

# India's Place in the World: From Panchsheel to RCEP

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## *Abstract*

*Post-independence, in spite of widespread poverty and underdevelopment, India enjoyed a moral high among the comity of nations, and this was not just limited to newly independent nations. Through Panchsheel and non-alignment, India led the world to a new political and social alignment that strove for inclusiveness, peace and development. Economic cooperation and social discourse were byproducts; not the main drivers. And India's institutions and practices with all their faults and foibles, aligned with its role in the world. But gradually, three developments seem to have contributed to a paradigm shift. First is the unstated assertion of sovereign identity of India's smaller neighbours in South and South East Asia, some surpassing India in economic and HDI development. Second, while in some niche areas like space technology India has joined an elite club, the leitmotif of our social fabric has undergone a distinct shift with the world perceiving us as manifestly different from what we orchestrate. Finally, in security, economic, trade and geo-political spheres, we seem to be operating under the shadow of an all-powerful China. All these have implications for policy and practice not just at the state level but for civil society and other non-state actors.*

## **Introduction**

How do people view the United States of America? Even as other nations have progressed, it is still the world's largest economy, the world's financial hub, and the reigning military power. It has the capacity to lift other economies and the power to make and break nations. Love it or hate it, no nation can run roughshod over America.

But there's another dimension. Change the question a little bit: what attracts *people* all over the world to this country, and the complexion changes. It is seen as a potpourri of cultures from across the world where there's space for all; it is seen as a land of opportunity where one can grow and prosper, irrespective of the field one chooses. Whether universities, hospitals, museums, science and technology, America has some of the finest institutions. It is a place of freedom and equality where merit trumps everything else, in spite of occasional cases of racial discrimination. All these put together constitute the *American dream*. In pursuing this *American dream*, democracy and liberalism are so central that not only are these taken for granted, they don't even enter

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the realm of normal discourse. In short, it is the power of ideas, of values, of lived experiences, and the institutions that are created to both nurture and reflect these core elements that matter most to people.

Both the above contexts are relevant; though the significance that one may attach may vary significantly. This in turn has action consequences. For example, although Russia was part of G8, seven member countries condemned and “disinvited” Russia after it annexed the Crimean part of Ukraine in 2014, thus “contravening the principles and values on which the G7 and the G8 operate”. On the other hand, there are far more instances of nation states cozying up to authoritarian states with dismal record of human right violation on the single premise of economic benefit arising out of investment and trade. Therefore, it is from both the above contexts that we will examine India's place in the world post-independence.

### **Panchsheel: The Dawn of an Era**



Considered one of the greatest speeches of the 20th century, Jawaharlal Nehru's 'Tryst with Destiny' speech delivered to Indian Constituent Assembly in the Central Hall of Parliament on the eve of India's independence on 14th August 1947 was as much directed to the world as it was to his countrymen. There was no populism in the short speech that Nehru delivered; in any case the solemnity of the occasion and the sanctity of the Constituent Assembly precluded that.

Nehru was often seen as a dreamer and an idealist, but it was his keen sense of history which made him proud of India's heritage in all possible spheres and, given that, the role it ought to play in the comity of nations. But much that Nehru was proud of India's heritage, he was also an internationalist. It was this expanse of his vision that foreclosed any hegemonic desire. So, while his 'Tryst with Destiny' speech was certainly for his countrymen who had just gained independence, it reached out to many nations. His refrain was peace, prosperity, freedom and democracy – strong ideals for many nations that were on the brink of achieving independence from foreign yoke:

*“Those dreams are for India, but they are also for the world, for all the nations and peoples are too closely knit together today for anyone of them to imagine that it can live apart... Peace has been said to be indivisible; so is freedom, so is prosperity now, and so also is disaster in this one world that can no longer be split into isolated fragments.*

*“It is a fateful moment for us in India, for all Asia and for the world. A new star rises, the star of freedom in the east, a new hope comes into being, a vision long cherished materialises. May the star never set and that hope never be betrayed!*

*“To the nations and people of the world we send greetings and pledge ourselves to cooperate with them in furthering peace, freedom and democracy.”*

Within years of gaining independence, India was playing a decisive role not just in shaping discourse in international relations but in determining how nations would conduct themselves in their interactions. But how could newly independent India with all its constraints of poverty and underdevelopment play an influencing role in the world? It was perhaps inevitable that Nehru, with his keen sense of history laced with idealism, would draw upon a concept which while deeply rooted in Indian tradition would be eclectic enough to be accepted by nations of diverse faith and political preferences. And that was *Panchsheel*.

