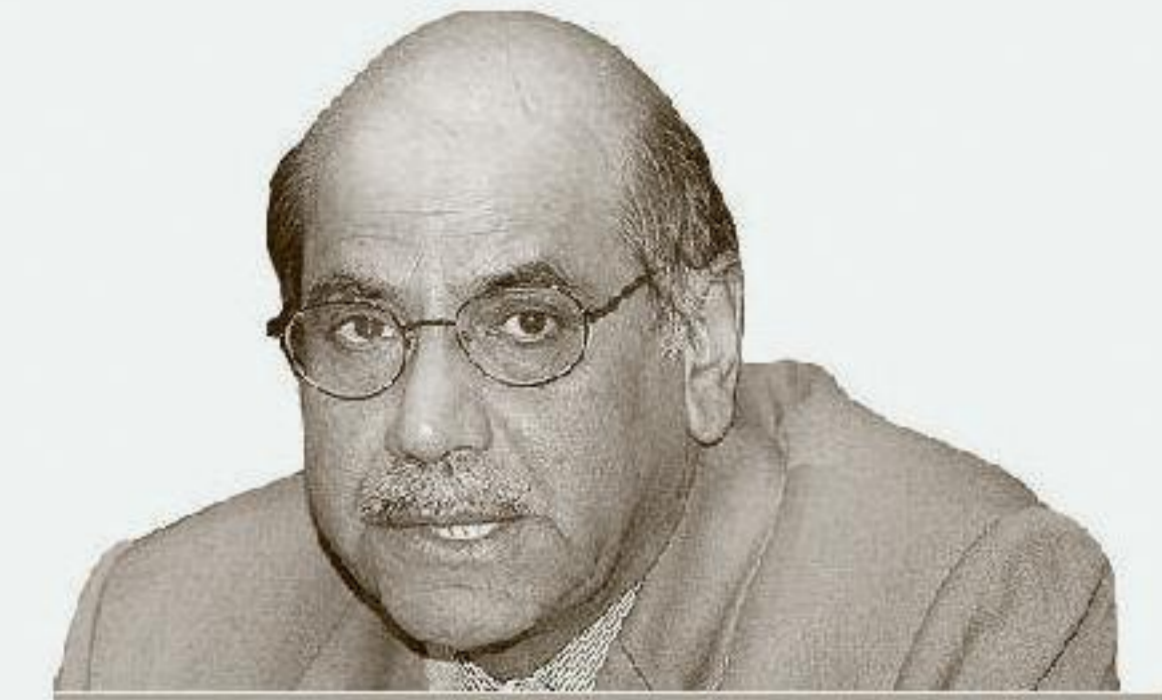


Options will multiply; so will the challenges

Domestic infirmities and external uncertainties will frame India's foreign policy in 2018



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2017 marked the year when the expansive intent and energetic ambitions of Modi government's foreign policy confronted most starkly the systemic weaknesses of the Indian state and its structural morbidities. Eye-catching events, the pageantry of high-level visits and the Prime Minister's brand of personal diplomacy, could not overcome the inability of the agencies of the state to deliver expected outcomes.

The pressure to deliver on optics sometimes used up the meagre capacities of the state to carry out the harder and less visible task of managing the nuts-and-bolts of inter-state relations. The overall conceptualisation of Indian foreign policy is sound. All the right boxes have been ticked, such as giving priority to India's neighbourhood. There is more purposeful engagement with the Gulf States and Iran, recognising their critical importance to India's energy security and the welfare of over six million Indians who live and work there. There has been less hesitation in pursuing an expanded relationship with the United States, Japan and Australia. South-East Asia remains high on the foreign policy agenda and inviting all Association of Southeast Asian Nations heads of state and government as chief guests to the 2018

Republic Day is a smart move.

The problem lies in the failure to build the institutional and human resource capacities to deliver on a more expansive foreign policy or to course-correct when required. For example, Pakistan continues to use up most of the oxygen in Delhi despite the stated policy to isolate it. But a strange inertia prevents review.

It is true that Indian foreign policy has to operate in an international environment marked by rising complexity and rapid change. Periods of geopolitical transition are fraught with risks. The Trump Presidency is a source of perpetual uncertainty and mostly unpleasant surprises. Europe remains addicted to navel-gazing as it deals with the disruptions of Brexit and the recalcitrance of its East European members. Multilateral institutions and regimes are being further marginalised. China has achieved great power status and is now less bashful in claiming seigniorial entitlements for itself. Our sub-continental neighbours are being pulled into its expanding orbit and this will preoccupy us more in the coming year.

And then there is the escalating nuclear crisis on the Korean peninsula which could end in a dangerous confrontation among the major powers. The time is long past for reversing North Korea's nuclear weapons programme. The only credible response is deterrence. But there continues to be the myth, probably self-serving, that China could somehow be persuaded to walk in and de-fang its troublesome ally. It will do no such thing. Nor will it impose sanctions which may trigger a regime collapse in Pyongyang. But acknowledging the irreversibility of North Korea's nuclear weapon status may force unpleasant choices on Japan



TIME FOR ACTION Prime Minister Narendra Modi seen here with some Asean leaders during a 2016 summit

and possibly South Korea. Would they go nuclear themselves to have a credible deterrent against North Korea? India will be deeply affected by these developments. There will be risks but opportunities as well.

External uncertainties also point to the need for strong institutions and numerous and capable practitioners of the diplomatic craft, to manage risks and advance India's interests. I believe that for emerging powers like India, it is periods of geopolitical transition which open up spaces for expanding their influence and pursuing their interests. A rigid and settled geopolitical frame, by its very nature, will offer fewer opportunities. So the current international situation could be something of a sweet spot for India.

Neither established powers nor emerging ones would wish for the current shifting terrain to congeal

into a landscape dominated by one or another power. There is a growing sense that the period of American global pre-eminence is past but there is a likelihood of a China-dominated Asia if not the world. China quite predictably would like to occupy the heights with concentric circles of lesser powers. If this scenario is to be resisted successfully then India will be one of the key players and China knows this. Whatever the origins and intent of the Doklam incident, China's fierce reaction demonstrated its surprise and frustration over its script of irresistible advance being contested. And this followed India's lone rejection of Xi Jinping's signature Belt and Road Initiative.

In 2018, the big issue will be whether India can leverage its criticality in shaping the emerging Asian and international order to harness the

economic and technological resources of its key partners to enable a shift to a higher growth trajectory. This could begin to shrink the power asymmetry vis-a-vis China. For example, Japanese companies want to shift their investments and markets away from China and it is only India which offers comparable scale. Are we ready to take the leap in offering a vastly improved investment and regulatory environment to enable that large scale shift to materialise? This will be true for other partners as well who do not wish to be locked further into the Chinese economy. And the added bonus would be that even China would not wish to be left behind.

Once the India growth narrative begins to change, India's foreign policy options will multiply. This is what happened in 2003-07 when India was seen as catching up and perhaps even surpassing China. We had major foreign policy successes with both the U.S. and China and these in turn expanded our strategic space vis-à-vis our neighbourhood, South East Asia and Europe. We need to recapture that space but that will require overcoming the institutional and human resource limitations which seriously constrain the conduct of an effective foreign policy. We can no longer afford the growing mismatch between ambition and capacity.

One hopes that 2018 will be a year when there will be less of spectacle and more of systemic overhaul. Pageantry without purpose invites ridicule. It is our ability to deliver on our commitments which will underline our credibility as a great power.

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