The Neo-Kautiliyan Facet of Modi’s Neighbourhood Policy: A Non-Western Perspective

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Indian experts in South Asia are often haunted by a conventional understanding that India’s policy towards the small states in the region does not alter with a change of guard. Such understandings specifically hint at the role of the Indian bureaucracy, which is deemed a permanent government and a prominent actor in India’s foreign policy decision-making. On the contrary, several claims have been made about how India’s foreign policy towards its neighbours has been driven by inconsistencies and ad hocism because of the lack of a clear-cut neighbourhood policy. Narendra Modi’s neighbourhood policy is generally interpreted from two conflicting perspectives: either Modi’s neighbourhood policy is a continuity of the tradition, or, if it is not, it is a change. To assess what has been continued under the Modi administration in dealing with India’s neighbours, and what has been significantly altered, this study uses a neo-Kautiliyan approach, i.e. an Asiatic term for India’s neorealist approach, which concurrently foregrounds a non-Western perspective. The reason for using this approach is the wish to discover how far the securitisation of the Indian foreign policy has continued in dealing with small countries. The second objective is to assess how such securitisation has impacted India’s rise, while the third one is to see to what extent India’s rise has been laden with responsibility towards its small neighbours while prioritising its security concerns. Methodologically, this study is embedded in literature review; the materials comprise both academic and general debates on India’s neighbourhood policy, particularly during the Modi administration.

Keywords: India, neighbourhood policy, neo-Kautiliyan approach, small states, South Asia.

Introduction

“You can change friends, but you cannot change neighbours”1 is a repeated truism in international relations, indicating that geographical neighbours are fixed

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factors. Given geographical determinism, India cannot live without its neighbours. Upon the same realisation, India has always emphasised a “peaceful and stable neighbourhood” and has given highest priority to close neighbours, one based on the principle of sovereign equality and mutual respect. India’s foreign policy also leads in the establishment of a strategically secure, politically stable, and economically-cooperative neighbourhood. The available literature on India’s neighbourhood policy has encompassed theoretical underpinnings from political geography to demonstrate a correlation between spatial structures and political processes, and, more specifically, to understand the role of geography in international affairs. Physical proximity is conventionally a vital feature of the concept of neighbourhood in international relations. However, the regionalisation of international politics emphasised the importance of neighbourhood only after the end of the Cold War. Nevertheless, when it comes to the South Asian region, the concept of India seems to be older than the concept of South Asia in international politics. The regional structure of South Asia evolved with the unique relations of identity, culture, geographical proximity, and system-forming interdependencies with cumulative regularity. Prior to the evolution of modern states, the entire region was referred to as India. However, in the colonial period, the region was renamed as the ‘Indian Sub-Continent’ that included British India and all those kingdoms that were subservient to the colonial power. Today’s South Asia is the result of the strategic mapping done by the United States to study different regions at the beginning of the Cold War. Nowadays, hardly any other

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13 Nirvikar Singh,”The Idea of South Asia and its Middle Class” (PhD diss., University of California, 2005).
region is as dominated by a single state as South Asia is by India. Geographically, politically, economically, culturally, and militarily, India’s presence has superseded the entire region.\textsuperscript{15} The Indian influence extends from the Bay of Bengal to the whole Indian Ocean region, with India deeming itself to be the “net security provider” of the region.\textsuperscript{16} However, this security framework excludes the geopolitical importance of China, which not only shares a thousand miles of borders with South Asia, but is also a perpetual threat to India.\textsuperscript{17} Thus, the neighbourhood for India today is not only geographically limited to the small countries in the vicinity, but it is also about the geopolitical reality that has renewed the conventional definition of neighbourhood. Realising the same transformation, several governments in India have unveiled their neighbourhood policies, and the focus has been either on the regional integration and development factor, or the security factor.\textsuperscript{18} Nevertheless, after 2014, a fourth factor started to influence the narrative of the Indian neighbourhood policy, namely the so-called ‘Modi’ factor, as some scholars have branded it.\textsuperscript{19} The objective of this study is to assess the nature and implication of this fourth factor. Notably, some other scholars deem it as the revival of the ‘Kautiliyan’ approach in a new way. Focusing on the influence of the Kautiliyan statecraft on Narendra Modi’s neighbourhood policy, this qualitative research evaluates the geopolitical causes and implications of the neo-Kautiliyan policy. Surveying India’s neighbourhood policies in different time periods since 1947, this study assesses Modi’s neo-Kautiliyan understanding of distrust under the framework of Raja Mandala (a circle of states), and how it has obliged India to formulate specific policies and plans under the context of Upayas (strategic policies). With such an assessment, this research discusses how these Upayas have resulted in the securitisation of the neighbourhood policy, impacting the security of small states in South Asia.

Methods

As qualitative research, this study is based on information collected primarily through secondary data, including reports on the neighbourhood policy, general articles published in newspapers and magazines about Modi’s neighbourhood policy, and academic articles on India’s neighbourhood policy. Reports published by Indian study centres, think tanks, and research centres have been studied in order for the authors

\textsuperscript{15} Hagerty, “India’s Regional Security Doctrine,” 358.
\textsuperscript{16} Jagannath P. Panda and Atmaja Gohain Baruah, Foreseeing India-China Relations: The ‘Compromised Context’ of Rapprochement Analysis from the East-West Center (2019).
\textsuperscript{17} Satyabrata Sinha, “Interpreting the regional security complex theory in the context of South Asia’s nuclearisation” (PhD diss., Jawaharlal Nehru University, 2008).
\textsuperscript{18} Aryaman Bhatnagar and Ritika Passi, Neighborhood First: Navigating Ties Under Modi (New Delhi: Observer Research Foundation, 2016).
to be able to discuss the securitisation of Indian foreign policy under Modi. Apart from those, government reports, statistics, and speeches delivered by Indian leaders on the Indian neighbourhood policy have been studied and analysed. The influence of the Kautiliyan statecraft – particularly the philosophy of *Raja Mandala* and *Upayas* – on Modi’s neighbourhood policy is succinctly discussed. Media sources are also reviewed for an understanding of various issues connected with India’s neighbourhood policy. The themes that emerged from the reviews are thematically analysed and interpreted.

