



# IDSS COMMENTARIES (20/2004)

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## **Outlook for India's Foreign and Security Policy Under the Manmohan Singh Government**

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The “shock and awe” at the results of the recently concluded Indian elections astonished all psephologists and seasoned political commentators. These elections saw the ouster of the Hindu nationalist government led by the BJP. The popular mandate resulted in a Congress-led alliance backed by a “Left Front” dominated by the Communists from the “outside”. The new government is being led by Prime Minister Manmohan Singh, the Oxford-Cambridge educated former finance minister and the “father” of India’s economic reforms in the midst of its worst balance-of-payments crisis in the early 1990s. The architect of his foreign and security policy shall be J N Dixit, India’s former High Commissioner to Pakistan, Sri Lanka, and Bangladesh, former Ambassador to Afghanistan, and former foreign secretary in the early 1990s. Dixit was appointed as India’s new National Security Advisor earlier this week. On the diplomatic front, Prime Minister Manmohan Singh shall be supported by External Affairs Minister K Natwar Singh, India’s former High Commissioner to Pakistan as well as a prolific writer who pursued his higher education at Cambridge and Peking Universities. What does this change of guard mean for the India’s foreign and security policy under the new Congress-led government?

### **SOUTH ASIA**

As is evident from the past experiences of the new drivers of India’s foreign and security policy, India is likely to give an increased emphasis to its relations with its South Asian neighbors in general and Pakistan in particular. The outgoing BJP-government has been criticized for trying to play a larger Asian (and global) role while ignoring South Asia.

The peace process with Pakistan is likely to continue as is evident from the statements of both Prime Minister Manmohan Singh and Foreign Minister Natwar Singh. The Congress-led government has criticized the outgoing BJP-led government for its lack of consistency in its Pakistan policy and has on more than one occasion stated that under Congress, India’s policy toward Pakistan would show “continuity and consistency”. However, under Congress, there is likely to be an increased emphasis on the Shimla Agreement of 1972 in which both countries agreed to settle all disputes by peaceful means and mutual discussions. There is a feeling in Indian strategic circles that the Pakistani military government wishes to dilute the 1972 Shimla Agreement (as well as the 1999 Lahore Agreement) and lay down fresh parameters determined by the military to govern relations between the two countries. Congress is also interested in crafting transparent and verifiable confidence building measures (CBMs) in treaty form to minimize the risk of nuclear and missile conflict with Pakistan. However, it is important to remember that India needs a robust counter-terrorism policy in order to negotiate the Kashmir issue (and any CBMs) with Pakistan from a position

of strength, especially on the issue of dealing with terrorist cells with roots in Pakistan and Pakistan administered Kashmir but operating in Indian Kashmir. The Congress would also do well by consulting with the BJP-dominated opposition on its Pakistan policy to avoid any damage to the peace process with Pakistan, as the Sangh Parivar – the family of Hindu right-wing organizations of which the BJP is a part – can derail any peace initiative with Pakistan by mobilizing public opinion against it by criticizing it as undermining the national interest.

The DMK – Congress party’s powerful regional ally from the southern state of Tamil Nadu – is bound to influence India’s Sri Lanka policy. DMK is an LTTE sympathizer and agreed to join the Congress-led government because of its commitment to repeal the Prevention of Terrorism Act. They claim there has been a misuse of this act at the state level in several Indian states. The Left also supports its abrogation. But what would this mean for the presence of LTTE elements on Indian soil in the southern state of Tamil Nadu and how would this affect India’s relations with Sri Lanka? So far, the stand that New Delhi has taken seeks for a solution for the ethnic strife within the framework of a unified Sri Lanka. India is also worried by the presence of external powers – Norway, US, Japan, and the EU – in Sri Lanka and for this reason is likely to play an active role in Sri Lanka.

As for Bangladesh, India is concerned about the support for insurgents in India’s Northeast from Bangladeshi territory – a charge that Dhaka denies. Similarly, Maoist activities in Nepal and their linkages with their counterparts in India threaten India’s internal security. India is extremely worried about increased US activism in both Bangladesh and Nepal.

The presence of external powers in India’s South Asian neighbors is likely to increase India’s involvement in the affairs of its neighbors under the Congress-led government as India is likely to try and dilute the influence of external powers in its own backyard. The main challenge for India under the Congress would be to manage the security (and to some degree even the economic affairs within the SAARC framework) of its South Asian neighbors without being seen as a hegemon.

## **CHINA**

Under the former Prime Minister Vajpayee, India and China had institutionalized high-level dialogue on their long-standing border dispute. India’s former National Security Advisor Brajesh Mishra had served as the Prime Minister’s special representative in these talks. So far, it is not clear if a new special representative would be appointed or if Dixit would assume this role. Congress accords high priority to resolving the territorial dispute with China and has been advised by many in India’s strategic elite to let Mishra continue as the SR in the talks with China. This would not only demonstrate broad political consensus in India to resolve all outstanding issues with China but will also make the final solution acceptable to the BJP and the Sangh Parivar, particularly if it involves some territorial “give and take”. India under Congress is also likely to tie down its long-term strategic rival, China, in transparent and verifiable confidence building measures (CBMs) in treaty form to minimize the risk of nuclear and missile conflict. Even though New Delhi sees Beijing as its long-term strategic rival, it is likely to continue the policy of economically engaging a rising China.

