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**INDIA AND THE BRICS:
GLOBAL BANDWAGONING AND REGIONAL BALANCING**

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Indian policy makers have welcomed India's framing as a 'rising power' and celebrated the BRICS initiative as a common front in reforming aspects of global governance. Yet China's rise in Asia has unsettled the balances of power which have underpinned the region, as a consequence of which India has hesitantly pursued a strategic rapprochement with the United States. Assessing New Delhi's multilateral and geo-strategic diplomacy, this article argues that India bandwagons with the BRICS on a global level, but seeks to balance China at the regional level. On the global multilateral level, India has common cause with other rising powers in reforming the policies and structures of most international organizations. The exceptions are the United Nations Security Council and the Non-proliferation Treaty, where China and Russia can be qualified as established powers. On the regional level, however, India has maintained ties to Russia and cultivated a strong relationship with the United States in an effort to balance and increase leverage relative to a rising China. This underlines that major power rivalries are strongly mediated by issue area and institutional context.

Key words: balancing, bandwagoning, BRICS, geopolitics, global governance, Indian foreign policy, international institutions, rising powers, strategic partnership.

By comparison to recent economic, political, and military crises affecting other BRICS countries, India currently stands as the major exception [World Bank 2016]. India's growth rates have been increasing since 2012, while Narendra Modi's image as a strong leader was brandished when his Bharatiya Janata Party (BJP) consolidated control in the 2014 elections. India's status as a major world power is underpinned further by its territory and vast population, its democratic political traditions, military strengthening, nuclear weapons capabilities, and demographic advantages favourable to growth in the coming decades. In terms of India's global role, this is a fundamental transformation, having emerged at independence in 1947 "a very weak country, deeply impoverished, internally divided and with little ability to project its power abroad" [Mehta 2009: 211].

To what end is New Delhi putting its new-found power and influence? Is India bandwagoning with a rising China, or balancing against it? In contrast to conditions under unipolarity, when bandwagoning implied coalition with the United States [Wohlforth 1999: 25], today, countries must navigate a complex order in which multiple centres of power have emerged, with China foremost among them [Stephen 2014; Vezirgiannidou 2013; Rapkin, Thompson 2003]. In this article, bandwagoning is defined as aligning with the major rising power in a power transition (in this case, China), and balancing as aligning with the currently dominant, but declining power (in this case, the United States) [Schweller 1994: 81]. Based on an analysis of New Delhi's multilateral and geo-strategic diplomacy, it can be observed that India's approach varies according to issue area and institutional context. First, as a rising power, India encounters multilateral institutions with policies and procedural rules that reflect the preferences of established powers. On this global multilateral level, India often finds itself standing alongside China and other members of the BRICS in demanding reforms. Indian policy makers have therefore welcomed the framing as a 'rising power' and bandwagoned with the BRICS as another route to global influence. But the regional level reveals a different picture. As China's rise in Asia has unsettled the balances of power which have underpinned the region, India has maintained strong ties to Russia, pursued a strategic rapprochement with the United States, and sought to build stronger ties to countries in South East Asia and the wider Indo-Pacific region. In Asia, India has balanced China in an attempt to maintain its strategic autonomy in a manner consistent with its 'non-aligned' heritage.

REFORMING GLOBAL GOVERNANCE: BANDWAGONING WITH BRICS

Since independence, Indians have typically felt that their country's status in the world is inconsistent with their self-perception as a great civilization and an emerging great nation [Narlikar 2013; Nayar, Paul 2003]. Alongside functional gains from having influence over important international policy outcomes, seeking reform of global governance also serves the critical social purpose of gaining recognition and respect in world affairs [Nel 2010; Wolf 2011]. For this purpose, the BRICS club provides India with a coalition of similarly dissatisfied states with whom to cooperate in the reform of multilateral institutions. Reforming the institutions of global governance to give emerging and developing countries a greater say has been a core strategic objective of the BRICS club, as it is of India's other informal diplomatic club, the IBSA Trilateral Forum [Stephen 2012; Nafey 2005; Armijo, Roberts 2014].

