



# Select Committee on International Relations

## Corrected oral evidence: UK foreign policy in changed world conditions

Wednesday 9 May 2018

10.40 am

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Members present: Lord Howell of Guildford (Chairman); Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Hilton of Eggardon; Lord Jopling; Lord Purvis of Tweed; Lord Reid of Cardowan; Baroness Smith of Newnham; Lord Wood of Anfield.

Evidence Session No. 12

Heard in Public

Questions 112 - 123

### Witnesses

**I:** Professor Kate Sullivan de Estrada, Associate Professor in the International Relations of South Asia, University of Oxford; Rahul Roy-Chaudhury, Senior Fellow for South Asia, International Institute for Strategic Studies.

### USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on [www.parliamentlive.tv](http://www.parliamentlive.tv).

## Examination of witnesses

Professor Kate Sullivan de Estrada and Rahul Roy-Chaudhury.

Q112 **The Chairman:** Thank you, Professor Sullivan de Estrada and Mr Roy-Chaudhury, for coming to see us today. You are welcome. I am obliged to remind you formally that this is an open and public hearing, which is being recorded. There will be a transcript, which you can alter afterwards if you so wish. I should also remind members of the Committee that we have to declare any interests when raising issues with you.

As you are aware, this Committee is engaged in a wide-ranging inquiry to assess how in this age of information technology and the digital revolution we the British will need to adapt our diplomacy, our means of policy formulation and our general international equipment to meet changed world conditions. The term “changed world conditions” is the shorthand for the colossal transformations that have taken place through a shift in world power, in terms of economic and political gravity, to Asia, Africa and the developing world, along with the rapid growth and rise of great nations being driven considerably by connectivity, digital connection, data transmission and so on. That is the picture that we want to try to narrow down. To do that we want to learn how you perceive the second—indeed almost the first—most populous nation on earth, which is India, responding to these conditions. Later on, we will come to the UK’s particular relationship with India and how that is developing.

Against that general background, I will ask an opening question about India’s foreign policy. Where is India now? Is it still a regional power or does it have global ambitions, and how have these changed in the Modi era? Within that broad question, to what extent am I right that it is indeed technology and the miracles of Hyderabad, Bangalore and other parts of India that are driving the Indian economy to new heights and on to a more important place in the world? Is India regional or global? Let us have a general assessment before we get on to the details.

**Professor Kate Sullivan de Estrada:** Thank you. Sullivan is fine as my surname, by the way. India’s foreign policy ambitions are both global and regional, and of course there is a nexus between the two. It is perhaps useful to look at them through three lenses. You mentioned the economic lens. Globally, we know that India is seeking to secure market access for its goods and services and to ensure global labour mobility, while regionally it is seeking to set up physical connectivity to ensure its energy and resource security. This has meant a turn seaward; India is highly dependent on its sea lines of communication. We see a seaward-looking outlook in the regional domain.

The second lens is the security lens. Because of its geography, India’s security priorities are primarily regional, but we know that India confronts certain global institutions, particularly on the issue of non-proliferation. India has had to accommodate itself to the non-proliferation order.

The third lens, which we should not deprioritise when thinking about India’s ambitions, is the social lens of status at the international level.

Globally, India has sought status since independence. There has been a sense among all of India's leaders that India deserves, either in the short term or over the long term, a role of consequence in world politics. One way of seeking that status has been through its productive engagement with international institutions. This is one of the reasons why we in the West are perhaps less concerned about India's rise than we are about that of China.

There is an issue, though, which is that in India's eyes, the global institutions that were set up in 1945 no longer reflect the realities of power distribution in the international system. There is a sense that the developed western states are stubbornly clinging on to their positions of privilege within international institutions. There needs to be some shifting and accommodating of India within those institutions, particularly the UN Security Council. This ambition is particularly important because, if India is not accommodated and if it continues to be side-lined and left out of conversations at the global high tables, it will turn to other fora, whether they be minilateral ones such as the BRICs or alternative international institutions such as the AIIB. We will see India turning away, not necessarily regionally, but perhaps to smaller groupings that exclude the traditional centres of power in the west. Status is not something that we can exclude from our examination of India.

**The Chairman:** Thank you. That was a useful summary, which has raised all kinds of issues that we will come on to.

**Rahul Roy-Chaudhury:** As Kate said, India has traditionally had foreign policy ambitions which have been both regional and global. They are regional for the simple reason that, if you look at South Asia as a region, India dominates it in terms of population and size. In terms of the whole of the globe, as you said in your opening remarks, India has the second largest population in the world and it has attempted to seek a leadership role in world affairs. But there have been two distinct changes under the current leadership of the Prime Minister of India, Narendra Modi, in its ambitions both regionally and globally. The first is that Narendra Modi is espousing a far more 'pragmatic' foreign policy. It is one that says clearly that, in the global dimension, non-alignment as a policy for India has not worked for decades. We have not seen the term "non-alignment" being used during the past four years of the Modi Government. Instead, Modi seeks to make India a "leading power" in world affairs through engagement with a number of countries around the world, especially the P5 countries, including the UK, but with other countries as well.

