

India's Foreign Policy: Lessons from Brexit and other Related Issues

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A nation's foreign policy is strongly influenced by the imperatives of its neighbourhood, its strategic environment, and the perception of its own status in the international community. India's extended neighbourhood, which some analysts define as one of widening concentric circles around a central axis of historical and cultural commonalities, is an appealing definition, and the only rational mean of demonstrating India's future great power status.

Permanent membership of the Security Council flows as a natural concomitant as well as its legitimate right and obligation to ensure international peace and security in an extended regional neighbourhood as well as in the Indian Ocean. In the meantime, India is proactively pursuing a vigorous multi-lateral agenda based on its national security templates, at a time when the world is facing these new challenges. In doing so, India is aware that its decisions in these areas have a major global impact in an interlinked world. As a founder Member, India views the UN as a forum that could play a crucial role to guarantee and maintain international peace and security. This has not been an easy task, with many new and emerging challenges. India has worked with other partners to strengthen the UN system to combat new global challenges, handle the situation in the Middle East, international terrorism, and terrorist groups operating in its neighbourhood, piracy, and maritime security, etc.

Even under colonial rule, India maintained semi-autonomous diplomatic relations, and was a founder member of both the League of Nations and the

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United Nations. India strongly supported de-colonisation movements bilaterally and through the UN. India was one of the countries that forced apartheid South Africa out of the UN. The end of the Cold War impacted India's foreign policy since India now had to deal with a uni-polar world, and the decline of the Nonaligned Movement. India sought new strategic partnerships with the USA and the EU on the one hand as well as with the emerging economies, notably Brazil and South Africa, on the other. India continued to develop its relations with the Russian Federation with whom it had a strong military relationship. Israel soon emerged as India's second largest source of military supplies. At the same time, India tried to develop relations with its neighbours, through SAARC and bilaterally.

Since Independence, with the world divided into two hostile blocs, India's political leadership decided that developing and newly decolonised countries needed to be arbiters of their own destinies, and not be aligned to any bloc. This led to the establishment of the Non-Aligned Movement (NAM). The principles of nonalignment were called 'Panchsheel', and would become the core ideology of the Non-Aligned Movement. They were:

- Mutual respect for each other's territorial integrity and sovereignty
- Mutual non-aggression
- Mutual non-interference in domestic affairs
- Equality and mutual benefit
- Peaceful co-existence

With the end of the Cold War, India had to rethink its foreign policy directives based on its definition of strategic autonomy and its national security interests. Although nonalignment was never formally set aside, there was a reformation of the core pillars of India's foreign policy in actual terms, including building new bridges and establishing new strategic partnerships. Examples are its Look East policy, enhanced relations with ASEAN, promotion of sub-regionalism through BIMSTEC, and its strategic partnership with the USA, and the EU. This resulted in the development of new strategic paradigms in Asia, and new challenges in managing relations with our neighbours.

Today, India has formal diplomatic relations with almost all nations, except a few where governance is to be established or whose governments have not been recognised by the United Nations. India does not recognise Kosovo or the TRNC (Turkish Republic of Northern Cyprus). A nation of 1.3 billion people, India is the world's largest democracy, and will soon become the world's third largest economy, with a US\$ 2.7 trillion plus economy expected

to become US\$ 10 trillion by 2020.¹ A strong candidate for Permanent Membership to the Security Council, India is a nascent global player and a potential superpower. India has growing international influence and a prominent voice in global affairs. India is a member of important regional groupings, including BRICS, IBSA, SAARC, and BIMSTEC, G20, WTO and IMF. India is a full dialogue partner of ASEAN. India has taken part in several UN peacekeeping missions, and is the second-largest troop contributor to the United Nations.

The Modi Doctrine

A nation's foreign policy is based on its national and external security imperatives which, in a democracy like India's, are decided by the Parliament. To that extent, there has been continuity in our foreign policy, based on changing imperatives, since 1947. There have, however, been shifts in certain policies by successive Governments. The foreign policy of Prime Minister Modi is sometimes referred to as the 'Modi Doctrine'. Basically, it concerns the policy initiatives made towards India's other strategic partners by the current Government after the Prime Minister assumed office on 26 May 2014. His foreign policy is currently focused on improving relations with neighbouring countries in South Asia as well as engaging the extended neighbourhood in Southeast Asia and the major global powers, such as USA, China and EU. There have been efforts to recalibrate our relations with the Russian Federation. India has also decided to strengthen its Look East policy.

