

India's Foreign Policy and Security Challenges: Past and Present

G. Parthasarathy*

India is a country that cherishes and derives its strength from the principle of unity in diversity. Our attire, dance, and music symbolise this unique diversity, as do our cuisine and festivals. All major religions have blossomed in India. The Semitic beliefs of Judaism, Christianity and Islam have been welcomed on our shores. At the same time, our own Indic religions rooted in our soil—Hinduism, Jainism, Buddhism and Sikhism— have developed and grown in harmony. There have, however, been challenges that we have faced - and continue to face - on our land boundaries and our maritime frontiers, across the Indian Ocean to our east and to our west.

India's maritime history began in the 3rd millennium BCE, when the Indus Valley established maritime contacts with Mesopotamia. Following the Roman occupation of Egypt, trade flourished with the Roman Empire, not only on our west coast, but also with Tamil Pandyan Kings. The Chola Dynasty reached out beyond the shores of what is now Tamil Nadu, between the third and thirteenth Centuries. It extended its domains from Sri Lanka to Srivijaya (Indonesia), in Southeast Asia. Similar trade and maritime contacts flourished between the rulers of Kalinga (Orissa) and the kingdoms of South and Southeast Asia, including Myanmar, Indonesia and Sri Lanka.

Across our western shores, Quilon had growing trade links with the Phoenicians and the Romans. Trade with Mesopotamia and the shores of Africa flourished. Further north, the Marathas developed a maritime force that could challenge the ships of European powers like Portugal and Britain, till they inexplicably lost interest in maritime power. Trade flourished from our western shores across the Persian Gulf to the Mediterranean, till European

This article is an updated and revised version of a talk by the author, delivered at the University of Pondicherry on 28 March 2017, under the Distinguished Lecture Series of the Public Diplomacy Division of the Ministry of External Affairs, and is published under arrangement with them, and with their permission.

***The Author** is a former Ambassador of India to Myanmar and former High Commissioner of India to Australia, to Pakistan and to Cyprus.

dominance of our sea-lanes gained ascendancy from the 18th century onwards. Till then, India and China played a significant and even dominant role in world trade. India is estimated to have had the largest economy in the medieval world till the 16th century. English historian Angus Madison has estimated that India's share in world income was then 27 percent, as against Europe's share of 23 percent. After three centuries of European domination, India's share of world trade had fallen to 1.9 percent of the global economy in 1950.

Sadly, any objective analysis will show that, for almost five decades after Independence, our economic performance was dismal. We were overtaken by China not just in economic growth, but also on human development indicators, like literacy, education, and life expectancy. Our performance in all these criteria also lagged behind the fast growing economies of East and Southeast Asia. We lag substantially behind China and our East Asian neighbours in economic progress. Even in South Asia, we rank third after Sri Lanka and Maldives, followed closely by Bhutan and Bangladesh. Pakistan and Nepal then follow. It is now clear that one of the reasons for us lagging behind our eastern neighbours in economic prosperity was our inability to emulate our eastern neighbours, who built theirs on their maritime trade globally.

In 1950, China's share in world trade was 1 percent and India's was 1.9 percent –virtually double that of China. In 2014, our share of world trade had fallen to 1.7 percent while China's had grown to 12.2 percent. This asymmetry has only increased with the passage of time. Worse still, has been our performance in economic indicators. The vast differences in our share of world trade also find reflection in the per capita incomes of the Indians and the Chinese. According to the International Monetary Fund, the per capita income in India is 6.69 percent lower than the world's average. India is ranked 34th in Asia on this score. One of the primary reasons for this dismal economic performance appears to be our less than realistic trade and economic policies, which focus more on autarchic import substitution and the virtual rejection of foreign investment and innovation, rather than building an outward looking, viable, vibrant, and internationally competitive economic base.

While these figures do appear dismal, there is much we can be optimistic about. For the first time, we are not only equalling but also even surpassing the fast rates of growth of our eastern neighbours. In the past two years, India has emerged as the fastest growing major economy in the world. Our balance of payments is healthy, and we are looked upon by the outside world as a growing and vibrant economy, which is becoming increasingly open to

foreign trade and investment. Despite this, one has to acknowledge that there is much scope for improvement on these issues. Major reforms and restructuring are necessary if we are to sustain developments in the coming years.

