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THE NEW GOVERNMENT IN INDIA AND INDIA'S NEIGHBOURHOOD POLICY: CONTINUITY OR CHANGE?

Abstract

Maintaining harmony and peace in South Asia has been a crucial intent not only of India but also of its South Asian neighbours. Nevertheless, sustaining stable relationships among New Delhi and its South Asian neighbours have had remained a formidable challenge. Following May 2014 national election, a new government led by the Bharatiya Janata Party (BJP) assumed office in India. The new Prime Minister Narendra Modi, a Hindu nationalist, renowned for his impressive management of Gujarat's economy as Chief Minister is now the leader of the one billion plus population. New developments, especially inviting all South Asian leaders in Indian Prime Minister's oath-taking ceremony and choosing South Asian Himalayan countries for opening foreign visits, have stirred up euphoria regarding possibilities of re-energising the flagging discourse of South Asian neighbourhood. Building on these evolving scenarios, this paper looks into India's South Asian neighbourhood discourse in the context of new government's accession to power in India. Taking up the early days conducts of the new Prime Minister into consideration, the paper reveals that although the style of the new government to deal with neighbours may reflect changes, the overall objective management of India's regional relations is unlikely to deviate much.

1. Introduction

The euphoria with which accession to power of the 15th Prime Minister of India, Narendra Modi, was observed by all South Asian countries is remarkable as well as of critical importance. Both famed and defamed for his contributions in Gujarat, the new Prime Minister (PM) attracted global attention through the historic victory of Bharatiya Janata Party (BJP) in the May 2014 national election. The margin with which BJP has achieved the right to lead the Indian nation is colossal; earning the party a straight majority in parliament in course of thirty years of history.¹ Immediately after being entrusted with the right to be the Indian spearhead, even before assuming the office formally, the new PM had set a new example in the political history of South Asia. Invitation to attend the oath-taking ceremony at the Presidential Palace was sent to all South Asian leaders.

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¹ Dean Nelson, "Narendra Modi wins India election with landslide victory", *The Telegraph*, available at <http://www.telegraph.co.uk/news/worldnews/asia/india/10835229/Narendra-Modi-wins-India-election-with-landslide-victory.html>, accessed on 21 September 2014.

Such bold step was seen as a breakthrough in the flagging discourse of South Asian neighbourhood politics. It presented the new government of India a chance to know the neighbours and their concerns while taking over the office as well as to create an atmosphere of reliance aimed to move beyond the histories of mistrust by offering an early gesture of interaction. The initiative of new Indian government received positive responses from the South Asian political leaders in neighbouring countries who responded to the invitation warmly. This shows the eagerness of countries in this region towards cooperation.

In continuation to the opening surprises, PM Modi selected Bhutan and Nepal for his maiden foreign visits. Hence, the new Government displayed a fairly notable approach in its conduct with neighbours in the initial days. Headed by Narendra Modi, the new government of rising India stirred up excitement by displaying intentions to create a 'peaceful neighbourhood' and let join the neighbours in its agenda to move forward. It heightened both expectations and trepidations over how the new government is going to deal with its neighbours. The uneasiness, however, resulted from the fear of escalation in communal violence and the probability of adoption of a hawkish policy by the new government.

Building on this context, the questions that emerge are, does this euphoria created by the early conducts reflect change in the neighbourhood policy of India? How the new government will treat its immediate neighbours? And, what are the ramifications of this change of leadership in the South Asian political landscape in the coming days? This paper tries to analyse the early indications of Prime Minister Narendra Modi and finds out the new government's policy priorities in the neighbourhood. Geographically, India's neighbourhood comprises of the countries with which it shares borders: Afghanistan, Bangladesh, Bhutan, China, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka. However, analysis in this paper limits its focus within India's South Asian neighbours and excludes analysis of India's policy towards China and Myanmar. But, in course of the discussion, references to China and Myanmar have been made for comparative analysis.

The paper is based predominantly on secondary sources and proceeds as follows. Dynamics of India's South Asian neighbourhood along with policies under various regimes are discussed in the second section. Recent developments followed by the accession of the new government in India are outlined in the third section. The fourth section presents ramifications for South Asia. Section five is the conclusion of the paper.

2. Understanding India's South Asian 'Neighbourhood'

To fathom the complex political landscape of South Asian neighbourhood and realise the aims and objectives of the new Indian leadership in South Asia, at first

it is necessary to understand how the region has been perceived by India. Therefore, this section looks into the dynamics of India's South Asian neighbourhood and the history of conduct and key elements of India's neighbourhood policy under different administration.

2.1 **What is Neighbourhood Policy?**

The concept of promoting well defined relations with neighbours is not new. The root of any neighbourhood policy is that a country cannot "choose its neighbours"²; therefore, it has to adjust with the surrounding environment and adopt a suitable approach. Frontiers with neighbours are where domestic concerns intersect with external relationships and therefore, the first area of attention of any foreign policy is the neighbourhood.³ Good neighbour policy has been campaigned even in the earlier tradition of international relations of sovereign states. Franklin D. Roosevelt advocated a new direction in foreign affairs by his well known 'Good Neighbour Policy'⁴. Attempt to build up an accommodating neighbourhood has been observed in the European Union as well. The European Neighbourhood Policy (ENP) is hitherto a pioneer of its kind in the neighbourhood policy discourse which aims to avoid dividing lines with its neighbours.⁵

Defining neighbourhood is critical because it not only rests on geographical or political factors but it also has social and cultural underpinnings. As a term, 'neighbour', which is of West Germanic origin, combines two words, 'near' and 'dweller'⁶, i.e., someone who dwells nearby. In the Anglo-Saxon tradition, the term 'neighbour' is measured as a fellow, an associate or a beneficiary. This gives a positive connotation of the expression. However, in some other, like post-communist spaces where Slavic mores dominate, 'neighbour' is explained as a stranger or foreigner. The Russian word for 'neighbour' entails a person who enters another's private space without legitimate authority. Thereby, it has a negative connotation of the same expression. There emerges the inherent ambiguity of 'neighbour' as put forward by

² S. D. Muni, "Problem Areas in India's Neighbourhood Policy", *South Asian Survey*, New Delhi, Vol. 10, No. 2, 2003, p. 185.

³ Pratip Chattopadhyay, "The Politics of India's Neighbourhood Policy in South Asia", *South Asian Survey*, New Delhi, Vol. 18, No. 1, 2011, p. 93.

⁴ While attending the Pan American Conference in 1936 in Buenos Aires, Argentina, Franklin D. Roosevelt showed that the United States was willing to stop dominating weaker nations by its adherence to the Declaration of Principles of Inter-American Solidarity and Cooperation, and that the Latin American countries would be treated as equals. For more see, Henry J. Brajkovic, "The Foreign Policy of Franklin D. Roosevelt to the Entry into World War II", available at <http://yale.edu/ynhti/curriculum/units/1978/3/78.03.05.x.html>, accessed on 10 November 2014.

⁵ The objective of developing ENP in 2004 was to avoid the emergence of new dividing lines between the enlarged European Union and its neighbours and instead strengthening the prosperity, stability and security of all. The ENP is chiefly a bilateral policy between the EU and each partner country. For more see, Official Website of the European Union, available at http://www.eeas.europa.eu/enp/about-us/index_en.htm, accessed on 02 November 2014.

⁶ Gabriel Meloni, "Who's my neighbor?", *European Political Economy Review*, Summer 2007, No. 07, p. 25.

Chattopadhyay, "the neighbourhood is a space lodged in between the safe inside of friends and the threatening outside of enemies"⁷. Thus, a neighbourhood is not limited to territory only; it is also about 'numerous and diverse individuals' and their 'social constructions' who are neither well-known nor a total stranger.⁸ This understanding of neighbourhood is critical to figure out the dynamics of South Asian region.

