

Foreign Affairs Committee

Oral evidence: [Global Britain and India, HC 1465](#)

Tuesday 9 October 2018

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Members present: Tom Tugendhat (Chair); Ian Austin; Mike Gapes; Stephen Gethins; Priti Patel; Andrew Rosindell; Mr Bob Seely; Royston Smith.

Questions 1-41

Witnesses

I: Sir James Bevan, Former High Commissioner to India, and Rahul Roy-Chaudhury, Senior Fellow for South Asia, International Institute for Strategic Studies.

Examination of witnesses

Witnesses: Sir James Bevan and Rahul Roy-Chaudhury.

Chair: Welcome to this afternoon's session of the Foreign Affairs Committee. Thank you very much, Sir James and Mr Roy-Chaudhury, for joining us. Can we kick straight off with Stephen Gethins?

Q1 Stephen Gethins: Thank you for coming along today. First, can you give us a general overview of what marks out the UK-India relationship and whether or not you think the shared history the UK has with India is an advantage?

Sir James Bevan: With this one health warning—no short statement about India is true—I will try to brief. I think that what marks out the relationship is that it is hugely important, so I am delighted that you are doing your inquiry. India, obviously, is a rising power: it is the second most populous country and by 2030 it will be the third largest world economy. On every single international—and probably domestic—issue that matters to the UK, India will be part of either the solution or the problem. So it is fundamentally important for the UK that we sustain and deepen our relationship with that country.

To your second point, I think that the specifics of the relationship, the history and the various links that now exist, which we will no doubt come on to, are mostly opportunities, but they are not an unmitigated blessing. They have presented, and will continue to present, some challenges.

Rahul Roy-Chaudhury: Let me complement what Sir James said by looking at how India looks at the UK. The strong sense I have is of familiarity between India and the UK, whether in terms of shared history and language or shared values and interests in culture.

More than that, there are three key reasons why India is interested in the UK. The first, clearly, is that the UK is a permanent member of the UN Security Council, and India aspires to be a member of an enlarged UN Security Council. Secondly, the UK is one of the five largest economies of the world. India is in sixth or seventh position and aspires to rise further. The third is London, as a great financial centre where a lot of Indian money is parked. There is tremendous interest in London continuing to be a financial centre. For these three reasons, there is great interest in India in building the relationship with the UK.

Q2 Stephen Gethins: Sir James, you are right to say that India is big, and for those of us who have got very little experience it is difficult to think about a continent-sized country like that. How high is the UK on India's list of priorities? How does it compare with other European countries?

Sir James Bevan: I would say that we are at the top of the list of second-tier powers with which India wants a relationship. India looks for strong



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relationships with everybody—you could say that India is looking not necessarily for allies but for friends everywhere, and it has been pretty successful in that. Clearly, the United States, Russia and—as a potential challenge, if you like—China loom largest in Indian foreign policy makers' visors, but certainly my experience in Delhi was that the Indians hugely value the relationship with the UK, including in terms of what we can do on foreign policy, defence, intelligence and security co-operation.

Rahul Roy-Chaudhury: A few years ago, the UK was one of India's top five strategic partners. I do not think that this is necessarily the case today. In the last few years particularly, with India's economic rise, several other countries have reached out to India. So in terms of the priorities for India's strategic relationships, the US retains first position, but other countries like Russia, Japan, Israel and France would be in the top five list.

Q3 **Stephen Gethins:** That is interesting. What do you think are the most important areas of convergence between the UK and India? Where are the points of friction that we as a Committee might want to be aware of? Specifically for Sir James: just looking back a little bit, how do you think things have changed since your time as High Commissioner?

Sir James Bevan: I think there are more points of convergence than of difference. We are both status quo powers. We both have an interest in a rules-based international order, peace, stability and prosperity. We are both open market-oriented democracies. So I think the overall convergence of interests is a pretty strong one. During my tenure—that was between 2011 and 2015, so I can only comment authoritatively about those four years—we did have disagreements. We had those disagreements in a professional and grown-up way, and we talked them through. They tended to be disagreements not about ends, but about means. For example, how do you deal with an Iran that aspires to become a nuclear power? Britain and the rest of the international community, by and large, believed in a sanctions approach, but the Indians did not. They believed in dialogue, for reasons which we understood. I would say that where we did have differences, they tended to be more about how to achieve goals that we broadly shared.

Rahul Roy-Chaudhury: We have seen the focus of India-UK bilateral relations on trade, investment and visas. As we go into the next few years—that is why this Committee's inquiry is very important—shared interests and convergence will not necessarily be in those three areas, but in broader regional and international affairs, whether on issues of counter-terrorism, cyber-security, or the Indian Ocean and maritime security. Those areas are becoming much more important to the Modi Government in India. Those are the areas that will build on the strategic relationship between the two countries. I think it is very important to move towards looking at those areas as a multi-layered, deeper relationship between the two countries, rather than focusing on the traditional areas of trade, investment and visas.

Stephen Gethins: Thank you for your impressively concise answers.

Chair: Thank you very much for keeping it short and brief.

- Q4 **Mr Seely:** I am curious and I have two questions on that. You mentioned security and the economic size of London and its financial centre. There is clearly an Indian diaspora link, or certainly people of Indian background in the UK—how does that feature? Secondly, I understand the US and China link, but I do not understand so much Israel and France.

Rahul Roy-Chaudhury: Yes, there is an important Indian diaspora component to India's foreign policy with the UK. I would argue that has taken place relatively recently, with the BJP-Modi Government in power, where the Indian diaspora communities abroad have become an important aspect of the relationship with India. The importance of London as a financial centre is not just about the Indian diaspora community in the UK. It is for Indian business, which is going global. There are about 800 Indian companies in the UK—a lot of them are trading with the EU—which were set up in London to take advantage of the financial sector and the financial services of the UK. London as a financial centre is a much broader issue and separate from the diaspora community alone.

- Q5 **Mr Seely:** I absolutely get that. Can you explain the Israel and France thing? They do not seem to have the global—I can understand that it is useful to have a good relationship with Israel, but I do not understand why it is not as strategic as the relationship with, for example, the UK and even France, which is a similar size economy.

Rahul Roy-Chaudhury: What I am saying is that for the Modi Government it is very important to work with countries, to have partnerships with countries, which have convergence with India on security issues. France is the one country with which India has had close co-operation on the three key areas of security: arms supplies, space programmes and nuclear energy. There is no other country, in that sense, that has that diversity of relationships in the security sector with India. In 1998, after India tested its nuclear weapons, France was the only country that did not isolate India and was able to work with India, in terms of building the relationship that India subsequently developed with the US.

The diplomatic relationship with Israel was established a few years ago, but the focus has traditionally been on defence components and arms. It is a very secretive relationship, but one which this Government have made more transparent. A few months ago¹, Prime Minister Modi became the first Indian Prime Minister in 70 years to visit Israel. That relationship itself is very close. It does not necessarily have a large diasporic community, but it is a strong strategic relationship that India has.