We are now defining our neighbourhood as extending beyond South Asia, to the Mediterranean and the Gulf of Aden to our West, and to the shores of the South China and East China Seas, across the Straits of Malacca, to our East. Our maritime power is being expanded. By the end in the next decade, we will have the most powerful Asian fleet across the Indian Ocean, with the deployment of 6 SSN and 6 SSN BN nuclear submarines, alongside two or even three aircraft carriers. As we place increasing emphasis on trade, investment, and energy partnerships with countries across both our eastern and western shores, it is now becoming evident that our ties with countries to our east will have to face major challenges as well as opportunities. Ever since economic liberalisation in the 1990s, our effort has been to integrate our economy with the fast growing economies to the east, which have been friendly trading partners with our east coast for centuries. The main challenge we face across our eastern shores is the growing influence and power of China, with whom we have a common but disputed border, prone to periodic tensions.

India should be clear that China is determined that it should be the unchallenged and predominant power in Asia. It will have no inhibitions displaying and deploying its military power to enforce its territorial ambitions. This will be complemented by its attempt to sustain and back regimes in South Asia that view India with suspicion and even hostility. An important aim of Chinese diplomacy has been to lend strong support to regimes which tend to view India negatively, even as it professes to be a benign power which does not interfere in the internal affairs of others. Chinese behaviour in Nepal in recent days is a clear indicator of its intentions on our Himalayan Frontiers.

New Delhi should also carefully take note of Chinese moves to outflank us on our western shores through a network of roads and ports. These Chinese strategic objectives are based on a Silk Road Economic Belt that links China with Central Asia, Pakistan Occupied Kashmir, the Persian Gulf States, Russia, and the Baltic States. Beijing's 21st century Maritime Silk Route, in turn, extends from China's coast to Europe, through the Indian Ocean. China is simultaneously building ports across the Indian Ocean, in Asia and Africa. What India cannot afford to ignore is that while the Maritime Silk Road envelopes both its eastern and western shores, the Silk Road Economic Belt

through Pakistan links up with the Maritime Silk Road Economic Belt and the Indian Ocean, at the Pakistani Port of Gwadar, located at the mouth of the Persian Gulf.

China's overall strategy to "contain" India is augmented by its strengthening Pakistan's conventional, maritime, and nuclear weapons capabilities while acquiring access to naval facilities across the Indian Ocean. Pakistan's nuclear weapons are known to be of Chinese design. The recently acquired capability of Pakistan to make tactical nuclear weapons is based on the Chinese provision of plutonium production and separation facilities. Pakistan now possesses missiles supplied by China, which are capable of targeting all cities across India. China has also embarked on a new effort to strengthen Pakistan's navy by the provision of sixteen warships and submarines.

Our western neighbourhood, in the Persian Gulf, is also going through difficult times. Seven million Indians, who remit back US\$ 50 billion annually, live in this region from where we get over 70 percent of our oil supplies. Protecting our vital interests in this region is imperative. The Indian Ocean Region is now beset with civilisational and sectarian rivalries and tensions. While we have fashioned a credible "Look East" policy for our eastern neighbourhood, we did not, till recently, have a clearly defined policy to our west. We can pride ourselves as being one of the few countries in the world that has good relations with all the major powers to our west—Iran, Saudi Arabia, Israel and Egypt. And, it needs to be acknowledged that Prime Minister Narendra Modi has played an active role in giving new dimensions to what is seen as an emerging, activist "Look West" Policy. But, this is also perhaps the most volatile region in the world, where we should be prepared for major contingencies, involving the lives and welfare of the millions of our people resident there.

We have a growing measure of cooperation with the USA towards our east and across our Eastern shores. However, we do not have such institutionalised cooperation with the USA, towards our west. The USA remains our largest partner in the trade of goods and services. There is also a growing impression that India is so engrossed with its relations with the USA that it takes its partnership with Russia for granted. This impression needs to be corrected sooner rather than later. Russia remains a crucial partner in areas like defence, space and nuclear energy. Placing all one's eggs in one basket does not give us diplomatic flexibility to pursue our interests. We will also have to carefully examine the directions that the policies of the Trump Administration take, especially given its significant renunciation of several policies adopted by its predecessors.

Foreign trade and investment have inevitably become focal points for accelerated economic growth in India. We wisely embarked on increasingly integrating our economy with the fastest growing economies of the world in East and Southeast Asia. Moreover, ASEAN led forums, like the East Asia Summit, have led to an Indian strategic role across the Bay of Bengal, which traverses the Indian Ocean and the Western Pacific, crossing the disputed waters of the South China Sea. However, progress on economic integration in South Asia has been slow, primarily because of Pakistani recalcitrance. Significantly, tensions and disputes with China have not adversely affected a blossoming trade and investment relationship between India and China - the world's two most populous countries.