2.2 Dynamics of India's South Asian 'Neighbourhood'

To comprehend South Asian neighbourhood, especially with regard to Indian strategic perceptions, one may fall back to the Kautilyan Mandala theory (circle of States) of foreign policy. The political realist argued that immediate neighbours are considered to be natural enemy and neighbour's neighbour is the friend.⁹ This perception articulates that India's immediate neighbourhood is perceived by her more as an enemy than a friend. Nevertheless, like any other aspirant country, India too hopes to be surrounded by a 'band of allies'. There emerges the necessity of a policy to mould the surroundings for its best.

Although the term is used quite often, India does not have officially declared neighbourhood policy. It is merely a part of India's broader foreign policy.¹⁰ The term Indian Neighbourhood Policy hence could be used to refer to various policy statements as well as policy propositions of different Indian leadership time to time regarding India's immediate neighbours providing expression of the neighbourhood policy. Various observers as well as leaders have reiterated the significance of India's South Asian neighbourhood. S. D. Muni, a former Indian ambassador, noted that "achieving the objective of becoming one of the principal powers of Asia will depend entirely on India's ability to manage its own immediate neighbourhood".¹¹ C. Raja Mohan, a leading Indian scholar, observed that without enduring primacy in one's own neighbourhood, no nation can become a credible power on the global stage.¹² Former Prime Minister Atal Bihari Vajpayee also acknowledged that friends can change but not neighbours who have to live together.¹³ Prime Minister Manmohan Singh in 2010 noted that "we cannot realise our growth ambitions unless we ensure peace and stability in South Asia".¹⁴ Such statements substantiate the prominence of South Asian region in India's policy planning.

⁷ Pratip Chattopadhyay, *op. cit.*

⁸ Claudia Coulton, "Defining Neighbourhoods for Research and Policy", *Cityscape*, Vol. 14, No. 2, 2012, p. 236.

⁹ "Manu and Kautilya's Ideas on Inter-state Relations and Diplomacy", available at http://shodhganga.inflibnet.ac.in/bitstream/10603/4285/10/11_chapter%204.pdf, accessed on 21 November 2014.

¹⁰ Smruti S. Pattanaik, "India's Neighbourhood Policy: Perceptions from Bangladesh", *Strategic Analysis*, New Delhi, Vol. 35, No. 1, January 2011, p. 72.

¹¹ S. D. Muni, *op. cit.*; see also, David Malone, *Does the Elephant Dance?: Contemporary Indian Foreign Policy*, New York: Oxford University Press, 2011, p. 22.

¹² C. Raja Mohan, *Crossing the Rubicon: The Shaping of Indian Foreign Policy*, India: Penguin Books, 2003, p. 242.

¹³ David Malone, *op. cit.*

¹⁴ "India needs US for its growth", *The Deccan Herald*, available at <http://www.deccanherald.com/content/96305/india-needs-us-its-growth.html>, accessed on 21 September 2014.

Even though this region has been so significant, relations between India and her neighbours never reached the desired stature of affability. Since independence in 1947, India's principal challenges have been dealing with its troubled relations with its neighbours. With regard to her global strategy, India has oscillated between nonalignment to realism. But in the case of South Asia, it seems India has fallen short of a coherently developed strategy. Several factors have contributed to the creation of the complex dynamics in this neighbourhood. The primary factor being the disparity of power among neighbours; India has the preponderance of power in the region in all aspects. She occupies 72 per cent of the land surfaces and is responsible for a large per cent of regional economic output.¹⁵ This offers India a natural advantage of leadership, but at the same time creates the fundamental security problem within the regional framework.¹⁶ As a consequence of power differences, India is characterised as 'hegemon' by smaller nations of the region; always afraid to being subjugated in pursuit of their national interests. Indian policies with regard to the liberation movement in Bangladesh in 1971, the ethnic crisis in Sri Lanka in 1987 and the attempted military coup in Maldives in 1988 are cited as illustrations of India's hegemonic authority in the region.¹⁷ Image as a rival and competitor in the eyes of Pakistan also makes the region a complicated gain for India.

On the contrary, due to the power differences, India also worries that the smaller countries will 'free ride' on its resources in the name of cooperative relationship. Delhi suspects that its neighbours are or have been involved in receiving, sheltering, overlooking or tolerating terrorist activities from their soil directed against India.¹⁸ The issue of extra-regional powers is another factor that adds hurdle to this complex security landscape. Since smaller countries of South Asia perceive threats from its big neighbour; they attempt to address their 'smaller state complex' by adopting power balancing approach through building closer relations with extra-regional powers in order to counterbalance India's influence.¹⁹ This appears to India as attempts of smaller neighbours to gang up against the larger neighbour.

Other factors include apprehensions about India's desire to reinstall an *Akhand Bharat* (unified India), where South Asian countries will form a single unit and India would be in charge of their security and development.²⁰ India's insistence on bilateralism is also viewed by smaller neighbours as a coercive approach to weaken their bargaining power since they are more comfortable to tackle India through multilateral structure which allows them to voice up their arguments without being

¹⁵ Madhabi Bhasin, "India's Role in South Asia-Perceived Hegemony or Reluctant Leadership", 2008, available at <http://www.globalindiafoundation.org/MadhaviBhasin.pdf>, accessed on 10 November 2014.

¹⁶ Bhunitra Chakma, "Liberalism and South Asian Security", available at www.wiscnetwork.org/porto2011/getpaper.php?id=755, accessed on 17 November 2014.

¹⁷ *Ibid.*

¹⁸ Address of Kanwal Sibal, the then Foreign Secretary to the Government of India, to French Institute of International Relations (IFRI), Paris on 17 December 2002.

¹⁹ Bhunitra Chakma, *op. cit.*

²⁰ M. B. I. Munshi, *The India Doctrine (1947-2007)*, Dhaka: Bangladesh Defence Journal Publishing, 2008, p. 10.

felt insubstantial. Therefore, the interplay of big power and small power psychosis, unbalanced perspectives and predisposed perceptions of each other loom large on the relations of the neighbourhood. Consequently, thus far, India has not been able to win hearts and minds of its neighbours as a 'natural leader' in the region.²¹

Due to this complex dynamics, countries of South Asia networks in their own neighbourhood with suspicion and caution. For India, the crucial challenge is to get over the anti-Indian sentiment prevailing in its strategic neighbourhood. For the neighbouring countries, the challenge is to keep Indian 'hegemony' to a minimum. This dynamics of South Asia lies at the heart of the complexity of the region.

2.3 India's Neighbourhood Policy: A Historical Perspective

Indian nationalist leaders articulated an Asianist ideology in the early 19th century based on the historical, political and the geopolitical interests of Greater India. Since then, Asia remains by and large a part of India's global strategy because India has a geo-strategic centrality in Asia. As a consequence of the Cold War, Indian attempts to build a cooperative Asian neighbourhood came to an abrupt halt since Asia was starting to divide along ideological lines with some countries getting more focused in world politics.²² Subsequently, focus of India began to divide along various sub-regions of Asia like South Asia as the immediate neighbourhood and South East Asia as the extended neighbourhood.

Being the immediate neighbourhood, South Asia has always been the 'first circle' of India's foreign policy.²³ Jawaharlal Nehru, the chief architect of independent India's foreign policy, "stressed on the importance of keeping foreign powers out of Asia"²⁴ making the subcontinent as an exclusive sphere of influence of India. He believed, as the relatively secure power in South Asia, India needs to give more to its neighbours with a vision of 'strategic altruism'.²⁵

During years of Indira Gandhi, a turn towards realistic Indo-centric orientation was observed.²⁶ Delhi continued its denial for role of external powers in the region and maintained preference for bilateral resolution of disputes.²⁷ Notably, Indian insistence for multilateralism at global level and preference for bilateralism at regional level contributed to trust deficit among its neighbours. Moreover, the assertive policies of

²¹ Madhabi Bhasin, *op. cit.*

²² S. D. Muni and Girijesh Pant, *India's Search for Energy Security*, New Delhi: Rupa Co. and the Observer Research Foundation, 2005, pp. 6-7.