Initially, one major policy initiative was to focus on India's immediate neighbourhood. All Heads of States and Governments of South Asian countries were invited to Prime Minister Modi's inauguration. There were significant gains with some of our neighbours, notably with Bangladesh. Great efforts were made to put the India-Pakistan relationship back on track, though these efforts were not successful because of internal developments within Pakistan.

In the Indian Ocean Region (IOR), and in order to counter the recent moves made by China on OBOR, India started to reach out to its maritime neighbours in the IOR with proposals of enhanced economic and security cooperation. India's 'Project Mausam' could be our counter to the Silk Route initiative. Mausam depicts the monsoon winds which brought ships and traders from ancient times to the colonial period to India's historic Coromondal Coast and onwards to Bengal on the one hand, and to Gujarat on the other.

In addition, the State Government of Kerala is developing the Spice Route with support from the Central Government. Both focus on India's historic trade and cultural linkages, and emphasise future maritime cooperation in the Indian Ocean region.

The Modi doctrine includes extensive interaction with India's vast Diaspora - the world's second largest - and the utilisation of India's soft power. India's culture and civilisation constitutes its 'soft power'. This soft power, as disseminated through her inclusive cultural and civilisation heritage across millennia, demonstrates that the values of tolerance, inclusiveness, and cross fertilisation of cultures which are an intrinsic part of our civilisation are more important than ever before in today's troubled world. India's heritage is present in distant parts of the world, taken by Indians by sea or by land from ancient times. With the contribution of and partnership with its huge Diaspora, Indian culture has emerged as a force to connect, to build relations, and to heal the ruptures created by history and politics. As cultural actors, India's Diaspora is increasingly challenging the territorial limits that nation states impose on culture. Thus, it is using soft power to demonstrate India's unique global legacy, and demanding that all States use their borders as bridges rather than as barriers.

Pillars of India's Foreign Policy

Bilateralism versus multilateralism: India at the United Nations

India has mainly pursued the bilateral approach in its relations with its neighbours, although we have also attempted to cooperate constructively through regional organisations such as SAARC. The engagement through SAARC has been a limited success due to the complex India-Pakistan relationship. However, other regional initiatives, including the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the Indian Ocean Rim Association (IORA), and the Bangladesh-China-India-Myanmar (BCIM) economic corridor mark more successful attempts of India's efforts to engage with neighbourhood and regional fora.

At the United Nations, India's multilateralism has been a notable success. India was an original signatory and strong supporter of the Universal Declaration on Human Rights on 10 December 1948 which, when adopted by General Assembly, in its preamble, established "a common standard of achievement for all peoples and nations".² Permanent membership of the Security Council is an important and legitimate aspiration for India in order to

play its rightful role in the maintenance of international peace and security. In its quest for global peace and security, India has played a leadership role in the United Nations General Assembly and in the Security Council. India has been a non-permanent Member of the UN Security Council seven times: 1950–51, 1967–68, 1972–73, 1977–78, 1984–85, 1991–92 and 2011–12. In 2011–12, India received 188 of the 190 votes in the UN General Assembly. India chaired the Security Council in 2012. India was one of the first countries to raise the issue of apartheid in South Africa at the United Nations, and was one of the earliest signatories to the Convention on the Elimination of All Forms of Racial Discrimination.³

India and the Quest for Permanent Membership of the Security Council

The UN Security Council does not reflect current political realities. India's credentials for permanent membership are well documented and recognised. A country of 1.3 billion, India is the world's largest liberal democracy based on the rule of law and human rights. Its economy is currently around US\$ 2.7 trillion, and it has also developed a credible nuclear deterrence based on no-first-use. India has an independent capability to place satellites in orbit, including the production of the necessary launch vehicle.