There is also a great deal of 'pro-activism' in foreign policy today that we have not seen before. Narendra Modi leads from the front. He is a dynamic leader, who has engagements in foreign policy that we have never seen before. He is the first Indian Prime Minister to have visited Israel, 70 years after Indian independence. He has come to the UK twice and he has been building relations with the US and China. There is a certain dynamism in India's foreign policy that we have not seen before.

The 'pragmatism' and the 'pro-activism' are new elements in how India seeks to leverage its relationships both regionally and globally.

**Professor Kate Sullivan de Estrada:** I realise that I did not speak to Modi's foreign policy. To add to Rahul's comments on Modi's approach to foreign policy, I think that there are two moods that matter. I agree that there has been a more proactive approach to foreign policy, but I think that portraying and projecting an image as a change maker and a proactive leader is also a personal political goal of Modi. We need to be careful to look not simply at his pronouncements on change but also at the effects on the ground. There are clear examples, such as Israel, that are uncontestable. A further dimension of the way in which Modi is approaching India's perspective on the world is perhaps a turn away from the West. Again, this is part of his personal politics. He projects himself as a humble tea seller, who was not educated in elite institutions in the West, unlike many of his political opponents, and as a son of the soil. There is a different kind of pride in Modi's reading and projection of India that is centred on an ancient civilisational past. His push towards Asia has perhaps become stronger for that reason, as well as for the obvious geopolitical reasons.

**The Chairman:** Of course, this turn away from the West is nothing new. India was at the Bandung conference, leading a world that was a rival to the West and to Britain in particular after independence in 1947. How much do you think today's domestic difficulties and tensions stand in the way of this more proactive foreign policy? I am thinking of Hindu nationalism. India is the world's greatest democracy, but that creates a great many disputes as well. To what extent will its internal problems hold back its external ambitions?

**Professor Kate Sullivan de Estrada:** The fact that you are raising this issue is an example of how it can affect India's international stature. Situated in the liberal West is a hope that India could be a major player in the upholding of the liberal international order in the absence of commitments by other powers. One of India's strengths is, of course, being the world's largest democracy and having a strong commitment to an international rules-based order, but its image will be damaged if the kinds of anti-democratic things that are going on at home continue. There is a need to course correct for many internal reasons but also in the interests of India's international status.

**Rahul Roy-Chaudhury:** I slightly disagree with Kate. From India, when we look at how the world looks at us, there is one key focus: India's economic growth over the past few years. That is a fundamental change between the non-aligned policy perspective—the Bandung summit that you mentioned, Lord Chairman—and today's India. In the last four years of Modi's prime ministership, economic growth in India has averaged 7.3%, which makes it - for the second year running - the fastest-growing large economy in the world. The world looks at that economic growth. Secondly, there is the policy dynamism. Modi came into office in 2014 with a majority in Parliament that was unprecedented for 30 years. That

majority in the Lok Sabha, the lower House of Parliament, provided him with the ability to embark on a forceful foreign policy outlook. These are the two areas—economic growth and the ability to implement and deliver—in which the world takes India much more seriously than it did in the past.

- Q113 **Lord Hannay of Chiswick:** I want to follow up this point, because it seems to me that you have skated a little quickly over the fact that, if we were sitting here in the 1960s, we would have no doubt that India had aspirations to be a global policy leader, not just in status. Nehru and his immediate successors set up and led the non-aligned movement and had some clear policy choices, which derived from their leadership, on all the crises of the day. I do not see that now. “Pragmatism” tends to be the answer that Governments give when they do not have a policy; it merely explains why they have quite different and contradictory policies. I would be hard pressed to give an answer on what India’s policy was on Russia’s aggression on Crimea and Ukraine or on Syria. What is India’s policy on any of these issues? I understand the status, which you have spoken about eloquently and which I am sure is real, and the economic growth, which makes India a much more important partner for a lot of people, but I do not get the feeling that India has a global policy aspiration. Perhaps I am wrong.

**Professor Kate Sullivan de Estrada:** I agree that there may be a lack of clarity on India’s fundamental commitments geopolitically, but I think that this is probably intentional. We saw India seeking to play a bridging role during the Cold War between the West and the East at various junctures. We see India as having been a bridge between the developed and the developing world. I agree that that picture is much murkier after the end of the Cold War. India has sought to embrace global oligarchy in a way that it had not prior to the end of the Cold War. There were ambitions for high global status and influence on international politics, but not that very obvious signal of wanting to join the elite club of states. There is a balancing act now. India still values its relationships with developing countries for a great range of reasons. One characterisation of India’s foreign policy recently has been one of multi-alignment—the idea that to maximise your foreign policy potential you seek to be friends with everybody as far as possible. Perhaps there is a chaotic picture, but there are lots of advantages. As the Lord Chairman pointed out at the beginning of the session, the world is in flux and we do not quite know how things are going to shape up. A flexible and open policy is probably quite sensible.