²³ Arvind Gupta, Ashok K Behuria and Smruti Pattanaik, "Does India have a Neighbourhood Policy?", *Strategic Analysis*, New Delhi, Vol. 36, No. 2, March 2012, p. 231; see also, Sandy Gordon, *India's Rise as an Asian Power: Nation, Neighbourhood and Region*, Washington D.C: The Georgetown University Press, 2014, p. 181.

²⁴ C. Raja Mohan, *op. cit.*, p. 239.

²⁵ Sandy Gordon, *op. cit.*, p. 182.

²⁶ Pratip Chattopadhyay, *op. cit.*, p. 96.

²⁷ Arvind Gupta, *op. cit.*

Indira Gandhi provoked more fear than respect among neighbours which was evident in Indian actions seeking to influence events in Sri Lanka, Nepal and Bangladesh.²⁸ India's goal was to remain the uncontested 'regional hegemon' in South Asia.²⁹

In the face of growing accusations of Indian intervention in domestic affairs of smaller neighbours during the 1990s and the deepening crisis evoked a new approach from the new Prime Minister Narashima Rao. Under the tensed circumstances, he preferred the policy of benign neglect with regard to Pakistan and adopted a 'hands-off' approach in relation to other South Asian neighbours that neither escalated any problem nor resolved any concern.³⁰

The handling of neighbourhood issues by successive governments, especially by I. K. Gujral, popularly known as Gujral doctrine, generated some trust among neighbours and significantly impacted on the neighbourhood policy. Gujral's 'non-reciprocal solution' to problems had a marked impression since India's South Asia policy started to shift from an exclusive hard power strategy of military and diplomatic interventions to a soft power approach that emphasised on intergovernmental cooperation.³¹ It seemed like an attempt to induce bandwagoning with the strategic altruistic approach.³² Five principles of the doctrine were: firstly, with neighbours like Nepal, Bangladesh, Bhutan, Maldives and Sri Lanka, India does not ask for reciprocity but gives all it can in good faith and trust. Secondly, no South Asian country will allow its territory to be used against the interest of another country in the region. Thirdly, none will interfere in the internal affairs of another. Fourth, South Asian countries must respect each other's territorial integrity and sovereignty. And finally, they will settle all their disputes through peaceful bilateral negotiations.³³ Interestingly, I. K. Gujral did not include Pakistan in his list for non-reciprocal approach. Although criticised by some analysts as too friendly towards neighbours, he attempted to bring new dimensions to the regional policy. In the recently enunciated Non Alignment 2.0, the propositions enshrined in the Gujral doctrine are reiterated that India must constantly go the extra mile to reassure its neighbours and be prepared for unilateral concessions rather than insist on reciprocity.³⁴

The Janata government led by Atal Bihari Vajpayee did not deviate much from the Gujral doctrine and planned to work towards a South Asia 'bound together in collective pursuit of peace and prosperity'. However, in contrast to the Gujral doctrine, this government put a great deal of effort to bring relations with Pakistan on track and

²⁸ *Ibid.*; see also Pratip Chattopadhyay, *op. cit.*

²⁹ Pratip Chattopadhyay, *op. cit.*

³⁰ C. Raja Mohan, *op. cit.*, p. 241; see also, Ashok K Behuria, *op. cit.*

³¹ Pratip Chattopadhyay, *op. cit.*, p. 100.

³² Sandy Gordon. *op. cit.*

³³ C. Raja Mohan, *op. cit.*; see also, Ashok K Behuria, *op. cit.*, p. 238.

³⁴ Satish Chandra, "India's Neighbourhood Policy", available at <http://www.vifindia.org/article/2012/june/27/india-s-neighbourhood-policy>, accessed on 21 November 2014.

took a number of measures to lower India's dominant power profile.³⁵ His famous 'bus diplomacy' to improve relations with Pakistan, however, faced an abrupt end with the Kargil War of 1999 and terrorist attacks on Indian parliament in 2001. Vajpayee deviated from Nehru's vision of non-proliferation and adhered to pro-nuclearisation strategy ordering series of nuclear tests in 1998. Thus, the then BJP government adopted a strategy based on both power and peace (*Shakti and Shanti*).³⁶

The United Progressive Alliance (UPA) regime that took power in 2004 also sought to deepen relations with neighbours. The Manmohan Doctrine, as termed by some observers, emphasised on economic development as drivers of India's and its neighbours' foreign policy.³⁷ During its ten years of governance, UPA continued the policy of inviting neighbours to share the economic prosperity and building mutually beneficial relations with neighbours. However, the coalition politics did block some of its attempts to strengthen relations with neighbours and it could not live up to the promise of neighbours.

It can be noted that India's relations with its immediate neighbours fluctuated quite a bit since its independence. In contrast, in the 21st century, India has taken a more pragmatic approach in its foreign policy. In the post 9/11 phase, relations appears to be more or less steady with minor tactical shifts. Irrespective of policies and actions adopted by different administrations to manage relations with South Asian neighbours, regional relations never reached the desired warmth. Some scholars accord this as resulting from India's ad hoc management of relations.³⁸ Against this historical context, it can be noted that the new Prime Minister Modi is in the critical juncture to carry forward India's neighbourhood policy in this new millennium.

3. New Government in Power: Recent Developments

In a landslide victory in the national election of 2014, India's National Democratic Alliance (NDA) coalition, led by the Bharatiya Janata Party (BJP), assumed office in India. With this unprecedented success in the much-hyped election, Narendra Modi sworn in as the 15th Prime Minister of India. BJP, as a political party, is ideologically inspired by cultural nationalism centering on concepts like '*Hindutva*'.³⁹ BJP traces its roots to Bharatiya Jana Sangh, established in 1951. That is why, prior to the election, Indian Prime Minister Narendra Modi was largely in discussion due to his Hindu nationalist ideology and role as alleged 'mastermind' of 2002 communal

³⁵ Pratip Chattopadhyay, *op. cit.*, p. 97.

³⁶ Sanjeev Miglani, "If Modi Wins Election, Neighbours Can Expect a More Muscular India", *The Reuters*, (Indian Edition), 30 March 2014.

³⁷ Prakash Nanda, "Indian Foreign Policy Under Modi", available at www.aii.unimelb.edu.au, accessed on 21 November 2014.

³⁸ Ashok K Behuria, *op. cit.*

³⁹ Sreeram S. Chaulia, "BJP, India's Foreign Policy and the 'Realist Alternative' to the Nehruvian Tradition", *International Politics*, 39, June 2002, p. 220.

riot in Gujarat. Of course, the contribution to the economic development of Gujarat added credibility to his identity. As evident from the unexpected and unparalleled victory, despite his communal ideology, it was Narendra Modi's strategy of economic development in Gujarat that appealed the Indians most. However, towards its South Asian neighbours, his posture has been quite appealing as well.

