the US and Russia on the one hand and the emerging Sino-Russian entente, on the other, has fundamentally altered India's geopolitical landscape for a couple of reasons.<sup>85</sup>

The first reason is that, for long, India considered Moscow an independent pole in international politics. Russia's embrace of China will fundamentally alter the regional balance of power in Asia. The signs of this embrace are conspicuous and its implications for India ominous. Moscow has supported Beijing's BRI and asked India to withdraw its reservations. It has also started supplying top-end military equipment to China. Moscow has also expressed serious reservations on India's involvement in the Indo-Pacific strategy, which it considers as an American construct to contain China and continue US hegemony in the Asia-Pacific. If historically Moscow has unequivocally supported India on Kashmir, in recent times Russia stand has been more ambiguous.

The second reason behind the Russia-caused alteration of India's geopolitical landscape, is that, if the Sino-Russian entente continues to strengthen, India's policy of multi alignment will come under severe strain. India's «diversification strategy» aims to reduce its overdependence upon any one of the great powers. However, China's rise, coupled with Moscow's tilt towards Beijing, will force India into a tighter embrace with the US. Modi's overall strategy vis-à-vis Moscow has been to try to slow the intensification of Sino-Russian entente on the one hand and to mediate between US and Russia on the other.<sup>86</sup> While doing this, and irrespective of the growing closeness of Indo-US strategic partnership, Indian foreign policy has worked hard to maintain the special relationship with Russia.

84. Amitendu Palit, 'RCEP and India: High Stakes and Costs', *ISAS*, Issue Brief No. 711, 14 October 2019.

85. Aleksie Zhakarov, 'Friends in need: Whither the Russia-India Strategic Partnership', *IFRI*, October 2019.

86. Manoj Joshi, 'India's strategy in the China-Russia-USA Triangle', *ORF*, 20 December 2019.

Keeping these objectives in mind, Modi has continued its outreach to Moscow. In September 2019, Modi travelled to Vladivostok for the 20<sup>th</sup> Indo-Russia bilateral summit.<sup>87</sup> During the summit, the two sides signed 15 bilateral agreements in areas such as Trade and Investment, Defence Cooperation, Road Transport, and Cooperation in Oil and Gas exploration. Though Modi's visit to Vladivostok coincided with the 5<sup>th</sup> Eastern Economic Forum, where he was invited as the chief guest, India-Russia relationship remained highly skewed with defence cooperation informing the bulk of their bilateral transactions. In 2014-2018, 58% of India's defence needs were supplied by Russia. India's overall military dependence on Russia has decreased in the last decade, primarily because of New Delhi's diversification strategy. However, Russia remains the primary supplier of both legacy platforms and cutting-edge defence equipment such as S-400 Missile Defence System and nuclear submarines which are hard to procure from any other source. However, such overdependence on the defence relationship has proved detrimental for the overall strategic partnership.

Both India and Russia are slowly realising the need to correct this one-sided nature of their bilateral relationship by strengthening by diversifying their economic collaboration. During Modi's visit to Vladivostok, the two sides agreed on a revised economic roadmap which would help the two countries to increase the bilateral trade to US\$ 30 billion by 2025. If India and Russia seek to sustain their strategic partnership, developing meaningful economic cooperation beyond the buyer-seller defence relationship is a must.

Under Modi, India has made its strategic choice quite apparent. Modi has been unequivocal in its embrace of the United States as India's preferred strategic partner. Though no government in New Delhi will ever accept a relationship of alliance with the US, Modi has been unapologetic about the centrality of the US in India's foreign policy. Modi has also made a strategic calculation that, irrespective of Trump's idiosyncrasies, his penchant for protectionism, and his increasingly irresponsible treatment of allies and strategic partners, the US remains the best bet for realising India's security and economic goals. He has purposefully massaged Trump's ego, as evident in the «Howdy Modi» event (22 September 2019), where he openly rallied in favour of Trump's re-election campaign among the fifty thousand odd Indian-American audiences in a football stadium in Houston, Texas.

Modi's unabashed embrace of Trump was particularly surprising in the light of some severe setbacks in the Indo-US relationship in the first half of 2019. A few days into Modi's re-election, the US announced the termination of preferential tariffs of almost US\$ 6 billion to Indian exports. The announcement came in the wake of an executive decision taken in

<sup>87.</sup> Government of India, Ministry of External Affairs, India - Russia Joint Statement during visit of Prime Minister to Vladivostok, 5 September 2019.