- Q114 **Lord Reid of Cardowan:** On economic strength and foreign policy influence, where does the development of new technologies in India feature? I have a specific supplementary question on something that I have never really understood. Last year, Modi, in a dramatic move, carried out a policy of what was called demonetisation, whereby almost overnight a huge number of banknotes were no longer legal currency. Can you explain the relationship between that move and technology? Was that meant to persuade—if that is the right word—people to shift on to

electronic transfer, bank cards and so on? It was a very dramatic move.

**Rahul Roy-Chaudhury:** This is a Prime Minister who seems to understand technology, whether it be Twitter and his vast global following or his ability to use social media for various purposes. Today there is a much greater focus in India on what it has done with other countries on international solar efforts in terms of climate and energy, or again, artificial intelligence. I believe that the main framework of the bilateral aspect of Modi's visit to the UK a few weeks ago was the India-UK technology agreement that has been reached. There is a great deal of excitement in India about moving in this direction for the simple reason that Prime Minister Narendra Modi has a vision of transforming a developing India that he knows can happen only through technology. There is a tremendous amount of poverty and there are ambitious goals to eliminate it, but he knows that the way to do this is through the adoption of technology.

What is remarkable in many ways is internet access so that fairly remote villages have internet access and are now able to pay electronically, which was never the case before. However, in answer to your specific question on demonetisation, I think that the move had multiple purposes. One clear purpose was the attempt to counter corruption. We do not know the percentages, but it was believed that a large amount of black money was not being declared. What demonetisation did was demonetise 85% of India's currency in one stroke. The idea was that anyone who had bags of money under their beds would not be able to return that money to the bank. This happened just before a key local election in India. That was one part of it, but I do not think that it was completely successful because it turned out that 90% of the money was actually put back into the banks, so the black money complement came to only around 10% as opposed to the 30% or 40% that people believed it was.

The second reason was that it was an attempt to ensure much greater opportunities for electronic payments through card systems. As yet that has not been fully worked out and it is a long-term process, but what we know is that the demonetisation process affected the economy for two quarters and it slowed down a little. I think that the negative impact is now over and the economy is improving.

I shall end by saying that the demonetisation process also needs to be seen alongside other economic policies that Modi has unveiled, including the goods and services tax, which is a huge change for India. This brings to an end the multiple layers of tax and provides a uniform indirect tax structure for the entire country. Demonetisation and the GST should be looked at together in terms of economic development. I am not saying that both are fully successful at the moment, but the verdict seems to be favourable for the time being.

**Q115 Lord Purvis of Tweed:** I was in India over the Easter break and visited both the Lok Sabha and the Rajya Sabha. When I was received by the Speaker of the Rajya Sabha, that was both after a delegation from China and before a delegation from China. It was interesting from that

perspective. Taking on board what you have said about pragmatism and how clear the alignment will be, who will Modi and China see as their key allies to advance what they want for the future of India? Who will Modi telephone most often? Who will the Ministers and the Indian diplomatic service be tasked as making their highest priority? Who will they see around the world as the greatest supporters of their ambitions in terms of technology, the rule of law or development?

**The Chairman:** We will come on to relations with China in later questions, but perhaps we can take up some of the points that have been raised.

**Rahul Roy-Chaudhury:** It is important to understand what India's national interests are. We have talked about the regional and the global dimensions of India's foreign policy. When we look at the region, Modi has a "neighbourhood first" policy. It is essential that there is a stable region for the key aspect of his Government, which is the economic development of the country. He needs stability. He has therefore attempted to reach out to India's South Asian neighbours when he was first elected. There have been some 'hits and misses' in these relationships over the years, but the relationship with China is important for the simple reason that it is India's greatest strategic challenge. It is a large and powerful country that sits next to India and has a disputed border with it—indeed, India also has concerns about Chinese expansion and influence in the Indian Ocean. As a result of this, over the past two or three years in particular, India has been developing a set of relationships with other countries, including seeking, as Kate said, a 'multi-aligned' engagement. Of India's top three or four strategic partners, I would say that the first would be the United States, although there is some question about the degree of connectivity between the two leaderships, notwithstanding a successful Modi visit to the US last year. I would also say that Japan is an important partner for India. In Europe, France is an important partner and Russia remains so for the simple reason that India is dependent for 60% to 70% of its supply of defence equipment on Russia. If Modi were going to speak to the leaders of various countries, I think that it would be somewhat in that order.

Q116 **Baroness Coussins:** Picking up on your answer to the question put by Lord Hannay, can you say something about how important the UK is to India's foreign policy ambitions and how it views the UK's global role? How do our relationships with other Asian countries such as China and Pakistan affect the UK-India relationship?

**Professor Kate Sullivan de Estrada:** As part of a broader trend, to be quite candid, the UK has been somewhat consigned to the back burner in India's foreign policy ambitions. We see potent competition from the exporting states of Japan, France and Germany. As Rahul pointed out, France is India's largest European defence partner. Certainly Indian firms tend to prefer the UK for foreign direct investment. British banks lend more money to India than any other country, but of course we have the impending moment of exit from the EU, which of course decreases the UK's attractiveness as a gateway to the EU.