To understand the policy priorities of the new Prime Minister of India, first, it is necessary to look into the indications of election manifesto of BJP. The election manifesto outlined an economy-driven foreign policy with the aim to strengthen India's economy, thereby, boosting its bargaining power with other countries. Although the election manifesto falls short of clearly articulating the foreign policy vision of BJP government, the admiration of the incumbent government for former Prime Minister Atal Bihari Vajpayee and other post election developments indicate that Narendra Modi would preferably follow the path set by the former BJP government obviously with minor tactical shifts. BJP remarked in its election manifesto, "We will engage proactively on our own with countries in the neighbourhood and beyond and create a web of allies to mutually further our interests". The manifesto of BJP also made pledges to reinforce regional forum like South Asian Association for Regional Cooperation (SAARC) and insisted on regional cooperation and connectivity. This can be considered as a portent of the new government's reverence for neighbouring countries' contemplations.⁴⁰ The Prime Minister also reiterated his government's commitment to work closely for economic development of neighbouring countries in his Independence Day Address delivered on 15 August 2014. Counting regional neighbours as 'partners' and opening scope for 'mutual benefit' are surely indicative of advancement in economic and political relations. It was also visible in the oath-taking ceremony and visits to Bhutan, Nepal, Bangladesh and Afghanistan by representatives of the new government of India.

The swearing-in ceremony of Narendra Modi was a crucial indication of the Indian government's intentions to bolster relations with countries of South Asian region. It was a signal that India is willing to look towards its immediate neighbours through a new lens in order to bring it back on track. By inviting leaders from all South Asian countries, the Prime Minister has given an ample clue to the global community of his priorities of neighbourhood. On the other side, acceptance of invitation is another cogent signal of what the South Asian neighbours expect from India, i.e., a more responsible role and a break away from its hegemonic attitude. Narendra Modi had maintained the momentum of 'swearing-in diplomacy' by follow up visits that reconfirmed the determination of commitment. In June 2014, Indian External Affairs Minister had also chaired a meeting of India's top envoys from neighbouring countries to maintain the momentum and strengthen bilateral ties.⁴¹

⁴⁰Arun Sahgal, "India's Security Policies Under Modi", *The Diplomat*, available at <http://thediplomat.com/2014/05/indias-security-under-modi/>, accessed on 21 November 2014.

⁴¹"Narendra Modi government's neighbourhood priority policy: Sushma Swaraj to visit Nepal", *The Economic Times*, available at http://articles.economictimes.indiatimes.com/2014-06-29/news/50946793_1_nepal-bilateral-ties-export-promotion-centre, accessed on 15 September 2014.

In the first three weeks of assuming office, the new PM made the maiden visit to Bhutan. Describing Bhutan as a natural choice for his first visit abroad, the new PM emphasised on 'special relationship' between Bhutan and India. During the tour, there was discussion on hydropower cooperation, expanding bilateral trade and increasing scholarship for the Bhutanese students. Both countries also reaffirmed their commitment to extensive development cooperation.⁴²

The second visit of the PM was to Nepal which was first by any Indian Prime Minister in seventeen years since 1997. The visit was termed as a 'historic' one where cooperation, connectivity, culture and constitution were discussed.⁴³ Narendra Modi offered the Himalayan neighbour US\$ 1 billion in concessional loans to help build power plants and roads. On the political front, Prime Minister delivered a speech in the Nepal Parliament and also met groups of opposition members. He also conducted a special *puja* (prayer) at the Pashupatinath temple that demonstrated his prudence to uphold the cultural bonds sharing both countries.⁴⁴ It must also be noted that the new PM's celebration of the religio-cultural affinity between the two nations was a smart move aimed to win the hearts and minds of Nepali people.

The next South Asian country visited by the incumbent government was Bangladesh which was attended by Minister of External Affairs Sushma Swaraj as her first bilateral visit. The External Affairs Minister had meetings with representatives from government as well as opposition parties. This visit to Dhaka assumes great importance in the overall dynamics of neighbourhood policy since the Minister well communicated the Bangladeshi people about the new Indian government's vision. Dhaka was conveyed messages of deepening cooperation and increased connectivity.⁴⁵

In the midst of mounting worries of the recurrence of the Taliban insurgency, especially after the attack on Indian Consulate in Herat province and the mid-2014 election crisis, a trip to Kabul was made by Sushma Swaraj in September. With the trip to Afghanistan during political transition, India reaffirmed its commitment to its unstable neighbour.⁴⁶ This visit at the crucial juncture implied that stability in Kabul

⁴² "Ten Key Points of PM Narendra Modi's Bhutan Visit", *Times of India*, available at <http://timesofindia.indiatimes.com/india/10-key-points-of-PM-Narendra-Modis-Bhutan-visit/articleshow/36663977.cms>, accessed on 15 September 2014.

⁴³ "Modi concludes historic visit to Nepal", *Times of India*, available at <http://timesofindia.indiatimes.com/india/Modi-concludes-historic-visit-to-Nepal/articleshow/39628843.cms>, accessed on 17 September 2014.

⁴⁴ "Modi concludes historic visit to Nepal", *The Hindu*, available at <http://www.thehindu.com/news/international/south-asia/modi-concludes-historic-visit-to-nepal/article6280753.ece>, accessed on 17 September 2014.

⁴⁵ "India-Bangladesh Relations: A Framework of Cooperation", an Address by Shrimati Sushma Swaraj, the External Affairs Minister of India, at Eminent Persons' Lecture organised by Bangladesh Institute of International and Strategic Studies (BIISS), Dhaka on 26 June 2014.

⁴⁶ Ankit Panda, "What Role Can India Play in Defusing Afghanistan's Election Crisis?", *The Diplomat*, available at <http://thediplomat.com/2014/09/what-role-can-india-play-in-defusing-afghanistans-election-crisis/>, accessed on 12 November 2014.

would be in the priority list of Delhi. Although the envoy discussed routine matters by avoiding not to have chosen any one side in the political dispute, she kept the door open for both the candidates to deepen relations and also avoided unwarranted discussion of interference.

The new government was very strategic to select the two Himalayan neighbours for maiden visits. For long, these two countries were dispossessed of Heads of States visits even though bilateral relations had been quite close historically. Thus, beginning the journey to woo neighbours with these two countries could not be more productive. Choosing any other neighbour could have added to already held apprehension by other smaller neighbours in the region. The visit to Bangladesh was essential to propel the sentiment that close rapport of Dhaka with the UPA government would not come in way of the new government's priority. Attending Kabul demonstrated that Delhi would not let stand alone its strategic partner Kabul during this transition period. All these developments are decisive to understand the willingness of the incumbent government to put flesh to the electoral promises and to fathom the implications of the new leadership in India for South Asian neighbours.

4. Ramifications for South Asia: Continuity or Change?

A number of factors have affected India's relations with its neighbours in the past years. Problem with Pakistan roots in the difference of opinion with regard to the nation theory, insurgency issues and Kashmir crisis. Relations with Himalayan neighbours like Nepal and Bhutan, in spite of the cultural and religious traditions are affected by the fear of political domination. Interference in domestic affairs had severely affected relations with Sri Lanka. With regard to Bangladesh, even though India played a crucial role in Bangladesh's War of Liberation, the latter could never avoid the psychological fear of being dominated by the larger neighbour. Dealing with this psychological distance is necessary as it can fade any real prospect of progress among neighbours.

With regard to the environment in South Asia, compared to UPA government, the new leadership is fortunate to experience 'relative' stability in the region. Nepal and Bangladesh have stable governments; political transition in Afghanistan is almost complete; although Pakistan's Nawaz Sharif has the Pakistan Army and raging insurgencies to contend with, the current government at least came to power through a democratic process.⁴⁷ In addition, fractured electoral mandates did stop many initiatives of UPA government which is unlikely for current administration due to the unanimous support Narendra Modi, as candidate of Prime Ministerial position, had from his party.⁴⁸ Building on the South Asian perceptions and early days of conduct

⁴⁷ "Modi works for a neighbourhood that embraces India", *The Hindustan Times*, available at <http://www.hindustantimes.com/Comment/pm-s-neighbourhood-policy-symbolism-persistence-need-to-go-together/article1-1247288.aspx>, accessed on 12 November 2014.

