Where is India headed? Possible future directions in Indian foreign policy

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The National Democratic Alliance (NDA) government of Prime Minister Narendra Modi, led by his Bharatiya Janata Party (BJP), has been extraordinarily active in foreign affairs during its first two years in power, logging as many as 48 foreign visits up to June 2016, for both bilateral and multilateral meetings, as well as hosting a plethora of high-level visits to India by world leaders, including the heads of state or government of the United States, China, the UK, France and Japan. Among these have been seven meetings with President Obama, including a visit by him to India and an address by Modi to a joint session of the US Congress. What have been the drivers of this extraordinary foreign policy dynamism, and what does it portend for possible future directions in Indian foreign policy, not only under the current government but into the future? In addressing the latter question, this article will inevitably be speculative; but it will be a reasoned speculation, building on recent foreign policy developments. I shall pose two questions: first, what kind of power is India—an emerging Great Power or a middle power? Second, what kind of foreign policy can we expect to see following from the answer to the first question?

After years of sustained high growth, and having weathered the 2008–2009 world financial crisis relatively well, India became the focus of much extravagant talk among its own elite and in sections of the global media as a rising power, even as an emerging superpower.[1] Is the emergence of India—with the world's second-largest population, projected to overtake China's in the next few decades at current rates of growth—as one of the Great Powers of the world system a realistic possibility? The maintenance of high rates of economic growth would certainly be a necessary condition for such an outcome, but is it a sufficient condition? And even if that were to happen, are there other obstacles to such an outcome? In other words, are there factors specific to India that might impede the conversion of economic power and nuclear capability into true Great Power capabilities?

Alongside growth, and facilitated by its fuelling of higher defence budgets, there has been a gradual but systematic attempt at military modernization in India

[1] For more scholarly assessments, see Stephen P. Cohen, *India: emerging power* (Washington DC: Brookings Institution Press, 2001); Baldev Raj Nayar and T. V. Paul, *India in the world order: searching for major-power status* (New York: Cambridge University Press, 2003); David M. Malone, *Does the elephant dance? Contemporary Indian foreign policy* (New Delhi: Oxford University Press, 2011).

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since the 1998 nuclear tests, primarily by importing arms—to the point where the country is now one of the world's largest arms importers. India is seeking to buttress these capabilities by entering into strategic partnerships. Its improved relationship with the United States in particular, and the concomitant relative shift in arms procurement away from Russia to the US, has seen the latter emerging as India's leading supplier in 2014, not counting Russian-licensed production in India.[2]

Looking ahead from this point, then, what are the future possibilities? In attempting to answer this question, I begin by outlining a typology of power.

Great Powers, middle powers, regional powers and rising powers in today's world

In this section, I discuss the ingredients of and constraints on power, and the world's hierarchy of powers, as a necessary prelude to discussing what kind of power India is, what its future foreign policy might look like, and what kind of power it has the potential to become.

The standard ways of measuring power and comparing powers involve counting the indicators of military, economic and other forms of power—for military power, nuclear warheads and delivery vehicles, size of armies, air forces and navies, numbers of foreign bases and power projection capabilities, space-based assets and cyberspace capabilities; for economic power, absolute and relative GDP, world trade shares, foreign exchange reserves, tax revenues, military budgets, industrial production, possession of vital energy and other resources; for 'soft power', scientific, technological, intellectual, ideological and cultural prowess, presence and power position in international organizations, institutional power and so forth. The Chinese use the concept of comprehensive national power combining a range of indicators.[3]

Bearing all these aspects in mind, how does one understand terms such as superpower, Great Power, middle power, regional power and rising power in today's world? And where does India fit in? Without embarking on a detailed review of typologies, we can build on useful definitions set out by Buzan and Wæver, and by Mearsheimer. Buzan and Wæver define a superpower as a state that, first, has broad spectrum of capabilities—military, economic, etc.—that are exercised globally, that is, a power with comprehensive global reach; and that, second, is acknowledged by others as such in their calculations.[4] Mearsheimer asserts that a superpower, in addition to comprehensive military capabilities and their implied economic and technological underpinnings, needs not just to dominate its own region comprehensively but to extend beyond any one region in its reach and influence.[5]

[2] Rajat Pandit, 'US set to be India's biggest arms supplier', *Times of India*, 13 July 2015.

[3] Yan Xuetong, 'The rise of China and its power status', *Chinese Journal of International Politics* 1: 1, 2006, pp. 5–33.

[4] See Barry Buzan and Ole Wæver, *Regions and powers: the structure of international security* (Cambridge: Cambridge University Press, 2003), for their arguments summarized here.

[5] See John J. Mearsheimer, *The tragedy of great power politics* (New York: Norton, 2001), for the arguments summarized here.

A Great Power for Buzan and Wæver is one that, first, is greater than regional but smaller than global; second, does not need to have great capabilities in all spheres—for example, economic capabilities alone will do, as will nuclear capabilities; third, is considered a Great Power in other powers' calculations. For Mearsheimer, Great Power status is largely determined by relative military capabilities, but these in turn imply economic, industrial and technological power. Additionally, for Mearsheimer, a Great Power dominates its region, and it is implied that this is a necessary but not sufficient condition.

For Buzan and Wæver a regional power (by either dominance or consent or both) is one whose power is confined to its home continent; whose regional power status is more security-related than economy-related; and that is defined by both relative military capabilities and the historically inherited, path-dependent dynamic of amity and enmity in the region.

For Mearsheimer, any discussion of superpower, Great Power or regional power status is incomplete without consideration of geographic features such as size, resources and bodies of water separating powers. For him, land power is of paramount geostrategic importance owing to the stopping power of water, it being more difficult by an order of magnitude to project power across oceans or seas than to threaten a land invasion. Hence, powers separated by significant bodies of water are both more secure in a world of conventional wars and less able to project power.

