



## **Conservatives' Victory: Prospects for India-UK Ties**

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The Conservative party won the majority in the British Parliament in the General Elections held on 7 May 2015. After completing his first term in the coalition of Liberal Democrats, Prime Minister David Cameron secured a significant electoral victory. His party registered success on 331 seats in 650-member House of Commons, while the main opposition, the Labour Party, was restricted to 232 seats. The spectacular rise of the pro-independence Scottish National Party (SNP), which has increased its tally from six to 56 in this election, consequently, emerged as the third largest party in the country, would have transformative impact on the political dynamics in the country. Since Scotland voted to stay within UK in a referendum held on 18 September 2014, the manifesto of the SNP includes the promise of 'home-rule' and more autonomy.

There is also growing significance of Indian-origin voters in the British electoral politics. Statistically speaking, around 615000 India-born electorates constitute the largest group among the foreign-born voters in the UK; consequently, their political inclination would be crucial in the electoral success of the political parties. Recognizing the increasing prominence of Indian voters, David Cameron noted, "... I will see a British Prime Minister of Indian origin in my lifetime." Ed Miliband, the Labour Party leader, also argued, "... India is now above party politics and of major importance to every political leader in UK." The

manifesto of Tories calls for building 'strong relationship' with India, finalising EU-India trade deal and supporting New Delhi's permanent representation in UNSC. Traditionally, the Labour Party had the support of Indian-origin voters, though recent trends reflect a shift towards the Conservatives, especially towards David Cameron. In this election, Out of 59 India-origin candidates, Conservatives fielded the maximum, 17 and Labour and Liberal Democrats, 14 each; ten Indian-origin candidates were elected; and Priti Patel has been appointed as the Minister of State for Employment.

From India's foreign policy perspective, Cameron's victory might sustain the momentum of India-UK relations. In the previous term, New Delhi was high on David Cameron government's engagement priorities. Prime Minister Cameron showed his 'personal commitment' in enhancing the ties and sought a new 'special partnership' with India. In a meeting with Prime Minister Narendra Modi in Brisbane in 2014, he said, "Relations with India are at the top of the priorities of the UK's foreign policy."

Enhanced political interactions – Prime Minister Cameron himself visited India thrice – show a 'long-term commitment' towards enhancing the partnership with New Delhi. Contemporary global dynamics and political-economic scenario in their respective countries appear much more conducive for expanding partnership in areas of mutual interest. There seems to be synergy in both governments' approach to economic development and greater emphasis on geo-economics – promotion of economic and commercial objectives – in the foreign policies of their nations.

After coming to power, the Modi government has taken up a series of initiatives to revive economic growth and make the business environment more favourable in the country. His emphasis on 'democracy, demography and demand' incorporates the values of inclusive growth, free trade and a much needed urge to become an important element of the 'global value chain'. The 'Make in India' initiative, infrastructure projects, skill development, etc. offer immense opportunities for broader and long-term partnership with the West. Though major reform bills, such as the Land Acquisition and Goods and Services Tax (GST) bills are still stalled in the Indian Parliament as the ruling Bharatiya Janata Party

(BJP) and its National Democratic Alliance (NDA) do not have majority in the upper house of the Parliament, the Modi government shows its firm commitment towards reforms, and it has been making efforts to reach out to the opposition parties as well as taking the ordinance route for pushing the crucial legislations. The government has been pushing for infrastructure development. It has approximately doubled the spending allocations for roads and bridges in 2015-16, and also hiked rail budget by a third. Nobel laureate Joseph Stiglitz argues that connectivity facilitates freer movement of people, goods and ideas, and lack of infrastructure in developing countries is a bigger hurdle in the promotion of trade than tariffs.

In the course of election campaign, David Cameron also emphasized how he rescued the country from economic crisis. His party manifesto argued for 'clear economic plan' and to 'finish the job' of economic reforms. It is noted that the economy has been on the road to recovery at a 'relatively strong rate' since early 2013; and is forecasted to grow around 2.5 per cent in 2015 and 2.3 per cent in 2016. Low 'productivity' has been bothering the policy makers. The acceleration of economic reforms and new economic initiatives in India have been catching the attention of global leaders. During his election campaign, Prime Minister David Cameron emphasized that Britain could be a better partner for 'Make in India' initiative. He also told, "I am looking forward to meeting Prime Minister Narendra Modi to discuss a heavy agenda. India is going to play a very big role in the success of British economy."

The economic relations would be the key driver of India's partnership with Britain. Overall trade volume has increased from 2010-11 to 2014-15, mixed trends have been noticed in this period, decline in 2012-13 and 2014-15, and rise in 2011-12 and 2013-14. Both countries have shown interest in further enhancing partnership in several sectors ranging from infrastructure, defence, education, urban development to insurance. Indian Inc has also enlarged its footprint in the UK. Success stories of Indian businessmen in the UK often find mention in the media. India and Britain would be exploring new horizons for expanding partnership. Although the political environment, personal commitment of political leadership and economic opportunities are favourable for shaping a renewed

partnership with the UK, there is also an urgent need to dispel the negative perception persisting in people and the business community, such as the UK visa policy or India's retrospective tax legislation, etc. The Modi government recognizes that a tax-friendly regime is necessary for attracting more foreign investment in the country, which can allay the fear of British businessmen.

The education sector is considered as having immense potential for cooperation. Indian students constitute a major chunk of foreign students in the UK. According to the Higher Education Statistics Agency, UK, the enrolment of Indian students in British universities has been declining. Apart from high increase in fee, there is wider perception that the UK has an unfriendly visa regime, which is not encouraging. A friendlier visa policy and relaxation in the post study work visa may encourage more students to look towards the UK for education. The SNP calls for reintroduction of the post-study work visa.

To sum up, the dynamics of India-UK relationship has transformed in the contemporary global order. Contemporary international political dynamics, domestic political and economic scenario and foreign policy agenda of both the countries are creating broader structural and pragmatic urge for enhanced India-UK partnership. Improving business links appear to be the priority of both the countries and the focus would be on harnessing the opportunities emerging from the recent reforms and initiatives taken up by the Government of India. Britain acknowledges that an economically rising India will benefit its economy in multiple terms. India may see the UK as a crucial constituent in broader ecosystem of the Link West policy. Multiple layers of engagement for more inflow of investment and collaboration for advanced technology would be crucial for India's vision of becoming a manufacturing hub in the world. Conducive political relations would create an environment for optimising the economic potentials. Bilateral policy synergies would have the potential to develop cooperation at the global and regional levels as well.

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