**Results**

**A survey of India’s neighbourhood policy**

For India, the immediate neighbourhood expands to the edge of the Himalayas in the North and the waters of the Indian Ocean in the South. The extended neighbourhood also involves Indian power projection outside of the South Asian region. However, as the focus of this paper is only on the immediate neighbourhood, the available literature on the India’s neighbourhood foreign policy, particularly towards the small states in South Asia, includes chiefly the economic and security interest of New Delhi. The Nehruvian approach was pivotal in defining India’s relationship with its neighbours, in some cases even reshaping the political boundaries of the sub-continent. The previous Indira Doctrine, the policy devised by former Indian Prime Minister Indira Gandhi, concentrated on keeping foreign powers away from its conventional sphere of influence, considering it the regional security framework. Although I. K. Gujral reiterated the importance of conflict-free and faithful relations with the neighbouring countries, both P. V. Narasimha Rao and Atal Bihari Vajpayee were discreet regarding their foreign policy choices. Nevertheless, Man Mohan Singh attempted to enunciate Pan-Asianism much in the Nehruvian way. Today, particularly after 2014, Narendra Modi’s neighbourhood policy towards the small states in South Asia stands on the deteriorating relations with Pakistan as well as China’s increasing strategic footprints on the South Asian small states. This is where Modi aptly rediscovered the relevance of the Kautiliyan statecraft in India’s neighbourhood policy. Precisely, the fleeting departure of the United States from the South Asian region allowed China to move in India’s neighbourhood. Today, as China uses the Belt and Road Initiative (BRI) to

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23 Panda and Baruah, “Foreseeing India-China Relations: The ‘Compromised Context’ of Rapprochement”.

24 Malik, “India’s Neighbourhood Policy through the Decades”.

lure the small states in India’s neighbourhood, it has extensively transformed India’s neighbourhood policy. In the past, too, whenever India’s status quo in the region was confronted, metamorphosing conventional power relations in South Asia, New Delhi would rejuvenate its neighbourhood policy in restoring the equilibrium to the Indian side by promoting regional and sub-regional connectivity. Even before Modi came to power, India had always attempted to increase its “offence” and “defence” capabilities with its neighbourhood policy against the increasing Chinese influence in the region. Today, India’s neighbourhood policy under Modi is neo-Kautiliyan, which is driven by both of these factors: the offensive capability to counter China and also the defensive capability to restrain the Chinese efforts in the neighbourhood. Focused on India’s national interest, national power, and national security, Modi’s neo-Kautiliyan policy considers South Asian geopolitics from the discourse of Raja Mandala. Implementing those policies, as directed by Upayas, has resulted in the securitisation of the Indian neighbourhood policy.

Even the economisation of India’s neighbourhood policy is rooted in the spirit of securitisation. Following the liberalisation of the Indian economy in 1991, Indian policymakers realised India’s potential to become a regional power economically, and relying on the neighbours’ confidence was a prerequisite to fulfil that goal. The neoliberal facet of the neighbourhood policy was also reflected in New Delhi’s attempt to effectively promote regional economic cooperation and integration, until it suffered from a certain inconsistencies and variations, diverting away from the fundamental principles, which, however, amplified negative perceptions of India. Owing to the same variations, India is even perceived as a hegemon that aims to maximise its power at the cost of small states in the neighbourhood. Much of the existing literature on India’s relations with its South Asian neighbours also reflects on how India as a hegemon, driven by its superpower ambitions, projects its power, capability, and status to the region and to the world. Primarily, it is because of the power

27 Rajeev Ranjan Chaturvedy, Neighbourhood First’: Modi’s Foreign Policy Mantra (ISAS Brief, Institute of South Asian Studies, National University of Singapore, 2014).
33 Chaturvedy, Neighbourhood First’: Modi’s Foreign Policy Mantra.
34 Behuria, Pattanaik and Gupta, “Does India Have a Neighborhood Policy”.
asymmetry existing in the region that has been intensified by India’s growing economic clout, and also by the presence of extra-regional actors in the region.\textsuperscript{35} Although the existing literature on India’s neighbourhood has identified such variations and inconsistencies, interestingly, India’s neighbourhood policy does not appear inconsistent and varying when the neo-Kautiliyan approach is applied to interpret India’s manoeuvrings in the region. The neo-Kautiliyan approach suits Modi’s rule better, as he has securitised and economised India’s foreign policy at once, which some scholars deem the continuity of the same inconsistencies. Still, for the others, Modi’s approach is a distinctive departure from the tradition, particularly in the ways he embraced Kautilya’s \textit{Raja Mandala} and \textit{Upayas} in his neighbourhood policy. For Kautilya, \textit{Raja Mandala} is a circle of states, where one state is bordered by both friendly and unfriendly neighbours. Modi’s India today has perceived some of the immediate neighbours as friendly neighbours, while others as unfriendly. \textit{Upayas}, however, refers to “means of policy” consisting of conciliation (\textit{sama}), gift (\textit{dama}), dissension (\textit{bheda}), and punishment (\textit{danda}).\textsuperscript{36} Modi has been applying the four policies quite tactically in dealing with the small neighbours. However, his \textit{Upayas} are triggered by his understanding of \textit{Raja Mandala}.

\textbf{Kautilya’s \textit{Raja Mandala} in Modi’s neighbourhood policy}

India’s Machiavelli Kautilya’s \textit{Raja Mandala} echoes the geography-as-destiny hypothesis.\textsuperscript{37} According to the Kautiliyan \textit{Raja Mandala}, the way states are labelled as enemies or friends is determined by geography. Kautilya’s \textit{Raja Mandala} indicates a geopolitical situation of how “one neighbour’s enemy is one’s obvious friend.”\textsuperscript{38} The same identification of friends and rivals continues in circles, and every state in the \textit{Raja Mandala} system experiences the same quandary of the concentric circles of enemies and friends.\textsuperscript{39} In any \textit{Raja Mandala}, a potentially powerful state is located in the middle, and if the immediate neighbour of that powerful state is not an enemy state, but the state next to the immediate neighbour is the enemy state of the immediate neighbour, then the enemy state is likely to be that powerful state’s friend.\textsuperscript{40} Kautilya’s \textit{Raja Mandala} lies at the root of Indian strategic thought, whose influence today is quite detectable in Modi’s neighbourhood policy. Considering India as the potentially powerful state