At the WTO, India has formed bargaining coalitions with other members of the BRICS. As a traditional critic of the dominance of Western countries in the multilateral trade regime, India has deftly exploited coalitions with other developing countries to receive integration in 'green room' negotiations of the major trade powers [Efstathopoulos 2012]. While characterized by strong dissimilarities in their trading profiles, India and the other BRICS states shared an aversion to the 'deep integration' agenda fostered by established powers [Stephen, Parizek 2015]. Brazil and India have been longstanding partners in the multilateral trading regime, whose cooperation goes back

at least to the GATT Uruguay Round, where they formed a core for developing countries sceptical of the new trade liberalization agenda [Hopewell 2014]. India has been restrained in its rhetoric about China's trading practices and in 2011, BRICS Ministers also made their first joint statement on the sidelines of a WTO Ministerial Conference.

Alongside the WTO, India has also worked together with China and the BRICS to attempt favourable reform of the International Monetary Fund (IMF) and International Bank for Reconstruction and Development (World Bank). Already in 2009, the BRICS made reform of the IMF a central topic of their joint communiqués. Their financial communiqué in 2009 called for “reviewing the IMF role and mandate so as to adapt it to a new global monetary and financial architecture”¹. The specifics of their demands consisted of the following: recapitalization of the IMF based on a permanent quota increase, an increase in the role of the Special Drawing Rights (SDRs), new credit facilities for crisis lending that would be more flexible regarding conditionality, a more balanced approach to macroeconomic surveillance that also focuses on developed countries' policies and cross-border capital flows, and a major redistribution of voting rights and of representation on the Executive Board². They also called for reform of the World Bank Group based on an even balance between advanced and emerging/developing countries, as well as heads of the IMF and World Bank to be selected “irrespective of nationality or regional considerations”³. Opposition to the perceived liberal bias of the Bretton Woods institutions carried forward also into India's, China's, and other developing countries' opposition to the World Bank annual *Doing Business Report*, introduced in 2004, being seen as biased towards deregulation and outside the Bank's remit⁴. Essentially, India and its BRICS partners seek to release these institutions away from Western control and into a multipolar constellation.

This project has had limited success [Vestergaard, Wade 2015], and India along with the BRICS have sought autonomy from the IMF by accumulating unilateral reserves, and have furthered alternative sources of investment and credit provision through regional alternatives to the World Bank [Chin 2010]. In addition, at the behest of the Indian Finance Minister, the BRICS in 2012 commissioned a joint working group to study the viability of setting up a BRICS Development Bank, “for mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development”⁵. The intention to set up the BRICS New Development Bank was announced at the fifth BRICS Summit in

¹ BRIC Finance Ministers, “BRICs Finance Communiqué” (14 March 2009), §9. URL: www.brics.utoronto.ca/docs/090314-finance.html (accessed: 13.10.2016).

² Ibid.

³ Ibid.

⁴ Bretton Woods Project, “India Complains Doing Business ‘not Robust’” (2013). URL: <http://www.brettonwoodsproject.org/art-572256> (accessed: 13.10.2016).

⁵ BRICS Leaders, “BRICS Leaders' Declaration” (29 March 2012). URL: <http://mea.gov.in/mystart.php?id=190019162> (accessed: 13.10.2016).

Durban in 2013, with an initial capitalization of US \$50 billion, and a mandate to focus on infrastructure development. Additionally, plans for a Contingent Reserve Arrangement of US \$100 billion were announced, to pool foreign exchange reserves among the BRICS countries⁶. By 2015 the New Development Bank had opened for business, creating another alternative to the IMF for crisis lending, and help to de-dollarize the financial relations amongst the BRICS countries [Sarkar 2016].

Meanwhile, India has supported the Russian and Chinese aspiration to revise the international monetary system by eroding the international dominance of the US dollar. The BRICS have called into question the legitimacy and efficiency of the US dollar's role, calling for a more 'diverse' international monetary system, have begun invoicing intra-BRICS trade in their own currencies, and tried to boost the role of the IMF's Special Drawing Rights⁷. A shift away from the dollar involves both a change in the international monetary system as well as a redistribution of the costs and benefits of controlling the world's de facto currency. The potential erosion of the role of the US dollar has been interpreted as a major signal for the end of the Western-dominated global economic order [Helleiner, Kirshner 2009].