## **LOOK EAST POLICY**

It was under a Congress government in the early 1990s that India initiated its “Look East” policy, which was successfully continued under the outgoing BJP-led government. This trend

shall continue under the Congress-led government. The security, defense, and foreign policy manifesto of Congress clearly states its intentions to “improve and expand strategic relations” with ASEAN. This is likely to come about by greater cooperation between the Indian Navy and the navies of ASEAN in the Indian Ocean Region. India is committed to effecting a Free Trade Area with ASEAN by 2011. The Congress-led government is serious about its ties with ASEAN as is demonstrated by the fact that Foreign Minister Natwar Singh has summoned Indian envoys in ASEAN to New Delhi next week for consultations. It should be noted that they have been called to New Delhi at the same time as Indian envoys in SAARC. This shows that India accords at least as much importance to ASEAN as it does to South Asia.

### **MIDDLE EAST**

The Left has been highly critical of India’s burgeoning strategic relations with Israel under the outgoing BJP-led government. The Left claims that India under the BJP has neglected the cause of the Palestinian people and want the new government to “correct” its course. The BJP-led government was at best mute in its support for the Palestinian cause. However, statements issued by the new Defense Minister Pranab Mukherjee hint that while India will adopt the Palestinian cause under the Congress leadership, strategic ties with Israel would continue. However, it is likely that Indo-Israeli relations may not receive the media attention that they had under the BJP-led government. Israel has in recent years become the second largest supplier of military hardware to India and came to India’s help during the Kargil Conflict. It is important to remember that it was during Dixit’s tenure as the foreign secretary in 1992 that India established full diplomatic links with Israel. The task for Foreign Minister Natwar Singh would be challenging – managing relations with Israel while supporting the Palestinian cause, and also pursuing close relations with Iran. Iran looms large in India’s energy security calculus and cultivating closer ties with Iran is also likely to continue under the new Congress regime. As for Iraq, India is unlikely to send its troops there without a UN mandate and a genuine transfer of sovereignty to the Iraqi people.

### **UNITED STATES**

Under the BJP-led government, Indo-US relations received a major boost, as both India and the US perceived that they shared similar values and interests. Both are democracies and are watchful of China’s rise as a dominant power in Asia. Both India and the US also share similar interests in the Indian Ocean Region and the Greater Middle East. That there is a bipartisan agreement in Washington to develop closer ties with India is evident from the fact that the Republican Bush administration deepened and enhanced the economic and strategic ties initiated by the Democratic Clinton administration with India. There is a perception in Washington that Congress Party is anti-American. The fact that the Left backs the new government is bound to make Washington somewhat uneasy. Again, when the Soviet Union collapsed, it was the then foreign secretary Dixit (under a Congress-led government) that steered India out of its anti-American mould.

Under the BJP-led government, economic ties seemed to lag behind Indo-US military-to-military relations. Despite the attention given in the US to the outsourcing of jobs to India, it is not the US, but the European Union, which remains India’s largest trading partner. The former American Ambassador to India, Robert Blackwill, commented that Indo-US trade relations were “flat like a chapatti”. The Congress-led government is likely to continue its engagement with the United States. However, there is likely to be a qualitative shift in India’s approach towards the US. In spite of rhetoric, India is likely to engage the US economically

more readily than militarily under the new Congress-led government, as it is keen to establish a “strategic partnership” with the US.

The appointment of Manmohan Singh as the Prime Minister and the Harvard-educated pro-market P Chidambaram as the Finance Minister are signs that the Congress is pro-reform. Significantly, the Communist parties are realistic about market reforms notwithstanding their rhetoric. Large American MNCs like IBM have already invested in the Communist-dominated state of West Bengal. India’s efforts to redistribute the benefits of its economic growth are unlikely to be successful unless India is able to attract FDI, boost its exports, and encourage indigenous industries (in addition to implementing reforms in the agricultural sector). This will not be possible unless India gives a greater emphasis to its economic relationship with the US. Indians know that in order to keep America engaged politically and strategically, it is important to keep the American business community engaged and vice versa.

### **INDIAN DIASPORA**

Noting the important role played by the Indian Diaspora in shaping perceptions and policy abroad, the Congress-led government has created a new ministry for Non-Resident Indians (NRIs). It is a politically strategic move aimed at wooing the Diaspora away from the BJP. Manmohan Singh’s government has made a strong statement by creating the new ministry by saying that it places great emphasis on the Diaspora’s contribution to India’s development. India receives over US\$10 billion in NRI remittances, a figure India is determined to significantly increase.

### **CONCLUSION**

The main challenge for the new Indian government is to qualitatively transform its relations with China and Pakistan, to manage the affairs of South Asia without appearing domineering, accelerate economic integration with SAARC and ASEAN, and to impart an economic component to its relations with the United States. There is unlikely to be any significant departure from existing foreign and security policy under the Congress-led government although the rhetoric of the leaders is likely to change. The basic thrust of India’s foreign and security policy has been “strategic autonomy” and this trend will remain unchanged under the new government.

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