- Q6 **Ian Austin:** Could I ask you to reflect on how joined up you think UK Government policy is towards India across issues such as trade, security, defence, migration and so on, and how effective you think the Foreign Office is in co-ordinating all this?

¹ Note from witness, should read as: 'Just over a year ago...'



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Sir James Bevan: Let me give you my take. I think you are seeing the Foreign Office Minister in due course, and I am sure you will get the official version from him. During my tenure, it did feel quite joined up; in fact, it felt very joined up. It felt joined up first in the sense that there was a common purpose. The two Governments that I served were the coalition Government and then the Cameron Conservative Government, and it was clear in both of those that India was a top priority. You saw that in terms of prime ministerial visits and in members of the Cabinet, senior MPs and others coming out. That sense was embedded in the way Whitehall behaved. Officials knew that India was important for the Government and the country, and they thought about India in ways that maybe they hadn't done before. The mechanisms for balancing and addressing such tensions, as always exist in policies—for example, between visas and other issues that we might want to pursue—seem to me to work well.

We did, during my tenure, adjust various bits of our policy to take account of where we saw UK interests residing. For example, if I am remembered for anything during my tenure, it will be the change in our approach to the person who is now the Prime Minister of India. When I arrived in 2011, Britain and other western countries did not have a relationship with Modi, who was then the Chief Minister of Gujarat. They had drawn back from that relationship after the Gujarat riots in 2002, where many people died. I took the view that it was right to re-engage with Modi, both because it was already obvious that he might well become the next Prime Minister of India, but also because Gujarat is a hugely important state and Britain has a lot of interest to pursue there. I therefore recommended that we should make that change and the Government agreed. I have seen lots of chaos in lots of Governments; on a scale of one to 10, the Government approach that I saw during my tenure was a nine out of 10 in terms being joined up.

Rahul Roy-Chaudhury: I can comment on it only from the outside. Seeing the UK Government approach from the outside, it appears fairly joined up. I think more could be done in terms of packaging the policy and in terms of the narrative and the selling of the policy to India. It is not always clear that the Indian side fully understands the UK's policy perspectives all the time. I would like to add one point about the diplomats in Delhi and the UK working on India. There is a very high level of experience and expertise there, but we haven't seen a British diplomat posted as the High Commissioner of India who has previously served there. We have seen this to be the case in Pakistan, where the current British High Commissioner served earlier as a political counsellor. We have seen this in China. For India, it is very important to have a strong political relationship over the years, and a development like that would be something that would add value.

Q7 **Ian Austin:** Sir James, Sir Richard Stagg is reported as saying recently that he thought the UK Government lacked a strategy towards India. What are your observations on that, and what do both of you think the strategy should be?

Sir James Bevan: I have great respect for Sir Richard Stagg, who I succeeded in Delhi. I do not agree. At least during my experience there



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was a strategy, which was to aim to build up a really deep and broad relationship with India across the whole field—as you say, Rahul, not just in trade and investment, which is obviously important, but in security and intelligence, in science and technology, and in development. It was a strategy based on greater investment by Britain in India, not just financial investment, but the investment of additional diplomatic resources, the investment of time—from the Prime Ministers downwards—in India. It was consciously a strategy that we knew would take and will take decades to fructify. People can debate whether it is the right strategy and whether it is right to prioritise India, but I do not recognise the description that there was no Government strategy, at least during my tenure.

Q8 Ian Austin: The UK obviously has a wider diplomatic footprint than other countries. Do you think the network is sufficient? Do you think it is properly targeted?

Sir James Bevan: That is a really important point. Rahul is right to identify the importance of people on the ground. Everything in India depends on relationships. The more people you have and the more you invest in those relationships the further you will get. Part of our strategy at the time was a deliberate investment in expanding the diplomatic footprint of the United Kingdom in India. It was my job to make that happen. When I left, we had the largest British diplomatic presence in India, compared with anywhere else in the world. It was about 900-plus staff, most of whom were obviously Indian staff, but with a significant number of British diplomats, spread over 10 offices, including the British high commission in New Delhi, seven big deputy high commissions up and down the country, one trade office and one consulate office. Not only was it the biggest British diplomatic operation anywhere in the world, it was the biggest diplomatic operation in India. The Americans may have had more people, but we had more flags on the map, in terms of places. I think that is important, because as wonderful as Delhi is, much of what happens and matters in India is not happening in New Delhi. It is a very diffuse federal state. It is very important to have relationships with states, such as Gujarat and others. Part of the logic was ensuring that we invested not only in the Indian Government of the day in New Delhi, but in the relationships that you can have at state and local level.

Q9 Mr Seely: Just to follow up on that, obviously there is a trade-off. You are explaining eloquently about the national, state and local levels. Considering how some states are important and as a way of deepening our relationship with India, if you could redraw the system, our FCO footprint, and the DFID, DIT and Defence footprints, and treat them all as a single entity that you could control, as the FCO, in a perfect world, how would you change that relationship between the federal Government as opposed to the states, and would you seek to deepen your relationships with the states and if so, how?

Sir James Bevan: First, there was another way in which it was a fairly joined-up strategy: there was very good working locally in India between the different bits of the British Government, not just the Foreign Office, with which I came, but all bits of the Government. It always seems to



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work better overseas than it may do in London. It worked well in India, because of this common purpose. I think that we have the balance about right. If you look at that 900 figure I gave you—the total number of people working for the British Government in India—more than half of those would not have been in New Delhi, but in the states doing economic, political, science and technology work. To me, that feels to be right. Clearly, you need to have a relationship with—

Q10 Mr Seely: What is the balance? How many in New Delhi and how many in the states?

Sir James Bevan: I do not have the numbers now, but I guess that of that 900 you would have had maybe 400 or 350 in New Delhi and the balance in the states, so probably about one third in New Delhi and two thirds in other parts of India. That feels to me to be about right. You need a relationship with the central Government, you need a relationship with the Indian Parliament, and you need a relationship with all the other movers and shakers who are in New Delhi, but many of the people who make a difference in India are not in New Delhi. Business is in Mumbai. The Chief Ministers of states are extremely powerful. It is easier to get things done by dealing with Chief Ministers, frankly, than with some central Ministers. You can always adjust, but overall that balance feels about right.

Q11 Andrew Rosindell: What impact do you feel Brexit is likely to have on the trade and investment relationship between the UK and India?

Sir James Bevan: First, it is too early to tell. It will depend on what kind of Brexit there is. I can tell you that I spent a significant amount of my time seeking to encourage Indian companies to invest in the UK. They have done. I am not saying that was down to me. There has been a long and growing history of Indian investment in the UK. That is very significant now, in terms of the volume. At the time I was in Delhi, Tata, which owns Jaguar Land Rover and at the time owned Corus Steel, became the single largest manufacturing employer in the United Kingdom. It is very important that we sustain and increase that inward investment from Indian companies.

Clearly, one reason Indians were investing in the UK is because it is a good place to do business; it is deregulated and has a highly educated and effective workforce. However, another reason that they invested in the UK was because it would give them access to the world's largest single market—the EU single market. The relationship that the UK finally strikes with the EU single market will be an important factor in future calculations by Indians about the extent to which they want to invest in the UK.