One big factor that is proving to be disruptive and harmful to the UK-India relationship—I am sure that the Committee can predict what I will say—is the question of labour mobility. The UK's tightening of its immigration policy has been a significant impediment and a disadvantage to how India sees the UK. From an Indian perspective, there seems little scope to separate out the free movement of people from the free movement of goods, services and investment. That will continue to be a major sticking point.

On the other hand, I do not want to sell the UK short because we know that the UK has many strengths in the eyes of Indian investors. We have world-class universities, vibrant business sectors, long-term infrastructure investments and favourable tax rates and, as a nation, we communicate continually that we are open to business. All these things are in the UK's favour. However, over time we will see the UK quite clearly courting India rather than the other way round. The cards are not necessarily in our hands as a nation in this bilateral. As Rahul pointed out, the top four significant partners for India internationally do not automatically include the UK.

**Rahul Roy-Chaudhury:** The UK is important to India for four reasons. First, it is one of the P5 nations of the Security Council, to which India aspires as a global leader. Second, the UK is one of the five largest economies in the world. The third reason is London. Clearly, London is the great financial centre of the world. Some 800 Indian companies are located in the UK. Fourth, there is a level of comfort between India and the UK in terms of language, culture and shared values. For these reasons, the UK is important to India.

What has changed, I would argue, is that other countries are assiduously seeking to engage with India and they appear to offer more than the UK either has or is able to commit to. France, for example, has a relationship with India that includes the nuclear dimension, the arms dimension and the space dimension. These are three key strategic areas. Another advantage for France is that, because it does not have a stake in Pakistan in the way the UK does, it does not have to worry about the impact of that relationship on India. Other countries are also engaging with India and are seeking to offer more. Again, the UK faces limitations, especially around Brexit.

At the same time, there are areas where the India-UK relationship is highly valued in New Delhi, in particular the security dimension in the form of cybersecurity. I am aware that the UK is the favoured cybersecurity international partner for India, much more than the US. It is important to look at how that can be developed. Another potential relationship is security in the Indian Ocean. For the first time in the joint statement between India and the UK, reference was made to the 'Indo-Pacific' rather than the Indian Ocean or the Asia Pacific; a term India has started using. That is an important change in UK thinking about how to engage with India in the broader 'Indo-Pacific' and the Indian Ocean regions.



A third area, in addition to the financial and the economic, is the technology sector, which I talked about earlier. Again, the UK is a key partner for India through its investment in India's new 'smart cities'. While the UK may not have the equity of other countries in a broad range of strategic relationships, it has sufficient equity ranged in a consolidated and comprehensive manner to continue to be a major partner for India.

- Q117 **Lord Grocott:** I want to pick up on the point about the relationship between the two countries in relation to the free movement of people, which is always sensitive and difficult. People from the subcontinent generally—not only India, but we will concentrate on that country—have made a tremendous contribution to many aspects of life in this country, in particular the health service. What is the reaction in India to what is in effect the export of highly skilled and valued professionals, particularly in the medical field, to another country? Is that seen as an upside, a downside, or just an inevitable aspect of the free movement of people? Is it in any way a negative as far as India is concerned?

**Professor Kate Sullivan de Estrada:** Rahul might have a different take on this. My sense is that the discourse around the brain drain is a little outdated and that we are now in a much more connected world with more mobility both outward and inward. India is facing the prospect of jobless growth, so having global labour mobility is important to address that issue. There is a sense that Indian software engineers going to Silicon Valley and making good is something that Indians can feel proud of and there is a sense that that kind of expertise comes home again in one form or another, whether that is in remittances or the expertise itself. I do not think that the discourse around the brain drain is as pointed as it used to be.

**Rahul Roy-Chaudhury:** I shall make one additional point. The way that India has looked at its diaspora has changed significantly over the past few years. In the past, the Indian diaspora in foreign countries was basically a headache for India's diplomatic missions overseas, but today that is no longer the case. Now, the diaspora is generally seen as an extension of India. I remember in 2015 being at Prime Minister Modi's big event in Wembley Stadium, which was attended by the then Prime Minister David Cameron, and recently I was in Westminster Hall when Prime Minister Modi hosted another overseas India event. Today's India celebrates Indians abroad, which is a huge change from the traditional mindset. In the past, India either ignored the diaspora or felt the effects of the brain drain. Today, it is a cause for celebration, with the result that there is now an identity card for the overseas citizens of India available to Indians living overseas. The answer in part to your question is that there has been a huge mindset change in how India views its diaspora.

**Professor Kate Sullivan de Estrada:** Just as an addendum, I completely agree with Rahul. We can see that some extremely influential members of the Indian business community in the UK have strong relationships with the Indian Government. We also saw the enormous impact of what was called the India lobby in the United States at the time when the civil nuclear deal was being fashioned between 2005 and 2008.

There is a sense, as Rahul says, that the diaspora can be a bridge and can help India to achieve its policy aims abroad.