The concept of middle power is a nebulous one.[6] Middle powers can be seen as those that lack system-shaping capabilities but nevertheless cannot be 'ignored', however that is defined. That is, while they cannot challenge Great Powers they do have the capabilities to resist the imposition of Great Power diktats and behaviour under compulsion. It is also important to distinguish between middle powers and regional powers. A middle power may or may not be a regional power. A regional power can be a Great Power and even a superpower: for example, the United States is both a superpower and the regional power of the Americas.

What is a rising power? There is no agreed definition in the limited literature on rising powers, but by implication a 'rising power will, in the near future, become a great power'.[7] Again, by implication rising powers can be considered a subset of middle powers that in the future could evolve to be Great Powers or powers of some rank above the general run of middle powers.

The literature on power transitions informs some of the work on rising powers. Power transition theories seek to answer larger questions about war and peace and find balance of power theory too static. Organski and Kugler, for example, attribute power transitions to the worldwide spread of the industrial revolution

[6] For theoretical discussions of middle powers, see Andrew Fenton Cooper, Richard Higgott and Kim Richard Nossal, *Relocating middle powers: Australia and Canada in a changing world order* (Vancouver: University of British Columbia Press, 1993); Eduard Jordaan, 'The concept of a middle power in international relations: distinguishing between emerging and traditional middle powers', *Politikon: South African Journal of International Relations* 30: 1, 2003, pp. 165–81.

[7] Manjari Chatterjee Miller, 'The role of beliefs in identifying rising powers', *Chinese Journal of International Politics* 9: 2, 2016, p. 216.

increasing the relative power of newly rising nations relative to Great Powers.[8] They found a 'recurring pattern', that is, that the rise of a challenger almost guarantees a major war. However, there are exceptions: for example, leading power status passed peacefully from Britain to the United States; not all rising powers are necessarily dissatisfied (again, the United States serves as an example); and a challenger can surpass the dominant power through growth without a war.

Kennedy argues that every major power occupying the number one position has to face two major tests which challenge its long-term hold on the top rank: first, maintaining a balance between perceived defence requirements and the means to maintain those commitments; second, preserving the technological and economic bases of power from relative erosion due to shifting patterns of global production.[9] Nye argues that such erosion might be uneven, in that while military power might remain unipolar, economic power might become multipolar and the universe of cross-border interactions might see power widely dispersed.[10]

Some later authors in the power transition literature, such as Lemke, have extended the theory to regional subsystems, distinguishing between regional and global activities of powers.[11] Thompson argues that proximity and similarity are among five variables which are said to be especially critical to the intensity of challenges to the dominant power, with proximity magnifying threat perceptions and similarity alleviating them.[12] Thus, region and regional power dynamics are very important for understanding rising powers; this is important for the Indian case, as I shall show.

These are useful perspectives—particularly the notion that the spread of industrial and technological power lies behind the emergence of the current rising powers. Of more limited use in understanding the current rising powers (with the possible exception of China's predicted overtaking of the United States during the first half of the present century) are power transition theories focused on the causes of war and based largely on long-term historical shifts in the balance of power over the centuries preceding the mid-twentieth century, a pre-nuclear era and one that was much less tightly integrated in economic and communication terms than the present.

More recent work on rising powers departs from power transition theories that see them as challengers to the existing order. Narlikar defines rising powers as 'states that have established themselves as veto-players in the international system, but have still not acquired agenda-setting power'.[13] In other words, they cannot be ignored. Mohan sees India's interests converging with those of the existing order through its growing integration with the world economy and through a process

[8] A. F. K. Organski, *World politics* (New York: Knopf, 1958); A. F. K. Organski and Jacek Kugler, *The war ledger* (Chicago: University of Chicago Press, 1980).
[9] Paul Kennedy, *The rise and fall of the great powers* (London: Fontana, 1989).
[10] Joseph S. Nye, Jr, *The paradox of American power* (New York: Oxford University Press, 2002).
[11] Douglas Lemke, *Regions of war and peace* (Cambridge: Cambridge University Press, 2002).
[12] William R. Thompson, 'The evolution of political-economic challenges in the active zone', *Review of International Political Economy* 4: 2, 1997, pp. 286–318.
[13] Amrita Narlikar, 'Introduction: negotiating the rise of new powers', and 'India rising: responsible to whom?', both in *International Affairs* 89: 3, May 2013, pp. 561–2, 595–614.

of socialization.[14] Miller stresses the ideational aspect of rising powers, arguing that all rising powers have historically been characterized not only by growing material capabilities but by a vigorous internal debate among elites about their possible role; they saw themselves as Great Powers or similar in the making.[15] On India specifically, Pardesi argues that it is already a Great Power because it has security-related and economic interests outside its home region (in south-east Asia) and the requisite capabilities to deploy there, and demands that this status be accepted both by other Great Powers, notably the United States, and by regional states.[16]

Given the importance of region to my argument, I would supplement the above literature review by arguing that a country can, broadly speaking, be a regional power in three ways, not mutually exclusive.[17] First, it can be a regional power by consent: that is, it can be accepted by the countries of a region as their natural leader and spokesperson. Some possible examples are South Africa in southern Africa, Saudi Arabia in the Gulf Cooperation Council or Brazil in South America. Second, it can be a regional power by virtue of having the power of compulsion over its neighbours. Third, it can be a regional power simply by virtue of relative size, without necessarily being able to impose its will or get its way—that is, simply by bulking larger than its neighbours in area, population, GDP and size of its armed forces.