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\bibitem{38} Modelski, “Kautilya: Foreign Policy and International System in the Ancient Hindu World”.
\bibitem{39} Pande, \textit{From Chanakya to Modi}.
\bibitem{40} Arndt Michael, \textit{India’s Foreign Policy and Regional Multilateralism} (London: Palgrave Macmillan, 2013).
\end{thebibliography}
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in South Asia, Modi’s *Raja Mandala* presents the Hobbesian view of the world and also expresses “India’s yearning for strategic autonomy, desire for economic autarky and the quest for military self-sufficiency.”41 As the Modi administration rejuvenates Kautilya’s *Raja Mandala* with an understanding that India today is surrounded by both friendly and unfriendly neighbours, it can help us to understand India’s neighbourhood policy from the South Asian geopolitical perspective. When it comes to juxtaposing friendly neighbours with unfriendly ones, India’s neighbourhood policy is mostly responsible for metamorphosing a friendly neighbour into an unfriendly one,42 but it has rarely been the other way round, with Pakistan being a classical case.43 China has exhibited both representations to India – the friendly one and the unfriendly one – in different periods.44 Nevertheless, in dealing with the unfriendly side of China, India has extensively made its image unfriendly among its small neighbours.45 The *Raja Mandala* perception, which has a more considerable degree of applicability46 in international politics, seems to have haunted India geopolitically, as India’s geographical location between the eastern and the western extents of the Indian Ocean – with the North being limited by the Himalayas47 – has led to the securitisation of its foreign policy. Owing to the same factor, understanding the South Asian region through the lens of Arthasastra’s *Raja Mandala* might be apt,48 at least to comprehend the cause of the securitisation of India’s neighbourhood policy. The constituents of the *raja mandala* include *vijigishu* (the ambitious one), *ari* (adversary), *mitra* (ally), *arimitra* (adversary’s ally), *mitra-mitra* (ally’s ally), *parshnigraha* (adversary in the rear), *aakranda* (ally in the rear), *madhyama* (middle king), *udasina* (neutral king), and *antardhi* (weak intervening king).49 This depiction is representational, suggesting that all states in the *mandala* system go through an accustomed difficulty. Thus, there are no perpetual friends and adversaries.50 Modi’s India today, as a regional power in South Asia, resembles the problems faced by *vijigishu*.51

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41 Pande, *From Chanakya to Modi*.
47 A. Ayres, *Our time has come: How India is making its place in the world* (Oxford: Oxford University Press, 2018).
48 Gautam, “Overcoming the Ways of Matsya Nyaya.”
49 Models, “Kautilya: Foreign Policy and International System in the Ancient Hindu World.”
While Narendra Modi’s neighbourhood policy can be eloquently interpreted from Kautilya’s *Arthasastra*, which considers some of India’s neighbours as adversaries (ari), allies (mitra), and adversaries’ allies (arimitra), Modi’s policies have followed his predecessors and identified Pakistan and China as India’s adversaries in the neighbourhood. Modi’s policy towards them has been a combination of toughness and willingness to negotiate.\(^{52}\) In response to India’s ari, Modi’s policies are targeted towards balancing China by strengthening military cooperation with Japan, Australia, Vietnam, Singapore, and the USA. Also, India has established security relations in the Indian Ocean region by providing arms to Mauritius and Seychelles.\(^{53}\) Since almost all of the small states in South Asia have enjoyed developmental investments and strategic partnerships from India’s chief adversary, namely China, New Delhi has applied the four “means of policy” (upayas) as offence and defence capabilities to counter the adversary’s attempt to appease the South Asian small states.\(^{54}\) Thus, India’s neighbourhood policies have repeatedly manifested the policies to lure arimitra – an ally or a friend of an enemy – whenever the small states have tried to advance closer ties towards India’s adversaries.\(^{55}\)

In *Arthasastra*, Kautilya viewed international society in terms of superior and inferior powers, and devoted some space to the practice of relations between equal powers. He has denied the present axiom of sovereign equality and focused on the implications of the status difference.\(^{56}\) According to the author, the determinant of status in international society is *power* and *happiness*.\(^{57}\) His analysis of the international system also provides room for the definition of small states, whereby they lack the power or the strength defined by the treasury (economy) and army (military), resulting in their incapability of achieving happiness. Thus, the neo-Kautilian approach defines the small states around India with power differentials regarding the economy and military strength of the state. One of the significant neighbourhood policies of India is the ‘Himalayan Frontier Theory’, targeted towards the Himalayan-neighbouring small states, particularly Nepal and Sikkim. This theory was introduced by Indian Prime Minister Nehru in the context of the security concerns of India as well as the Chinese engagement in the Tibetan region.\(^{58}\) Due to a great emphasis on the India–China power politics, the Himalayas are mainly the space in which India, China, and their allies meet, contest, occasionally fight, and eventually compromise.\(^{59}\) As defined by other

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\(^{55}\) Ayres, *Our time has come.*

\(^{56}\) Modelski, “Kautilya: Foreign Policy and International System in the Ancient Hindu World.”

\(^{57}\) Karad, “Perspectives of Kautilya’s Foreign Policy: An Ideal of State Affairs.”


Indian strategic thinkers, Kautilya’s *Arthasastra* has also focused on the importance of the Himalayas (mountains) and jungles as forts. Importantly, deciphering the ‘Himalayan Frontier Theory’ through the Kautiliya and the neo-Kautiliya lenses puts India at the centre of the *mandala*, attempting to make the Himalayan states *mitra* (allies) through *sandhi* (treaty), even resulting in the *Adistasandhi* (cession of part of the territory), as mentioned in the *Arthasastra*. India’s annexation of Sikkim is an apt example here. India continues to view the Himalayan small states through the security angle via the Nehruvian narrative, which makes the neo-Kautiliya approach viable to explain the neighbourhood policy, being part of Modi’s foreign policy approach today.

In order to deal with the increasing presence of China in the South Asian small states, Modi’s India is perceived as *vijigishu*, as India in *Raja Mandala* considers small states as its conventional sphere of influence, not just for strategic but also for cultural, historical, and economic reasons. For Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka, India is the most important source of imports. In recent years, China’s increasing developmental assistance and strategic partnerships through the BRI in the small states have created an imbalance of power between the two states. The neo-Kautiliya approach suggests that the neighbourhood policy of India has been focused on maintaining small South Asian states as their *mitra* (ally) against China, which is *ari* (adversary). Also, the growing Pakistan–China partnership – where Pakistan is *arimitra* (adversary’s ally) – and the Indo-Pakistan rivalry have both inspired Modi to revisit the Kautilya geostrategic ally when it comes to the neighbourhood policy.