While the concept of *Panchsheel* is very much rooted in Indian tradition, it saw fructification in what's popularly known as the *Panchsheel* Treaty between India and China. Technically it was an *Agreement (with exchange of notes) on trade and intercourse between Tibet Region of China and India* signed at Peking, on 29 April 1954 (United Nations: 1958) which was “based on the following principles:

- (1) mutual respect for each other's territorial integrity and sovereignty,
- (2) mutual non-aggression,
- (3) mutual non-interference in each other's internal affairs,
- (4) equality and mutual benefit, and
- (5) peaceful co-existence

To give due credit to respective parties, it was Sukarno who, in June 1945 (even before Indonesia gained independence), had enunciated five general principles similar to *Panchsheel* that he said would guide Indonesia's relations with other nations of the world. And, between December 1953 and April 1954 when the treaty was finally signed, negotiations were going on the basis of five principles of peaceful coexistence that China had brought to the negotiating table.

The *Agreement* by itself formalized what was already customarily operational, relating the movement of pilgrims and traders and maintenance of rest houses, but what followed was the internationalization of the *Panchsheel* principle when at the Bandung Conference of April 1955 twenty nine Afro-Asian countries participated and resolved to conduct their relations on similar lines. “The universal relevance of *Panchsheel* was emphasised when its tenets were incorporated in a resolution on peaceful co-existence presented by India, Yugoslavia and Sweden, and unanimously adopted on December 11, 1957, by the UN General Assembly. In 1961, the Conference of Non-Aligned Nations in Belgrade accepted *Panchsheel* as the principled core of the Non-Aligned Movement (NAM).”

It was certainly not easy for non-alignment to be accepted by world powers, especially United States of America. Crabb (1972) reports:

*“During the 1950s the official American attitude was expressed by Secretary of State John Foster Dulles' widely-circulated judgment that “neutralism is immoral” (a condemnation from which Dulles always excluded India)” (p. 298) (emphasis added).*

However, by the time President Eisenhower's term ended, high-ranking American officials had come to terms with NAM. Why would Dulles exclude India from his condemnation of non-alignment? While scholars have not particularly addressed this issue, it is perhaps of India's soft power that aligned with the ethos and some of the ideals held closely by United States: namely, freedom, democracy and the creation of independent institutions.

### Charting the Present

Fifty eight years after the Conference of Non-Aligned Nations adopted *Panchsheel* as the “principled core of non-aligned movement”, much has changed. Today with 125 members and 20 observer countries, it is the largest grouping of states after UN. Yet for India which was one of the founding members, the interest as well as significance seems to have waned. Symbolic as it may appear, Prime Minister Modi skipped the 17th NAM Summit in Venezuela in 2016 – the first Indian Prime Minister to do so. As an encore, he skipped the next Summit again at Baku, Azerbaijan in October this year. As if explaining away the Indian PM's decision to skip the Summit, External Affairs Minister S. Jaishankar said in a statement at the NAM ministerial meet in Baku, “Long-held assumptions and alignments rooted in the legacies of colonialism and the ideology of the Cold War are making way for new configurations and partnerships”, however maintaining that “India remains committed to the principles and objectives of the Non Aligned Movement, including our long-standing solidarity and support for the Palestinian cause”.

Long before Jaishankar articulated the above, it would be appropriate to say that post NAM, India's concern has been to find a place *in world economy*. A significant development was the emergence of the *Four Asian Tigers*. Beginning early 1960s (mid-1950s for Hong Kong), the economies of Hong Kong, Singapore, South Korea and Taiwan underwent rapid industrialization and maintained exceptionally high growth rates (in excess of 7 percent a year). Industrial policies fashioned by neo-liberalism with a focus on exports and supported by low taxes and reduced state welfare were attributed to the four Asian Tigers' success. Not unnaturally perhaps, neighbouring Asian states wanted to follow suit. In 1967, ASEAN (Association of South East Nations) was formed with five member countries: Indonesia, Malaysia, Philippines, Singapore and Thailand. Seventeen years later in 1984, Brunei joined as the sixth member<sup>2</sup>.