Despite these developments, India cannot ignore the fact that China has acted as a spoiler in every effort it has made to enhance its role in its eastern neighbourhood. Beijing vigorously opposed our participation in economic and security forums linked with ASEAN, including the ASEAN Regional Forum and the East Asia Summit. China continues to maintain links across its borders with Myanmar, and with some of our north-eastern separatist outfits. We are now steadily moving towards a more proactive response to counter these Chinese efforts. Our aim remains to develop viable security architecture across and beyond our eastern shores. Concerns about Chinese military bases and inroads across the Bay of Bengal will continue. But, concerted diplomatic efforts with partners like the USA, Japan, Australia, and some ASEAN members (like Vietnam) have enabled us to strengthen the security of our eastern sea-lanes.

China has not succeeded in its efforts to secure a predominant role in Myanmar, Nepal, Bangladesh, Sri Lanka, or Maldives. This will, however, remain a continuing challenge for us. China's claims on its maritime boundaries in the East China Sea, its attempts to browbeat neighbours into accepting its claims, its attempts to even challenge international civil aviation norms by declaring an Air Defence Identification Zone on its maritime borders, speak of a measure of growing national chauvinism. This has caused concerns all across its maritime boundaries. Today, China has maritime boundary disputes with Japan, South Korea, Taiwan, Vietnam, Philippines, Brunei, Malaysia, and Indonesia. India, on the other hand, is largely viewed across its eastern neighbourhood as a benign and friendly power.

One of India's most remarkable diplomatic achievements has been that it has settled its maritime boundaries with all its eastern neighbours. This was done not only with bilateral agreements on the maritime boundaries with Sri Lanka, Myanmar, Thailand, Indonesia, and Bangladesh, but also through

tripartite agreements to determine tri-junctions with Myanmar and Thailand, Indonesia and Thailand, and Sri Lanka and Maldives. Even arriving at an agreement to demarcate our maritime frontiers with Pakistan will not be difficult, once agreement is reached on demarcating the land boundary in the Sir Creek area.

The challenges that an unwritten alliance between China and Pakistan pose to India's security need careful attention and analysis. Hence it would be appropriate to mention relations with countries on our immediate western neighbourhood, where China is developing facilities.

China's interest in having a military presence astride the Straits of Hormuz arises from the fact that this narrow 2 miles wide corridor is the route for the transportation of 17 million barrels of oil per day (mbpd), with 15.2 mbpd traversing thereafter through the Straits of Malacca, which includes 80 percent of Japan's oil supplies. The entire Indian Ocean Region, extending to the Gulf of Aden, accounts for 40 percent of the world's oil production, and 57 percent of the world's oil trade. Not surprisingly, the USA has positioned its 5th Fleet in Bahrain to oversee the security of these vital sea-lanes. The nature and extent of American interest in this region could well change, as the USA itself is becoming a net exporter of oil and gas. Moreover, apart from the rivalries of external powers, the stability in this region is being adversely affected by Iranian-Saudi rivalries which have sectarian Shia-Sunni dimensions.

One can derive satisfaction from improvements in our relations with all our neighbours in SAARC, with the notable exception of Pakistan. Our relations with our eastern neighbours in South Asia – Nepal, Bhutan, Bangladesh, Maldives and Sri Lanka – have been improving steadily, though there have been some recent problems in relations with Nepal and Maldives which need to be suitably addressed. What is particularly significant in these relations is the readiness of our neighbours to cooperate constructively in improving road, rail, and maritime connectivity while working to expand cooperation in cross border energy cooperation. Recent developments in expanding energy cooperation in a tripartite context, including Bhutan, India and Bangladesh, are particularly welcome. There are also possibilities being explored for an undersea cable, linking grids in India and Sri Lanka.

Pakistan has deliberately attempted to thwart these efforts. It has not even implemented the South Asian Free Trade Agreement when it comes to trade with India. India's strategy has been to encourage Pakistan to participate in efforts for greater economic integration in South Asia while going ahead with this process, even if Pakistan does not participate. In order to achieve

this, India is bypassing Pakistan by moving ahead in promoting trade, energy, and communications connectivity, bypassing SAARC. The focus to activate regional economic integration is being channelled through two regional groupings across our eastern frontiers: the BBIN corridor linking Bangladesh, Bhutan, India, and Nepal, and another regional grouping BIMSTEC which links all our eastern neighbours with landlocked Bhutan and Nepal across the Bay of Bengal.