**Rahul Roy-Chaudhury:** For Modi, the India-UK relationship is demonstrated by the term “the living bridge” between the British-Indian community in the UK and India. This is very important to the bilateral relationship.

- Q118 **Baroness Smith of Newnham:** Professor Sullivan de Estrada, you talked about India now essentially holding the cards rather more than the UK in bilateral relations. I should declare an interest as an academic at Cambridge. You went on to refer to our higher education institutions, yet what we have heard about is an issue that goes back to before the present Government came to office—namely, the frustration that India feels about our lack of post-study work visas and so on. To what extent would we be able to improve our relationships with India if there was to be a change to our immigration policy?

**Professor Kate Sullivan de Estrada:** That is a difficult question to answer because a lot of different factors play into changes in the bilateral. Speaking from my perspective as someone at a higher education institution and talking to my students, many of whom are from south Asia, I think that we in this country are losing out. Quite simply, students see the United States, Germany and even Australia as more attractive destinations for further study. In terms of allowing very talented students to come to the UK to attend our universities, there is an interest. However, I do not want to comment on exactly how the bilateral relationship could be improved, but of course there is a sense that it is a bit demeaning to declare, “We want to increase the flow of your goods and services and investments, but actually no, we do not want a significant amount of immigration”. Visa controls also become somewhat offensive. The tenor of the bilateral can be improved on this issue, if that makes sense.

- Q119 **Lord Jopling:** You have explained how, in some ways, the UK commercially is being elbowed out by other countries—you mentioned France and Germany. Professor, you used the words “losing out”, suggesting that our relationship with India is in decline. Many of these things are not in the hands of government—the brain drain, for instance, is not a particular responsibility of government—but could you summarise what you would like this Committee to recommend to our Government that would improve the relationship between the two countries both commercially and politically?

**Professor Kate Sullivan de Estrada:** You may regret asking this question, but I will be candid, if I may. We have a big problem in the UK in that we have not introspected with regard to our imperial history. Two problems follow from this. One is that establishment Britain and some of our politicians are prone to linguistic infelicities when engaging with certain parts of the world, including India. Again, to be candid, I think that our Foreign Secretary and some of his comments are perhaps the best or worst examples of this. Secondly, a lack of sensitivity of how the

UK comes across reinforces negative perceptions that are prevalent in India and perhaps other Commonwealth countries.

I can give you an example, which is not a high politics example but illustrates what I am trying to say. In the recent Commonwealth Games in the Gold Coast, India did remarkably well; it was placed fourth in the medal tables. A couple of weeks ago, a story hit the Indian media that, for the Commonwealth Games in Birmingham in 2022, shooting has been dropped. Shooting is one area in which India does very well; it was the best area of its performance in the recent Commonwealth Games. The media storm brewed and the president of the National Rifle Association of India was quoted as saying that that was discriminatory towards India and an effort to undercut India's performance. I am not saying that that was the intention behind dropping shooting from the Birmingham Commonwealth Games. I am not even necessarily saying that the president of the National Rifle Association of India believes that. But the fact that the media picks this up and that there is an instant resonance that this could be something that the UK is trying to do reveals something of the sensibilities which still exist and which have a connection to our imperial past. There is a need to eradicate this lack of sensitivity about how we as a nation interact with India and other countries in the Commonwealth.

To be more specific about what Britain can do now, I think that we have a tendency to think, "What will Washington think about this policy decision? What will Berlin or Paris think?" I do not think that we are asking yet, "What will New Delhi think?" Perhaps we need to do that. Perhaps we need to be more generally consultative in our policy-making.

**Rahul Roy-Chaudhury:** Looking at this bilateral relationship over the last few years, I would strongly urge the Committee to consider one fundamental point. The India-UK relationship from the UK side focuses primarily on trade and economic issues. Those are good things, but from the Indian side, if the UK were to elevate its position it has to be on the strategic content; it has to be on security relationships, cybersecurity and military exercises. When the British Prime Minister comes to India saying that he or she is taking the largest trade delegation ever to India and he or she arrives in Bombay first and then goes to Delhi, to the Indian mindset that is already saying that the UK is in second place and that it is interested only in trade issues that are beneficial to the UK. The UK could say that the strategic relationship with India is of primary importance—a strategic relationship that includes the Indo-Pacific, the new terminology that both countries have agreed on, and leads to stronger relationships in the Indian Ocean, south-east Asia and the Gulf region, where Lord Reid had spoken in the IISS Manama Dialogue. There are 7 million Indians in the Gulf region. If Delhi feels that the UK is focusing primarily on a strategic relationship with India and on working with India to ensure that it has greater roles in and responsibilities to the region that is closest to it, that will make a fundamental difference in the relationship between the two countries.

**Q120 The Chairman:** How far do you feel that the modern Commonwealth network can help to overcome this slightly unfortunate relationship and all the historical baggage? Does it help, or is it not a great factor?