Rahul Roy-Chaudhury: I do not think that India understands Brexit and the UK's reasons for leaving the European Union. While there may not have been an impact of Brexit as of yet, there is clearly a sense of uncertainty within the Indian business community about the prospective impact of Brexit and plans if there is a no-deal Brexit or hard Brexit. What



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will happen to Indian companies based in the UK that have traditionally dealt with the European market and had passporting rights and so on?

Since June 2016, we have seen on the Indian side an air of uncertainty about what the future will hold, which means that some major decisions that would have been made by Indian businesses, in terms of the UK market, will most likely be postponed.

- Q12 **Andrew Rosindell:** When you say that they don't understand Brexit, what do you mean by that? In what way do they not understand it?

Rahul Roy-Chaudhury: When Indian Prime Minister Modi came to the UK in November 2015—Sir James organised that visit—it was a hugely successful visit. From the Indian side, it was an attempt to transform the bilateral relationship and to take it to new areas and to diversify. Then Brexit took place, which essentially meant that the plans that Delhi had, and the focus that the UK had, would not be implemented.

The focus for the UK became very much looking at the relationship with the EU, which I think had an effect on the nature of the bilateral relationship with India. In a way, the view from the Indian side is that this unfortunate incident has delayed the transformation of the India-UK relationship by several years.

- Q13 **Andrew Rosindell:** What do you think are the prospects for a UK-India free trade agreement, and what do you think India would want to get out of that?

Sir James Bevan: You are talking to the man who spent four years failing to successfully negotiate—or to successfully support the negotiation—an EU-India free trade agreement. We tried hard at the time but it did not arrive. I think that seeking to negotiate a UK-India trade agreement will encounter some of the same problems and a few different problems.

One of the same problems we will encounter is that any trade agreement is difficult and complicated, and trade agreements with India are particularly complicated because India has so many interests that it needs to address. Trade agreements with India are complicated because there is still a strain of protectionism in thinking in India, and because, as we were discussing outside, India has state elections with great regularity, and central Government has to have regard to how negotiations will play in those elections. All that was true in the EU-India free trade agreement negotiations will be true of any UK-India free trade negotiations.

What will be different or additional will clearly be that we will be negotiating as a single country of 60 million or 65 million people, against a bloc of 350 million people, so there will be a question about leverage. I think there will also be a greater focus on the things that are specific to the UK's relationship with India that India will seek to extract—most obviously on visas. It was already clear in the EU-India free trade agreement negotiations that it was important to India to gain greater access for Indian nationals to come to the UK under our visa



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arrangements. I would expect that to be a major demand of India's in any future bilateral trade negotiation.

Rahul Roy-Chaudhury: What we have seen, clearly, is outreach from the UK for a free trade agreement with India. There are various mechanisms in place to try to work towards such a free trade agreement. From the Indian side, there is no hurry to agree to a free trade agreement, unless it gets the provisions, as Sir James said, on visas and transit rights, for the simple reason that, in terms of leverage, the Indian view is, "Well, the UK is in a hurry to get this agreement. India is not. We just have to see who gets the best deal out of this." So when I see British Ministers talking about a free trade agreement with India, along with the US and China, my initial reaction is that, as Sir James said, that is going to be a long-drawn-out development.

- Q14 **Andrew Rosindell:** Does the Indian business community see any advantages from Brexit? Does it look at the decision we have made and see that potentially there can be opportunities to strengthen the trading relationship between our two countries, or is there purely a negative feeling? What is the mood at the moment in the business community?

Rahul Roy-Chaudhury: It is mixed. Some companies that are larger are able to make difficult choices; they are able to set up subsidiaries in Europe that have traditionally been based in the UK. But the view of some of the smaller companies is that it is difficult. They were set up partly, if not largely, in relationship to the EU, but because of the UK's familiarity, they were set up in the UK. By and large it is mixed, but the more that there is talk of a hard Brexit or no-deal Brexit, the uncertainty increases and, for companies, the prospects would become more difficult.

- Q15 **Andrew Rosindell:** But do they see any opportunities, in the sense that they will be able to trade with Britain without necessarily abiding by EU rules and regulations? They can have a bespoke agreement with the UK and build up a relationship that perhaps could benefit India, rather than simply having to abide by one set of EU regulations, which on occasion are not necessarily beneficial to India.

Rahul Roy-Chaudhury: That may be the case for some companies, but my sense is that it is not the case for the majority.

Sir James Bevan: It is worth adding, in terms of British business interests, that while a free trade agreement would clearly be a desirable thing to have and is achievable—but would take a long time—you do not have to have one to boost British trade and investment with and from India. At the time I looked, it was worth about £15 billion each year, in terms of two-way trade, between the two countries. What you do need, whether or not you have a free trade agreement, is entrepreneurial British businesses to come out and active British diplomats working to try to open the doors for them. Whether or not we get a free trade agreement, we can continue, if we are energetic, to successfully build up that trading relationship.

- Q16 **Priti Patel:** I would like to ask a question of both of you, starting with



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you, Sir James, from your perspective. We have not really touched on the significance of bilateralism and interpersonal skills and bilateral relations between our two Prime Ministers, effectively. James, could you say something about the bilateral relationship when you were there, because it was quite something? Rahul, I would love to ask you, having listened to your insights on the Brexit discussion just now, whether you think a change in Prime Minister has led to a change in the bilateral relationship, for better or for worse?

Sir James Bevan: As I said and as you know very well, Ms Patel, everything in India is about relationships. That is what makes things happen, so I think investing in relationships at all levels is an incredibly sensible thing to do. During my tenure the then Prime Minister and British Ministers did make the effort to invest in those relationships, and I know that you did, too; you were a frequent and very welcome visitor to India. And it does make a difference. The more time you invest in those relationships, the more easy the relationship is, the more fruitful it is, the more trust you develop and the more you are likely to get the right answer when you actually want to do business. But you do, as you know, have to put in the time before you get to the business.

We touched on the diaspora, of which you are a distinguished member, and in a way that is one of our secret weapons. At the time I remember you leading a series of missions with the British diaspora—astonishingly effective, getting into parts of the Indian system that I could not reach. You and your colleagues—it is 1.5 million strong, I think, the Indian diaspora in the UK; incredibly well connected—could reach parts of the system that I could not reach. An example is the Modi visit. You and many other distinguished members of the Indian diaspora in the UK were just as instrumental in setting up that visit and making it a success as I was and the diplomats were. So I do not think you can underestimate either the importance of relationships or the importance of the time taken to invest in them.

Rahul Roy-Chaudhury: I think there was a special relationship between David Cameron and Prime Minister Modi. I followed the visit very closely when Prime Minister Modi came to the UK in December 2015² and two things were notable. Firstly, for virtually the entire period of the visit of two and half, three days, Prime Minister Cameron was with Prime Minister Modi. Secondly, I think uniquely Prime Minister Modi was at Chequers for dinner and the next morning. So I think there was a personal chemistry between the two leaders.