The larger diplomatic strategy in dealing with Pakistan should involve moves to ensure that Pakistan-based terrorist groups do not succeed in using Pakistan's soil, or the territory of Afghanistan, for terrorism against India. Our economic aid to Afghanistan, amounting to over US\$ 2 billion, has won us appreciation not only from people in Afghanistan but also from the international community at large. Pakistan is itself facing serious problems of internal security. The Pakistan army has been deployed in three of its four Provinces to deal with unrest and a breakdown in civilian authority. The army has nurtured radical Wahhabi oriented groups like the Haqqani Network, the Lashkar-e-Taiba, and the Jaish-e-Mohammed, which promote violence and terrorism in Afghanistan and India. In the process, Pakistan is itself being targeted by affiliates of some of these groups. We will have to work assiduously to meet these challenges with imagination and patience. We have to reach out to those in Pakistan who desire nothing more than peace and progress, through trade, travel, and economic integration.

While doing this, we should be clear that Pakistan is, and will remain, a key player in China's policies of containment of India. China will not brook any neighbour – whether Japan, Vietnam, India, or Indonesia – posing any challenge to its great power ambitions. It has no regard for international concerns, or opinion, as it proceeds relentlessly on this path. It should never be forgotten that it is China that was responsible for enhancing Pakistan's capabilities to develop a fast growing nuclear arsenal. It is China that has provided the designs for Pakistan's nuclear weapons. There is reliable information that Pakistan tested its first nuclear weapon on Chinese soil in 1990. China had earlier helped out in improving and maintaining Pakistan's enrichment plants by supplying ring magnets and more modern inverters. Worse still, over the past decade, China has provided Pakistan with facilities, including Plutonium reactors, reprocessing plants and designs, to make light Plutonium based tactical nuclear weapons.

The sad reality is that successive governments in New Delhi have virtually hidden such information about the China-Pakistan nexus from the public and the Parliament. The dangers of the Pakistan-China alliance have never been

extensively and fully discussed in public or by the Parliament in India. One might add that we have diplomatically never really mounted a serious and comprehensive exposé of Chinese nuclear proliferation internationally.

India realises that, in dealing with China, we have to recognise that its GDP is five times ours. Beijing has a developed and sophisticated defence industry. It is a major arms supplier across the world. Likewise, it would be unrealistic for us to seek to match China in providing foreign economic assistance and promoting foreign investment, in countries across our neighbourhood in Asia and Africa. Our emphasis has to be on developing human resource capabilities in partners while getting involved in projects where we enjoy comparative advantages of location and political acceptability. Our resources and efforts should be closely coordinated with those of partners like Japan, South Korea, Singapore, the USA and its European partners.

It is only realistic for us to seek to expand our bilateral economic and investment partnership with China. There is also space for cooperation with Beijing in forums like the G-20 and BRICS. Politically, both India and China are wary of American and European efforts to use issues of “human rights” for unduly intrusive policies of meddling in the internal affairs of others. But, most importantly, China and India have embarked on an effort to develop contacts and confidence building measures between their militaries and border security forces, to see that tensions do not get out of hand by differing perceptions of where precisely the un-demarcated border/Line of Actual Control lies.

It is evident that there is going to be no early settlement with China on resolving the border issue. But, it is heartening that the two countries have reiterated their commitment to abiding by the Guiding Principles agreed to between Prime Minister Manmohan Singh and his Chinese counterpart Wen Jiabao in 2005, for settling the border issue. There does presently appear to be a common interest in China and India to take measures to see that tensions do not arise along their common borders.

In conclusion, a few words are necessary on the structure, procedures, and processes governing the functioning of our Defence Establishment and, indeed, the entire Ministry of Defence. It would be no exaggeration to say that we have an antiquated and dysfunctional structure that determines and administers defence policies. While the British, who bequeathed this structure to us, have radically changed their structures to provide comprehensive horizontal integration between the Services and the MoD, we remain mired in the past. The restructuring of our Ministry of Defence, and simplifying and

expediting procedures for the acquisition of new weapons systems from abroad and for manufacture in India are essential if we are to ensure that our armed forces are prepared to face any challenges the country may face.

While our relations with distant powers like the USA and members of the European Union have not been discussed, we should take note of emerging trends of isolationism and exclusivism that one is witnessing in the western world. While India enjoys good relations with the USA and its western allies, we cannot remain unaffected by the fact that the ideals of economic liberalism that characterised their contribution to the world at large may well be replaced by an era of increasing protectionism and insular thinking. Our neighbours to our west and east will look at India increasingly in the face of these developments, which will be accompanied by the challenges posed by an increasingly assertive and domineering China.