⁴⁸ Aprameya Rao, "Modi and India's Policy Towards its Immediate Neighbours-Trade and Commerce over Politics", *Science and Technology Security Forum*, available at <http://stsfor.org/content/modi-and-indias-policy-towards-its-immediate-neighbours-trade-and-commerce-over-politics>, accessed on 10 October 2014.

of Indian leadership, what can be expected from the new government in its relations with neighbours has been analysed in the following discussion.

4.1 Relations with Afghanistan: Forwarding Partnership

India has already been deeply invested in preventing Afghanistan from becoming a failed state and a launching pad for terrorism in the neighbourhood.⁴⁹ India is the largest regional investor in Afghanistan and has already contributed to capacity building of its security personnel. The country has to date disbursed US\$ 2 billion worth of effective assistance to Afghanistan. Back in 2011, the two governments inked a Strategic Partnership Agreement first of its kind between any South Asian neighbours.⁵⁰ Under the Agreement, both countries agreed to hold regular Strategic Dialogues “to provide a framework for cooperation in the area of national security”.⁵¹ With the US-NATO forces withdrawal from the country, India would have to take up additional responsibilities as the rising player in the region. An unstable Afghanistan is not desired since it would further destabilise Pakistan whose Pashtun dominated areas would become more restive and lawless upsetting India’s Pakistan policy and neighbourhood objectives in the whole.⁵²

Since this is the first time Kabul has changed power through a democratic process, and with Ashraf Ghani coming to power, India is likely to get closer with the country based on the dictum that ‘democracies do not fight each other’. The Prime Minister of India pledged to stand beside the new government in Afghanistan ‘at every step’ as ‘friend and partner’. On the other side, the new Afghanistan President also termed relations with India as “foundation of Afghanistan’s diplomacy and economic strategy”.⁵³

India is concerned about its stakes in maintaining peaceful environment in the neighbouring country. On the same line, Pakistan too is displeased about the possibility of being a ‘buffer state’ between New Delhi and Kabul resulting from intensified engagement of India in the neighbouring country. Islamabad is worried of a possible shift in the balance of power in the region towards Indo-Afghan

⁴⁹ Adam B. Lerner, “Who’s Afraid of Narendra Modi: Why the Indian Prime Minister could be good news for Washington”, available at http://www.politico.com/magazine/story/2014/09/whos-afraid-of-narendra-modi-111364_Page3.html#.VH_4lmfwCSo, accessed on 21 October 2014.

⁵⁰ M. Ashraf Haidari, “Afghanistan-India: A Renewed Partnership”, *The Diplomat*, available at <http://thediplomat.com/2014/07/afghanistan-india-a-renewed-partnership/>, accessed on 25 October 2014.

⁵¹ Niharika Betkerur, “India Stepping Up to the Plate in Afghanistan”, *The Diplomat*, available at <http://thediplomat.com/2014/05/india-stepping-up-to-the-plate-in-afghanistan/>, accessed on 20 November 2014.

⁵² R. Dahiya and A. Behuria (eds.), *India’s Neighbourhood: Challenges in the Next Two Decades*, New Delhi: IDSA and Pentagon Security International, 2012, p. 22.

⁵³ “PM Narendra Modi Pledges Support to new Afghan President Ashraf Ghani”, *Times of India*, available at <http://timesofindia.indiatimes.com/india/PM-Narendra-Modi-pledges-support-to-new-Afghan-President-Ashraf-Ghani/articleshow/44831468.cms>, accessed on 02 November 2014.

collaboration in lieu of Af-Pak alliance. This would further weaken Pakistan's regional stand in South Asia. Closer relations of India and Afghanistan would tilt the balance of power in the region largely opening up chances of further boom in 'all weather friendship' of Pakistan and China. An insecure, left-alone Pakistan would certainly resort to violent actions; consequence of which would fall upon the whole region. Nevertheless, Kabul seems to understand its advantages and so is considering both the opportunities of extending warm hands to Delhi and Islamabad as evident in the words of the new leadership. It seems to be well aware that strained ties with Pakistan are likely to increase chances of insurgency outbreak in the country in post US-NATO withdrawal period.⁵⁴

To advance the new government's objective of connectivity, Afghanistan is crucial since India's policy of greater connectivity with Central Asia envisions Afghanistan as a regional trade hub crossed by energy pipelines as well as air, rail and road links that would promote resource sharing and people-to-people contacts between the two regions.⁵⁵ India has frequently expressed a desire to see the emergence of a strong, stable and independent Afghanistan. Any economic assistance provided by India to Afghanistan would be stripped of meaning if the latter is not strong enough to defend the products of the assistance. Moreover, India needs Afghanistan to be able to defend the former's business investments there. This is one of the main reasons that the new leadership is keeping in touch with Kabul. Cooperation could also be furthered along the lines of intelligence sharing, recruitment, communication and logistics, which would help Afghan forces in covert operations. The posture of the new leadership reflects that Delhi would continue to assist Kabul's reconstruction needs but would not step in such a way that causes it to mire in the Kabul's crisis.

4.2 Relations with Pakistan: Continuing Contest

As regards India's relations with Pakistan, both countries have been in 'two minds' about each other. Consequently, the relationship oscillated between psychological hostility to armed conflict ever since 1947. It has been the most intractable neighbour of India.⁵⁶ Successive governments in both countries have attempted to negotiate numerous times yet achievements remain minimal. Change of government in Pakistan and India in 2013 and 2014 respectively, ensconced hopes of revitalisation in their bilateral relations. Both countries now have new democratic governments coming to power with majority votes and their business friendly postures

⁵⁴ Hasib Danish Alikozai, "Analysts Look for Clues in Narendra Modi's Foreign Policy", *Voice of America*, available at <http://www.voanews.com/content/analysts-look-for-clues-in-narendra-modis-foreign-policy/1926457.html>, accessed on 02 November 2014.

⁵⁵ Edward Schwarck, "Can China and India Cooperate in Afghanistan?", *The Diplomat*, available at <http://thediplomat.com/2014/10/can-china-and-india-cooperate-in-afghanistan/>, accessed on 20 November 2014.

⁵⁶ David Malone, *op. cit.*

have added to the anticipation of development in bilateral relations. It appeared that since both are eyeing the economic fruits of peace are apparently ready to deal with one another.⁵⁷ But all hopes were shattered with the escalation of border tensions.

Although the Prime Minister of India invited his Pakistani counterpart Nawaz Sharif in his oath-taking ceremony and there was much hype over this as a fresh start; current situation hints at more disquieting future. Nawaz Sharif also confirmed his readiness by responding genially to India's call and gestured with discharging 151 Indian fishermen to kick-start conciliation. Nevertheless, immediately after Narendra Modi's election, there was demonstration in Pakistan to unsettle Nawaz Sharif. The protests significantly reduced the power of the civilian government and relations grew more unstable. When it was time to improve bilateral ties, PM Sharif was mired in domestic politics. Involvement of multiple actors in the domestic politics of Pakistan adds to the complexity. As opined by Shashi Tharoor, "In Pakistan, agreements are concluded with authorities who do not themselves possess the power to implement what they have undertaken".⁵⁸ In addition, Pakistan Army, the quarter of Pakistan's political power play that is fervently anti-Indian, allegedly was not happy with Nawaz Sharif's attempts to build rapport with the new administration in India. Farahnaz Ispahani, a former member of Pakistan's parliament noted, "Sharif's moves towards better ties between India and Pakistan angered the military and may have resulted in the renewed clashes on the Line of Control".⁵⁹

Thus, the flashpoint is the Kashmir issue. It would not be an overestimation to say that if Kashmir issue is resolved, Indo-Pak problem would cease to exist and therefore, the rest of South Asia would be in peace. Unfortunately, recent fighting across the disputed Kashmir is the most serious artillery exchanges since 2003 ceasefire and has threatened the newfound hopes. From Delhi's side, the cancellation of talks at the foreign secretary level in retaliation for Pakistani meetings with Kashmiri separatist organisations was an aggressive move. Visiting the Siachen glacier, an area that is claimed by both India and Pakistan was also a hint of Modi's assertiveness and 'non-compromising position' with regard to Kashmir.⁶⁰ As expected, the nationalistic leader is less tolerant and has already blamed Pakistan for its engagement in 'the proxy war of terrorism' and for violating cease-fire agreements in Kashmir. This also provoked reaction by Pakistan government as 'urging New Delhi to adopt a more constructive approach'. By allowing armed forces full operational autonomy to retort

⁵⁷ "Kashmir Violence Tests Modi's Promise of 'Muscular' Foreign Policy", *The Voice of America*, available at <http://www.voanews.com/content/kashmir-line-of-control-violence-tests-modi-foreign-policy/2480050.html>, accessed on 21 November 2014.