**Rahul Roy-Chaudhury:** The recent Commonwealth summit in London and Windsor was, from the Indian side, hugely successful. This was the first time in nearly a decade that an Indian Prime Minister had attended a Commonwealth Heads of Government meeting. The reason for this was that it was being held in the UK. This demonstrates the importance of the relationship between India and the UK. For India, after the Commonwealth summit there is a focus on re-energising the Commonwealth and on stepping up India's role in the Commonwealth. This is something on which the UK, as chair of the Commonwealth for the next two years, and India can work together.

I would add one caveat. Even though India has found a new rationale and resonance for itself in the Commonwealth, I think that a fundamental difference will emerge between India and the UK. India sees the Commonwealth from its own national interest perspective. How do you deal with small states in the Commonwealth with which India does not have diplomatic relations? How do you leverage those relationships? China is not included as a member of the Commonwealth, which is a plus point. I think that, over the next few years, Delhi will try to shift the traditional Commonwealth human rights-based approach to one that focuses on capacity development and so on. In the Commonwealth there are huge opportunities for India and the UK, but India has found a new rationale for the Commonwealth which will not necessarily coincide with the UK's views.

**Lord Jopling:** Professor, could you clarify what you said about shooting being taken out of the Commonwealth Games? Governments get their sticky fingers on far too many things, but I would be very surprised if this had anything to do with the Government. You will tell me if I am wrong, but there is already any amount of competitive shooting in this country—Bisley, clay pigeon shooting and game shooting. I would be astonished if the decision to take shooting out of the Commonwealth Games was made by the Government.

**Professor Kate Sullivan de Estrada:** Please do not misunderstand. I was not suggesting that the Government had a hand in this or were involved. I believe that it was the decision of the games organisers to drop shooting, which is an optional part of the games. All that I am saying is that many developments in the UK are seen through a particular lens. That is an instructive example for thinking about how certain government policies are received in India. It was meant as an interpretative framework rather than an accusation against the Government for dropping shooting.

**The Chairman:** Let us get on to bigger issues and China.

**Q121 Lord Hannay of Chiswick:** Having read Shashi Tharoor's book, I am very clear about some of things that you have been warning us about on

India's perceptions of this country. Could we now turn away from India's and Britain's soft power, which you have both covered, to hard power? China is obviously an important part of that, with the boundary dispute and the little surge in tensions last year over Bhutan. That is one. Another is obviously Pakistan, which is both a nuclear rival and, because it is very close by, I would suppose an unshakeably connected ally of China. That complicates matters considerably. Could you also say something about India's response to the Chinese one belt, one road initiative and the issue of maritime rivalry, which with both countries expanding their navies rather rapidly is likely to be a growing factor? In talking about those issues, perhaps you could also keep in focus the important nuclear dimension, which is pretty worrying to outsiders because there does not seem to be any of the former Cold War machinery of the Soviet Union and the United States existing either between India and China or India and Pakistan. That is an alarming prospect, particularly when Pakistan has a doctrine of deploying tactical nuclear weapons down to unit level.

**Professor Kate Sullivan de Estrada:** An interesting development that has followed from India's rise and its being in a sense courted certainly by the United States, in some respects by the UK and by other western liberal democracies, is that Pakistan is perhaps being driven more into the arms of China. That bilateral is definitely strengthening. China is of course a major concern for India, but where I can see the current Trump Administration adopting quite a confrontational stance on China, the challenge facing countries such as India and probably Japan and Australia is that they are located in the region and they have in place a certain degree of co-operation in the form of economic trade and so on with China. The idea is that New Delhi needs to be wary of China and there is a push to counter its expansionism in the region, but there is also the recognition that China is not a problem that can be solved imminently, easily or indeed ever, so a working relationship is needed. Perhaps this is even more acutely the case now that the commitment of the United States to security in the region is perhaps in question as never before.

On the one belt, one road initiative, India does not necessarily oppose China sending out its excess capacity through the connectivity projects that make it up. What India is worried about is that this is being done in a non-consultative way. One of the first facets of the belt and road initiative was the founding of the Asian Infrastructure Investment Bank, which India bought into. It is the second largest voting partner in that institution and it is the largest recipient of loans. This has worked because China approached India at the beginning of the founding of that institution, so India felt included. When we see the belt and road initiative traversing the disputed territory of Kashmir or its maritime dimension traversing strategic nodes throughout the Indian Ocean, which India has traditionally seen as its sphere of influence, India reacts by saying, "One, we have not been consulted on these plans. Two, are there ulterior motives? Is this a strategy of encirclement?" There is a major concern about that dimension.

On the nuclear issue, no, there are not many confidence-building measures between the three powers. However, India and Pakistan have some important arrangements in place. On the first day of January for some 20 years they have been exchanging information on their nuclear installations. They alert one another to their missile tests, so perhaps there is more in place than people realise. Of course, India has a no-first-use policy and, while the geographical proximity of the two countries does not make a nuclear exchange unthinkable, there is a real sense that it would be in no one's interest in south Asia for a nuclear exchange to take place—let alone the hugely difficult international situation that would ensue from such an inconceivable exchange. So there are normative bulwarks against nuclear exchange as well.