The major exception to this pattern is the Security Council and other regimes associated with unique privileges for the 'P5' countries, such as the Nuclear Non-proliferation Treaty (NPT). India and Brazil are long-standing claimants to permanent seats on the Security Council, and South Africa's deference to the African Union position has not hidden its aspirations also to be included. So far, however, any common interest that the BRICS countries might share in pushing the global system towards multipolarity has not been enough to overcome their divergent institutional interests on the Security Council, with BRICS declarations signaling only vague support for the IBSA states to play a greater role in the UN, but falling short of endorsing permanent Security Council membership. This stands in strong contrast to the positions of the Western P5 members, each of whom has in some way indicated support for Indian membership of the body [von Freiesleben 2013]. Here, India's institutionally shaped interests clash with the broader interest in bandwagoning with China to reduce Western dominance.

REGIONAL RIVALRIES: BALANCING A RISING CHINA

With the notable exception of the UN Security Council and the NPT, India has found common cause with the BRICS countries in pushing for a thorough reform of multilateral institutions. While this has been only partly successful, it underlines the common dissatisfaction rising powers have with institutions typically created by formerly powerful countries who inscribe their advantages into institutional rules [Stephen 2017]. A different picture emerges on the regional level, however.

⁶ Bretton Woods Project, "BRICS Challenge IFIs" (2013). URL: <http://brettonwoodsproject.org/art-572264> (accessed: 13.10.2016).

⁷ BRICS Leaders, "BRICS Leaders' Declaration" (14 April 2011). URL: <http://netindian.in/news/2011/04/14/00012494/sanya-declaration-brics-leaders> (accessed: 13.10.2016).

A significant level of distrust and geo-strategic rivalry still characterizes Sino-Indian relations [Rehman 2009]. Signs of these geopolitical rivalries include accelerated increases of military spending in both countries, upgrades to frontier infrastructure with military ramifications, Chinese economic and military (including nuclear) ties to Pakistan, and the persistence of the border dispute [Rehman 2009]. Indian foreign policy thinkers have ranked China along with Pakistan as one of the two greatest ‘challenges’ that face Indian ‘hard power’, and have openly discussed the possibilities of a renewed Sino-Indian armed conflict [Khilnani et al. 2012: 38]. India has also looked on wearily as China has maintained ties to Pakistan, and boosted its ties to countries in India’s immediate neighbourhood, such as Nepal, Bangladesh and the Maldives [Rehman 2009]. Although India does not want to be seen as part of an American anti-China containment or balancing strategy [Mehta 2009: 232], and has avoided being roped in to alliances that would limit its strategic autonomy, its goal of independence and autonomy leads it to behaviour consistent with the balancing paradigm.

Due to China’s economic first-mover advantage, its military preponderance, and its permanent Security Council seat, India has sought out ties to both Russia and the United States, and boosted its relations with smaller South East Asian nations as well as Japan and Indonesia [Blank 2007]. Strategic and military ties to Russia remain strong, and Narendra Modi reassured Vladimir Putin in 2015 that Russia remains India’s principal external partner⁸. But probably the most significant response by India to China’s rise has been to move closer to the United States in the form of a ‘strategic partnership’. With the rise of China and broader signs of a Russian-Chinese partnership [Ying 2016], the United States has sought to overcome its estrangement from India and actively courts India as a major world power [Tellis 2005]. In 1998 the United States was condemning India for its Pokhran-II nuclear tests; by 2005 the two countries had concluded the “US—India Civil Nuclear Agreement” (123 Agreement) under which India’s nuclear status was effectively recognized, despite India still refusing to sign the NPT or Comprehensive Test Ban Treaty (CTBT) [Narlikar 2013: 600]. Moreover, a common defense agreement and official statements welcoming and seeking to enhance India’s status as a world power underlined the United States’ interest in courting India as a counterweight to China [Blank 2007: 2—4; Rehman 2009: 125—29; Narlikar 2013: 599—601]. This was enhanced again in 2010 with the US-India Strategic Dialogue.