Not being a South East Asian country, India had no place in this configuration of ASEAN (though much later in 1992, it would become a sectoral dialogue partner and 1996, full dialogue partner). One would therefore suppose that it suited India to join the South Asian Association for Regional Cooperation (SAARC) in 1985 with seven other nations: Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka. But that was

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<sup>2</sup> Much later, four more countries joined ASEAN to take total membership to ten: Vietnam (1995), Laos and Myanmar (1997) and Cambodia (1999).

certainly not the case. From its very inception, member countries treated it with suspicion and mistrust. According to Joyeeta Bhattacharjee of the Observer Research Foundation, when SAARC was first envisioned in the late 1970s by Gen. Ziaur Rahman, the military dictator of Bangladesh, India was apprehensive

*“because it perceived the grouping to be an attempt by its smaller neighbours to unite against it. The Cold War politics of the time, too, contributed to India's anxiety. India had a close relationship with the Soviet Union, and it considered Ziaur Rahman to be aligned with the West. It was, therefore, suspicious that SAARC could be an American mechanism to counter Soviet influence in the region. It feared that the association might lead to Asia's own Cold War, creating a pro-Soviet–anti-Soviet rift. This would have played against India's interest since it had close strategic ties with the Soviet Union.*

*Eventually, India agreed to join SAARC due to the interest expressed by the neighbouring countries. The first SAARC meeting took place in Dhaka in 1985, and there have been 18 summits till date. However, the organisation has not had a smooth run. In the 30 years of its history, annual SAARC summits have been postponed 11 times for political reasons, either bilateral or internal”.*

Even otherwise, the composition of the SAARC was perhaps a sure recipe for sluggish growth, if not failure. All the eight states, including India, had terrible infrastructure, sluggish growth, low HDI and lacked industrial policies that would aid rapid industrialization. There were two other problems. India was not only seen as a big brother, but with big brotherly attitude that was perceived to interfere in the internal matters of other states. Next, India's relations with Pakistan were always troubled.

So, while numerous agreements have been signed and institutional mechanisms established under SAARC, they have not been adequately implemented. The South Asia Free Trade Agreement (SAFTA) is often highlighted as a prominent outcome of SAARC, but that, too, is yet to be implemented. Despite SAFTA coming into effect as early as 2006, the intra-regional trade continues to be at a meagre five percent<sup>3</sup>. It was therefore no surprise when former External Affairs Minister, Yashwant Sinha, called SAARC a “complete failure”:

*“The experiment has failed as SAARC is no longer a vibrant regional organisation like other global examples. India has a long standing trading relation with Nepal, Bhutan and Sri Lanka, but all those are bilateral ties independent of SAARC. Even with Afghanistan, which is a new entrant to SAARC, India has good relations, but that again it is independent of SAARC.*