With Theresa May as Prime Minister the structure of the relationship continues to be strong but, as I have mentioned earlier, in India there is a sense of dismay over Brexit and the fact that this will delay the transformation of the bilateral relationship. We have seen that Prime Minister Modi's recent visit to the UK in April was shorter; but clearly there were key elements, including a technology partnership, which is important. Essentially we will not really see the outcome of that visit to

² Note from witness, should read as 'November 2015...'



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the UK for the simple reason that within the next six months India goes in for general elections and the focus in New Delhi for the last few weeks, if not months, really has been on the next election.

So I think there is a qualitative difference between the relationships that the Prime Minister had with the two Prime Ministers of the UK, but partly that is dependent on the politics and the election taking place.

Sir James Bevan: Sometimes when we talk about the relationship with India, we think only of the relationship between the central Government in New Delhi and the British Government here in London. It is much broader than that, as I know you know, Ms Patel. It is also about the relationship between MPs. It is about the relationship between members of the diaspora. It is about relationships between business. It is about the relationship between scientists, which is fructifying. It is about people-to-people relations. I am not qualified to comment on the current state, if you like, of the Government-to-Government relationship, but it felt to me as if beneath that relationship, which will rise and fall over time, we were building a broader set of relationships that would outlast whatever the transient relationships at the top of the Government were delivering.

Q17 **Chair:** May I point out one of the reasons Members are nipping out—there is a statement on the European talks at the moment, by the Secretary of State; so forgive people disappearing.

One of the things that have come up and you have touched on in various ways, and I am just wondering if I can pick up on it, is the idea of Britain as the top of the second tier. How would you move us into the main tier?

Sir James Bevan: We need to recognise that there is a lot of competition to be in that top tier, so we need to keep on investing in the relationship at all levels. That means time; it means resource; it means patience; it means readiness to listen as well as talk. I think listening is quite an effective way to develop partnerships. I think it means nailing some of the myths. Rahul alluded to it--there are quite a lot of myths about Britain. An example from when I was there: "It is difficult to get a visa for Britain." It is not difficult. Nine out of 10 Indian applicants get a visa. We have made it our business to make it easy. We open more visa offices than any other country in India.

So part of it is deconstructing the myths that exist about Britain, and part of it is being prepared to do practical things with the Indians that matter to them. For example, we were starting to build—I am sure it is still going on—increasingly strong relationships in the security and intelligence world. Clearly, we cannot talk about that in public, but that is important to the Indians and to us. We were starting to build relationships that matter to India in terms of what matters most to India, which is its long-term development. So, let's keep going.

Rahul Roy-Chaudhury: It is important to take stock of the relationship at the moment, and the future. In terms of the future, there is a significant change that is taking place in India and that change is that, as

India sees itself as a rising great power, it sees its profile on the world stage increasing.

There is clearly a sense in Delhi that in order to transform the bilateral relationship, there needs to be effective co-operation—I believe very strongly—in areas of security and defence, where India sees the UK as a partner in terms of its own security requirements. And we have the potential to look at these areas in terms of—I think cyber-security is an important relationship that needs to be taken forward quickly. On the Indian Ocean and maritime security, again there is a sense of consensus on regional affairs and global affairs, and more discussions on these areas.

What I am trying to suggest is that for the future India will be looking at the important strategic partnerships with countries that it sees contributing and being a part of its own aspirations in terms of regional and global affairs, and the UK can clearly be one such partner, to resume its position as one of the top five strategic partners for India.

- Q18 Royston Smith:** Can I just develop that theme? It is not about being one of the top five strategic partners, but about being a more attractive investment partner. One of the things you mentioned, and it is mentioned in here, is about visas. It says in some of the things that I have read that in the last four years more visas for the UK have been issued to Indians than for all other countries combined, and you, Sir James, said that 90% of people who applied for a visa get one. But that was also one of the sticking points from the UK when you were trying to do an EU trade deal. What was the UK's objection and what is the Indians' requirement on something like visas, for example?

Sir James Bevan: I would not describe it as an "objection". The UK has interests and we need to balance those interests. One of our interests is making sure that we have a visa regime and a migration system that the British public have confidence in. So, in my conversation with the Indians, I was unapologetic about that, as something that Britain needs; we have interests, as India has interests.

The challenge for us Brits is basically an Indian request that it is easier for Indians to come to Britain to live and work, and those are obviously very big political judgments for Governments to make. As I say, during my time there I thought we had calibrated pretty well, going the distance that we thought we could to accommodate the Indians. So, as I say, nine out of 10 Indians did get visas when they applied.

We made various other adjustments to the system that were designed to make it easier for Indians who were entitled to come to the UK to travel, like setting up arrangements that allowed them to get a visa within 24 hours. We were clear that we did welcome Indian students to the UK, which I think is really, really important, including for the long-term relationship, because those people go back, they become important people and they feel good about the UK if they have been here.



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At the time I was working in India, the position was that Indian students were still very welcome. There was no limit on the number of Indians who could come and study. Indian students could work under the conditions that we laid down, which was also very important for Indians.

So, at the time that seemed to me to be a reasonable offer, but, as I am saying, in future if we are having a negotiation with the Indians on trade, the Indians will have their own views about what they want, and we will need to take account of that.

Q19 Royston Smith: Has that not changed, though, for students?

Sir James Bevan: I have been out of India for three years, so I would rather let an expert answer about where we are right now on the visa regime.

Q20 Royston Smith: What would India want? Forgive me—I am trying to bottom it out, because I do not really understand it. But if nine out of 10 people who apply for a visa get one, why doesn't everyone apply? There must be a mechanism beforehand that says, "Do not apply unless you meet these criteria", and then nine out of 10 people achieve that. Is there a feeling in India that not enough people are allowed to apply or are successful in visa applications?

Sir James Bevan: The key criteria used when someone applies for a visa is whether they will return after they have been to the United Kingdom, and while they are in the United Kingdom, whether they are able to support themselves. Those seem perfectly reasonable questions to ask, and when we ask that question, for nine out of 10 Indians the answer to both questions is yes and they get their visa. When we ask those questions to one in 10 Indian applicants, the answer is not yes and they do not get their visa, and I think that is the right approach.

Partly, the concern of Indians about the visa regime was founded on our failure to explain it adequately. I found that when I explained to Indian officials that nine out of 10 people get their visa, that we have this many visa application centres, that students are welcome and that there are no limits on numbers, most Indian officials said, "Well that sounds quite reasonable". Part of it is just busting the myth, which is on us. I think Indians would also like to ensure that families and people who want to come and work—in particular businesspeople—can do so. I understand that, and we would need to reach an accommodation with them that met the tests I have identified.

Rahul Roy-Chaudhury: It is important to see that it is not a static relationship. There are now a larger number of Indian students going to different countries—Australia has become a major destination for Indian students to study in now, as well as Canada, the US traditionally, and France to a certain extent. There are other European countries where university education is given in English. We are seeing the perception that it is difficult for a student from India to get a visa for the UK, which means, I suspect, that fewer students will be applying for visas to the UK.