Today, the Sino-Indian rivalry has triggered India’s rapprochement with the US as well as India’s acceptance of the Indo-Pacific Strategy, as the new theatre of strategic competition is a reaction to China’s threat in South Asia and the Indian Ocean region. The framework for India’s vision of the Indo-Pacific is determined by the neo-Kautiliya approach creating a maritime *mandala* along with its Act East policy in search for the *mitra* (ally) based on strategic convergence to counter ‘China’s 21st-Century Maritime Silk Road’. India’s naval strategy is the harmony of *mandalas* of the Indo-Pacific, where the small states, including Bangladesh and Sri Lanka, have numerous affirmative and adverse effects. It can create a conundrum for

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60 Kamal, “Kautilya’s Arthashastra: Indian Strategic Culture and Grand Strategic Preferences.”
62 Pande, *From Chanakya to Modi: The evolution of India’s Foreign Policy*.
63 Pande, *From Chanakya to Modi: The evolution of India’s Foreign Policy*.
the small states to make a foreign policy choice akin to bandwagoning with either one, in particular by offering military bases and naval facilities, or a strategic advantage. Thus, the neo-Kautilyan approach views India’s neighbourhood policy as a tool to create *mitra* (ally) against the *ari* (adversary), and explains China’s growing forays via geopolitical standpoints in South Asia and the Indian Ocean through political realism of the non-Western nature.

The mainstream IR theories are Eurocentric in nature. The pursuit of an ‘Indian’ contribution to International Relations (IR) foregrounds a wider debate taking place in the discipline over the need for ‘non-Western IR’. As an ancient land with a tapestry of its own ancient culture and multitude of languages and people, India is a unique place globally. Today, however, such views can hardly be entertained by objective scholars. With the discovery and translation of Kautilya’s *Arthashastra* by Dr R. Shamasasstry approximately half a century ago, the translation and publication of additional Sanskrit texts and other resource materials, and the appearance of several vital treatises on ancient Indian political thought, there are no longer any excuses for the neglect of this significant portion of political thinking of humankind. Far from having no place in the world’s political history, as many Western scholars have concluded, India should have a prominent place, perhaps on the Elysian heights, alongside Ancient Greece and England. Most interestingly, India’s neighbourhood policy can be understood relatively well through non-Western lenses. Today, the BJP government led by Prime Minister Narendra Modi is fundamentally driven by the ideas of neo-Hinduism and the central concept of Hindutva. Thus, it seems likely that the country’s major policies are expected to be driven by those principles, subsequently influenced by the Indian school of thought. Also, for India, the idea of neighbourhood is different from what Westerners think about it. Kautilya’s *Mandala* explains India’s ‘neighbourhood’ in quite a different fashion from the Western strategic perspective. Also, the conduct of India’s international relations or foreign policy in its neighbourhood has different philosophical underpinnings than what major Western IR theories, such as Realism and Liberalism, demonstrate. India has conceived the idea of statecraft, interstate

72 Basrur, “Modi’s foreign policy fundamentals: A trajectory unchanged.”
73 Kamal, “Kautilya’s *Arthashastra*: Indian Strategic Culture and Grand Strategic Preferences.”
74 Bayly, *The forgotten history of Indian international relations.*
relations, economic conduct, and security in quite a different manner. India is rich in traditions, history, ideas, and practices that constitute a source of criticism towards the global IR. This state is a microcosm of the world history. Its geography, history, and culture all demand a non-Western perspective to cover the Indian neighbourhood policy.

**Kautilya’s Upayas in Modi’s neighbourhood policy**

Indian philosopher Kotha Satchidananda Murthy has traced the Indian realpolitik to Kautilya’s *Arthashastra*. Unlike the Indian idealists, *Arthashastrins*, the Indian realists, recommend infiltration, artifice, propaganda, subversion, and economic pressure. Kautilya’s *Upayas* prioritise all of them through the policy of conciliation, allurement, division, and penalty, and Modi seems to have exercised them remarkably. Indian Prime Minister Narendra Modi’s ‘Neighbourhood First’ policy has been driven by India’s rising concern over China’s expansion of economic clout and military might. At the same time, the Modi administration has been Endeavouring to promote regional peace and economic integration. The ‘neighbourhood first’ policy is the prominent feature of PM Narendra Modi’s diplomatic manoeuvring. After he had been appointed as the Prime Minister of India, efficacious visits of the representatives from the South Asian states indicated that India’s ‘neighbourhood first’ policy was not meagre political magniloquence, but a strategic inevitability. Still, the amicable principles of the ‘neighbourhood first’ policy, based on the principles of peaceful coexistence, have gone through inconsistencies, contradictions, and ad hoc behaviour, which is actually not in line with the principles of the ‘neighbourhood first’ policy of Modi’s Government, as India’s strategic and economic interests in the neighbourhood have led New Delhi to adopt a strategic and realist approach to the neighbours. Therefore, such contradictions can be better analysed from the Kautiliyan perspective of four *upayas* (also translatable as ‘means of policy’), namely conciliation (*sama*), gift (*dama*), dissension (*bheda*), and punishment (*danda*). Narendra Modi’s ‘neighbourhood first’ policy consequently translates the *Arthasastra’s* importance into the practical, realistic, and intellectual usage of power, informed by knowledge and the larger cause or *yogakshema* (a blend

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76 Acharya, *Imagining a global IR out of India*.
77 Bayly, *The forgotten history of Indian international relations*.
79 Malik, “India’s Neighbourhood Policy through the Decades.”
80 Pant, “Rising China in India’s vicinity: A rivalry takes shape in Asia.”
81 Paul, “When balance of power meets globalisation: China, India and small states of South Asia.”
of peace, security, and prosperity) of the people. While augmenting hard power as advised by Kautilya, PM Modi is distinct from his contemporaries exercising realpolitik, as Modi’s India adheres also to the ethos of *vasudhaiva kutumbakam* (universal brotherhood) as the source of its soft power ambitions.84 In the South Asian context, however, Modi’s use of *upayas* has securitised its neighbourhood policy. During his visit to Nepal in 2014, Indian Prime Minister Narendra Modi, through his eloquent public diplomacy, won the goodwill of the Nepali people.85 It was the act of *sama* (getting work done through peaceful negotiations). Likewise, Modi’s three concessional lines of credit during his first visit to Nepal, and India’s aid and assistance after the 2015 Nepal earthquake, were all acts of *dama*.86 However, the economic blockade imposed by India in 2015 in order to express its displeasure with the constitution of Nepal was an action of *danda* (punishment), pointing to the consequences of what a powerful state can do to a small state. In Nepal, even the Kautilya’s *upaya of bheda*, or the dissension or creation of differences, have all been used by India in domestic politics in order to generate differences.87