Further, India is also the largest troop contributor to UN peace keeping operations, having contributed 1,60,000 troops to 43 of 65 of UN peace keeping operations. More than 160 Indian defence and police personnel have laid down their lives serving under the UN blue flag. At present, the Indian Armed Forces are part of 7 of the 14 ongoing UN peace keeping missions. The first deployment of Indian Armed Forces was during the Korean War in the 1950s. Other operations include Indo-China, Congo, Mozambique, Somalia, Rwanda, Angola, Sierra Leone and Ethiopia. Today, "India has over 8,500 peacekeepers in the field, more than twice as many as the U.N.'s five big powers combined."⁴

India has worked closely with other like minded nations for Security Council reform. In 2007, the General Assembly unanimously adopted the platform of Inter-Governmental Negotiations for this purpose. In 2008, the General Assembly unanimously agreed on the five specific interlinked areas of negotiations, including on the question of the veto. In September 2015, the 69th session of the General Assembly unanimously adopted the then President of the GA Sam Kutesa's document contributed to by 122 countries as the basis for text-based negotiations. The next logical step is a resolution to be adopted to amend the UN Charter, so that the Security Council becomes "more broadly representative, efficient and transparent and thus to further enhance its effectiveness and the legitimacy

and implementation of its decisions.”⁵ India is working with other interested delegations to achieve this objective.

Lessons from Brexit and Related Issues

With the end of the Cold War and the collapse of the then USSR, India's foreign policy faced many new challenges. India was expected to play an important role in an emerging multi-polar world. Multi-polarity is based on the classical European political theory of balance of power. It implies a distribution of power in which more than four nation-states have nearly equal amounts of military, cultural, and economic influence. This, according to some European political scientists, would ensure that in times of crisis, international decisions are crafted for strategic reasons to maintain a reasonable balance of power.

India was wary of the theory of ‘balance of power’, so dear to classical European diplomacy of the time. There was a lack of consensus between the two sides on the definition of multi-polarity versus balance of power. With the economic meltdown in the USA and the sovereign debt crisis, policymakers worldwide referred to the decline of the West, the rise of Japan, and the shift of economic power to the East. Indian leaders were of the view that the time was not yet opportune for India to ally with the West.

Divergent perceptions about the role of Europe and India in triangular relationships involving Europe, the USA and India or China, India and Russia made the task more complicated. The European view of India and EU being independent poles competing with the USA did not fit in with India's new strategic paradigm. To India, USA was not a competing pole. It was a supportive pole. Today, the strong US-India strategic partnership remains a challenge to be overcome for the EU.

What about Brexit? For those who predicted that Brexit was the beginning of the end for the EU, it is clear the unity demonstrated by the EU in the Brexit negotiations remains a convincing indicator that it is a long way from disintegration. It is the UK that stands disunited and at the crossroads.

Brexit was like a global tsunami. Neither Europe nor India was prepared for the impact of Brexit, with pollsters confidently predicting a ‘no’ vote. United Kingdom is a valued strategic ally of India, and an important economic partner. India would need to learn to manage its relations with the EU without the UK. Brexit seemed to be a challenge to the India-EU strategic partnership. Politics in the UK reveal a stalemated society and politics, deeply and bitterly divided between those who support and those who passionately reject the decision to leave the EU. Voting to leave was much easier than actually leaving.

The Economist (February 2017) had pointed out: “Brexit is May’s paradox”.⁶ The reason is that the liberal vision of a pro-Brexit future in which the UK embraces free trade and lower taxes was strongly opposed by those who voted for Brexit, since the pro-Brexit camp also voted against free trade and globalisation. *The Economist* (March, 2017) underlined the difficulties in reconciling the conflicting demands of a ‘hard’ versus a ‘soft’ Brexit. Both the ‘leave’ and ‘remain’ voters support free trade and many other advantages of EU membership; but they also favour tougher controls on migration from the EU. These differences divided both Conservatives and Labour, and now threatens to split the ruling Conservative Party. There is no doubt that Brexit will mark a watershed in the history of so called ‘European unity’.

The complex issue of Gibraltar and its status after Brexit as well as the Irish border issue has cast a long shadow over the complex and heated negotiations. Initially, Donald Tusk, President of the European Council, had inserted (in the draft Brexit guidelines) a provision that any future trade deal with the UK would apply to Gibraltar only if Madrid agreed. Spain has objected to British sovereignty over Gibraltar ever since it was conceded in the Treaty of Utrecht in 1713. May’s capitulation on this issue has been interpreted by her domestic adversaries as a national sell out.

The deal, arrived at after 524 days of negotiations, has to be put to the UK and European Parliaments for ratification ahead of Britain’s withdrawal on 29 March 2019. There is a 585-page withdrawal agreement, which will form the basis of a legally binding treaty, and a 26-page political declaration on the future relationship. The second document, which is not legally binding, politically binds both sides to some basic parameters in future talks. This has been interpreted as impacting UK’s sovereignty. It would appear that May has been out manoeuvred on all major issues, including citizen’s rights, the £39 bn divorce deal, and the issue of a soft border between Northern Ireland and the Republic of Ireland after Brexit.