**Rahul Roy-Chaudhury:** I agree that the nuclear dimension between India and Pakistan is of concern. They have contradictory nuclear doctrines. They also have what is possibly not a fully declared policy that neither side believes of the other. The Pakistani view is that, if it uses nuclear weapons first to counter an Indian attack made in response to a terror attack in India, India would not respond with 'massive retaliation'. That is the declared policy because the nuclear explosion would be on Pakistani territory, not Indian territory. On the contrary, the Indian view is that it does not matter whether nuclear weapons are tactical or strategic, because the use of nuclear weapons by Pakistan against Indian forces would be countered with 'massive retaliation' using India's nuclear weapons. There exist contradictory nuclear doctrines exacerbated by a sense of disbelief on both sides about whether the other would or would not do what they have declared they would do. There is concern about the nuclear dimension when tensions escalate, but both countries are responsible and pragmatic enough to know that these would be dangerous developments. The Pakistanis have an effective strategic planning division which monitors all aspects of nuclear weapons, while India has established a strategic force command. In a crisis, this would be an important point of focus, so there would have to be levels of communication and engagement not only between the two countries but also between other countries with both of them.

I think that we will see over the next few months something that is different from the past. Both India and Pakistan will be holding a series of elections. On 1 June, Pakistan will have a caretaker Government and elections will take place three or four months later. India is already in election mode because of five state elections that will be held before the next general election in the summer of 2019. The key focus in their relationship today—they are not talking to each other officially; there is no bilateral peace dialogue—must be one of risk management. Both countries and the international community need to manage risks if there are any unforeseen developments.

I shall turn briefly to the maritime aspect. The importance of the Indian Ocean is a new dimension for India. Several years ago I was in the Prime Minister's office in Delhi and we would talk about security in the Indian Ocean, but we knew that it was rhetoric and we never really believed in

it. However, today the Government believe that the Indian Ocean is important to India's security, which is why they have looked at supporting the interests of the smaller island states and developing policies in tandem with other countries using the Indian Ocean, which would also mean involving China at some stage. However, this is an area where a lot of serious work still needs to be done on how to engage effectively, particularly between India and the UK, on Indian Ocean security issues. There is a convergence of interests because the Indian Ocean is a transit route for trade and oil, so I would argue strongly that the maritime dimension, whether from India's perspective or that of other countries in the littoral or from beyond, is one of stressing the convergence of opportunities. We are quite far away from any potential conflict in the Indian Ocean, but it is important for all countries to work together on this because India now sees maritime security as a key element of its foreign policy.

**Lord Hannay of Chiswick:** Thank you very much for that. I would say only that I recently heard an academic of Pakistani origin at an American university advancing the view that, until now, the avoidance of a nuclear exchange had been due more to the United States and the United Kingdom intervening during any period of high tension and acting as a channel between the two. On several occasions that has avoided the worst happening, but now it is doubtful whether either the United States or the United Kingdom has either the capacity or the willingness to act as that channel and there is no other one. However, you have given a slightly more reassuring answer in this discussion and your contribution has been helpful.

**Baroness Hilton of Eggardon:** I was wondering whether Modi's massacre of Muslims in Gujarat has worsened relations with Pakistan or whether wider strategic issues mean that they are being maintained at much the same level. Has that had any repercussions in Pakistan or not?

**Rahul Roy-Chaudhury:** I travel frequently to Pakistan and I was there a few months ago. When I visited in the winter of 2014, just after Modi had been elected Prime Minister, the view was that this was an opportunity for the India-Pakistan relationship because, unlike previous Prime Ministers, this was a Prime Minister who represented the centre right of the Indian political mainstream. He has an unprecedented majority in Parliament, so if there is a Prime Minister who could deliver on peace between India and Pakistan, it would be Modi. As I say, that was in the winter of 2014. Since then, we saw attempts in 2015 to make things work between India and Pakistan. For example, in 2015 the Prime Ministers, Foreign Secretaries and national security advisers of both countries met. In 2016 there was an attack on an Indian army base in Pathankot in Punjab and that essentially put an end to those talks. We have seen that there could be an opportunity but so far we have not seen that opportunity being realised. We will have to wait and see what happens. As far as I am aware, the Pakistani leadership has taken a pragmatic and prudent position. We saw that in May 2014 when the then

Pakistan Prime Minister Nawaz Sharif attended the swearing-in ceremony of Prime Minister Modi—at great risk to himself, I must add.

- Q122 **The Chairman:** There are two final short questions on this section to which I would be grateful for fairly brief answers. First, is there any hope of an equilibrium over Kashmir? Secondly, we have not yet mentioned Bangladesh, next door to India, which has a fast-growing and dynamic economy. Do you have opinions on those facets?

**Rahul Roy-Chaudhury:** Kashmir is an important issue that has to be decided between India and Pakistan, but it can be decided only once talks at the official level between the two countries resume. Since 2013, there have been no peace processes between the two countries at the official level. In the past, the official dialogue between the two countries would have included Kashmir. I see no other way of moving forward on Kashmir in the absence of the resumption of an official dialogue, which has yet to take place.