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Q21 Chair: On the visa point, one thing that keeps coming up is the comparison between China and Chinese visas, and Indian visas—Chinese visa applications to the UK and Indian visa applications to the UK. Why haven't we answered that?

Sir James Bevan: Well, each country is different, and the visa system is tuned to the circumstances of each country. One reason—again, this is three years behind—

Chair: Sure. I appreciate that you are not speaking on behalf of the current Foreign Office.

Sir James Bevan: At the time I was there, the primary reason there was a difference between the Chinese and Indian regimes was because, given the nature of the Chinese regime and Government, it was pretty much always the case that a Chinese individual getting a visa to the UK would return to China. The reason for that was because it was often very difficult for that individual to bring their family, and if they did not return there might sometimes be consequences for that individual in China. India being a democracy, those conditions and concerns did not apply. There was a greater risk of Indians who did not fulfil the two criteria that I have identified arriving in the UK and not returning.

Chair: But you can see the obvious perversity there—someone from a country that shares our values finds it harder to get a visa than someone from a country whose dictatorship is directly inimical to our values.

Q22 Mike Gapes: I wanted to come on this because large numbers of my constituents are of Indian origin or have families there, and they travel regularly. In 26 years as an MP, I have tried to help relatives come for funerals, weddings, holidays, and it is far more difficult now than it ever was. You made a point about Australia and other countries. Twelve years ago, the Committee went to India and it was clear then—this is not a party political point or about the current Government—that many Indian people who we talked to were talking about their sons or daughters studying in Australia or the United States, rather than the UK, even though they themselves had been educated in universities in this country. Partly, it was to do with the visa regime, but subsequently, now, is it not also that we do not allow people to work after they have done their degrees here? Some other countries have an easier transition where you can work for a period afterwards. I would be interested to know if my perception is correct.

Sir James Bevan: You are both right that there is a growing competition for students. Australia, France, Germany and the United States were in that competition with the UK. We have moved from a position where the UK had more Indian students than any other country to one where it does not. Frankly, the really important competitor for us is the United States, because what Indians really want is world-class education. The only two countries that really offer a world-class education are the United Kingdom and the United States.



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I would very happily go round in India pointing out that four out of 10 of the best universities in the world are in the UK, and campaigning for Indians to come to the UK. It is the best of all Indians who get into those universities or get into the top universities in the US. We should certainly have regard for our competitors, but the most important thing is to ensure that we continue to attract as many as possible of India's best and brightest.

On the other factors, I think that the work issue is an important factor. Unlike China—to get back to China—where most Chinese students are coming on some kind of Government sponsorship, many Indians who are coming to Britain or going overseas to study are going to fund that themselves. They need to work to do that, and therefore, certainly during my tenure, it was important that Indian students coming to Britain for study could work. They could work, both during their academic study and for a period of years afterwards, provided that they got a graduate-level job.

I am not familiar with the extent to which that has changed in the last three years, but I am pretty sure that the British Government is still well aware of the importance of being able to work for Indian students coming to the UK.

Q23 Mike Gapes: You gave a figure of 10% refusals, which is much lower than Pakistan, for example, or some other countries, such as Nigeria. Clearly, the quality of the applications is there and the amount of fake documentation and so on is less, but we know that there are whole industries of people producing bank statements and other fake documents—I have seen them, and they actually look better than some of the originals in terms of their quality.

Is there still, unfortunately, a culture of disbelief about India, which is unjustified now, but that acts as a deterrent to many people applying, because they think that if there is one small error, there will be a refusal, so they will not go? People might apply to get a Schengen visa rather than a UK visit visa to do tourism in Europe, because once they have the Schengen visa they can go to lots of countries, whereas they might well get a refusal and the cost would be great and so on.

Sir James Bevan: It was certainly the case during my time that there was a misperception, I would argue, among many Indians that it was hard to get a visa—both that you had a low chance of getting one and that the process of going through the application was complicated. We sought to address both those things by making sure that we had as simple a process as possible and, as I said, by explaining that, in practice, nine out of 10 Indians who make a legitimate application will get their visa.

I do not think that the British Government's approach to taking decisions on visas was anything other than rigorously evidence based. We knew, and we had very good people who made it their business to know, where fakes were being generated. We knew which categories of applicant were likely to be risky, and which categories of applicant were likely to be not



risky. We adjusted those working assumptions according to new evidence. It was a fair, evidence-based and pretty transparent process.

- Q24 **Mike Gapes:** We have talked about visas at great length. You also mentioned the diaspora. Most British Indians have connections with Gujarat or Punjab, although there are people from the Telugu community and various other places as well. Because people come mainly from certain parts of India, is the diaspora relationship regarded with the same importance in India as it is here? By that I mean that there are certain contentious issues that arise. I will reel off a few of them: the Koh-i-Noor, which has been raised with the Foreign Affairs Committee in the past, when we went to Amritsar; Operation Blue Star in 1984, which is still a sore issue with some people living in the Sikh community in this country; or, as mentioned earlier, the killings and violence in Gujarat. Is the diaspora relationship seen as more important on this side than it is there, given India is so diverse and huge, and has so many different regions and states?

Sir James Bevan: I think the Indian Government rightly regards the global Indian diaspora as a huge asset. It generates huge amounts of revenue for businesses into India, which is part of keeping the economy going very successfully. It brings all these networks to India, which it would not otherwise have. You can see the value that the Indian Government places in the global diaspora by the fact that it hosts a major conference once every year, which Ms Patel attended, which brings together a fantastic global gathering. You are right in identifying the main parts of India which many members of the UK diaspora come from. I do not think that the fact that many Indians in this country come from one of only two or three parts of India is a negative. All the Indian diaspora have valuable contacts and are regarded as assets and friends by the Indian Government. As I have said, I think they are a huge asset for the UK in terms of their ability to understand, to influence and to access networks that the official British machinery would not otherwise have.

Rahul Roy-Chaudhury: Because of the shared history I think there will always be issues that will arise, whether they are concerns that the Indian Government may have about extremism within the Sikh community in the UK, for example, or about the Koh-i-Noor and so on. These issues are important to the bilateral relationship, but more important than those—and, I would argue, more important than the diaspora relationship—is, I firmly believe, a relationship moving towards a new partnership with India in all strategic affairs. That is where India is heading. This Government and the Prime Minister are very pragmatic. The Government have a very activist foreign policy perspective on this issue. There will be shared interests and there will be a transactional relationship as well, in some part, but it does require a transformative relationship. I strongly believe that will be in some of the new areas, like security, and not so much in terms of the traditional areas.

Sir James Bevan: May I add a thought on that? I agree with Rahul that part of a successful strategic partnership between Britain and India—which we all want—is an even greater investment in security, foreign policy and



all the areas that you have identified, but we should not forget that India's main strategic priority is a domestic one. It is development. I remember going to see the Indian national security adviser and asking him if he had read a book by the previous American national security adviser called "Running the World". He said, "We do not aspire to run the world but to transform India; our foreign and security policy is about the promotion of stability abroad in order to pursue development at home."