From this discussion two factors emerge as of particular importance in understanding power in the contemporary international system: material capabilities and geography. The latter defines the relationship between the power projection capabilities necessary for compulsion and the stopping power of water. Further, it covers not just the physical (mountains impeding land power, oceans impeding power projection) but what I will call the geostrategic features of a country's international environment: that is, the extent to which a country's relative power is defined not just by its own capabilities but by those of its neighbours and opponents. Together, the geographic features that surround a country and the capabilities of its neighbours constrain the conversion of economic, conventional and nuclear capabilities into meaningful power, particularly power projection necessary for compulsion. Hence, a power with considerable capabilities could be unable to project it and might be frozen into a defensive or purely deterrent posture if its neighbours have effective deterrence capabilities against it and/or if geographic features such as mountain ranges or oceans impede effective power projection.

[14] C. Raja Mohan, *Crossing the Rubicon: the shaping of India's foreign policy* (Delhi: Viking, 2003), pp. 261–4.

[15] Manjari Chatterjee Miller, 'The role of beliefs in identifying rising powers', *Chinese Journal of International Politics* 9: 2, 2016, pp. 211–38.

[16] Manjeet Pardesi, 'Is India a Great Power? Understanding Great Power status in contemporary international relations', *Asian Security* 11: 1, 2015, pp. 1–30.

[17] Here and in the next section I build on and extend the argument on regional geostrategic constraints in Eswaran Sridharan, 'Rising or constrained power?', in David Malone, C. Raja Mohan and Srinath Raghavan, eds, *The Oxford Handbook of Indian foreign policy* (New Delhi: Oxford University Press, 2015).

What kind of power is India?

Following on from this discussion we may turn to address the question: what kind of power is India today? It is definitely not a Great Power, despite its possession of nuclear weapons and intermediate-range ballistic missiles (Agni V), since it lacks a global strike capability, lacks serious extraregional power projection capabilities, does not decisively dominate its own region, and is not a system-shaping power in either economic or military balance terms. India is neither one of the Great Powers nor a minor power; but it is one that cannot be ignored, and in this sense fits the most general definition of a middle power. It is, moreover, one whose relative weight and influence in material terms have been increasing over the past decade and more. Hence, India is a rising power—a middle power moving up in the global power hierarchy. It is also one whose status as a regional power is contested. Will India go from rising power to Great Power by proving itself capable of projecting power beyond its region in the long term? As we saw, the later literature on power transitions and rising powers attaches importance to regional factors such as proximity. In India's case the region is important, as I shall show below, and we need to consider regional dynamics to understand the constraints under which India operates and their substantial effects on India's foreign policy, accentuated by the rise of China.

India is constrained as a regional power by geostrategic factors, specifically, the possession of nuclear weapons by its neighbour Pakistan, a de facto ally of China. Geostrategically speaking, then, India is blocked along its entire continental north by nuclear Pakistan and China. It is thus reduced to a purely defensive and deterrent posture that not only is incapable of preventing even the systematic use of terror by non-state actors based in Pakistan but is also limited in its potential for military modernization by the preponderance of its army (over 50 per cent) in its defence budget, when the forces of the future will be those of the air and sea. To the south, the vast expanses of the Indian Ocean hamper the development of power projection capabilities of a kind that would count in the global strategic calculations of the major powers. Hence, geostrategic and geographic constraints box India into south Asia in a way that make it a contained power. India will find it very difficult to overcome these constraints, even with sustained high growth and greater missile and naval reach. To count globally, it will need to make a massive jump in both economic weight and military reach.

India is not accepted as south Asia's natural leader or spokesperson—except perhaps by Bhutan: certainly not by Bangladesh, Pakistan or Sri Lanka, nor even by the Maldives or Nepal, all of which have resisted India's demands and wishes to varying degrees. It does not have the power of compulsion over Pakistan, given the latter's nuclear deterrent. Indeed, it is doubtful whether it has decisive compulsion capabilities over even its other, smaller, neighbours should it ever attempt intervention for whatever reason, given the enormous military and diplomatic costs and risks and their capacity to resist. India's intervention in Sri Lanka and counter-insurgency operations there from 1987 to 1990 was a failed adventure that

had to be abandoned. Hence, measured by the criterion of being able to dominate and impose its will on its neighbours, it does not qualify as a regional power. India can, therefore, be called a regional power in south Asia only by the third criterion of relative size, since its area, population and GDP are over three-quarters, roughly speaking, those of the region, and its armed forces are commensurately large. India has regional weight and influence, but not dominance or the capacity to change the policies of its neighbours that it would like to see changed.

I would argue that while a high-growth India could possibly induce bandwagoning behaviour towards itself in south Asia, it would still find it difficult to become a regional power in the sense of dominance, let alone an extraregional power in a strategic sense. India would face the problem of converting its economic or nuclear capabilities into meaningful regional or extraregional power, owing to the geographical and geostrategic constraints outlined earlier.

Economists, particularly those writing on emerging economies, often tend to assume that economic weight converts smoothly into power and tend to project economic trends in a linear fashion, ignoring geography and military capabilities and their ingredients.[18] While economic power might easily convert into political power above certain economic thresholds, one needs to distinguish between weight and influence on the one hand and, on the other, power in the hard sense of compulsion or the ability to achieve desired geopolitical outcomes, including inducing others to change their policies in the direction desired. The capacity to convert economic and/or nuclear capabilities into meaningful geopolitical power depends on the geographic and geostrategic constraints that countries face.

Three major examples of the problems of converting economic and/or nuclear power into commensurate geopolitical power are Russia, Japan and contemporary China. Russia has the world's second largest nuclear arsenal and global strike capabilities, but finds it difficult to convert such a capability into meaningful influence even in its 'near abroad'. It has been forced to retreat into a purely defensive/deterrent mould (barring exceptional developments such as the interventions in Georgia in 2008, and in Crimea/Ukraine in 2014). This is because the post-Cold War expansion of NATO to its borders and the fact that its economy and technological base cannot support a conventional power projection capability such as that wielded by the former Soviet Union. Similarly, Japan, although the world's second largest economy for much of the later Cold War and post-Cold War periods, could not, even had it wanted to, convert its massive economic power into geopolitical power, even in its own neighbourhood. It faced the geostrategic constraint of having two nuclear neighbours in Russia and China, besides the geographical constraint of being a resource-poor island. Even China, now with the world's second-largest and system-shaping economy and a global nuclear strike capability, faces the geostrategic constraints of a US presence off its shores and US allies around it including Japan, South Korea and—in effect, if not formally—Taiwan.