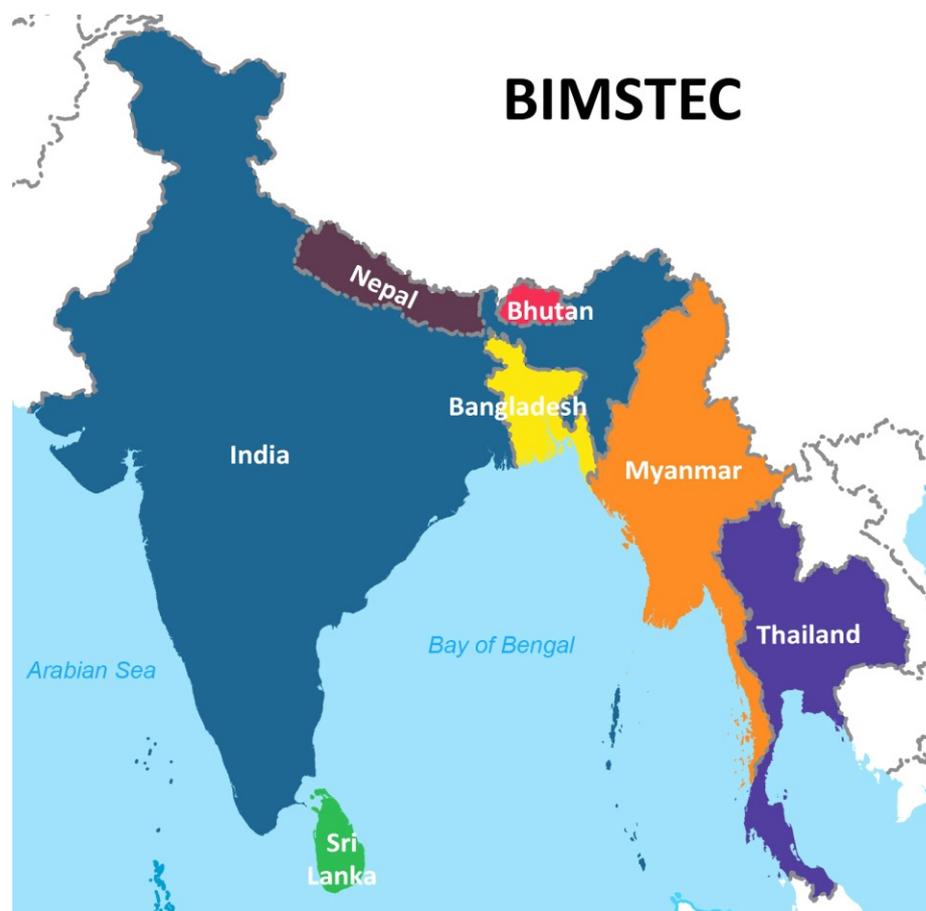
*With Bangladesh, we had a rough patch when Begum Zia was the Prime Minister as they constantly raised the issue of imbalance of trade between India and Bangladesh. Even they did not allow Tata Group to invest there.”<sup>4</sup>*

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<sup>3</sup> See Joyeeta Bhattacharjee, “SAARC vs BIMSTEC: The search for the ideal platform for regional cooperation”, <https://www.orfonline.org/research/saarc-vs-bimstec-the-search-for-the-ideal-platform-for-regional-cooperation/>. Accessed 27th October, 2019

<sup>4</sup> <https://economictimes.indiatimes.com/special-report/the-saarc-experiment-has-failed/articleshow/6096578.cms?from=mdr>. Accessed 27th October, 2019

## From SAARC to BIMSTEC



SAARC's failure led in January 1997 to the formation of *Bangladesh, India, Sri Lanka and Thailand Economic Cooperation* (BIST-EC), often referred to as mini SAARC. In Dec 1997, when Myanmar joined, BIST-EC was renamed BIMST-EC to reflect this inclusion. Finally, when Nepal and Bhutan joined in 2004, the acronym remained, it was renamed *Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation* (BIMSTEC). For India, BIMSTEC provided the conduit to ASEAN countries which was a major component of its Look East Policy, now rechristened 'Act East' policy<sup>5</sup>. However, from the trade point of view, it hasn't helped India much. This is because while BIMSTEC has helped smaller countries like Nepal, Myanmar, Sri Lanka and Bangladesh to increase their intra-BIMSTEC trade to 59.13 percent, 36.14 percent, 18.42 percent and 11.55 percent respectively, for India and Thailand, it is around three percent of its total trade.

Prime Minister Modi has shown a clear preference to BIMSTEC over SAARC. Five years ago, his oath taking ceremony was witnessed by top SAARC leaders. The occasion was the showpiece event of PM Modi's neighbourhood diplomacy. It began with optimism particularly in the context of Pakistan. It was followed by unusual gestures including a mid-air diversion to then Pakistan Prime Minister Nawaz Sharif's family function and an unscheduled meeting during Shanghai Cooperation Organisation (SCO) summit in Kazakhstan's capital Astana in 2017. But this year, he invited the leaders of BIMSTEC countries, extending it to Kyrgyzstan President and Mauritian premier for his swearing-in as prime minister on May 30, 2019.

<sup>5</sup> As we shall see later, this stance has been seriously dented by its refusal to sign the RCEP treaty almost at the last moment.

