

# ISAS Brief

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ISAS Symposium on Modi's Visit to China – Paper III

## Dealing With Xi: Modi's Foreign Policy Challenge<sup>1</sup>

*It is evident from India's Prime Minister's Narendra Modi's talks with the Chinese leadership in May 2015, and with other world leaders earlier, that New Delhi will be keen to forge economic links with Beijing while seeking increasingly closer strategic ties with Washington.*

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In this paper, I look at the implications of India's Prime Minister Narendra Modi's recent official visit to China (May 2015), where his meetings with Chinese President Xi Jinping received wide international attention. More specifically, I outline the broader ramifications of this visit for the conduct of India's foreign policy under the Modi Government. There are three broad ramifications.

The first is the manner in which Mr Modi's foreign policy relates to the wider debate over 'dealing' with China. In one view, India is balancing against China since the 1990s by

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<sup>1</sup> This paper on India's foreign-policy choices in dealing with China is based on the author's presentation at the ISAS Symposium on Modi's Visit to China – organised in Singapore on 11 June 2015. The Institute of South Asian Studies (ISAS) is an autonomous research institute at the National University of Singapore.

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deepening strategic ties with the United States and other countries in Asia. Those less convinced by this assessment are eager to point to India's and China's shared strategic interests on global issues like climate change and non-intervention, in opposition to the United States and its Western allies. This group believes that India will choose to bandwagon with China on important global issues rather than balance against it. As with most typologies, there is a significant spectrum between the two extremes of balancing and bandwagoning, across time- and issue-areas.

Mr Modi's visit did, however, signal the impact China's relationships with other regional countries can have for India's foreign policy. In a thinly-veiled reference to China's close relationship with Pakistan, Mr Modi made clear that the India-China bilateral relationship cannot be insulated from other bilateral relationships the two countries seek to forge in the region.<sup>3</sup> In line with this sentiment, there seems to be demonstrated willingness for this government to go further than previous Indian governments in strengthening strategic ties with China's neighbours. More specifically, there seems to be less hesitation in deepening strategic ties with countries with a difficult relationship with China, with Japan and Vietnam as notable examples. This is not surprising. The ideological outlook of Mr Modi's Bharatiya Janata Party (BJP) has traditionally represented China as one of India's biggest external threats, and this government seems to have translated this into foreign policy action when it comes to dealing with China.

The second ramification to be gleaned from this visit is the delinking of economic and strategic considerations in dealing with China. A significant part of the discourse on India-China relations has fixated on which of the two aspects – economics or strategic – will triumph in India's posture towards China. As several observers have pointed out, this is a false binary, and this government's approach to China has vindicated this point. Although in most cases, economic interactions complement and strengthen strategic ties between countries, this need not always be the case. One key example in this regard is the relationship between China and Taiwan where a deep economic relationship exists even while China views Taiwan's continued existence as an independent entity as detrimental to China's long-term strategic interests.

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<sup>3</sup> In an address to students at Tsinghua University, Modi remarked that 'we must ensure that our relationships with other countries do not become a source of concern for each other'. Quoted in *Economic Times*, 15 May 2015, [http://articles.economictimes.indiatimes.com/2015-05-15/news/62192321\\_1\\_nsg-membership-permanent-membership-permanent-unsc-member](http://articles.economictimes.indiatimes.com/2015-05-15/news/62192321_1_nsg-membership-permanent-membership-permanent-unsc-member).

In Mr Modi's case, the imperatives of his domestic economic agenda necessitate building a deeper economic relationship with China. In the case of China's East Asian neighbours, both Japan and South Korea, Mr Modi has attempted to build on existing economic ties to complement and cement deeper strategic ties. His approach to China, however, is qualitatively different. Bilaterally and, on some issue-areas even at the regional and global multilateral levels, Mr Modi will be keen to forge common goals with China in the economic realm. However, this does not preclude this government from viewing China as a medium-to-long-term threat to India's strategic interests. The two realms have been de-linked in India's approach to China by this government.

The third broad ramification is India's approach to the United States. There has been a significant amount of lofty rhetoric of India and China being united in the quest for an Asian century that will replace the supremacy of the United States in global affairs. Under this government, that proposition seems increasingly untenable. India's relationship with the United States has been growing steadily in the strategic sphere since the 1990s and the 123 civil nuclear agreement was viewed as the crowning glory of this deepening relationship between the two.

Mr Modi clearly wants to further strengthen India's strategic relationship with the United States. President Obama's gracing India's Republic Day as its chief guest (the first time a United States President has been accorded the honour) was meant to signal this intention. The spat between the two countries over the treatment of a serving Indian diplomat in the United States had soured bilateral relations at the tail-end of the last government's tenure and Mr Modi used India's Republic Day to signal both his personal and his government's desire to develop relations further with the United States. Mr Modi's ability to announce the final agreement to operationalise the civil nuclear deal during Mr Obama's visit was also significant. Once again, this particular policy move is not surprising. Unlike the previous Congress-led government, the BJP is less circumscribed by the baggage of India's non-alignment doctrine when dealing with the United States. In addition, there is less hesitation on the part of the Modi Government to portray India as a major power in global politics. The notion of a resurgent, economically and militarily powerful India playing a major role in global politics drives this government's foreign policy. The United States is an important ally in this enterprise, especially in the context of increased American trepidations about China. To complement this drive to forge closer strategic links with the United States, this government has attempted to upgrade strategic ties with key strategic allies of the United

States – Japan, South Korea, Australia and Israel. Mr Modi’s upcoming official visit to Israel (the first by an Indian Prime Minister) is part of this larger strategy to construct stronger strategic relationships with the United States and its allies in the region. In the trilateral relationship between India, China and the United States, Mr Modi will swing increasingly closer to the United States in strategic terms.

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