Taking into consideration the possibility of China’s threat, along with New Delhi’s internal security constraints, India has also securitised its bilateral relations with Bhutan.88 Bhutan’s rich natural resources and hydropower potential are also a factor, though.89 In 2013, when Bhutan tried to inch closer towards China,90 India imposed an artificial shortage of oil in Bhutan just before the polls in order to influence election results91 as an attempt to penalise Bhutan through an act of *danda*. Today, the Modi administration has preferred the policy of *sama* and *dama* over *danda*. PM Modi’s use of emotionally-charged statements – including ‘B2B’ or ‘Bharat to Bhutan’ – in his meeting with Bhutanese King Jigme Khesar Namgyel Wangchuk is most probably an example of India’s appeasement.92

When analysing India’s neighbourhood policy towards the two landlocked states in South Asia, Nepal and Bhutan, one cannot rule out the impact of India’s

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85 Chaturvedy, ‘Neighbourhood First’: Modi’s Foreign Policy Mantra.

86 Bhattarai, “Comparing Neighborhood Foreign Policy of India and China in Relation to the Security of Small States in South Asia.”


89 Behuria, Pattanaik and Gupta, “Does India Have a Neighborhood Policy”.

90 Stobdan, *India and Bhutan: The Strategic Imperative*.

91 Bhattarai, “Comparing Neighborhood Foreign Policy of India and China in Relation to the Security of Small States in South Asia.”

demonetisation. As soon as India scrapped high-value Indian currency notes in November 2016, traders, migrant workers’ families, border inhabitants from both the countries who possessed Indian currencies were affected. In Nepal, besides migrant workers, Nepalese students seeking higher education in Indian institutions, those seeking medical treatment, pilgrims, and those visiting family in India were also affected. Moreover, thousands of retired Gurkha soldiers drawing pensions in Indian rupees had the routine of receiving payments impacted. The shortage of Indian currency in Nepal was further worsened by demonetisation. People desiring Indian currency had no choice but to approach the unauthorised units in the black market, which charged extortionate rates, to obtain Indian currency. Local share markets in Nepal dropped by 27 points. The hotel occupancy rates were severely impacted. The demonetisation also affected the movement of tourists from India to Nepal. Another area that was badly hit by the demonetisation was the casino industry in Nepal. Similarly, Bhutan’s trade through India was also severely affected. The informal trade between Bhutan and India is significant and thus traders hold vast amounts of cash, which was impacted, too. However, farmers and exporters in Bhutan’s Phuentsholing, the only mainland border entry point between Bhutan and India, was negatively struck, too. Sufficient cash was not available for the export-oriented businesses in the Bhutanese market within the Indo-Bhutan border trade. Both imports and exports in the state were badly affected by the demonetisation process. Bhutan’s potato, orange, and cardamom farmers had a hard time finding customers, and entrepreneurs could not pay back loans because of the ban on withdrawing Ngultrum from rupee accounts. The Himalayan State also faced the crisis of a cash crunch. As a significant recipient of India’s financial aid, Bhutan’s development sector was halted in many respects.

Contemporary India–Bangladesh relations can be analysed from the perspective of Kautilya’s upayas, too. During the 2015 visit of PM Modi to Bangladesh, 22 agreements were signed and renewed on security, connectivity, power, and trade. The Land

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96 Haidar, “Demonetisation impact: Delay in currency exchange irks Nepal.”
100 Chaudhury, “Demonetisation impacts India’s border trade with Bhutan 2016.”
Boundary Agreement was ratified by the Modi administration, settling disputes between the two states.\(^{101}\) Still, Bangladesh’s increasingly closer ties with China have riled India. So far, the Modi administration has been meticulously cautious in using *upayas* other than *sama*, realising the strategic importance of Bangladesh in the Bay of Bengal, with Bangladesh being a route to Modi’s Act East Policy. Nonetheless, India’s reluctance to resolve some of the bilateral disputes, and alleged interference in the domestic politics of Bangladesh, has been designed from the Kautiliyan aspect of *danda* (punishment). India’s attempt to respond to China’s maritime advances by modernising its navy and ties with the maritime small-state neighbours can be aptly viewed through the neo-Kautiliyan approach. Paying specific attention to China’s increasing engagement with Sri Lanka and Maldives, India devises its policy towards maritime neighbours in response.\(^{102}\) Both maritime neighbours enjoy India’s economic and developmental assistance, which in Kautilay’s words is an act of *dama*, or a policy of appeasement against the growing Chinese influence in the region. As PM Narendra Modi invited Sri Lankan President Mahinda Rajapaksa to his inauguration in Delhi in 2014, amidst growing resentment in the domestic politics of Tamil Nadu,\(^{103}\) a magnificent move of *sama* ensued, which could not yield much until the policy of *bheda* was exercised during the 2015 presidential elections in Sri Lanka, where Maithripala Sirisena, a trustworthy Indian ally and minister in the Rajapaksa’s cabinet, defeated the latter to become Sri Lanka’s President.\(^{104}\) There was an accusation that India was involved in the regime change in Sri Lanka.\(^{105}\) Today, with Gotabaya’s victory in the elections of August 2020 and the stark reality of the increasing influence of China in Sri Lanka, India seems to be reaching out, repairing and resetting relations with some urgency.\(^{106}\) Indian External Affairs Minister S. Jaishankar’s instant visit to Sri Lanka right after Gotabaya’s triumph, India extending a $400-million swap facility, and Prime Minister Modi’s phone call to Gotabaya during the COVID-19 pandemic all restored the policy of *sama*.\(^{107}\) This *upaya* by Prime Minister Modi echoes Kautilya’s emphasis on peace over conflict, as the Indian Ocean region is of strategic prominence and must remain a zone of peace.\(^{108}\)

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\(^{103}\) Pant, “Rising China in India’s vicinity: A rivalry takes shape in Asia.”