If the UK wants a really broad, deep and successful strategic partnership with India, we not only need to do all the things that Rahul rightly identifies but to demonstrate that we can help India with its domestic development. I think that we can, through trade and investment, work on climate change and work on all the kinds of things that we were doing when I was there.

- Q25 **Mike Gapes:** Does history still play a larger role in the relationship than it perhaps should? You talked about the strategic partnership going forward, but, for example, the anniversary of 1919 and General Dyer in Jallianwala Bagh is coming up. Will that become an issue in the future?

Rahul Roy-Chaudhury: These issues will arise and they are not going away. However, I would look at the impact that they will have on the bilateral relationship. My sense is that a Government in Delhi who want to work with the UK on security issues and domestic transformation will take such issues in their stride while acknowledging—especially in an election year, for example—that, yes, they are emotive issues for India. I would not put too much weight on the impact of these issues on the bilateral relationship, as long as that relationship seeks to be transformative and strong.

- Q26 **Mike Gapes:** There are sensitivities, and you have touched on terrorism, and there are obviously some human rights issues that come up, such as what happens to minorities, the controversial caste issue—the Dalits—and the violence against women, which is becoming high profile. How can the UK raise those issues with India without getting a heavy pushback and damaging the bilateral relationship that you want to improve?

Sir James Bevan: That question was high in my mind during my tenure and I know will still be high in the minds of my colleagues who are there now. I think the answer is that we should raise human rights issues that are of concern to Britain with whichever country we are concerned about. Success depends on how you do it. In my view, it is much better, first, to have a private conversation with the Indian Government about something on which we may disagree than to lecture in public, and secondly, it is much better to be prepared to listen as well as to transmit.

There may be issues that the Indian Government have concerns about. I had private conversations with the Indian Government about the various issues that you identified, and others—about, for example, racist attacks on Indians in the UK. We have to recognise that those concerns are legitimate, we have to listen and we have to show that we are going to do

something about them. However, if you do that respectfully in a private, two-way conversation, you can have a successful dialogue with India on human rights.

- Q27 **Priti Patel:** I would like to speak more broadly about foreign policy. Both of you have brilliantly and clearly articulated the foreign policy drivers for the Indian Government, particularly Sir James with economic development. The growth in India has been phenomenal for prosperity, young demographics and the growth agenda.

Can either of you summarise or define foreign policy under Prime Minister Modi? How do you view India's approach to multilateralism—getting seats at the big table, so to speak—and India's overall approach to the international rules-based system, particularly vis-à-vis one of its neighbours, Pakistan, but also a big competitor that is aligned with its neighbour, which is China?

Rahul Roy-Chaudhury: India's foreign policy under Prime Minister Modi has definitely changed in style but possibly not in substance. As I mentioned earlier, we have a far more pragmatic and active foreign policy. But in the foreign policy of Modi, what is different from the past is that Modi, the Prime Minister, aspires to India being a leading power in world affairs. That is very different from the past, where India was content, to a certain extent, to be a balancing power among the relationships in Asia.

When the International Institute for Strategic Studies hosted Prime Minister Modi at the Shangri-La dialogue in Singapore three months ago, Prime Minister Modi made it clear that the Indo-Pacific region was the key area for India's foreign policy, which stretches from the Arabian sea right to the straits of Malacca and Singapore³. There has clearly been not only an aspirational aspect in terms of being a leading power, but an expansion of India's foreign policy goals.

Having said that, it is also clear that, for India, a rules-based international order is important for vested interests. I think India feels that its legitimate rise as a great power—economic and political prowess—is best developed and extended within a rules-based international order. At the IISS Shangri-La dialogue, for the first time, the Prime Minister of India talked about and mentioned the words "rules-based international order" and made it very clear that India was an adherent to that order. Clearly, the nuance was in terms of China. At the opening address, he did not mention the concerns openly, but clearly, they were noted in his speech.

For India, at the same time as adhering to a rules-based international order, there is growing interest in being part of shaping the international order at some stage. The strong Indian view is that for 70-odd years, five countries—the members of the P5—have held sway on those issues, and the Western powers among the P5 particularly in terms of the rules-based international order. There is growing interest in India in seeing how India can also be part of a system, perhaps in terms of the Indian ocean, for

³ Note from witness, should read as: 'shores of Africa to that of the Americas, with the Indian Ocean at its core.'



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example, where Prime Minister Modi has made it very clear that India has strong interests. Again, this is an area of opportunity, I would argue, between the UK and India. A few weeks ago, the elections in the small country of the Maldives were something where there was a convergence of interests between India and the UK for a democratic process.

Essentially, India is keen to adhere to the rules-based international order. It is keen to work with the UK on some of those issues, such as the Indian ocean, and particularly in terms of the UK's own focus on a rules-based international order in the South China sea, for example, which is something that is close to India's interest.

Sir James Bevan: I agree with pretty much all of that. The way I would characterise the Modi effect on foreign policy is that, in a way, it is quite a traditional foreign policy that is about promoting India overseas, but in particular, the promotion of stability around the world to pursue transformation at home. I do not think that has changed, but I think it is being pursued in a rather more pragmatic way, a rather more energetic way, a rather less ideological way, and with a readiness to overturn the received wisdom.

For example, I went to Modi's inauguration as Prime Minister—some of us were there—and he invited the Prime Minister of Pakistan. I am sure that gesture was counselled against by, if you like, the foreign policy professionals in Delhi but was, arguably, a really dramatic and positive gesture to kick off his premiership. I do not see a huge difference in the underlying goals, but I do see a significant difference in the energy and the imagination with which they are being pursued.

Q28 Mike Gapes: May I take you on to the differences that we have on foreign policy interests? Obviously, India has a traditional view that it is against any interference in the internal affairs of other countries. It is the same position as that of China and Russia—that traditional view of the world. Is there any sign of that changing? Does it mean that, on foreign policy values, we will continue to have differences?

Sir James Bevan: I recognise the picture you were painting. I cited the example of Iran earlier. We did have a difference with the Indians on how to handle Iran. They were reluctant to take actions that they regarded as interference in the internal affairs of sovereign states, not least because they did not want external interference in their own internal affairs. They are more cautious than Britain and some other Western countries have been about activist intervention, on the grounds that sometimes, if you intervene, you may produce unintended consequences and you may make the situation worse. And who is to say that on some occasions they are not right about that?

But I do think that—in particular, in the multilateral organisations about which you asked, Ms Patel—we are starting to see a more interventionist and more activist Indian approach. I think that by and large that will be good for the United Kingdom. That is why I think we are right to support India's permanent membership of the Security Council and it is why, even



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during my tenure a few years ago, we were increasingly seeking to bolster our working relationship with India in the other major international fora, like the World Trade Organisation, and in the climate change talks.

- Q29 **Mike Gapes:** Clearly, we also have differences with India in our attitudes to Russia. And there are issues around some areas relating to our overseas territories. I am thinking of the American base on Diego Garcia, which is part of the British Indian Ocean Territory. The third issue I can think of is that India is a nuclear weapons state, yet it is not signed up to the non-proliferation treaty, and, within the international debate around the NPT review conferences and so on, India has not necessarily been helpful to British interests. Would you like to comment on those issues?

