India's diplomatic space may shrink as govt picks hardline political agenda

The government’s decision to push through controversial political measures as economic challenges rise risks upsetting India's bargaining power with the world

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FILE PHOTO: A protestor holds the national flag during a demonstration against the Citizenship Amendment Act (CAA) | Photo: PTI

In its second term in office, the BJP government has
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used its even larger parliamentary majority to push through significant but controversial political measures as economic challenges rise. It has been hesitant in implementing overdue economic reforms though.

Despite protestations to the contrary, the change in the status of Jammu and Kashmir, the projection of the Supreme Court judgement on Babri Masjid as validating the BJP's stand on building a temple at the site of the demolished mosque, and now the Citizenship Amendment Act (CAA) which excludes Muslims from availing Indian citizenship as "persecuted minorities" from Pakistan, Bangladesh and Afghanistan, all these point to an explicit agenda of projecting India as a country where the majority population of Hindus have a prior and preferential claim over the state and its resources.

The political capital that India built up over the several decades as a secular and plural democracy has been eroded and this will hurt its international image, particularly among liberal western democracies. The negative fallout may be more in civil society, media and even among elected politicians in these countries, less among governments. This has been apparent in the recent 2+2 India-U.S. dialogue held in Washington where there was careful avoidance of any public and official expression of concern over political developments in India. However, the idioms through which stronger relations are pursued with these countries—all important partners of India—will be less in terms of shared political values. They will become more transactional in nature.

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One of the significant achievements of the Modi government has been the development of closer relations with the Gulf states, in particular Saudi Arabia. This has served India's energy security needs, promoted the welfare of a 6 million- strong Indian diaspora in the region, and partially neutralised Pakistan's influence with the Islamic regimes. However, in case the situation in the Kashmir Valley refuses to normalise for an extended period of time or the state comes down with a heavy hand on Indian Muslims protesting against these measures, in particular the CAA, then it is likely that the current benign phase in India-Gulf relations may begin to turn sour.

**Losing weight in the neighbourhood**

The most serious impact will be felt within India's immediate neighbourhood, in particular Bangladesh and Pakistan and perhaps less with Afghanistan. These countries have been identified as states where the non-Muslim minorities listed in the CAA have and continue to face persecution. Their reaction has been one of outrage. The scheduled visits of two senior Bangladesh ministers to Delhi were cancelled. The Bangladesh press has become openly critical and even condemnatory of the intent of the Indian government. All the positives which have been built up over the past decade in relations between the two countries may begin to unravel. BJP leaders cannot keep up a litany of abuse at "illegal immigrants" and "infiltrators" and then hope to assuage fears and anxieties they arouse in Dhaka.
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India-Pakistan hyphenation is back. The Modi government may find it convenient to brand its political opponents and critics as supporters of Pakistan or accuse them of speaking in the language of Pakistan, but this also heightens international perceptions of a potentially dangerous standoff between the two nuclear-armed neighbours. The opening of the Kartarpur Corridor appears as an aberration since it is out of sync with India's overall posture towards Islamabad.

The higher regional and global profile India came to enjoy since the dawn of the current millennium was the result of the steady globalisation of the Indian economy since the adoption of far-reaching economic reforms and liberalisation in 1991-92. This expanding economic engagement was accompanied by an acceleration in the growth of the Indian economy. By the middle of the first decade India was being seen as a huge economic and commercial opportunity, the next China and a show case for what a liberal democracy was capable of achieving. India's strength in information technology, the successes of its nuclear and space programmes, and the heft these gave to India's military capabilities all these marked India out as a substantial emerging power.

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It began to be perceived as the only major country with the potential of countervailing China's expanding power in Asia. This enhanced India's value as an economic and security partner among ASEAN countries, Japan and Australia, and above all the U.S. The landmark Indo-US nuclear deal was made possible only in this geopolitical context. India's economic dynamism reinforced its geopolitical profile and vice versa. There is an underlying assumption within government that India can disregard external media and civil society criticism—and even from governments—because it is now a major power in terms of its economic and security capabilities and it is headed by a strong and decisive leadership. It is India's diminishing economic performance and under investment in its defence capabilities which are wearing thin its relative insularity from external criticism. With Pakistan being projected as its main security preoccupation, India has also in the process bracketed itself with its neighbour. It is no longer being benchmarked with China. Its role as a potential countervailing power to China has diminished.

**India on the margins**

In its first term, the Modi government continued with outward-oriented economic policies. In the second term, it has embraced an import-substitution strategy, sought a review of existing free trade agreements and declined to join the RCEP (Regional Comprehensive Economic Partnership). India is walking back from the very policies which enabled it to escape from a low level growth equilibrium manifest before 1991-2. This is a setback in geopolitical terms. India cannot play a more expansive regional and global role while trapped on the margins of the global economy. The assumption that India represents a huge economic opportunity and therefore investors would have no option but to come to India on its own terms is an illusion.

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There has been an international consensus that despite its infirmities the Indian economy would sustain a GDP growth rate of 7.5% per cent for the next several decades and would therefore be a relatively safe long-term bet for investors at home and abroad. If the economy is unable to shake off the current slump and regain its high growth momentum
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The assumption that India’s international clout will shield it from sharp criticism and negative perceptions even in friendly countries, will be quickly belied. Were the economic slowdown be accompanied by prolonged political unrest and violence on the streets of the kind being witnessed currently, the perception of India as a politically stable and secure location would also suffer a setback. A diminished external profile will encourage adversaries like China and Pakistan to intensify pressures on India.

What is the way out of this? The government will need to acknowledge that its pursuit of controversial political initiatives such as the CAA and the proposed National Register of Citizens (NRC) could have serious, prolonged and adverse economic and social consequences. It should put such measures on hold for the foreseeable future and engage in reassuring people that there is no intent to change the basic fabric of Indian polity from what has been laid down in the Indian Constitution. A country wracked by political and social turmoil with rising insecurity and a stalling economy cannot claim an international role of a politically stable, economically dynamic and a forward-looking scientific and technological power.

It is too much to expect that foreign policy will not be influenced by domestic political compulsions particularly where neighbours are concerned. One of the strengths of India has been an overall political consensus on foreign policy despite competitive domestic politics. This needs to be restored. An effort must be made to insulate, as far as possible, external relations from being derailed by narrow domestic political calculations.

It is necessary to reach out to economic experts with professional skills and credibility to advise the government on a strategy to reverse the current economic slide. Whatever temporary measures may be required, there should be a reaffirmation of the economic reform and liberalisation policies pursued since 1991-92 and which brought rich dividends to the Indian economy. A commitment should be made to rejoining the RCEP. If indeed the choice is to go slow on globalisation then it is also necessary to wind down on an ambitious and expansive foreign policy and embrace more modest aims.

The credibility of India’s data collection and dissemination has to be re-established swiftly including through drastic measures if necessary. Without reliable and up to date data, neither is intelligent economic policy making possible nor would India’s international credibility be restored. Talking up India’s economic performance while parallel evidence indicates otherwise may cause more damage to the country’s reputation than other developments.

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