⁵⁸ Shashi Tharoor, "Modi's Message to Pakistan at SAARC", available at <http://www.ndtv.com/article/opinion/modi-s-message-to-pakistan-at-saarc-626788>, accessed on 28 November 2014.

⁵⁹ Harsh V Pant, "Out With Non-Alignment, In With a Modi Doctrine", *The Diplomat*, available at <http://thediplomat.com/2014/11/out-with-non-alignment-in-with-a-modi-doctrine/>, accessed on 21 November 2014.

⁶⁰ "Media See Modi's Visit to Kashmir as Message to Pakistan", *BBC News*, available at <http://www.bbc.com/news/world-asia-india-29751900>, accessed on 07 November 2014.

to the increase of ceasefire violations by Pakistan forces, Modi has hinted his offensive approach. He would be less willing to make concessions and would increase India's military strength to deter Pakistan.⁶¹

However, both the countries have managed to cooperate on non-securitised softer issues like disaster response and energy issue. While India assisted the earthquake devastated Pakistan with relief in 2010, Pakistan reciprocated after recent floods in Indian administered Kashmir. Discussion over information sharing of common rivers to develop an early warning flood system also took place. To encourage energy sharing, India and Pakistan also inked a gas sharing agreement through the proposed TAPI pipeline which would run through Turkmenistan, Afghanistan, India and Pakistan.⁶² Nevertheless, trade relation has to overcome a major hurdle and the issue of Non-Discriminatory Market Access (NDMA) is yet to be resolved.⁶³

The escalated tensions can put up further pressure on India.⁶⁴ India seems to be pursuing a 'tit-for-tat' strategy, in which it is willing to cooperate if Pakistan shows the willingness, but would respond to aggression with aggression. It would do great damage to the new leadership's credibility if his government is forced to talk to Pakistan in case situation deteriorates.⁶⁵ Thus, there seems to be a mixed message towards Islamabad; on one side, PM Modi extended hands of cooperation in softer issues; on the other, he reacted quite aggressively with regard to harder issues like insurgencies and terrorism. Nonetheless, while terrorism in Pakistan remains a problem, Delhi should be careful enough to craft policies for Pakistan since there always remains the risk of nuclear war. Talks with the Pakistan army are a must if the new government of India wants to walk miles with all neighbours. Leaving Islamabad behind would only hinder the prospects of cooperation. Political will should be expressed by Pakistan as well. Nevertheless, it is already evident that relations between the larger neighbours would continue to disquiet the region.

4.3 ***Relations with Bangladesh: Addressing Mutual Concerns***

Bangladesh is a strategic country in the policy propositions of India. There are innumerable issues continuously opening up from the Pandora's Box of Bangladesh-India relations. Security and development of North-East India is directly linked with Bangladesh, so is the success of India's 'Look East' and connectivity policies. With the visit of Sushma Swaraj, it was evident that Bangladesh figures prominently in the foreign policy agenda of the new government. The new Prime Minister is also expected to pay a visit to the country in near future.

⁶¹ Prakash Nanda, *op. cit.*

⁶² *Ibid.*

⁶³ Smruti Pattanaik, *op. cit.*

⁶⁴ *Ibid.*

⁶⁵ Harsh V Pant, *op. cit.*

The crucial concerns with regard to the bilateral relations in recent times are the land boundary agreement issue and water sharing agreements. In the initial days of PM Modi assuming power, there were apprehensions among Bangladeshi political community that relations with India may be strained due to the close rapport of the current administration of Dhaka with the immediate past administration in New Delhi. In addition, in his election speeches, Narendra Modi has been heating up debate on the issues of Bangladeshi 'infiltrators' calling for tighter border controls and denouncing Bangladeshi Muslim migrants.⁶⁶ Days before the election, the West Bengal and Assam unit of BJP heatedly opposed the Land Boundary Agreement and its implementation when it was scheduled for ratification in Lok Shabha. PM Modi also threatened to expel the illegal settlers from India and further alleged that a large number of illegal migrants were being accommodated by the state government to benefit from vote bank politics.

However, the post election posture has been cautious. The easy going approach of India regarding maritime boundary verdict in Hague and the consultation External Affairs Minister had with West Bengal Chief Minister on land exchanges related to boundary agreement can be considered as positive signals. To add to the positivity, the current government in India has now been screening keenness over the Land Boundary Agreement (LBA) mentioning its necessity to curb 'infiltrators'; parliamentary standing committee has been set up that submitted unanimous report recommending passage of the long-held bill to implement the Land Boundary issue. The West Bengal unit has also changed their stance, possibly due to its trapped state followed by Burdwan bombing. This has re-generated hopes over the prospect of completion of the implementation of the deal even before the expected visit of the new Prime Minister to Bangladesh. But to note, the Assam unit is still furious over the present stance of the new Government.⁶⁷ PM Modi, who previously objected to the bill mentioning the loss of land, has now made a turn to favour the deal remarking that the LBA is a short term loss for Assam to gain over the long run, i.e., closing way for infiltrators. The long run gain would simplify management of cross border issues and would ultimately clear up settling of its longest border dispute with Bangladesh. If implemented, the serpentine Bangladesh-India border would be redrawn and made much straighter for better management with each country transferring area under adverse possession.⁶⁸

⁶⁶ Deepal Jayasekera, "India: Modi reiterates pledge to expel "Bangladeshi" Muslims in wake of communal massacre", available at <http://www.wsws.org/en/articles/2014/05/08/asam-m08.html>, accessed on 02 October 2014.

⁶⁷ "Assam group angry over PM Narendra Modi stand on Bangla Land Swap", *The Indian Express*, available at <http://indianexpress.com/article/india/india-others/assam-groups-angry-over-modi-stand-on-bangla-land-swap/>, accessed on 01 December 2014.

⁶⁸ Pallab Bhattacharya, "Mamata Melting", *The Daily Star*, available at <http://www.thedailystar.net/mamata-melting-53470>, accessed on 05 December 2014.; see also, "Bangladesh is hopeful about implementation of LBA", *BBC Bangla*, available at http://www.bbc.co.uk/bengali/news/2014/12/141205_qk_bd_president_visit_india, accessed on 05 December 2014.