The deal safeguards rights for more than 3 million EU citizens in the UK, and over 1 million UK nationals in EU countries to stay and continue their current activities in the place in which they have made their home. All those arriving to live in the UK at any point up until the end of the transition period - which could last until the end of 2022 should it be extended - will enjoy the rights that EU nationals have today to make Britain their home, to live, work and study.

The divorce costs are heavy. The UK would need to pay about £39 bn to cover its contribution to the EU budget until 2020, and accumulated other

outstanding commitments, such as pensions for EU officials.

The most contentious issue is the so-called backstop, a contingency plan in case future trade talks fail on the Irish border issue. Brexit supporters are furious, noting that it leaves the UK within the EU, but without a say on policy. May remains defiant, insisting that the UK is not bound to a customs union.

There is no doubt that Brexit is a challenge. Whether it is an opportunity remains to be seen; but this appears unlikely. What are the stakes for India in this background of intense speculation on the impact of Brexit on India-EU business relations as well as on the India-UK partnership? With •72.5 billion worth of India-EU trade, and •19.4 billion of India-UK trade at stake, all partners need to think through this issue carefully in the business and commercial context. India enjoys a positive trade surplus of around US\$ 3.64 billion in 2015 with the UK. The depreciation of the British Pound will affect exporters and importers.

If in terms of the final Brexit agreement, Indian business in UK is denied access to the EU market, the result would be the flight of Indian business from UK to Europe. A hard Brexit would inevitably impact more than 800 Indian companies in the UK in crucial sectors of the British economy. These companies reportedly generate more than 110,000 jobs as well as flows of tourism and business from India to the UK. In this background of intense speculation on deal or no deal, there is no doubt that if May cannot push through this final deal through Parliament, the UK will leave without a deal. This will impact the India-UK economic partnership, with •19.4 billion of India-UK trade at stake and the more than 400 Indian companies in the UK.

Some have argued that the UK's exit from the EU represents a win-win situation for India. They remain of the view that India could fill the trade gap with regard to manufactured goods. This seems unlikely. The current anti-foreign sentiment in the UK complicates the negotiations. India's largest Diaspora outside mainland Europe who voted overwhelmingly in favour of remaining within the EU fear for their future in an UK cast adrift in the world.

The Indian Ministry of Commerce confirmed in mid-2017 that India and the UK could work on a FTA only after the latter is officially out of the EU.⁷ The Commerce Ministry then commenced an internal 'audit' and analysis of the trade issues with the UK in anticipation of the negotiations. The content of a future India-UK trade agreement would depend on the kind of deal and

terms of exit that the UK will negotiate to finalise Brexit. The UK cannot sign a trade agreement with India as long as it remains a part of the EU. The situation is complex since India would insist on the inclusion of Mode 4 (Mode 4 covers the temporary movement of natural persons) in a post Brexit scenario.

The reality is that if the UK is interested in concluding a trade deal with India, it would need to demonstrate flexibility on Mode 4, and open up to immigration. Britain's strength is in services, particularly banking and related professions like accountancy as well as insurance. India currently accounted for only 1.6 percent of all insurance premiums despite its huge population. India's insurance sector continues to be highly protected, and is unlikely to be accessible to the UK in any future bilateral FTA with India. The UK economy, without the rest of the EU, represents a middle level economy, far smaller than India's almost 3 trillion dollar economy. For the deal to be attractive to India, with the EU now a much larger trading partner, the UK would need to make concessions. This appears to be a difficult deal. The UK is reportedly now very keen on finalising a trade deal with India as the Brexit separation date approaches.

According to informed sources, India will refuse to give a separate dispensation to the UK in areas within the EU's competence. From India's perspective, Brexit has made Europe appear to be in crisis mode. Clearly, this is a narrative still in the making with high stakes for all - India, UK and Europe. If responses are based only on national security templates, the global economy risks being seriously impacted. In the event of a harmful deal - that is, harmful to either side, or no deal - the repercussions will be global, not national. Brussels will be blamed as much as London.