According to reports<sup>6</sup>, BIMSTEC was not on PM Modi's agenda till September 2016, when Pakistan-based terrorists targeted the Uri base camp of the army. Uri terror attack jolted Modi government's trust in Pakistani leadership of fighting terror. In October 2016, he had hosted an outreach summit with BIMSTEC leaders during BRICS (Brazil, Russia, India, China and South Africa) summit in Goa. This was the first big push under the Modi government to India-BIMSTEC relationship. So, when the Modi government boycotted November 2016 SAARC summit in Islamabad, almost all BIMSTEC countries supported India. Summit was postponed, Pakistan stood isolated in the grouping and India claimed diplomatic victory on the issue of terrorism.

But how far both SAARC and BIMSTEC worked can be seen from Some may dismiss the above lament – if one may say so – with the same nonchalance as the development in Nepal when after wrapping up his India visit, Chinese President, Xi Jinping, travelled to Kathmandu for a two-day State visit. A visit which according to Hindustan Times editorial

*“has qualitatively changed the nature of bilateral ties. China and Nepal declared themselves “strategic partners” for the first time... Nepal has also changed externally. Nationally – defined as resistance to India – has deepened. And its political elite has sought to reduce dependence on Delhi, while enhancing linkages with Beijing... New Delhi (should) be worried. Its political mismanagement of Nepal, failure to deliver on projects, and inconsistent policymaking has, in no small measure, created this new strategic dynamic.”*

### Shanghai Cooperation Organisation (SCO)

Meanwhile, in 2001 the SCO had already been formed by China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan & Uzbekistan. What's noteworthy is that by 2007 the SCO had initiated over twenty large-scale projects related to transportation, energy and telecommunications and held regular meetings on security, military, defence, and foreign affairs. It was only in June 2017 that India and Pakistan officially joined SCO as full members. So, first time after NAM, here is China and India “pitted” in the same bloc.



<sup>6</sup> <https://www.indiatoday.in/india/story/story-behind-narendra-modi-s-shift-from-saarc-to-bimstec-1536707-2019-05-28>

But China's growth story has been phenomenal. As per latest World Bank figures, China remains the world's second largest economy; and with India slipping to the seventh position behind United Kingdom and France, China's GDP is 4.99 times more than India's. That gives China the scope to play decisive role in world affairs which it has been doing aggressively over the past few years. In short, China is everywhere. Many Indians would be tempted to emulate the Chinese story of growth to provide India that extra muscle to graduate from a regional to a global power. In a short but brilliant piece of incisive writing, a young Indian historian has cautioned why imitating the Chinese state may be catastrophic for India (Ghosh, 2019). Being a one-party authoritarian state, China could script its economic miracle on the back of some of the most repressive anti-people actions that resulted in untold misery to millions of ordinary Chinese. The story continues to this day, with *The Guardian* reporting that China is holding one million people, mostly ethnic Uighurs, in internment camps in Xinjiang, prompting more than twenty countries writing to top United Nations human rights officials condemning China's treatment of Uighur and other minorities in the western Xinjiang region.

We concentrate on the geopolitical dimensions that would help us locate India's place in the world; bypassing the details of specific aspects of large-scale projects related to transportation, energy and telecommunications and regular meetings of security, military, defense, foreign affairs, economic, cultural, banking and other officials from its member states. To begin with, some analysts focus only on what the SCO purports to achieve. For example, Alimov (2018) holds that the modern system of international relations remains in a state of imbalance as it passes through a stage of profound transformation and painful evolutionary development. Globalisation has emerged as the main trend in international relations and continues to deepen the intertwining of relations between countries and regions of the world. He sees the SCO as a model of interstate interaction that can provide an “institutional platform” for broad regional economic cooperation; the compatibility of SCO member states' initiatives and development strategies, and (therefore within that) the “implementation of China's One Belt, One Road initiative with the potential to form an overarching partnership between countries of Eurasia and Asia-Pacific region”.

However, the roots of and motivation for establishing SCO has been well captured by Rakhimov (2010). According to him, in 1996, the Presidents of Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan established the “Shanghai Five” in order to resolve border disputes and to reduce the armed forces along their borders. The process started in 1996 and at a meeting in Shanghai on 15 June 2001 these countries founded the Shanghai Cooperation Organization (SCO). The Shanghai Convention was to “combat terrorism, separatism, and extremism”. Now, these are the “three evils” from the Chinese perspective; therefore the stamp of China in establishing SCO couldn't be more emphatic (pp. 97-98).