The crisis for administration in Dhaka is that it cannot afford to go forward on the transit issue without showing positive results on the Land Boundary Agreement and the Teesta River accord. Lack of infrastructure and non-settlement of transit fees have also held back progress on the transit related issues.⁶⁹ In such a scenario, the new Indian government is expected to show some readiness to deal with these issues so that consensus can be created within Bangladesh. India needs to attach greater importance to the regional and sub-regional role of Bangladesh. Since Bangladesh has been very forthcoming to address issues like extremism, terrorism and connectivity hand in hand with India, it is time that India come up to add to the confidence of this strategic neighbour. The promised US\$ 1 billion credit line from India has also been caught up in bureaucratic red tape.⁷⁰ India's Border Security Force (BSF) is still regularly shooting Bangladeshi nationals, while Bangladeshi exports to India face a multitude of non-tariff barriers. Talks over Teesta Accord are still stalled and no discussion over this took place during the meeting of PM Sheikh Hasina and Narendra Modi in Kathmandu, though assurance has been provided to sign the water-sharing treaty soon. However, as evident in the land boundary agreement, bringing all the actors on board is the posture of the new leadership. But no discussion has taken place over this with the West Bengal unit. Another crucial actor in the discussion would be Sikkim who is still not on board in the discussion. Therefore, relations between Bangladesh and India would maintain its momentum but implementation of mutual concerns might take a long time.

4.4 Relations with Sri Lanka: Putting Back on Track?

New Delhi's relations with Colombo in the recent past experienced abrasion over two issues: debate of intrusion in internal affairs of Sri Lanka and the Tamil crisis. A course changing turn in policies appeared in early 2014 when the then Indian government decided to abstain from its hitherto voting prototypes in the United Nations Human Rights Council with resolution related to Sri Lankan government's involvement in human right abuses against Liberation Tigers of Tamil Eelam (LTTE). This idea of the central government was not taken well by the domestic force of Tamil leaders in India who pushed for stronger stance by the government.

Given Tamil Nadu's influence in Indian foreign policy with the neighbouring state and Modi government's insistence on 'Team India', it would be too optimistic to say an independent, stable course would or could be chosen by the new government. Inviting Sri Lankan President in the oath taking ceremony, in spite of objection from Chief Minister of Tamil Nadu, may lead to excitement about India's new leadership; a major shift in India's stance on the Tamil issue is unlikely. Although the coalition

⁶⁹ Shahab Enam Khan and Parvez Karim Abbasi, "Modi-fying Bangladesh-India Relations", *The Dhaka Tribune*, available at <http://www.dhakatribune.com/long-form/2014/apr/01/modi-fying-bangladesh-india-relations>, accessed on 02 October 2014.

⁷⁰ Zahedul Amin, "The India-Bangladesh Power Trap", *The Diplomat*, available at <http://thediplomat.com/2014/04/the-india-bangladesh-power-trap/>, accessed on 21 November 2014.

compulsion appears to be lesser in this term compared to the Congress government; one must not forget that Narendra Modi is a Chief Minister turned Prime Minister who holds reverence for role of state governments and it lends credence to the view that Tamil Nadu's political realities is not going to be ignored. In addition, Prime Minister Modi has a large majority in the Lok Sabha which moderates his dependence on Tamil Nadu compared to the previous Congress administration; however, the support of Tamil Nadu in the Rajya Sabha, the Indian parliament's upper chamber, where BJP holds only 57 seats, could play a critical role.⁷¹

Greater Indian aid flows and trade ties between Sri Lanka and India, especially in education, can be expected. Within weeks of election, India signed a memorandum with Sri Lanka to open a cultural centre in Jaffna. This would help to bridge the trust gap. Boosting up infrastructural development cooperation is crucial since through this sort of engagements bulk of Chinese aid flows into the region. Sri Lanka's President first approached India when seeking to construct a sea port in southern Sri Lanka, which was not pursued by India and later was accepted by China.⁷² Therefore, the interests of the new government would be best served by undertaking a balanced approach aimed to avoid the overt interventionist tactics. Ultimately, strategic expansion of socioeconomic cooperation and pressure to implement the Thirteenth Amendment and devolution of power needs to go hand in hand to put the relationship back on track.⁷³

4.5 Relations with Nepal, Bhutan and Maldives: Fostering Economic Engagements

The new leadership would pay precise attention to develop relations with smaller neighbours, like Nepal and Bhutan, by offering economic incentives. Not only because economic development of these countries are crucial for India's own growth. Improved ties with these countries may help to counter Chinese influence in South Asia. The Prime Minister's visit to Bhutan, just ahead of China-Bhutan boundary talks, is indicative that the new government is not willing to lose one of its strongest partners in the region. India's promises of economic assistance to Nepal come at a moment when China has overtaken India as the biggest foreign investor in Nepal in the first six months of 2014. China's aid-driven entry in the region must have impacted Delhi's priorities. The impression of 'equal partners' as offered by PM Modi was certainly attempted to entice the Himalayan neighbours.⁷⁴

⁷¹ Daniel Alphonsus, "Modi's Sweet and Spicy Sri Lanka Strategy", *The Diplomat*, available at <http://thediplomat.com/2014/06/modis-sweet-and-spicy-sri-lanka-strategy/>, accessed on 20 November 2014.

⁷² Ved Singh, "India in a South Asian Context: Modi's Engagement with South Asian Neighbours", *The National Bureau of Asian Research*, available at <http://www.nbr.org/research/activity.aspx?id=480>, accessed on 21 November 2014.

⁷³ *Ibid.*

⁷⁴ Yuba Nath Lamsal, "Beginning of new optimism in Nepal-India relations", *The Weekly Mirror*, Nepal, 29 September 2014.

In addition, the river resources that has been a mark of mistrust rather than means for mutuality, runs through Modi's agenda. In Bhutan, he laid the foundation for a 600 megawatt hydroelectric power station and in Nepal discussed a number of hydropower pacts. Nevertheless, with regard to Nepal, considering the link between assumption of power by a "rightwing" BJP-led government and support to the Hindu Right wing forces in Nepal in a post monarch state, explicit religiosity as demonstrated during the first Nepal visit could send some unwanted signal especially in light of declaration of secular Nepal and debate of its identity as 'Hindu Rastra'. To put in words of C. Raja Mohan, "The potential danger is about India crossing the line between celebrating the shared religious heritage and blundering into Nepal's domestic debate on the role of Hinduism in the construction of the post-monarchical state".⁷⁵ Such a debate can destabilise Nepal adding to the volatility of South Asia.

With regard to Maldives, under the Modi Government, there would be attempts to mend ties with Maldives that happens to have close ties with China. The Indian Prime Minister expressed his interest to provide higher education opportunities in India for Maldivian students. Both countries also discussed about increasing people-to-people connectivity through tourism since, in 2013 Indian tourists visiting Maldives increased by 20 per cent. India would likely heed the request made by Maldivian President Abdulla Yameen Gayoom for help in constructing a naval base off the main island of Male.⁷⁶

4.6 Regional Mechanism to Expand?

The only regional institution to address the mutual problems of South Asian countries is SAARC. So far the organisation has achieved far less from what has been expected. The new leadership in India, however, hinted its willingness to move out of the shadows of India-Pakistan spat and carry it forward. The election manifesto of BJP had also unwrapped desire to reinforce regional organisations. In line with its renewed commitment to the region, the government of India had called for a new regional bank, a SAARC bank, to support infrastructure financing for trade facilitation and development. The bank is expected to boost economic development of South Asia substantially and provide capital for intra-South Asian projects like energy management, i.e., hydropower. This appears to be an attempt to bring back India as a central player within South Asia.

With this declaration, there was an expectation of rebalancing in the regional economic landscape. In addition, the declaration to introduce business visa during

⁷⁵ C. Raja Mohan, "The political pilgrim", *The Indian Express*, available at <http://indianexpress.com/article/opinion/columns/the-political-pilgrim/99/>, accessed on 24 September 2014.