[18] See e.g. the argument by economist Arvind Virmani in 'Tri-polar world: India, China and the United States in the 21st century', Carnegie Endowment for International Peace, 9 Feb. 2011, http://carnegieendowment.org/2011/02/09/tri-polar-world-india-china-and-united-states-in-21st-century/247d. (Unless otherwise noted at point of citation, all URLs cited in this article were accessible on 6 Nov. 2016.)

All three powers are examples of conversion problems, whereby they enjoy less geopolitical power and are more defensive than might be expected from their nuclear and/or economic capabilities.

These conversion problems apply to India too. In addition to being boxed in by geographic features and the capabilities of the neighbours on its northern borders, India is subject to other significant power constraints. It is heavily dependent on energy and resource imports; it has a weak manufacturing and technological base; and, more specifically, it is an arms importer, heavily dependent on external suppliers for all major platforms—combat aircraft, surface ships, submarines, tanks and artillery, not to speak of electronic force multipliers—despite joint development efforts with Russia and Israel, and it has a qualitatively and quantitatively limited nuclear arsenal. Hence, India is constrained by its regional situation, including the rise of China.

So what kind of power *is* India? From the above analysis we can conclude that it is currently still a middle power, albeit a rising one; that it is increasing its global weight but not yet able to leverage its relative weight in its own region. The Indian Ministry of External Affairs' *Annual Report 2015–16* seems to indicate this, speaking as it does of India's potential to 'act as a leading power' without defining what that means, while also referring to China, France, Germany, Japan, Russia, the United Kingdom and the United States as 'major powers of the world',[19] thereby implying a current middle-power status but with aspirations to something more, that is, reflecting a rising power mindset.

Middle-power status, rising-power aspirations and recent Indian foreign policy behaviour

Given the analysis above, what can we expect in the future foreign policy of India as a rising middle power? Recent Indian foreign policy has seen both change and continuity; I shall examine both here, and then briefly consider India's relations with the United States and the US–China dynamic, before turning to possible future directions.

Elements of continuity

The main elements of continuity have been continued antagonism with Pakistan and China, with unresolved disputes over border/territorial issues, and the continued arms supply relationship with Russia. Both of these have continued to define India's national security environment and capabilities.

The focus on security threats arising from Pakistan and China, both nuclear armed and in effect mutually allied, and with both of which India has been in armed conflict in the past, has been a constant of Indian foreign policy and makes regional relations central to any understanding of India's prospects as a rising power. There is no sign of any resolution of these conflicts. The only progress

[19] Ministry of External Affairs (MEA), Government of India, *Annual Report 2015–16* (New Delhi, 2016), p. 1.

has been in putting in place limited confidence-building measures to prevent the outbreak of war by misperception or accident. These include the 1992 agreement between India and Pakistan not to attack each other's nuclear facilities and the linked exchange of a list of such facilities at the start of each year, and the 1999 agreement to give prior warning of ballistic missile tests, later extended to cruise missiles. With China, there have been four border defence management agreements (1993, 1996, 2005 and 2013) to prevent the start of a border war due to the undemarcated and disputed nature of the Line of Actual Control (LAC).

Relations with Pakistan have been deadlocked on terrorism since the Mumbai attacks of November 2008 and other lesser attacks since then. Kashmir, beneath a surface normality, remains a tinderbox that could explode at any time. On the LAC between India and China, minor incursions without casualties take place frequently. China is modernizing its forces and military infrastructure on its side of the border at a pace that makes it difficult for India to keep up. Despite the rapid growth of trade—with a huge surplus on the Chinese side—over the past decade and a half, security relations with China remain fraught.

A more serious longer-term threat lies in plans by China to divert part of the waters of the river Brahmaputra in Tibet eastwards and northwards, a development that would have serious downstream effects on India's north-east and yet about which India would be unable to do anything significant. China is also actively wooing all of India's neighbours, among them Afghanistan and Myanmar, and has made diplomatic inroads in all of them, including taking control of the Pakistani port of Gwadar near the mouth of the Gulf. More ominously, China is building two additional nuclear reactors at Chashma in Pakistan in a deal that it claims was 'grandfathered' by agreements signed before it joined the Non-Proliferation Treaty (NPT) in 1992 and the Nuclear Suppliers Group (NSG) in 2004—although it did not declare any such commitment at the time of joining the NSG—and the United States has been passive in accepting this state of affairs.

The only bright spot in south Asia for India has been the Modi government's pragmatic deal on settling the 'ragged' border with Bangladesh and a general improvement in relations with that country. So while improved relations in the neighbourhood are seen as vital for creating a secure environment for growth, there has been little improvement so far. A US$2 billion aid investment in Afghanistan since 2002 has not paid off in that the Ghani government is negotiating with Pakistan for a settlement which will enable the Taliban to make some sort of comeback and hence provide Pakistan with a proxy in Afghan affairs. An India-centric south Asia is not coming into being.

