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## **China is India's Greatest Foreign Policy Challenge in the Years Ahead**

*Since taking power, Prime Minister Narendra Modi has pursued a highly energetic foreign policy, promoting India as an outward-oriented market economy and a committed stakeholder in the rules-based international order. In the years ahead, the greatest challenge for Indian policy-makers is to chart a course to manage the implications of the rapid extension of Chinese interests across South Asia, argues stars alumna Dr. **Jivanta SCHOETTLI**, Assistant Professor in Indian Politics at the School of Law and Government, Dublin City University, Ireland.*

India's next general elections are slated to take place in April / May 2019. Foreign policy is unlikely to feature prominently as an election issue but it is key to securing a better future for the country's citizens. Pollsters predict the Bharatiya Janata Party (BJP), which leads the ruling coalition, the National Democratic Alliance, will return to power though with a weakened mandate.

Since taking power, and contrary to most expectations, Prime Minister Narendra Modi has pursued a highly energetic foreign policy, promoting India as an outward-oriented market economy and a committed stakeholder in the rules-based international order. While the strategy has its shortcomings, it has also provided India with opportunities to revitalise bilateral relations and multilateral options. However, as recent developments demonstrate, charting a course to manage the implications and impact of China's intensifying regional and global influence, is going to be among the greatest challenges for policy-makers.

In May 2017, India was one of the few countries to turn down an invitation to the Belt and Road Forum, held in Beijing. The Forum won global recognition with the participation of 29 heads of state, 1500 delegates from over 130 countries and some 70 international organisations. Adopting a "principled position", the official explanation for India's decision, warned of the burden of "unsustainable debts" for recipient countries and the need for "international norms, good governance, rule of law, openness, transparency and equality" in connectivity initiatives. These misgivings are today voiced by many. A further point of contention was, and remains the China-Pakistan Economic Corridor, a flagship project of the Belt and Road Initiative, which runs through territory that is disputed between India and Pakistan.

The following month, in June 2017, India and China were locked in a military border standoff over Chinese road construction in Doklam, a strategically important point near a tri-junction border area in the Himalayan kingdom of Bhutan. Resolved after more than two months of tension, the Doklam incident represented a test of nerves and will. Each side claimed credit for the restraint that was exercised and eventual return to the status quo. Since then, and although there is evidence of China deploying troops and building new infrastructure in the same area, Sino-Indian relations have improved with a number of high-level visits, an informal summit between Prime Minister Narendra Modi and President Xi Jinping that took place in Wuhan on April 27-28 and the resumption of joint military drills, currently underway.

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Nonetheless, a number of dilemmas underpin the Sino-Indian relationship, especially from India's perspective, most notably the rapid extension of Chinese interests across South Asia where China is busy investing in ports, roads, railways and resources.

In Sri Lanka, China is heavily involved in financing and constructing the country's largest infrastructure project, Colombo Port City, originally a \$1.4 billion financial centre of skyscrapers, luxury hotels and shopping malls. Construction began in earnest in 2016, billed as part of the China's vision for a 21st Century Maritime Silk Road linking Asia to the Middle East and Europe. In Nepal, plans are underway to link Kathmandu with Tibet for the first time by rail and in Bangladesh, the second-biggest recipient of Chinese money from the belt and road plan in South Asia, politicians have had to be adept at negotiating well with both China and India.

Meanwhile, the Sino-Indian 4,057-kilometer boundary continues to be a "Line of Actual Control", reflecting the fact that there are specific sections of the border that are openly disputed. Another major sticking point in the relationship has long been India's massive trade deficit of \$63 billion in 2018 with China, which it argues is due to unfair restrictions and controls on Indian products and services.

An improved security, economic and strategic relationship with the United States certainly helps India in terms of boosting access to critical defence-related technology, secure encrypted communications and military facilities. The recent trend to talk about a Free and Open Indo Pacific amongst strategic circles and leaders in Washington, Tokyo, Canberra and New Delhi, is clearly an effort to capitalise on convergent security concerns about China. At the same time, closer relations, especially with the West and with the United States, is sometimes met with criticism at home about India losing or jeopardising its "strategic autonomy".

For the time being India appears to still have some flexibility. It has concluded a number of defence-related agreements with the United States and plans for a first round of joint exercises in 2019. Almost concurrently, India signed a \$5 billion deal with Russia for its Triumf surface-to-air missile defence system technically a violation under the Countering America's Adversaries Through Sanctions Act (CAATSA), which deals primarily with countries having "significant transactions" with Russia, North Korea or Iran. India has been lobbying Congress for a Presidential waiver, which has yet to be granted. On Iran, India was granted a temporary waiver for oil imports as well as an exemption for its operations in developing Iran's deep-sea Chabahar port, which provides access into Afghanistan. Relations with other significant powers have also gained momentum such as collaboration between India and Japan for development projects in African countries through the Asia-Africa Growth Corridor.

However, it remains to be seen how closely and visibly Indian policy-makers will be willing to align with United States objectives and priorities. For instance, in the next arena of strategic competition between the USA and China involving advanced technology and innovation, there have been moves by a number of US allies to stop using China's Huawei telecom products, citing national security concerns. In India, Huawei has a big global service centre, has announced plans to start manufacturing phones in India and has recently been invited to participate in the country's 5G trials. The question to be asked is how the world's second-largest mobile phone manufacturer and second largest smartphone market in terms of sales (with room to grow), will leverage these numbers in its foreign policy.

Going back to the 2019 general elections which are likely to grip the country's attention for the next months, the focus is going to shift to local issues, regional politics and coalition calculations. Recent losses at state-level elections and discontent over some of the government's economic policies and decisions have dented the sense of invincibility that previously prevailed in the BJP. Although the opposition remains fragmented and weak, the contest is going to heat up.

Top of the agenda remains the basic unmet needs of a vast and largely poor population but there are also huge groups that represent waves of transformation, including the middle classes, the country's rapidly growing urban residents, and the estimated 133 million first-time voters who could go to the polls in 2019. India's elections and rise as a major power and player in the world economy and in global politics will have to deliver results that address both discontent and tremendous aspiration.

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