Brexit, India, and the future for diplomacy: A road to somewhere?



In October 2016 Richard UK Prime Minister Theresa May watching a fly-past by the Indian Air Force in Bangalore, during her visit to the country in November 2016.

Whitman's piece 'On a road to nowhere? Brexit and the future for UK diplomacy' was carried on this forum. A month later and Theresa May took the diplomatic road to somewhere, by visiting India. This trip was the last substantive event that came into the study 'The rise of India: UK perspectives' that has just appeared at the start of January 2017 in Chatham House's journal International Affairs. The article found that since 2001 there has been a threefold process in the UK-India relationship, namely; (1) economic prioritisation by the UK, (2) a stronger Indian position, and (3) increasing asymmetry in the respective relative weight between a declining UK and a rising India.

These three processes have become even more evident following the referendum on June 23 and its unexpected vote for a British Exit (BREXIT) from the European Union (EU). As the *International Affairs* article was being drafted, it had already been noticeable how various BREXIT campaigners emphasised the importance for

British diplomacy to pursue economic opportunities with India in any post-BREXIT future.

What is now evident is that India became a significant focus for UK diplomacy during the post-BREXIT referendum months, as a swathe of UK ministers beat a path to India.

2016	Post-BREXIT referendum ministerial travels to	
India		
July 8	Sajid Javid	Business, Innovation & Skills
July 24	Alok Sharma	Foreign Office (Asia & Pacific)
August 10	Greg Clarke	Business, Energy & Industrial Strategy
August 14	Priti Patel	Overseas Aid & Development
August 28-30	Liam Fox	International Trade
November 6-8	Liam Fox	International Trade
	Greg Hands	International Trade

This diplomatic outreach to India reached a peak with Theresa May's visit to India from 6-8 November 2016. The trip was described by the UK government as a 'trade mission', a rather indicative styling by the UK government machinery of the UK's post-BREXIT priorities.

As the dust settled on Theresa May's trip, four events within it, served as an indicator for future UK diplomacy. Firstly and secondly were her public outings (and speeches) to the India-UK Tech Summit in New Delhi and its spin-off at Bangalore, India's high tech Silicon Valley equivalent. This was indicative of India's burgeoning economics-driven rise which is propelling India into a high-tech economy. Thirdly, the Joint Statement pointed to the future, as the two governments pledged to 'make it a priority for both countries, when the UK leaves the European Union, to build the closest possible commercial and economic relationship'. With that in mind, the Joint Statement regularised the setting up of a *Joint Working* Group, reporting to the Joint Economic & Trade Committee (JETCO), that would discuss the detail of UK-India trade relations, and help drive progress towards

shaping a post-BREXIT Free Trade Agreement between the UK and India. Secretary of State for International Trade, Fourthly, Liam Fox, travelled to India in Theresa May's party, addressed the *India-UK Tech Summit*, and then went on in India to co-chair the scheduled 11th JETCO meeting.

These post-BREXIT referendum events from June-November 2016 were able to be incorporated into the article in *International Affairs*. Further events after November continue to shed light on the road that UK diplomacy is taking towards India.

Firstly, Alok Sharma the Minister for Asia coined the mantra *Make in India, Finance in the UK* in his <u>speech</u> at the UK-India Business Council meeting on 12 December. This reflected the UK seeking to explicitly capitalise on the post-BREXIT future for the City of London, but also indeed perhaps in effect implicitly accepting that increased UK manufacturing exports to India would be less likely.

Secondly, Theresa May's <u>speech</u> outlining the UK's negotiating objectives for exiting the EU, that she delivered on 17 January 2017, firmly indicated that the UK would not be any part of the EU Customs Union tariffs arrangement, and thus would thereby be able pursue its own free trade arrangements with India. May mentioned India twice in the speech as one of the key countries with which Britain would seek free trade agreements and forge closer engagement, and highlighted that discussions on future trade arrangements had already commenced with India.

Thirdly, Foreign Secretary Boris Johnson's visit to India included a typically flamboyant <u>plea</u> at the *Raisina Dialogue* in New Delhi on 18 January that 'the time is coming when we need to turbo charge this relationship with a new free trade deal'. However, Indian officials

<u>cautioned</u> that 'mobility issues are of importance to us: we cannot separate free movement of people [which India wants but the UK does not] from the free flow of goods, services and investments' – thereby leaving a challenge for UK diplomacy.

Fourthly, the economics-based imperatives of post-BREXIT British diplomacy towards India were again shown as a UK delegation headed by the Minister of State for Employment, Damian Hinds, arrived at the *Bengal Global Business Summit 2017* that met from 20-21 January in Kolkata. As with Johnson's trip, Hinds' appearance in Kolkata showed the post-BREXIT dynamics of the UK pursuing India rather than India pursuing the UK.

However, in the wake of the inauguration of the Trump administration on 20 January, and a quickly-pencilled summit meeting between Trump and May on 27 January, it remains to be seen how far an increased UK diplomatic focus on UK-US free trade will, or will not, be at the expense of pushing ahead with UK-India free trade arrangements. The question will also arise of whether, or not, UK diplomacy has the necessary depth of negotiators to successfully pursue both the US and India avenues simultaneously.

Nevertheless, looking ahead, by the end of March 2017, triggering *Article 50* of the *Treaty of Rome* should have thereby triggered formal 2-year negotiations for the UK leaving the EU. In the vein of Boris Johnson's classicism, for UK diplomacy perhaps post-BREXIT all roads do not lead to Rome? There is a road to somewhere else for UK diplomacy, the road to New Delhi and a rising India.

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