Elements of change

The main trajectory in post-Cold War foreign policy, however, has been a gradual shift since 1991 away from the legacy of a non-alignment tilted towards the then Soviet Union to a search for new partnerships that would boost economic growth and security. However, the underlying desire and goal of the non-align-

ment paradigm, the search for strategic autonomy, seems intact.[20] What is new is the means of pursuing this end: to realize strategic autonomy it is now necessary to forge strategic partnerships, particularly with the United States and its allies and partners. Even so, there has not been an explicit reconceptualization of Indian foreign policy doctrine in the post-Cold War period, with the exception of the unofficial 'Nonalignment 2.0' vision unveiled by a group of largely non-governmental policy intellectuals at the end of 2011.[21] This vision can be interpreted as a response to an incipiently multipolar world, away from the unipolar moment of the 1990s and early 2000s, in circumstances formed by the global financial crisis of 2008, the rise of China and a hydrocarbon-powered Russia, and the emergence of a cluster of middle powers—all developments tacitly recognized by the prominence after 2008 of the Group of 20 (G20), rather than the western-dominated G7 or G8, as the key forum for global coordination. 'Nonalignment 2.0' signalled the need to pursue some sort of balancing among power centres even while building strategic partnerships for the ultimate goal of the achievement and maintenance of strategic autonomy. Nor has Indian foreign policy under the present Modi-led NDA government from 2014 seen the explicit articulation of a new vision, grand strategy or policy framework. Interestingly, there has to date been no explicit articulation of a foreign policy framework based on the Hindu nationalist concept of *Hindutva*—or, indeed, any sort of 'Modi doctrine'.[22]

The following patterns of change may be traced in the evolution of Indian foreign policy under successive governments since the end of the Cold War.

A major shift has been the establishment of full diplomatic relations with Israel in 1992 and the steady growth of that relationship, centred on defence equipment imports—without, however, a formal change in policy on Palestine, in respect of which India remains committed to the two-state solution supported by the international community (including Israel's indispensable supporter, the United States). For several years in the 2000s, Israel was India's second-largest arms supplier, next only to Russia.[23]

The 'Look East' policy, now called 'Act East', launched in the early 1990s following economic liberalization, also represents a departure from India's relative neglect of this region during the Cold War due to its own pro-Soviet tilt and the pro-US orientation of much of south-east Asia and non-communist east Asia. Since then India has become a full dialogue partner of the Association of South-East Asian Nations (ASEAN), a member of the ASEAN Regional Forum, and from 2005 a member of the East Asia Summit (ASEAN plus six). The ASEAN–

[20] See Harsh V. Pant and Julie M. Super, 'India's "non-alignment" conundrum: a twentieth-century policy in a changing world', *International Affairs* 91: 4, Sept. 2015, pp. 747–64.

[21] Sunil Khilnani, Rajiv Kumar, Pratap Bhanu Mehta, Prakash Menon, Nandan Nilekani, Srinath Raghavan, Shyam Saran and Siddharth Varadarajan, *Nonalignment 2.0* (New Delhi: Centre for Policy Research, 2012).

[22] Although it has been argued, on the basis of the policies adopted by the BJP-led NDA government of 1998–2004, that a distinctive security orientation associated with the BJP and rooted in its world-view, consisting of explicit nuclear weaponization, a tilt towards the United States, regional pragmatism and *realpolitik*, has come into being in practice. See Chris Ogden, *Hindu nationalism and the evolution of contemporary Indian security: portents of power* (New Delhi: Oxford University Press, 2014).

[23] N. P. Ullekh, '$10 billion business: how Israel became India's most important partner in arms bazaar', *Economic Times*, 23 Sept. 2012.

India Free Trade Area entered into force in July 2015. Since the new government came into office in 2014 India has participated actively in these forums, as well as in the ASEAN Defence Ministers Meeting Plus and the Expanded ASEAN Maritime Forum. ASEAN now accounts for a significantly larger share of India's trade than China does. There has also been a major improvement of relations with Japan as Chinese assertiveness in the East and South China Seas has grown since 2011, particularly under the Modi government. Japan is now committing itself to selling dual-purpose amphibious aircraft technology to India, a far cry from its strong reservations about India after the 1998 nuclear tests.[24]

India has also begun to look further beyond its traditional areas of concern. There has been an active attempt to build long-term relationships with Africa, an emerging continent rich in natural resources including oil and gas. There have been four India–Africa summits since 2008, most recently in October 2015. After that meeting, India made new long-term commitments of $10 billion in Lines of Credit (LOCs) on top of existing commitments of US$6.77 billion.[25] The motivation is probably long-term access to resources, energy supplies, markets and UN General Assembly votes in support of India's global governance aspirations.

The Modi government has also broken new ground in courting Saudi Arabia and the United Arab Emirates with prime ministerial visits to drum up investment and credit, particularly for infrastructure and energy development. This balances both India's closer relations with Israel and Pakistan's close relations with the Gulf countries, and takes account of the large Indian diaspora in the Gulf, numbering some 6 million people, which accounts for a major part of India's inward remittance income.

One strand of the Modi government's foreign policy has been a vigorous search for foreign investment and the associated technology. Modi recognizes that investment and growth are crucial both domestically, for creating the 10 million jobs a year that India needs in order to absorb new entrants to the labour market and maintain social stability, and in pursuit of its ambitions to be a leading power in a slow-growth world looking for new markets. It has accordingly sought to promote India as the next manufacturing platform. The high points of this search for investments in manufacturing and infrastructure so far have been the securing of a US$35 billion investment commitment from Japan over five years and of US$22 billion from China over a similar time-frame.[26]

The concomitant drive to acquire technology has focused particularly on the civil nuclear and defence sectors. India is well aware that attempts to acquire advanced nuclear, military and dual-purpose technologies will be eased if it is seen to be playing by the non-proliferation rules valued by the major powers and their allies and partners, and hence has sought admission to the four major

[24] Press Trust of India, '"Make in India" boost: Japan offers to set up plant in India for US-2 amphibious aircraft', *Economic Times*, 1 Feb. 2016.

[25] For all data in this paragraph see EXIM Bank database: http://www.eximbankindia.in/lines-of-credit.