Similarly, Miller (2014) holds that the SCO has demonstrated a growing interest in and ability to conduct such functions of a specific and limited type. These functions within the SCO seem to fall almost entirely within a Chinese anti-terror paradigm which is meant to deal with the “three evils” as defined by the Chinese government as “terrorism, separatism and religious extremism”. Moreover, all the original member states of SCO face the question of regime stability. And according to Friedrichs (2012), “SCO buttresses regime stability” (p. 760). Since SCO states face ethno-religious, labour,

human rights and demographic/popular unrest, much of the security posture of the grouping is towards these issues (Miller, p. 21). Not surprisingly, Human Rights Watch has criticized counter-terrorism cooperation by members of the Shanghai Cooperation Organisation in targeting the three evils, accusing the members' governments of violating international laws regarding human rights.

But Dadabadev (2018) throws light on another dimension. According to him, while Chinese officials have been at pains to explain away the charge of “expansion of China” with the assertion that their actions benefit all parties, many Central Asian (CA) nations “feel that the announced goal of improving the livelihood of people... could be threatened by the economic and cultural expansion of an economically, politically and demographically superior power” of China. Quoting experts, Dadabadev points out that in terms of economic structures and the capabilities of CA states, many regard these initiatives as largely benefitting China, “using the resources and territory of the smaller CA states but producing very marginal growth or income-generating effects for them”. In particular, reference is made to previous transportation infrastructure development designed to transport CA oil and gas to China which also paved the way for the “expanded penetration of cheap Chinese consumer goods into the CA region, leaving little opportunity for local production capacities to develop” (p. 37).

Why Russia has played along has also been well captured by Dadabadev (ibid). He holds that alignment between the development strategies of Russia and China in the field of global, and bilateral relations lays the foundation of successful cooperation between a number of countries. But this development has been in the context of “United States' shaky position as a global superpower, Russia's revival, China's rise, the exhaustion of the West's outdated liberal development model, the deadlock on global development issues, and the fight against terrorism – in a word, all of the issues resulting from the world's unbalanced and unequal development” (p. 94).

But Malle (2017) provides another perspective. According to him, China-Russia cooperative behaviour is rooted in hard economic interests which can be satisfied amongst them and not by other members of BRICS or SCO. According to Malle,

*“the two countries are moving towards cooperative behaviour by threading a web of different paths: from interstate deals to companies' joint ventures, from costly deals in energy and access of China to strategic branches to arms trade formerly banned, from coordination on infrastructural products to joint participation in financing transport routes in backward areas, from dependence on the dollar to national payment systems and increased use of own currencies in mutual transactions.” (p. 148)*

Nonetheless Russia, in its bid to reclaim its lost glory, has had to concede space to China. In “Shanghai-ed into Cooperation: Framing China's Socialization of Central Asia”, Emilian Kavalski (2010) unpacks the “spheres of influence” of the Chinese state and convincingly argues that Beijing has made inroads into formerly Soviet territory. For China, SCO is an instrument in this process of expansion.

It is unlikely that the political establishment and the mandarins in South Block are oblivious of such dynamics. In diplomacy, however, benign statements are often made which may not reflect hard realities. For example, while delivering a speech at Carnegie Endowment of International Peace in Washington DC on June 27, 2005, then Defense

Minister Pranab Mukherjee had harped on the importance of central Asia because of strategic location – Tajikistan was after all so close to Greater Kashmir - and of its energy resources. Therefore, restoring traditional linkages with its extended neighborhood in Central Asia has been one of the primary strategic priorities of the government. However, Sachdeva (2006) asserts that with no direct road or transportation access plus difficult market conditions, India was never really part of any completion there, though he does note the success of Indian tycoon, Lakshmi Mittal in Kazakhstan.