\(^{108}\) Revi, *Sri Lanka, India and changing political dynamics*. 
To fulfil India’s strategic interest in the Indian Ocean, New Delhi has valued the geopolitical situation of Maldives. However, PM Modi did not visit the island state during the tenure of Maldivian President Abdulla Yameen, as he opened up Maldives for Chinese investments to some extent, comprising developments that intrude on India’s security in the Indian Ocean region.\textsuperscript{109} Modi’s lack of interest in visiting Maldives during the tenure of Maldivian President Abdulla Yameen can be perceived as the Kautiliyan \textit{upaya} of \textit{danda} for compromising India’s security interest. As the current President of Maldives Ibu Solih has redirected towards the ‘India First’ policy, PM Modi was the only Head of Government to attend President Solih’s swearing-in ceremony.\textsuperscript{110} Under Solih’s presidency, India has accelerated many projects in Maldives, including urban development, sports, health, education, and the restoration of old mosques with support from the Archaeological Survey of India (ASI).\textsuperscript{111} Through the combination of military assistance – especially of the technical type – and investment projects by the Indian Government towards the Government of Maldives, the Modi administration has rejuvenated the policies of \textit{sama} and \textit{dama} towards Maldives.\textsuperscript{112}

\textbf{The securitisation of India’s neighbourhood policy}

The Modi administration in India is directed by the ethos of \textit{Raja Mandala}, particularly when it comes to perceiving the threats emanating from the neighbourhood.\textsuperscript{113} According to the theory of \textit{Raja Mandala}, Modi’s India has perceived the neighbouring countries, including Pakistan and China, as enemies, thus dealing with them cautiously.\textsuperscript{114} Kautilaya proposes that an enemy’s adversary could be accorded the status of a friend, while an enemy’s friend should be treated as an enemy.\textsuperscript{115} Thus, the \textit{Raja Mandala} theory with regard to the conduct of affairs with the enemy state has to do with the perpetuation of a hostile offensive defence position.\textsuperscript{116} Having assessed the behaviour of the enemy state from the \textit{Raja Mandala} perspective, the sovereign state should conduct its hostility as an open undertaking.\textsuperscript{117} Kautila ya’s theorisation of the difference between

\begin{footnotesize}
\begin{enumerate}
\item Rangarajan, \textit{Kautilya: The Arthashastra}.
\item N. Sathiy Moorthy, \textit{Maldives, a proven model for India’s Neighbourhood First’ Policy} (Chennai: Observer Research Foundation, 2020).
\item Pande, \textit{From Chanakya to Modi: The evolution of India’s Foreign Policy}.
\item Misra, “Rajamandala Theory and India’s International Relations.”
\item Pande, \textit{From Chanakya to Modi: The evolution of India’s Foreign Policy}.
\end{enumerate}
\end{footnotesize}
“how the political world works in reality [and] what it ought to be”\textsuperscript{118} has a strong resonance in the strategic vision of New Delhi under PM Modi. To deal with the threat emanating from the enemy state, Modi has accommodated Kautilaya’s \textit{upayas} in his foreign policy, and the same \textit{upayas} have securitised India’s neighbourhood policy, which has, however, posed a question as to India’s rise – has it been responsible towards the neighbourhood and towards the entire region?

As depicted by the \textit{Raja Mandala}, the geographical location of any state shapes the outlook of the state’s leaders, thus influencing their decision-making with regard to foreign-policy affairs.\textsuperscript{119} Today, India’s neighbourhood policy is driven by assessing the influence of China on the small states of South Asia. Let us start with an example from Bangladesh, which has increasingly become a hotspot for the geostrategic rivalry between China and India. China’s arrangements to upgrade the Sonadia port of Bangladesh had perturbed India unprecedentedly\textsuperscript{120} until Dhaka decided to drop the plan of building a deep sea port in Sonadia.\textsuperscript{121} Lately, it has come as a relief to India. However, Bangladesh’s engagement in the China-led BRI is still a matter of aggravation for India. During the visit of Chinese President Xi Jinping to Bangladesh in 2016, an enormous sum of financial assistance was declared for infrastructural development in Bangladesh.\textsuperscript{122} Currently, $10-billion-worth of Chinese infrastructure projects in Bangladesh are being implemented, which includes the construction of the Economic and Industrial Zone, building the Payra Power Plant, implementing the Karnaphuli River Tunnel Project, and constructing the 8th China–Bangladesh Friendship Bridge. Also, negotiations are in progress for establishing the China–Bangladesh free-trade zone,\textsuperscript{123} which, according to Kautilayan \textit{Raja Mandala}, poses a grave threat to India’s political supremacy and economic influence in the region. Therefore, to prevent further Chinese engagement in Bangladesh, with the help of the ‘Neighbourhood First’ policy, the Modi administration has securitised its bilateral relations with the small states in South Asia.\textsuperscript{124} As China’s influence increases in Maldives, India has also secured her relations with the archipelago nation to fulfil the latter’s strategic interest.\textsuperscript{125} China getting access to the Gwadar port under the China–Pakistan Economic Corridor (CPEC) has provoked India, as the port has

\textsuperscript{118} Karad, “Perspectives of Kautilya’s Foreign Policy: An Ideal of State Affair,” 322.
\textsuperscript{124} Gupta et al., “Indian Foreign Policy under Modi: A New Brand or Just Repackaging?”
\textsuperscript{125} Chakraborty, “Foreign Investment as a Segment of Foreign Relations.”
been operational, with Chinese ships transporting goods to the Middle East and Africa. However, the Gwadar East Bay Expressway and the Gwadar International Airport are yet to be completed. After the Uri attack in 2016, Indian Prime Minister Narendra Modi took a strong stance against Pakistan, which even included surgical strikes, and decided to review the Indus Waters Treaty. Most possibly, the growing intimacy of the adversaries has led India to secure its neighbourhood policy, as Kautulayan’s upayas emphasise that a state’s status is ascertained by its relative progress or relative decline vis-a-vis other states in the neighbourhood. Thus, the Modi administration has secured India’s neighbourhood policy twofold: firstly, through Vyayama, which implies an active foreign policy; and, secondly, through Yoga, which is the instrument of enlarging one’s clout and strength. The idea of friend-and-enemy occupies a prominent position in Kautilaya’s Arthashastra. Neighbours may be hostile (aribhavi) and friendly (mitrabhavi) at the same time. However, India’s economic blockade on its friendly neighbour Nepal in 2015 provided space for China to move within Nepal. After the economic blockade, the government of Nepal started exploring more trade routes with the North and was anxious to transform Nepal from a landlocked to a land-linked state. Both China and Nepal are eager to complete the Trans-Himalayan Multi-Dimensional Railway Connectivity linking Tibet with Kathmandu as soon as possible. Actually, China considers Nepal as a strategic gateway to enter South Asia. The China-led BRI has four essential projects in South Asia. These include: the China–Pakistan Economic Corridor (CPEC), the Bangladesh–China–India–Myanmar Economic Corridor (BCIM), the Trans-Himalayan Multi-Dimensional Railway Connectivity with Nepal, and China’s cooperation with Bangladesh, Sri Lanka, and Maldives under the 21st-century Maritime Silk Route. Such kinds of infrastructural projects, led by China and being of strategic nature, when implemented in the Indian neighbourhood, are of grave concern for the Modi administration.