[26] MEA, Government of India, 'Joint statement on India and Japan Vision 2025', 23 Dec. 2015, http://www.mea.gov.in/bilateral-documents.htm?dtl/26176/Joint_Statement_on_India_and_Japan_Vision_2025_Special_Strategic_and_Global_Partnership_Working_Together_for_Peace_and_Prosperity_of_the_IndoPacific_Region. See also MEA, *Annual Report 2015–16*, p. iv.

dual-purpose technology export control regimes. India under Modi amended its civil nuclear liability law to make investment in civil nuclear power generation attractive to US companies, enabling it to take full advantage of the Indo-US nuclear deal. Most recently, India applied to join the NSG, a move that failed in mid-2016 owing to resistance from China and some other countries with a strong attachment to non-proliferation. However, India was admitted into the Missile Technology Control Regime (MTCR) in June 2016 and is seeking to join the Wassenaar Arrangement and the Australia Group. On defence technology, India took the unprecedented step of opening up foreign direct investment in its defence industries to the extent of allowing 100 per cent foreign ownership; it remains to be seen whether this leads to investment that transfers advanced technologies. India has also, as part of the Defence Trade and Technology Initiative with the United States, been trying to shift progressively to acquisition of advanced US defence equipment and technologies.

Modi has also played an active role in promoting Indian participation in multilateral forums, including regional groupings, for both economic (trade, energy, connectivity, technology) and security reasons. India has most recently joined the expanded Shanghai Cooperation Organization (SCO) founded initially by China, Russia and central Asian states. It has joined the Chinese-promoted, Shanghai-headquartered Asian Infrastructure Investment Bank and the New Development Bank promoted by the BRICS[27] grouping—both alternatives to western-dominated development finance institutions—and has played an active role in neighbourhood regional organizations including the South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), as well as in the East Asia summit and other groupings centred on ASEAN.

India has continued to push for permanent membership of a reformed UN Security Council, reflecting its desire to rise from middle to Great Power status. In UN debates, and on international crises including those in Libya, Syria and Crimea/Ukraine, it has continued to play a more traditional 'non-aligned' role, careful not to align itself with the West and alienate Russia and China or vice versa. Likewise, in the World Trade Organization, it has taken a nationalist rather than a liberal multilateralist stand on food subsidies; and it has taken a similarly nationalist and 'Third Worldist' stand in its emphasis on equity and reluctance to commit to hard ceilings on emissions in global climate change negotiations, most recently at the 21st Conference of the Parties in Paris in 2015 (although it finally made the commitment in October 2016). Hence, while moving away from non-alignment and improving its relations with the United States and the West, India has kept its options open; there are limits to realignment that will be explored later in this article.

[27] Brazil, Russia, India, China and South Africa.

Indo-US relations and US–China dynamics in Asia

The major change in Indian foreign policy has been the improvement of relations with the United States. This has come about only gradually, after a continuing period of uneasiness during the 1990s arising from the continuing American need for Pakistani cooperation in stabilizing Afghanistan after the end of the Soviet occupation, a generally hyphenated US policy on India and Pakistan that tended to equate them, an intensified US concern about non-proliferation (particularly following the near-nuclear crisis of May 1990, India's veto of the Comprehensive Test Ban Treaty at the Conference on Disarmament in Geneva in 1996 and India's 1998 nuclear tests), and a generally tightening US policy on non-proliferation—together with some degree of sympathy for the Pakistani position on Kashmir in the early to mid-1990s.

Over the course of the 1990s and early 2000s, particularly after 9/11, two of the three major irritants in the Indian relationship with the United States declined in political significance: with Russia's relative decline, India's continued arms supply relationship with the former superpower was of less concern to the United States, and the United States became less closely bound to Pakistan after 9/11, despite its dependence on Pakistan for its Afghanistan operations. This left only the third major irritant—India's nuclear weapons capability, particularly after the 1998 tests—to be salved, if not resolved, in order that the relationship could move forward, a trend already favoured by India's economic liberalization and closer integration with world markets, epitomized by the information technology sector. The eleven-round dialogue between US Deputy Secretary of State Strobe Talbott and Indian Foreign Minister Jaswant Singh on nuclear weapons following the 1998 tests laid the basis for what would become the Indo-US nuclear deal of 2005–2008.

While India has drawn significantly closer to the United States since at least 2005, and since 2011 significantly closer to US allies in the Asia–Pacific region such as Australia, Japan and several ASEAN countries (as reflected in growing naval cooperation and joint exercises), it must be remembered that the overarching context for these developments, including the Indo-US nuclear deal, has been the shift in US security policy in the Asia–Pacific region driven by the rise of China. This is often understood as the Obama administration's 'pivot' (later relabelled 'rebalance') towards Asia, whereby 60 per cent of US air and naval assets would be deployed in the Pacific rather than the Atlantic. However, while formally declared in 2011, the pivot actually began much earlier, in ideational terms as early as 2001, and in practice from 2004 under the Bush administration.[28] The basic aim was to balance the rise of China, not by containment as practised towards the Soviet Union during the Cold War, but by both internal and external balancing, to maintain the superior strategic position of the United States in the Asia–Pacific while accepting the rise of China as a given. The external balancing component of the strategy was not a new NATO-style alliance but a shift from the traditional,

[28] See Nina Silove, 'The pivot before the pivot: US strategy to preserve the power balance in Asia', *International Security* 40: 4, Spring 2016, pp. 45–88.

hub-and-spokes pattern of defence relationships in the Asia–Pacific to a federated, network model in which Asian allies, themselves increasingly concerned about China's rise and assertiveness, were to be encouraged to establish stronger relationships with each other as well as increasing interoperability of forces, a trend fostered by the growth of military, particularly naval, exercises among the United States and its Asian allies and partners since 2001, on a multilateral basis.