Unlike the political establishment and foreign office mandarins, independent analysts are not constrained to air their views. Thus according to Adityanjee (2011), there is a very clear cut pattern to Chinese geo-political endeavors. China is behaving as a classical hegemon that is determined to prevent emergence of a rival power by any means. He notes that despite India's serious reservations,

*“China manipulated the SAARC process to enter as an observer, on an Invitation from Nepal, Pakistan and Bangladesh. When India wanted to join the Shanghai Cooperation Organization, the full membership was frozen and India was again hyphenated with Pakistan and Iran as an observer. China is the only country among the P5 nations that has yet to endorse India's candidature for the permanent membership of the UNSC. This, even though China has been making noises about harmony, democracy and consensus building in the UNSC reform process. This will help the Coffee Group (so-called United for Consensus group) orchestrated by Pakistan.”*

### **BRICS and RCEP**

In this globalized world where economies of nation states are intertwined, India has to deal with other nations and, most notably, China. It is in this context it would be instructive to examine the forums of BRICS (Brazil, Russia, India, China and South Africa) and RCEP (Regional Comprehensive Economic Partnership) where the dynamics of geopolitics and economics play out in sufficient measure. According to Maitra (2013):

*“It is well known, that the primary drivers behind the ideation in the BRICS are Russia and China. Russia wants to bandwagon with China to balance the influence of United States. The motivation and Great power nostalgia of Russian elite is simple enough to fathom. The Chinese interest is however far more complex. As a growing hegemon, China actually has interest in Africa, both geo-politically and economically. The resources of Africa are mostly still unexplored, and the market potential of cheap Chinese manufactured goods is enormous. This however comes at a time, when China is increasingly viewed with suspicion in Africa. The last couple of years have seen the murder of Chinese engineers by disgruntled and exploited African labourers, incessant strikes in Chinese operated industries and mines, and the now infamous op-ed by Lamido Sanusi, the governor of Central Bank of Nigeria, where he accused China of having neo-colonial ambitions. China now wants to portray itself as a benevolent and altruistic force, and therefore wanted to soothe Africa under the BRICS front. India, for all its independent and non-aligned foreign policy, is legitimizing Chinese actions.”*

It therefore comes as no surprise that in one of the sideline events of the 8th BRICS Summit held in India in October 2016 which included the first trade fair of the BRICS countries, China skipped the event over trade barriers, but was read in the media in India as a snub amidst a diplomatic row following the latter's veto over India's request to name JeM leader Masood Azhar to the UN as a "designated terrorist."



On the issue of militancy there was controversy, particularly in light of the aftermath of the 2016 Uri attack and the 2016 Kashmir unrest. While Modi said that BRICS members "agreed that those who nurture, shelter, support and sponsor such forces of violence and terror are as much a threat to us as the terrorists themselves", the final communique did not mention such a consensus or the words "nurture," "shelter" or "sponsor." Modi had said, without naming any state: "Tragically, the mother-ship of terrorism is a country in India's neighborhood." Pakistan then said that Indian leaders were misleading BRICS members. Likewise, China's Foreign Ministry spokeswoman Hua Chunying said: "Everyone knows that India and Pakistan are victims of terrorism. Pakistan has made huge efforts and great sacrifices in fighting terrorism. I think the international community should respect this. We also oppose the linking of terrorism to any specific country, ethnicity or religion. This is China's consistent position". She added that China would support its "all-weather ally" amid a campaign by India to isolate Pakistan. Meanwhile, China also did not budge on its stance over both rejecting India's bid for membership in the Nuclear Suppliers Group and over the UNSC veto.

And while Modi was due to meet Putin and Jinping the day before the summit started, on the way to the summit, Jinping stopped in Bangladesh and oversaw deals worth US\$13.6 billion being signed, as well as US\$20 billion in loan agreements. Following the summit, India and Myanmar's representatives met in New Delhi and signed three MOUs: on cooperation in the power sector; on banking supervision between the Reserve Bank of India and the Central Bank of Myanmar; and on designing an academic and professional building programme for the insurance industry of Myanmar.

India's position with respect to RCEP has finally put paid to India's quest to find its place in world economy. The RCEP includes the 10 ASEAN countries along with China, India, Japan, South Korea, Australia and New Zealand. While negotiations began in 2012 and were originally expected to finish by the end of 2015, it was only this month in November 2019 that the Treaty was to be signed. But almost at the last moment, India decided not

to sign the treaty saying that it is detrimental to India's interests. It has massive trade deficits with almost all economic powerhouses of the world. Of the fifteen RCEP countries, India has serious trade deficits with at least eleven, which has almost doubled in the last five-six years - from \$54 billion in 2013-14 to \$105 billion in 2018-19. And of this, China accounts for \$53 billion. The upshot of India pulling out of RCEP has been aptly analysed by Pratap Bhanu Mehta:

*“Both the supporters of the decision and those disappointed by it are, in fact, arguing on the same ground. For supporters of the RCEP, the decision not to join it seems like an admission of defeat, an acknowledgement that India is simply not in a position to compete strongly in the global economy, without risking serious trade imbalances and domestic economic disruption. Those opposing it are also, for the most part, saying the same thing: India is not ready. The price of joining will be too high.*

*“[T]he idea that you can define strategic ambitions far in excess of your economic clout is deeply misplaced, and all our pretensions in that regard, like “Look East,” now “Indo-Pacific”, always had a ring of exuberant hollowness to them... “The best thing Modi might have done for India is that he has made it clear that we are, in the end, a modest power with much to be modest about.”*

### Concluding Remarks

While every country has to deal with issues of realpolitik, balance the advantages of membership of multilateral or regional bloc with building strong bilateral relations with relevant others, the question of a defining identity would need to be addressed. For, it is that identity that gives a nation a defining place in the world. For India, does its membership in SCO compromise its legitimacy in the world? The answer to this question would lie in exploring whether the essential tenets of governance and on which its domestic policies rest are in consonance with its stance in international relations.

It is in this context that the first references to *Panchsheel* were made. The 1954 Agreement with China is not so much important for allowing pilgrims and petty traders to travel to each other's country. The spirit was; which was in consonance with Indian culture and governance system. And that led to NAM. It was this alignment of India's cultural and political identity with other nations that pivoted India in leadership space in international relations. Freedom, democracy, liberalism, giving legitimacy and space to minorities and dissenters alike – with all its warts - were part of India's social and political fabric. It was India's “soft power” that ensured India's place in the world. In the same vein, it is difficult to imagine the equivalence of a Great Leap Forward in India that killed about 30 million ordinary citizens in China, much less the mowing down of dissenters as at Tian'anmen Square.

In contrast, what has been the leitmotif of East Asian Tigers or Central Asian nations? Jorg Friedrichs quotes David Arase, “The political traits of what might be called East Asian developmentalism have been development before democracy, policy making by professional bureaucracy insulated from civil society by a political class; and the exclusion of independent critics, labour and consumer interests in order to speed capital formation and growth” (pp. 759-60). Similarly, Ambrosio (2008) holds that

*“while the conventional approach has been to examine whether, how, and under what circumstances do international organizations promote democracy, he finds that*

*international organizations like SCO sustain autocracy by going a step further by utilizing multilateral cooperation to defend themselves against regional or global democratic trends. As such the “Shanghai Spirit” may be a sign of things to come as autocratic leaders become more bold in their rejection of democratic norms.”*

In a democracy, while the technicalities of foreign policy may be etched out by mandarins and experts, these must align with the people's aspirations, culture, and political preferences – with a good dose of civil society activism. In this context it is good to recall Joseph S. Nye, Jr., who coined the term “soft power”. Nye (1990) quotes Ralf Dahrendorf “[it is] relevant that millions of people all over the world would wish to live in the United States and that indeed people are prepared to risk their lives in order to get there”. Maintaining this appeal is important.” (p. 170). When ideals are an important source of power, the classic distinction between realpolitik and liberalism becomes blurred. The realist who focuses only on the balance of hard power will miss the power of transnational ideas.

Nye also says that insecurity breeds nationalistic and protectionist policies that could constrain the US ability to cope with issues created by growing international interdependence. Walker (2016) however identifies four devious stratagems authoritarian regimes like China, Russia, Iran, Saudi Arabia, and Venezuela undertake to hijack the concept of “soft power”. This they do by manipulation of the internet, establishment of pseudo- civil society organizations, ‘zombie’ election monitors that turn in results very different from what the electorates vote for, and sophisticated state-run propaganda.

Do we then want to etch a place in the world by becoming a hegemon? Since the first step to becoming a hegemon is to achieve a dizzying pace in economic development and capital formation, which seems to be increasingly less likely. Irrespective of our pace of economic development, do we use our “soft power” to be a beacon of hope to mankind and in alignment with our socio-cultural values? But even this hope is under strain as the leitmotif of our social fabric has undergone a distinct shift with the world perceiving us as manifestly different from what we orchestrate. It is an open question to what extent recent trends towards majoritarianism and some controversial constitutional developments - affect the moral high that India enjoyed in the comity of nations.

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