Rahul Roy-Chaudhury: Let me talk briefly about Russia—that is very much a live issue at the moment. India has had a very deep defence relationship with Russia. During the cold war years, Russia used its veto in the UN Security Council a number of times on India's behalf. Although there may have been a cooling of the relationship between India and Russia in the last few years as India has developed greater engagement with the US, I think—

- Q30 **Mike Gapes:** Those vetoes were when the US was backing Pakistan—

Rahul Roy-Chaudhury: That's right.

Mike Gapes: And India was being supported by Russia.

Rahul Roy-Chaudhury: Exactly.

Recently, of course, with the Skripal poisoning and attack, we have seen that India and the UK have different perspectives on this. We have seen that in the OPCW, where India, for technical reasons, felt that it would vote against the UK—it was a very different sort of vote. We saw it also in terms of the Australia Group meeting where India was a member of the Australia Group for the first time.

Having said that, I think it is important to recognise that, for India, there are some strategic relationships that are more important to it. I put Russia very much as the No. 2 or No. 3 in terms of the partnership. I don't think that the Indian view is diametrically opposed to the UK view in terms of condemning any chemical weapon attack on UK territory, but clearly, in terms of the processes and procedures, there is a difference, and in terms of what India sees as its national interest, there is a divergence.

- Q31 **Mike Gapes:** Can I be clear? You have said that India's relationship would see Russia as No. 2. That means if we are in a confrontation between Russia and the UK, India sees its strategic interests on the Russian side in preference to on the UK side.

Rahul Roy-Chaudhury: I think that India sees the relationship with Russia strategically in terms of the Indian adversarial relationship with China. So for India today, the big change that has taken place is that the perception of threat from China has increased on the strategic scale. So I do not think India is going to see this as a UK versus Russia issue.



Q32 Mike Gapes: Okay; but India, presumably like us—and we have just been, recently, in China as a Committee—will have taken some interest in this massive Russian military exercise with the Chinese. How has that gone down, in terms of the perception of Russia?

Rahul Roy-Chaudhury: India has multi-country engagement at different levels. It works with Russia and China in the Shanghai Co-operation Organisation. It has become a member, along with Pakistan, recently. It has counter-terrorism exercises, again, with Pakistan, Russia etc.; but I think if we step back and look at, in a broader sense, the relationships, the concern for India in the next 15 or 20 years will increasingly be China. On that basis, the issue for India is do you try to work with the United States, work with Russia in relation to China, or not. I think that is the sort of issue that will come up, which will have some bearing in relation to the UK; but it will not be seen as a UK versus Russia issue. I do not see that happening.

Sir James Bevan: Just to add to that, I think Rahul is right that India has had, and will continue to have, a strong relationship with Russia, partly for historical reasons, partly because of energy, partly because of arms supplies; but what was interesting during my tenure in Delhi was you could see a shift in Indian focus towards the United States in terms of partnership. India does not want to choose between any partners. It believes in having many friends; but if you think again about what India really needs to ensure transformation, Russia cannot provide that. The United States can provide a strategic counterweight to China, as Rahul says, and the high technology and the high levels of investment that India is going to need. So I think, actually, the Russian ambassador in Delhi, whoever he or she now is, is not a particularly happy camper.

On the nuclear side, the UK does have a constructive dialogue with India about nuclear issues. We do that, as I said, in private. You are right that India does not want to be bound by some of the international instruments, for reasons that we understand; but India seems to me to be a responsible nuclear power and to act as such, and India does have concerns about nuclear proliferation around the world and in its region. Example: Iran. So I think, even there, there is the basis for a fruitful dialogue.

Q33 Priti Patel: Can I ask you both a really small question—I guess the implications are quite big, though—on India and Russia. We saw Prime Minister Modi and President Putin just last week come to an agreement, I think it is fair to say, on defence sales. Sir James, you would have been involved in many of the bilateral discussions to facilitate greater dialogue between our two countries. I am going to be really crude and blunt about this. Why is it we simply keep on missing out in terms of some of these big contracts with a country like India when it comes to arms, bearing in mind we do other things on security co-operation, counter-terrorism, natural synergies, extremism and things of that nature? Obviously there has got to be a reason for this. Have we unpacked the conundrum enough to understand what the reason is—why India chooses to go to Israel and to Russia, in particular, to buy its military hardware and equipment?



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Sir James Bevan: The first thing to say is that although it is below the radar the UK remains quite an important supplier of military hardware to India. During my tenure we concluded various contracts, none as headline-grabbing as the Eurofighter versus Rafale debate, which ultimately went to France, but there was good collaboration in terms of defence between Britain and India, and we need to build further on that. On the very big ticket items, all I can say is that the UK plays it by the book. We offer what we offer, we don't tend to make side deals and ultimately Indians make up their own minds.

Rahul Roy-Chaudhury: If I can just add to that: I think if you look at the arms negotiations and arms deals of the past decade that India has undertaken, there is one clear indicator. That is that virtually all, with maybe a few exceptions, are government to government deals. India and this Government, but even the previous Government, preferred what are called G-to-G deals. We have seen that whether it was with France or Russia and the air defence systems; it is not a company to company deal. It is the Indian Government dealing with the Russian, French or Israeli Government, in that sense.

That is very different in terms of the India-UK relationship. Clearly, a recent deal with BAE Systems on the M777 has taken place but that was also a government to government deal, where the US part of BAE Systems and the Indian Government came in. My sense on this is that a clear trend has taken place. It is now up to the UK to take a decision on how it wants to move forward. Analysing the development of the past decade or so, I suspect we will see more of these government to government deals than traditional company to company transactions.

- Q34 **Chair:** May I wrap up with a few questions on multilateralism? I would be grateful if we could keep it short because I know I have kept you very late. We have touched on the rules-based system and the fact that the UK is obviously a major supporter and recognises India's place in supporting that. How much do you think we can align in defence of a system that was realistically built 70 years ago and not, let's be honest, with as much Indian involvement as would be reasonable to expect today?

Sir James Bevan: We have to recognise, as you say, that the institutional structures that we have inherited post-second world war were designed by the victors of the second world war and do not reflect the modern world. I think you could argue rightly that the UK has recognised that, for example, in our readiness to support Indian permanent membership of the Security Council.

The future of a successful relationship in the multilateral organisations is both about working within them to ensure that we deliver the rules-based world that we and India want, but will also be based on our working with the Indians to reform those institutions in ways that reflect the 21st century.

- Q35 **Chair:** Can I push it forward? Many of us, for very obvious reasons,



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support India's position and desire to be a permanent member of the Security Council, and see it as a logical outcome. What would be the other areas that India may seek to change in the international rules-based system? Do you see, for example, changes in the structures of something like the IMF? Do you see the creation of some sort of infrastructure investment bank? One could look at that in reaction to the Chinese AIIB. What areas do you see there perhaps?