In 2004 the Bush administration took the key decision to bring India into this federated network model as a new partner. Hence the Next Steps in Strategic Partnership framework agreement of 2005, and the Indo-US civil nuclear agreement negotiated over the following three years, which dealt with the major remaining irritant in Indo-US relations, bringing India into the global nuclear commerce regime while allowing it to retain its nuclear military capabilities. This would not have happened without a shift in US policy, and that in turn can only be understood in the context of US concerns about the long-term rise of China and the development of an appropriate response that combined balancing with continued engagement. The defence and foreign policies of countries in the Asia–Pacific region are significantly influenced by US strategy, and this is an important factor, creating both incentives for behaviour and windows of opportunity for a number of countries in the region.

Thus India's shift towards improved relations with the United States and its Asian allies and partners can be fully understood only by taking into account the context of US policy and its impact on foreign policy behaviour throughout Asia. From the US point of view, it made sense to include India in its federated network model to balance China's rise; in addition, India could be an ally against post-9/11 international terrorism and the threat of further nuclear proliferation. Thus the overarching and gradual shift in US policy, in addition to the economic rise of Asia, created opportunities for shifts in Indian foreign policy towards the United States and its allies and partners in south-east and east Asia.

These developments gathered momentum after 2005; again after the economic and financial crisis of 2008–2009, in the aftermath of which China's relatively unscathed growth took it ahead of Japan to become the world's second largest economy; and yet again after 2011 as Chinese offshore assertiveness increased. Thus the United States supported a Japanese proposal in 2007 to create a 'quadrilateral' security dialogue between the two countries plus Australia and India; this led to increased security interaction among all four states. Japan and India signed a defence cooperation agreement in 2008 and a Strategic and Global Partnership Agreement in 2014.[29] The United States, Japan and India conducted their first trilateral naval exercises in the western Pacific in 2007, and since that year the Indo-US Malabar naval exercises were expanded to include Australia, Japan and Singapore. Bilateral Indo-Japanese naval exercises started in 2012. The influence on Indian foreign policy, in terms of incentives and opportunities, of the context-changing shifts in US policy is clearly discernible, and will continue to affect its future evolution.

[29] Silove, 'The pivot before the pivot', p. 78.

On the whole, recent foreign policy changes have been slow and incremental, building on past policies without dramatic breaks, but taking advantage of windows of opportunity such as those afforded by shifts in US policy. The Modi government's initiatives since 2014 seem to represent a more energized version of earlier foreign policy changes, such as one would expect from a middle power without system-shaping capabilities but with aspirations to a bigger role and higher international status.

Possible future directions in Indian foreign policy: three broad scenarios

What does the discussion so far imply for future directions in Indian foreign policy? Clearly there are certain constant imperatives which will persist—the search for security against the perceived threats from the combination of Pakistan and China, as well as more generally the preservation and enhancement of capabilities, and the search for economic growth, and hence for capital, technology and partners. The aspiration, shared across political parties, to become a leading power in the world, will remain, and alongside the desire for strategic autonomy. At a practical level of boosting institutional capacities for foreign policy, one can expect the rectification of certain weaknesses—such as the small size of the foreign service and its relatively weak links with academia and think-tanks—and the increasingly institutionalized involvement of India's states, reflected in the creation of the States Division in the Ministry of External Affairs in 2014, driven by the globalization of the economies of states and their links with various parts of the Indian diaspora. The overall strategy—whether or not there is any declared grand strategy, paradigm or doctrine—and specific foreign policies deployed to achieve these objectives will depend on the incentives and windows of opportunity offered by the global, extraregional and regional structural context. These contexts are in turn shaped by the dynamics of Great Power interaction, specifically, for the Asia–Pacific land and maritime context, the dynamics of interaction between China, Russia and the United States, and the evolution of the world economic order. While India's relationship with Europe is critical to its economic growth, the EU is not a single political entity and plays a secondary role in the Asia–Pacific landmass and waters; hence my focus on the overarching relationships between China, Russia and the United States in setting the geopolitical context for Indian foreign policy. Against this background, three possible broad scenarios can be identified for the next five to ten years.

The first is one of increased US dominance. In this scenario, the United States is able to balance the rise of China, aided by a slowdown of the Chinese economy, by a wholehearted rebalance to the Pacific and by a relatively declining Russia, possibly increasingly allied to China with the aim of countering US dominance. In these conditions one could expect India to align itself more closely with the United States and its federated network of allies and partners in Asia and elsewhere. However, even in this case there will be limits to any realignment or tilt towards the United States and the West. Even a slowing China will be growing faster than

the West in the foreseeable future, starting from a baseline of about half the US GDP, and so will still be narrowing the gap, albeit more slowly. Also, China will be impossible to isolate, given that it is already a larger trading partner than the United States for almost all its Asian neighbours. Besides, if China's 'one belt, one road' (OBOR) project is fully implemented, particularly in respect of pipelines, then it will have land connections with Europe, the Middle East and much of south-east Asia, reducing its dependence on seaborne trade and energy supplies.

As far as India is concerned, China will still control the headwaters of the Indus and Brahmaputra rivers, and could divert the latter's waters. It will still have a clandestine nuclear and missile partnership with Pakistan, bolstering the latter *vis-à-vis* India, along with the advantages of terrain, infrastructure and superior forces along the border; and it will remain an important trading partner and potential source of capital for India, giving it leverage over Indian behaviour. There is nothing that the United States can do to protect India in the event of a border war in which China is well positioned to grab scraps or slices of territory, or in the eventuality of a diversion of river waters. So even in this scenario India would have incentives not to alienate China by throwing in its lot definitively with the United States. Most likely would be a strategic partnership with the United States, with some limits on realignment, to increase India's leverage *vis-à-vis* the China–Pakistan combination. As far as Russia is concerned, given the fact that at present something like 70 per cent of major military platforms in the Indian armed forces (combat aircraft, submarines, ships, tanks) are of Soviet/Russian origin, and the fact that Russia is sharing key military technologies with India (the leasing of a nuclear-powered submarine, reported assistance for India's sea-based deterrent, collaboration on the Brahmos supersonic missile and the fifth-generation fighter project), it will not be easy to make sudden and drastic changes in the relationship.[30] Hence, even in a US-dominant scenario there will be limits to a fully fledged Indian alignment with America.