Nonetheless, India has also avoided entanglement in any US-led anti-China containment strategy. The nuclear deal with the United States was only narrowly passed in the Lok Sabha, and Russia has sought to deepen ties to India and China through the concept of a ‘strategic triangle’ [Blank 2007: 7—8]. Indian policy makers continue to attach a strong meaning to the concept of autonomy and independence in world affairs, the core concept behind its traditional stance of non-alignment [Khilnani et al. 2012; Nafey 2005]. Thus the strategic partnership with the United States is pursued at the same time as economic integration with China (China is India’s biggest trading partner) and

⁸ TASS Russian News Agency, “Indian PM Narendra Modi: Russia Remains Our Principal Partner” (22 December 2016). URL: <http://tass.com/world/846052>.

political engagement with other rising powers in the BRICS Forum. In this respect, the BRICS Forum undoubtedly benefits India in rebalancing its relations to Russia and China after its closer ties to the United States, as does India's admission (along with Pakistan) to the Shanghai Cooperation Organisation, agreed in June 2016.

The “balancing act” [Pant, Super 2015: 756] of India's relations to the other major powers manifests differently in the global and regional levels. As India navigates contemporary international power shifts, it has sought out coalitions with the BRICS and other developing countries to push for reform of global governance. Yet China is perceived as second only to Pakistan as one of India's geopolitical threats, pushing it into closer ties to the United States, Japan, and the South East Asian countries. On the regional level, India has maintained ties to Russia and cultivated a strong relationship with the United States in an effort to balance and increase leverage relative to a rising China. This underlines that major power rivalries are strongly mediated by issue area and institutional context.

These two tracks of Indian foreign policy are not fully insulated but interrelated. International institutions continue to play an important role, but are increasingly affected by geopolitical tensions between the major powers. New institutions and groupings are emerging on a regional and interregional basis that in many ways would compete with universal multilateral institutions. Seen in this light, the BRICS initiative and the BRICS' recent New Development Bank is only one case of a new politics of inter-institutional competition.

International politics has become more institutionally mediated and largely non-ideological. No overarching cleavage characterizes political conflicts between the major powers, which vary according to institutional context and policy field. Yet, in light of events in Ukraine, Syria, the South China Sea, and across many multilateral contexts, a growing divergence has emerged between China and Russia, on one hand, and the United States and its Western partners, on the other. If these trends continue, India may face increased pressure — but also increased incentives — to side with one camp over the other. The choices that India currently faces may endure well into the future.

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ИНДИЯ И БРИКС: «ГЛОБАЛЬНЫЙ КОНЦЕРТ» И РЕГИОНАЛЬНЫЙ БАЛАНС

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Индийские политики приветствовали восприятие Индии как «восходящей державы» и встретили единым фронтом инициативу БРИКС по реформированию аспектов глобального управления. Тем не менее, подъем Китая в Азии не установил баланс сил в регионе, и, как следствие, Индия нерешительно следует по пути стратегического сближения с США. Оценивая многостороннюю и геостратегическую дипломатию Нью-Дели, автор статьи делает вывод о том, что Индия на глобальном уровне присоединяется к БРИКС, однако на региональном уровне стремится сбалансировать Китай. На глобальном многостороннем уровне у Индии есть ряд общих точек соприкосновения с другими восходящими державами в области реформирования политики и структуры большинства международных организаций. Исключением являются Совет Безопасности ООН и Договор о нераспространении ядерного оружия, где КНР и Россия рассматриваются как ведущие державы. Тем не менее, на региональном уровне Индия поддерживает связи с Россией и культивирует прочные отношения с Соединенными Штатами Америки в попытке сбалансировать и увеличить рычаги влияния на возвышающийся Китай. Это подчеркивает, что проблемные области и институциональный контекст являются сильным связующим звеном для основных конкурирующих сил.

Ключевые слова: балансирование, концерт, БРИКС, геополитика, глобальное управление, внешняя политика Индии, международные институты, восходящие державы, стратегическое партнерство.

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