Brexit remains a fundamental challenge for the unity of Europe. Brexit has re-ignited the debate about the advantages of regionalism vis-à-vis nationalism. Brexit is a challenge to European ideals which led to the creation of the Union. An acceptable working arrangement would need to be negotiated between the UK and the EU, preferably by the end of 2018. A bad deal is to no one's advantage.

Conclusion

In a global context, foreign policy has come to be a mechanism by which a nation pursues its legitimate aspirations based on its national security interests externally through bilateral and multilateral agendas. We live in challenging times where the World order is being re-shaped because of the perceived

decline of the West and rise of new and powerful emerging States including India on one hand, and because of the threat posed by international terrorism and non-state actors on the other. This is compounded, in India's case, by its hostile neighbourhood where, especially in the context of Pakistan, the issue is how to engage, and how much space to engage. Engagement with Pakistan must continue. We have no other option.

Similarly, with China, India needs to continue to engage and utilise emerging fissures, such as China's increasing discomfort with internal developments in Pakistan and the rise of jihadi groups which ultimately are also an emerging threat to China's restless Muslim provinces. Unfortunately, for the moment, China appears to be in no hurry to settle its border dispute with India. In any future peace agreement, whether with Pakistan or China, sovereignty and self respect are the two important principles to be kept in mind. On the other hand, some give and take is inevitable. Henry Kissinger had famously said that while the Congress of Vienna in 1815 had brought peace to Europe for 100 years, the Treaty of Versailles of 1919 broke down in a short period because, unlike in Vienna, where all parties had been equally dissatisfied with the Agreement, at Versailles only one party, Germany, was so victimised that it had to break the Agreement whenever possible, and sooner rather than later. The Kissinger doctrine has become a vital part of any successful peace agreement.

India is now at the forefront of global political dialogue and discussions. Many of its new global priorities, including Security Council reform, climate change, and global warming as well as the International Solar Alliance (ISA), coincide with the priorities of other strategic partners like the EU. The Solar Alliance, now a group of over 120 nations, once in place, would contribute to India's power projection in the 21st century.

What are India's foreign policy options in such a challenging international scenario? Is there a way forward? Is the problem ideological? India's first Prime Minister, Jawaharlal Nehru, was of the view that India should stay away from 'alliances' and 'arrangements'. Prime Minister Manmohan Singh took this a step forward when he said: "India is too large a country to be boxed into any alliance or regional or sub regional arrangements, whether trade, economic or political." While India may indeed continue to shy away from "alliances," she has to acknowledge that India has become part of a rapidly increasing number of 'arrangements' of differing purpose, cohesiveness, and geographic extension. Each arrangement comes with obligations that impact India's foreign policy options. India may need to rethink its position on alliances. In fact, it has already done so in its partnership with the USA.

There is also the urgent need for India moving centre stage as it becomes a US\$ 10 trillion economy. India needs to urgently address, as underlined by political thinker and analyst Bernd Von Muenchow-Pohl,

the issue of its great power deficit which appears to be less one of ability than of political will ... India remains wary of assuming global responsibilities that might impose limitations on the options available for pursuing its own immediate national interests ... While India is becoming comfortable with its new weight as an emerged power, it does not appear quite ready yet to step up to the plate as a co-manager of the global order.¹

India needs to effectively demonstrate its emerging great power status to its strategic partners who are now anxious to reach out and consolidate a potentially dynamic partnership. If successful, it could alter fundamentally the geopolitics of this millennium.

Notes :

- ¹ <https://timesofindia.indiatimes.com/business/india-business/why-indias-on-the-road-to-becoming-a-5-trillion-economy/articleshow/64630100.cms>, accessed 25 December 2018
- ² <http://www.un.org/en/universal-declaration-human-rights/>, accessed 25 December 2018
- ³ <https://www.ohchr.org/en/professionalinterest/pages/cerd.aspx>
- ⁴ <https://foreignpolicy.com/2011/06/14/india-threatens-to-pull-plug-on-peacekeeping/>, accessed 25 December 2018
- ⁵ <http://www.un.org/en/ga/president/66/statements/scrretreat300312.shtml> accessed on 25 December 2018
- ⁶ <https://www.economist.com/britain/2017/01/21/doing-brex-it-the-hard-way>
- ⁷ <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uk-to-consider-free-trade-pact-after-brex-it/articleshow/58017788.cms>
- ⁸ <https://carnegieendowment.org/2012/05/10/india-and-europe-in-multipolar-world-pub-48038> accessed on 25 December 2018.