Securitisation has greatly impacted India’s bilateral relations with the small states, which is clearly exemplified by the termination of the scheduled visit of Bangladesh’s

126 Singh, “China’s Vision for the Belt and Road in South Asia.”
130 Pant, “Socio-economic impact of undeclared blockade of India on Nepal.”
131 Singh, “China’s Vision for the Belt and Road in South Asia.”
133 Bajpee, “Dephasing India’s Look East/Act East Policy.”
Foreign Minister A. K. Abdul Momen to India after the entry-into-force of the Citizenship Amendment Act (CAA). The cancelation of the visit discomfited India. The current skirmishes with China along the Sino-Indian border, and China’s reluctance to withdraw, has sparked Indian security concerns. The disputes with Bhutan on electricity pricing and Bhutanese youths favouring reduced Indian engagement are also unfavourable developments. What is more, Nepal is having border disputes with India in the Kalapani–Limpiyadhura–Lipulekh region. All this has given more reason for India to strategically overlook the hopes and aspirations of the neighbourhood from the rise of India, as a result of which India has secured its policies towards the neighbours, reflecting some continuity and change, which can be best analysed from the neo-Kautiliyan perspective.

Until the global spread of COVID-19, India and China had been experiencing higher rates of economic growth, which resulted in a socio-economic change, with the increase in the rise of the large urban middle class. The combined population of both powers is home to one-third of all human beings. Today, the Chinese economy is the largest in terms of PPP (purchasing power parity), whereas India is the third largest in terms of PPP. Both states – India as an electoral democracy and China as a communist state – have moved away from deadening central state planning and have incorporated market forces and reforms. With China being a tangible presence in India’s neighbourhood for trade and investment, India finds her traditional sphere of influence to be under threat. Nonetheless, the two states are still together in different multilateral forums, including the BRICS, the Shanghai Cooperation Organisation (SCO), and the Asian Infrastructure Investment Bank (AIIB). Even though India has embraced a wait-and-watch tactic towards the far-reaching Chinese BRI, India is a member of the AIIB, with 7.5 percent of voting shares. Both states are equally aware that they necessitate the marginalisation of their shared complications,

138 Stobdan, India and Bhutan: The Strategic Imperative.
139 Constatino Xavier, interview by Rohan Venkataramakrishnan, India cannot afford to think of permanent friends anymore in its neighbourhood (August 22, 2020).
141 Charles Wolf et al., China and India, 2025: A Comparative Assessment (Santa Monica: RAND Corporation, 2011).
142 Daryna Grechyna, Political Instability: The Neighbor vs. the Partner Effect (Munich Personal RePEc Archive, 2017).
144 Lintner 2020
straining prospects for economic cooperation.\footnote{146} Shaped by conflict and cooperation, Sino-Indian relations today have not falsified the claims made by the \textit{Raja Mandala}, because “even an enemy who helps is fit to be allied with, not an ally who doesn’t act like one” (7.13.27).\footnote{147} However, India largely perceives the Chinese investments and strategic partnerships in the region as a threat to New Delhi’s power and influence.\footnote{148} Thus, India’s securitisation of the neighbourhood policy is a response to such a threat, with an objective of small states in the region being ultimately allied with India in any way possible, either by coercion or through temptation.\footnote{149} However, India’s perception of China as a threat through the \textit{Raja Mandala} framework under the Kautilyan approach is subjective in nature.\footnote{150} Sino-Indian collaboration in various multilateral forums can also be interpreted by deeming China as an ally.\footnote{151} India–China bilateral relations, triggered by connected histories, can be traced back to thousands of years ago.\footnote{152} Indian Foreign Policy towards China had initially been founded on the idealism of Jawaharlal Nehru, directed towards realism by Indira Gandhi, emphasised by Rajiv Gandhi, and capped with India going openly nuclear under Vajpayee in May 1998.\footnote{153} Starting from the “\textit{Hindi-Chini Bhai Bhai}” ideal to facing a potential enemy and a great friend, India under Modi has discovered how to deal with its adversarial neighbour China that has played its cards skilfully concerning India.\footnote{154}

The bilateral relationship witnessed distrust and suspicion only after the border war in 1962.\footnote{155} After this war, the notion of antagonism always remained in their relations, excluding the improvement of economic relations between them.\footnote{156} In 1998, the then Indian Defence Minister George Fernandez identified China as a “potential enemy” of India.\footnote{157} Undoubtedly, in addition to the experience of hostility and distrust, it is also the geopolitical vulnerabilities which have always roused China, one of the permanent members of the UN Security Council (UNSC), to obstruct India’s attempt to gain permanent membership within the UNSC.\footnote{158} After the end of the Cold War

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\item \footnote{146} Ayres and Mohan, \textit{Power Realignments in Asia: China, India and the United States.}
\item \footnote{147} Rangarajan, \textit{Kautilya: The Arthashastra.}
\item \footnote{148} Ali, “India in its Neighborhood: Hegemonic Behavior?”
\item \footnote{149} Juutinen, “Kautilyan foreign policy analysis: Sino-Indian dynamics in South Asia and the Indian Ocean region.”
\item \footnote{150} Karad, “Perspectives of Kautilya’s Foreign Policy: An Ideal of State Affair.”
\item \footnote{151} Bertil Lintner, \textit{China’s India War: Collision Course on the Roof of the World} (Oxford: Oxford University Press, 2020).
\item \footnote{153} Ayres and Mohan, \textit{Power Realignments in Asia: China, India and the United States.}
\item \footnote{154} Chattopadhyay, “India’s South Asian Neighbourhood: Policy and Politics.”
\item \footnote{156} Chattopadhyay, “India’s South Asian Neighbourhood: Policy and Politics.”
\item \footnote{157} Bajpee, “Dephasing India’s Look East/Act East Policy.”
\item \footnote{158} Zajaczkowski, “The region of South Asia in International Relations: Regional analysis approach.”
\end{itemize}
and following the economic reforms in India as well as the economic transformation in China, both states have been growing their external relations based on their needs and their aspirations to be a great world power. Following the economic reforms in India as well as the economic transformation in China, both states have been growing their external relations based on their needs and their aspirations to be a great world power. The foreign policies of both states have provided space for other states as well.