The second possible broad scenario is the maintenance of the status quo. This would see the thrust of the Modi government's policies over the past two years continue in the same direction, that is, a continuing realignment towards the United States and its allies and partners in Asia, and a continuing but partial shift in defence acquisitions towards US and western sources and away from Russia, along with an attempt to sustain India's influence in neighbouring countries, the Middle East, central Asia and Africa, and a continued search for infusions of capital and technology. At the same time, India would retain its autonomy in the UN and on international crises, making independent decisions according to its assessment of the national interest in each case.

The third possible broad scenario is one of increasing Chinese ascendancy and US/western decline. This is possible if a slowing China still manages to grow significantly faster than the United States, increasing its weight in the world economy and in the Asia–Pacific region. In such a scenario, if the US rebalance

[30] For Russian collaboration in India's submarine-based deterrent efforts, see Yogesh Joshi and Frank O'Donnell, 'India's submarine deterrent and Asian nuclear proliferation', *Survival* 56: 4, 2014, pp. 157–74.

towards the Pacific is incomplete and/or if Washington decides to accommodate the rise of China and its commensurately expanded definition of core national interest in the Pacific and Indian Oceans, and if China's OBOR project succeeds and reduces Chinese dependence on sea routes for trade and energy supplies, then China will loom larger as both a security threat and an economic opportunity for all its neighbours, including India. Such a scenario would also probably lead to a closer relationship between China and Russia, given Russia's frozen relationship with the West following the Crimea/Ukraine crises of 2014.

Given that China has an unresolved border dispute with India, a military advantage on the frontier and a close de facto alliance with Pakistan cemented by overland access to Gwadar port, this scenario could be a threatening one for Indian security. India would then have two contrasting options. One would be an even stronger alignment with the United States and the West for security against China, alongside increasing economic ties with China to maintain a stable relationship. If this angers China and the relationship becomes confrontational, and if the United States is not able to help balance China as far as the land border or possible river water diversion is concerned, India would face intensified pressure from the China–Pakistan combination all along its de facto borders. In such a scenario, several of India's south Asian neighbours could tilt towards China. The other option would be to attempt to accommodate/appease China while attempting internal balancing through a military buildup. However, China and Pakistan can be expected to demand a very high price, possibly the formal acceptance of the LAC in the western sector (Ladakh), concessions on Tawang, political concessions on Kashmir, and the like. This would be almost impossible to sell domestically in India. The only situation in which India would be able to fend off such pressures in this scenario would be if its economy were to grow much faster than that of a slowing China and its military modernization to narrow the gap between the two countries' capabilities.

Conclusion

All three of the broad scenarios outlined above assume sustained high growth of the Indian economy and domestic political stability. In the absence of either, India's prospects of rising to the position of a leading power, if not a Great Power, in a more multipolar world are dim. It will remain a middle power and a struggling one at that. If, however, sustained high growth and the associated domestic political stability increase its weight and influence in the world economy, then various rising power possibilities open up.

If India's prospects for rising from a middle to a Great Power over the next decade or two appear limited, what other roles could it play, given its expanding relationship with the United States and its Asian allies? India has good prospects of building itself up as an important coalitional and bridging power between west Asia and Pacific Asia. It could, however, by virtue of its participation in broader US-led Asia–Pacific security (particularly naval security) partnerships,

become something of an extraregional net security provider for south-east Asia, and perhaps the Gulf and Indian Ocean, without being a fully fledged regional power in south Asia. It can increasingly be seen as an attractive coalition partner on a range of international economic and Asian regional issues, including regional and oceanic security, conflict resolution and environment, spanning different subregions and international coalitions from the Gulf to south-east Asia and the western Pacific. And, as its economy grows, it can play a larger role in international and Asian regional institutions.

India could also potentially leverage its soft power, which derives from being a successful, diverse, secular, federal democracy, and its current non-threatening 'good citizen' status to become an exemplar and promoter of democracy, human rights and their subsets—minority rights and autonomy for minority regions: an ideological model and a promoter of regional cooperation in south Asia and indeed Asia more widely. Promoting a specifically Indian model of democracy could considerably increase its endowment of soft power. This possibility assumes that Indian democracy, secularism, federalism and inclusiveness are not subverted by extremist forces within, and that the existing constitutional consensus is robust enough to survive.

The most probable future direction for India over the next five to ten years is a continuation of the gradual shift towards the United States and its allies and partners, but still within the context of a search for strategic autonomy via strategic partnerships and without full realignment. India is likely to gain greater weight and influence in the world due to faster-than-average growth, but to gain less than commensurate real geopolitical power owing to the conversion problems and geostrategic blockages impeding its becoming a regional and extraregional power. Hence, India will probably not be among the Great Powers in a decade, but could hope to be a leading power, that is, one level down in the global hierarchy of powers in an increasingly multipolar world.

Finally, to reconnect with the literature on power transitions and rising powers, and the question whether India will challenge the existing order, the trajectory of Indian policy projected into the future seems more in line with recent work on rising powers, which argues that they will be socialized into the existing US-led order, rather than with that of the classic power transition literature, which argues that rising powers mean challenge and conflict. This is largely because the rise of India is taking place against the backdrop of the much greater rise of China, which does potentially challenge US economic and at least Pacific strategic dominance, as well as posing a threat to India, pushing it towards the United States.