**The Chairman:** Is Bangladesh part of the scene?

**Rahul Roy-Chaudhury:** Yes, it is very much a part of the scene. Bangladesh with its large population is an important country in the region, but there are clear concerns about its electoral politics and the elections that are to take place shortly. India-Bangladesh relations have improved tremendously, especially on issues such as counterterrorism, and the personal relationship between the two Prime Ministers, Sheikh Hasina and Narendra Modi, is supportive. There are of course differences between India and Bangladesh over the Rohingya issue, particularly on India's support for Myanmar in certain security areas.

**The Chairman:** We have already kept you for too long, but this is fascinating. We move on finally to India's place in the new world networks, as it were.

- Q123 **Baroness Smith of Newnham:** You have both already talked to the theme of the final group of questions, which is where India sees its place in the world in terms of regional and international organisations, so hopefully it will not take quite as long to cover these questions and answers as has been the case with some of the previous questions. Mr Roy-Chaudhury, you talked about India having a more dynamic foreign policy under Modi but also stressed India's economic growth. To what extent are those two things interrelated? Does India's growing economic strength give it a sense of wanting to express itself in foreign policy? How is that playing out in the international institutions? Professor Sullivan de Estrada, you talked about India being concerned about being side-lined by major institutions. Where does it then go? Is that affecting how it sees its role in the UN and the WTO? Does it then go into unilateralism rather than multilateralism?

**Professor Kate Sullivan de Estrada:** On your last question, India is keeping its options firmly open at all levels. India has been historically committed to the United Nations and there is still real interest in it, particularly in the fact that the UN charter embodies the principle of



national sovereignty, which has been important to India historically both because of the colonial experience and because of the great power politics of the Cold War era. Where the UN charter upholds that norm of non-intervention, the UN remains important for India's security concerns. As we have talked about, the UN also brings status benefits. India has now served seven stints as an elected member of the UN Security Council and, as we know, is pushing for permanent membership. India has also made an unsurpassed contribution to UN peacekeeping missions. The UN is hugely important to India but, as I mentioned, if it remains an institutional reflection of western dominance, that will lead to dissatisfaction.

The WTO is an interesting case, because there is a tendency in some countries to see it as an essential part of the rules-based economic order. I am not sure that India sees the WTO in quite that way. Where India has seen success in trade negotiations, it has not seen huge advantages to itself. The WTO is not necessarily an important home for trade from an Indian perspective. India's brinkmanship in the WTO is an irritant in bilateral relations with the United States. There may be a growing discontent with that institution among India's traditional developing country followership.

On the whole, though, India is looking for other options. It has a strong relationship with ASEAN. The ASEAN leaders attended India's Republic Day earlier this year. There is now talk of the minilateralism of the quad, which has everyone guessing which way it will go and what its ambitions will be. It is too early to pick out an overall trend. India has lots of things that it wants to do. It wants to maximise investment in its infrastructure. It wants to enhance connectivity as far as possible in the region and will use all possible avenues to do so.

**Rahul Roy-Chaudhury:** You are right that strong economic growth is fundamental to India's robust foreign policy and its foreign policy impact, but a key dimension of this for India is seeking investment. It is important for Delhi to ensure that foreign investment comes into India to help to provide infrastructure support, jobs and employment—Kate talked about jobless growth. A key dimension of foreign policy relates to the economy. Delhi needs investment. We have not seen in the last four years the expected foreign investment, partly because the Government does not have a majority in the upper House, the Rajya Sabha, and so were not able to change laws requiring businesses to acquire land in India and so on. But foreign investment is fundamental.

Related to this, it is important to understand that India is in a position that it has never been in before. We often assume that India should have the answers to all these questions on foreign policy issues, but of course it does not. I refer to Syria, Lord Hannay, which is complicated and on which India does not have answers. India is much more focused on areas where there are Indian communities. In the Gulf, for example, where there are 7 million Indians, large economic investment and oil, India would take a strong position—it would have to. We need to see where

India's strategic interests really lie. In areas that are not of strategic importance for India, although they may be for other countries, we should not expect India to have answers, because it is still on a learning curve on these issues.

**The Chairman:** It is well over time, Professor Sullivan de Estrada and Mr Roy-Chaudhury. What you have said has raised some fascinating questions. You have left us with the strong impression that, first, the UK could do a lot better in overcoming some of the problems in its relationship and perhaps developing a new mindset to move away from perceptions of the past, which are dominating in our society but which are clearly not relevant to modern India in the way that some of us still think. The other thing that you described is this rather fascinating two-way pull on India between the western view that, as you say, the quad and the alliance must contain the giant of China and the view of Mr Xi Jinping in Beijing that, on the contrary, India and China should develop a new partnership. Connectivity and technology wind all these issues together and we will see which way India goes. Thank you for setting our minds alight on all these issues. We are grateful to you.