Sir James Bevan: I think the Indians will rightly want a greater say in the economic governance of the world. That is entirely fair for a country that is going to be third biggest economy by 2030. For example, they will be increasingly unhappy about the inner councils of the G20. Why are they not part of the G7 or the G8? They will want to ensure that the multilateral world trading arrangements are tuned as much for Indian interests, as they see them, as they are for western interests. I think those are perfectly legitimate interests that we should reflect on and do what we can to help deliver.

Rahul Roy-Chaudhury: I agree with that.

Q36 **Chair:** I am very happy with your agreement. I was also going to ask about the Commonwealth. India has been somewhat lukewarm on the Commonwealth at different moments. There has been a lot of emphasis on the Commonwealth this year, of course, because Prime Minister Modi came to London for CHOGM.

India represents half the Commonwealth; let's not beat around the bush. India's interest, or lack of, in the Commonwealth is in many ways the determining factor. How do you see how we can work together on the Commonwealth and what does India want from it?

Sir James Bevan: You are right that the Commonwealth is an opportunity, but it is not without its complexities. I think there are many reasons why the Indians should—some Indians do—see the Commonwealth as an important part of the future global institutional architecture. As you say, Chair, half the Commonwealth is Indian already, so there is a lot of influence there. It has had an Indian secretary-general in recent memory. It uses English. The members of the Commonwealth share India's and our broad views about how the world should be ordered. There are reservations about the Commonwealth among some Indians, due to its, as they would see it, historical baggage. A younger generation of more pragmatic Indians does not see it in those terms. But the extent to which India will really buy into the Commonwealth depends on our ability collectively to make the Commonwealth deliver benefits for India, including in terms of India's development. That is why I think that the reform of the Commonwealth, which Britain has supported, including to ensure that we reflect the interest of all of its members, is the right way forward.

Rahul Roy-Chaudhury: As Sir James said, I think there are mixed views on the Commonwealth in India. I believe that Prime Minister Modi came for the summit largely because it was held in the UK. If it had been held in Vanuatu, we are not sure whether he would have gone. Once he went—it



was the first time that an Indian Prime Minister had attended a Commonwealth summit in nearly a decade—momentum began to develop within the Indian security establishment over how to go forward on the Commonwealth. Clearly, Delhi aspires to have a leadership role of sorts at the Commonwealth. It seeks to work with the UK on some of these issues, but it is not very well defined, because for India there are two other related interests that it has in the Commonwealth. One is that it is able to engage with a large number of states with which it has no diplomatic relations or it meets on the side of the UN General Assembly once a year. The second key issue for India is that China is not a member of the Commonwealth. That is a fairly strong attractive element of the Commonwealth. We are on the cusp of seeing whether India can work effectively in the Commonwealth, but we do not know the answer to that yet.

- Q37 **Chair:** Clearly, the Chinese development in the region has been focused on the Belt and Road Initiative that they talk about. Everything from a steel plant in Serbia to sea routes in Asia have been called the Belt and Road Initiative in a vague sense. India has always said there are many belts and many roads. How much do you think the Indian Government would be interested in looking at the Commonwealth as an alternative to the Belt and Road in some ways? One of the great advantages of the Commonwealth from India's perspective is that there are 52 other countries, which have at least a similar basis in legal structures and commercial understanding, which gives India an opportunity to create a separate belt and road.

Rahul Roy-Chaudhury: My sense is that India does not see the Commonwealth as an alternative to the Belt and Road Initiative for one primary reason: funding. There is not the amount of funding within the Commonwealth that the Belt and Road Initiative has. There are other options for India. There is an Africa corridor with Japan and there are sea routes, etc. But I do not see the Commonwealth in terms of balancing the Belt and Road Initiative, which India is supportive of. The element that it is opposed to is aspects of the China-Pakistan economic corridor, not the Belt and Road Initiative itself⁴.

Chair: I have mixed views on that.

- Q38 **Mike Gapes:** Can I ask about how India sees itself as a regional power? Specifically, what has India's role been with regard to the conflict in Sri Lanka and the recent change—it seems to be welcome—in the Maldives?

Rahul Roy-Chaudhury: For India, the neighbourhood has always been a key foreign policy priority, and we have seen this in terms of the relationship with countries that have land boundaries with India, but also maritime boundaries. In the region that is loosely defined as South Asia, India is the dominant power in terms of its economy, military, population, etc, so for the smaller countries, there is traditionally a sense of concern

⁴ Note from witness, should read as: '...which India opposes, along with the China-Pakistan Economic Corridor.'



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about the relationship with India. Because of the linkages of domestic and foreign policy in India—for example, the Tamil community in Tamil Nadu is much larger than the Sri Lankan Tamil community—there is a nexus of domestic and foreign policy convergences that has driven India to have an activist role in determining stability in some of these countries, particularly Sri Lanka a few years ago.

On the Maldives, we are seeing something that is quite different. In the past seven or eight years, there has been growing Indian concern over the expansion of Chinese influence and presence in the Indian ocean, whether in terms of infrastructure building, port capacity, or shipping in the Maldives.

Q39 **Mike Gapes:** The string of pearls.

Rahul Roy-Chaudhury: Well, I am cautious about using that term, but we have clearly seen expansion, and the Maldives was an aspect of that. The President of the Maldives, who is now democratically out, was very close to China, but the Maldives was an encouraging development. Despite a number of people who felt that the elections would be rigged and the President would steal them, that has not happened. India will continue to be engaged in this part of the world. The Indian ocean, as I mentioned earlier, is now part of India's extended neighbourhood, and there is clearly a sense that it would like to have stable relations with countries in the region, which would mean an activist foreign policy in certain cases.

Q40 **Mike Gapes:** Finally, nobody has mentioned the South Asian Association for Regional Cooperation yet, but they have meetings and summits from time to time. Is that just a talking shop, or does it represent anything real?

Rahul Roy-Chaudhury: The South Asian Association for Regional Cooperation—SAARC, the regional organisation—has not met for a few years. The simple reason is that the last meeting that was due to be held was to take place in Pakistan, but because of a terror attack a few weeks before the summit, India decided that it would not attend, and other countries in the region also felt that they could not attend that summit, so that summit did not take place. SAARC continues as an organisation at the moment, but its effectiveness has clearly decreased tremendously because of the absence of summit meetings.

Q41 **Chair:** May I just ask one very last question? India has recently joined the EBRD, which from many people's perspective—particularly ours—is very welcome. How do you think India is going to work with the EBRD and the AIIB?

Sir James Bevan: I do not have recent experience of that, although I was in at the start of the conversation between the EBRD and India, before India joined. Clearly it was something that we, the United Kingdom, wanted to encourage, for the same reasons that you identified, Chair. We think that India will be a valuable contributor, both in terms of financial muscle and ensuring that organisation is also attuned to the 21st century.



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Rahul Roy-Chaudhury: I am not an expert on this, sorry.

Chair: Can I thank you both enormously? We have kept you a long time, and I am very grateful for your input. Gentlemen, thank you very much indeed.