⁷⁶ Balaji Chandramohan, "India's Regional Security Strategy under Modi Government", available at <http://www.futuredirections.org.au/publications/indian-ocean/1756-india-s-regional-security-strategy-under-the-modi-government.html>, accessed on 06 November 2014.

the 18th SAARC Summit in Kathmandu was another step to boost regional trade.⁷⁷ Desires were also expressed to look into increased coordination of issues like health and education which is vital to turn the greatest resource of South Asia, i.e., manpower, into real dividend. Nevertheless, the 18th SAARC summit also lost its way in the Indo-Pak confrontation. Before the summit, there were three ministerial meetings of energy ministers, home ministers and cultural ministers which the Pakistani counterparts did not attend. The summit could not produce intended result since Islamabad did not endorse two of three agreements for increased road, rail and energy links put forth by India⁷⁸, making the expected integration a nightmare. Only the agreement on energy has been signed. No significant move on fighting terrorism was observed. Narendra Modi is likely to lead the infrastructural connectivity in SAARC to reduce China's influence. Understandably, from Pakistan's perspective this is a big no-no and that's why China's all-weather friend is opposing seamless travel plans in SAARC.⁷⁹ All these echoes that attempts to expand SAARC would remain complicated unless problems between the two larger neighbours are resolved.

4.7 Continuity or Change?

Scholars of South Asia have often been looking forward to a Europe Union like engagement in this part of the world. For long there has been desire for common markets, development of common currency and trade management regimes. However, considering the strategic thoughts that prevail in the region, the colonial history, post-colonial state practices and the ever-hostile relations between the two larger neighbours, people of South Asia has not been fortunate to experience such a transformation. There seems to be the realisation that an integrated South Asia is necessary in this interdependent world but there is lack of initiatives to translate the theory into practice. Irrespective of common stakes there is diverse perception of threats and security that haunts any efforts to even envision an integrated South Asia.

Undoubtedly, the new government in India made a fresh start no matter whatever said during the election time. While it seems that there has been a shift in the posture of India in recent times especially with the euphoric swearing-in ceremony and follow-up actions, it may not reflect a change in the traditional policies toward the region. Cooperation with Pakistan is still limited to softer issues and red-line being drawn with regard to insurgencies and terrorism. Though it is expected that soft cooperation will act as catalyst to resolve harder disputes, it is often the case that harder issues are hampering cooperation on other fronts like connectivity, trade and tourism. The mango diplomacy, shawl diplomacy as well as cricket diplomacy has not

⁷⁷ Rishi Iyengar, "Indian PM Modi Announces New Business Visas for SAARC Nations", *Time*, available at <http://time.com/3607012/indian-pm-modi-announces-new-business-visas-for-saarc-nations/>, accessed on 26 November 2014.

⁷⁸ *Ibid.*

⁷⁹ "SAARC Diplomacy", *India Today*, available at <http://indiatoday.intoday.in/story/saarc-pm-narendra-modi-india-nepal-pakistan/1/403967.html>, accessed on 02 December 2014.

been able to instill the desire for peace between the larger neighbours. In the post draw-down phase of NATO forces, Afghanistan may get increasingly unstable and mere help in reconstruction and economic assistance would not do much. Attempts to develop a forthcoming Bangladesh-India relation has also been slow with only a limited sign of activism as observed in the land boundary issue. Considering the potential benefits of improved relationship between Bangladesh and India in terms of connectivity, economic cooperation and containing insurgent and terrorist forces, it is time that the new government play proactive role in resolving the long-held disputes. Sri Lanka, however, is witnessing a bit of alteration in the traditionally overt interventionist tactics of India that need to be buttressed with extension of socio-economic cooperation. The realisation of Nepal, Bhutan and Maldives strategic significance has been reflected in the incumbent government's priorities.

In addition, continuity rather than change would also result from the fact that Narendra Modi has carefully chosen his panel of advisers and ministers based on his personal preferences. Hence, it is difficult to expect that Modi's pool of advisors and bureaucrats would be able to break away from conservative instincts. While BJP plans to include Chief Ministers and other functionaries as equal partners in the decision-making structure propagating the concept of 'Team India', it should also be noted that how state actors can sometimes unreasonably complicate relations with neighbours. For PM Modi and his government, as noted by Harsh V Pant, the biggest challenge would remain to move away from an overly personalised foreign policy towards a more institutionalised foreign policy and national security decision-making, a weakness that previous governments have failed to overcome.

Having noted this, it is also pertinent to bear in mind that every government has its own flavour, and subtle changes in traditional policy emphasis are inevitable.⁸⁰ The leadership in India has adopted a new approach to pursue the old objectives. The newer approach is confirmed by the way attention and precedence is delivered to the smaller nations; the emphasis is projected through exercise of soft power emphasising historical ties with countries in areas of religion, culture and prioritising geo-economics in conduct by offering assistance to improve economic linkages. The policy of the new government appears to be to woo the neighbouring countries through revival of civilisational ties, penetrating the countries with economic diplomatic efforts in line with their developmental needs to strengthen their desire and adaptability to democratic forms of governments and then form a belt in South Asia where there will be no fight among the democracies.

At the core of the new government's strategy of deepening ties with other South Asian countries is the strategic objective of a stable and peaceful neighbourhood to further its global aspirations. In fact, a peaceful neighbourhood is a *sine qua non* for the realisation of its growth ambitions.⁸¹ The creation of 'web of allies'

⁸⁰ Daniel Alphonsus, *op. cit.*

⁸¹ Satish Chandra, "India's Neighbourhood Policy", available at <http://www.vifindia.org/article/2012/>

as propagated in the BJP manifesto, is aimed to limit diplomatic dominance of China in its backyard. Thus, under the new government, both economic interdependence and realism would be hallmarks of Indian foreign policy.⁸² Attempts are designed to turn India's image from regional hegemon to regional leader. Consequently, the present dynamics offers South Asian smaller countries with opportunity to extract benefits from both India and China following the similar non-alignment posture that India has played for long.

5. Conclusion

Post-independence India's foreign policy has been defined more by continuity than by change. Contemporary Indian foreign policy is focused largely on the promotion of economic interests, India's progression to the high table of international relations and enhancing its security within immediate neighbourhood.⁸³ With regard to South Asia, India's immediate strategic backyard, the 'Modi doctrine', if one may say so, seems no different. The Prime Minister has already hinted on undertaking a vigorous policy centred on greater economic engagement and people-to-people contacts. The Modi government seems to tie up the loosened connectivity at people's level to remind of the cultural bonds of South Asia which is crucial for growing realisation of shared prosperity.

The sense of shared prosperity is also central to enhance the security and promote political reconciliation. Through the promotion of geo-economic advantages, Indian leadership plans to protect geo-strategic objectives. The swearing in diplomacy was like creating a brand of India; a brand away from hegemonistic image and to demonstrate acceptance of India within the region. It was to convince that India has a strong leadership and can take care of its strategic backyard without external powers' presence. It was part of New Delhi's realisation that further flexibility is required of India to accommodate neighbours.

What the neighbours had been expecting from India is generosity and magnanimity. Mingling with smaller neighbours is the first step of 'renounce the path of violence and take the path of brotherhood'. Nevertheless, the relations are still in its honeymoon period. It must not be forgotten that Narendra Modi is a nationalist and pro-business leader. These short term tactical shifts to bring countries of South Asia in its radar with carrot of economic development and sweetness of 'equal partnership' might also unleash as 'sugar coated hegemony'. Envisioning a better integrated South Asia may seem lustrous but it is never to forget that the region has always been hard to characterise and complex to predict.

june/27/india-s-neighbourhood-policy, accessed on 23 November 2014.

⁸² Ashok Sharma, "What will India's foreign policy look like under Modi", available at <http://www.sbs.com.au/news/article/2014/05/17/comment-what-will-indias-foreign-policy-look-under-modi>, accessed on 23 November 2014.

⁸³ David M. Malone, *op. cit.*