March 2019, withdrawing the special duty benefits allowed to India under the Generalised System of Preferences (GSP).<sup>88</sup> This decision briefly led to a trade war between the two countries, with India retaliating by imposing tariff duties on 28 US products, primarily in the agriculture sector. The trade deal between the two countries remained elusive even after extensive negotiations. Trump's impulsive declaration to mediate the Kashmir conflict between India and Pakistan also created some severe heartburn in New Delhi. US decision to withdraw from Afghanistan without extensive consultations with New Delhi was a sore point in the bilateral relationship.<sup>89</sup> Irrespective of these setbacks, the trajectory of US-India relations remained ascendant.

As Ashley Tellis has argued, «Modi's courtship of Trump» has been aided by the American penchant to confront China and its «Free and Open Indo-Pacific» strategy.90 2019 saw the two sides further cementing their strategic relationship. In December 2019, the 2+2 Ministerial Dialogue, involving the Foreign and Defence ministers of the two nations, took place in Washington. The dialogue resulted in expanded cooperation between the Indian Navy and the US Indo-Pacific Command, Central Command, and the Africa Command. The exchange also formalised the first-ever US-India tri-service amphibious exercise, codenamed «Tiger Triumph», to be repeated annually. Both sides also agreed to emplace liaison officers in the US Central Command and the Information Fusion Center for the Indian Ocean Region. Lastly, India and the US signed an industrial exchange Annexe, which will further intensify their cooperation in the joint manufacturing of defence products. Modi has also used India's expanding military imports to satisfy Trump's desire to help the US economy grow. The purchase of defence equipment from the US not only allows India to beef up its military preparedness but also caters to Trump's domestic political agenda. In 2019 alone, India agreed to buy or negotiated the purchase of over US\$ 7 billion worth of military equipment from the US, including combat drones, maritime surveillance aircraft, transport and combat helicopters, and limited missile defence systems.<sup>91</sup> Against a backdrop of trade disputes, defence partnership has become the engine driving Indo-US relationship.

<sup>88.</sup> Kritika Suneja, 'Donald Trump terminates preferential trade status for India under GSP', *The Economic Times*, 1 June 2019.

<sup>89.</sup> Harsh V. Pant, 'India's dilemmas in Afghanistan', ORF- Observer Research Foundation, 2 August 2019.

<sup>90.</sup> Ashley Tellis, 'The Surprising Success of the US-Indian Partnership', Foreign Affairs, 20 February 2020.

<sup>91.</sup> Manjeet Singh Negi, 'India to sign over \$7 billion defence deal with US to procure combat drones, spy aircraft', *India Today*, 17 November 2019.

# 5. Conclusion

If in 2018, the Indian foreign policy was focussed entirely on managing the emerging triangular strategic competition between the US, China and Russia, Modi's mismanagement of Indian economy and his domestic agenda of political polarisation grievously injured India's foreign policy in 2019. As this article illustrated, Modi's divisive politics has not only undermined India's national unity but also negatively impacted its relationship with its neighbours. India's economic underperformance, coupled with the rise of Hindutva, has fundamentally questioned India's leadership claims in the region. Its foreign policy lacks both hard and soft power resources. India is neither wealthy enough like China to lead South Asia's economic integration nor is it sufficiently principled to claim moral leadership in the region. Modi has been successful in consolidating India's relationship with three major middle power regions - the Middle East, the Indo-Pacific and Europe. However, a divided domestic polity and internal fissures have not only raised serious question marks over the future of liberal democracy in India but also forced the Ministry of External Affairs to expend its already overstretched resources in fire-fighting the international criticisms of the Modi government. From the UNSC to the United Nations Human Rights Commission (UNHRC), Modi's divisive domestic agenda has made New Delhi a target of several multilateral institutions. At the end of the day, the most significant fallout of India's internal troubles is the weakening of its national security strategy. At a time when global politics is going through a significant strategic realignment, New Delhi appears to be highly distracted. Rather than preparing India for the ensuing economic and security challenges, Modi has put the ideology of Hindutva in charge of India's future. Though India's strategic partners have bailed her out in the short term, the material and normative losses are tremendous. How Modi will resuscitate India's ailing economy, recuperate its injured and polarised body-politic, and reclaim its moral leadership in the region and the world would fundamentally determine New Delhi's rise in the global system. It will also be Modi's most important legacy for Indian foreign policy.