The part that Pakistan and the USA have played in Sino-Indian relations is possibly the most substantial one out of those external relations which have resolved political concerns between India and China. It is a complicated and challenging situation. For India, Pakistan has been an enemy ever since both states regained independence. Several factors contribute to marking Pakistan as an adversary through the neo-Kautiliyan approach. The 2019 Pulwama attack was answered by a surgical strike from the Indian side, which can also be viewed through the Kautiliyan approach of Vigraha or hostilities, which is an instrument of foreign policy accommodating clandestine attacks. Also, the growing intimacy between India and the US, when observed through the neo-Kautiliyan lenses, gives a clear view of the enemy’s friend (the Sino-Pakistan relationship) and enemy’s enemy (the US–China relationship).

Thus, the role of Pakistan and the USA in India–China relations is accurately represented by the Kautilya’s Raja Mandala theory of states, and their alliance and conflict through the policies can be reflected in the approaches as well. The 2019 terrorist attack in Jammu and Kashmir that killed over 40 Indian paramilitary police officers, once again questioned China’s continued protection of the Pakistan-based terrorist group Jaish-e-Mahommed (JeM). However, the Indian Government was finally successful in enlisting Maulana Masood Azhar, JeM’s founder and Chief, to be sanctioned under the UNSC Resolution 1267, despite Chinese objections. China’s objections were the upshot of the way China describes Pakistan as its “all-weather friend”. The China–Pakistan Economic Corridor under the China-led BRI links western China to the Gwadar port on Pakistan’s Balochistan coast. Once completed, the $66-billion-worth CPEC project will not only reduce Chinese costs by more than half for trade.
with the Persian Gulf, but will also make Pakistanis more obliged to their Chinese benefactors. As Kautilya’s *Raja Mandala* details on *shatru* (enemy), *mitra* (friend), *ari-mitra* (enemy’s ally), *mitra-mitra* (friend of the ally), and *ari-mitra-mitra* (enemy’s ally’s friend), India’s relations with Pakistan and China need to be considered specifically from the perspective of *shatru* and *ari-mitra*. Still, it is quite clear how Modi’s neighbourhood policy is driven by China’s involvement in India’s neighbourhood, which, as a result, has secured New Delhi’s policies through the use of *Upayas*. However, having used *Upayas*, has India’s rise in South Asia been a responsible rise? Here, India’s responsibility refers to addressing and accommodating the legitimate concerns of the neighbouring countries while at the same time aspiring to be a regional power.

### India’s responsible rise?

India’s rise is discussed not only inside India, but also by the international community. Small neighbouring countries around India often gauge the impact of India’s rise on their economy and security, while Modi’s foreign policy is driven by Kautilya’s *Chakravartin*, the all-encompassing ideal ruler of the entire Indian subcontinent. In today’s world, *Chakravartin* has articulated its strategic interest more assertively. Modi’s India expects its neighbours to consider India as the *Chakravartin*. Modern India has always been an economic centre of South Asia. Even militarily, India has always been willing to send its army or force to defend its interest in the region. Nevertheless, securitisation to such a great extent has impacted not only India’s bilateral relations, but even the aspirations of the small neighbours. Namely, India’s geopolitical ambition in the region to deal with the threat emanating from China and Pakistan has primarily affected the economic hopes and aspirations of her immediate small neighbours.

As India’s geopolitical ambition to fulfil the goal of restoring its historical image of *Chakravartin* is growing, the small countries aim to neutralise India’s hegemonic clout by playing the China card. The ‘merger’ of Sikkim into India intensified the sense of India being a threat to the neighbouring countries. Bhutan’s endeavours for cultural uniformity were instigated only after Sikkim had become a part of India. Also Bangladesh, under General Ziaur Rahman, established closer ties with China

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169 Chakraborty, “Foreign Investment as a Segment of Foreign Relations: A Study in the Context of India-Maldives Relations.”
171 Pande, *From Chanakya to Modi: The evolution of India’s Foreign Policy*.
173 Pande, *From Chanakya to Modi: The evolution of India’s Foreign Policy*.
174 Bhattarai, “Kautilyan Diplomacy.”
176 Stobdan, *India and Bhutan: The Strategic Imperative*. 
and Pakistan in order to counterbalance the effect of India.\textsuperscript{177} Such insecurities were also manifested by Nepal under the threat of being "the next Sikkim".\textsuperscript{178} At present, the small states are threatened by the geopolitical rivalries between the two emerging powers. They have realised that their sovereign rights and political independence are in jeopardy. Though the small states in South Asia were previously guaranteed accelerated economic development by India’s ‘Neighbourhood First’ policy under Prime Minister Modi, India has visibly failed to compartmentalise and clarify its strategic and economic stances to the neighbouring small states.\textsuperscript{179} Thus, India’s rise has not been very responsible towards the small states in South Asia.

Even though India is considered a regional power, her position is threatened by China’s increasing clout in South Asia. At present, China appears to be attractive, dependable, and economically important from the perspective of India’s small neighbours. China is ahead of India not only economically, but also concerning developmental assistance, including railways, roadways, bridges, and airports, among other things.\textsuperscript{180} India has transmuted itself from an agriculture-driven nation to one with proficiency in technology, pharmaceuticals, and information. However, India is yet to become the manufacturing hub of the world the way China is. In addition, with the securitisation of its foreign policy, India has missed abundant opportunities to gain the confidence of its neighbours. Since India eventually failed to lead the South Asian region, has its rise been responsible towards its neighbours? Instead of becoming a responsible regional power in South Asia, India has aggravated regional disintegration.\textsuperscript{181} Despite being a major economic and military power in South Asia, India has not been successful enough to create regional connectivity among the regional actors. Although India’s global ambitions are intricately linked to its influence as a regional actor, India is largely responsible for the region’s disintegration resulting from a series of disputes with almost all the neighbouring states.\textsuperscript{182} While Prime Minister Modi has been engaging with world leaders, India has lost its influence in the immediate neighbourhood.\textsuperscript{183} By advantage of its size and location, India has a special responsibility in driving the locomotive of the South Asian region’s growth and revitalisation.\textsuperscript{184} The Bangladesh–Bhutan–India–Nepal (BBIN) Initiative, the South Asian Association for Regional Cooperation (SAARC), the space satellite programme, and the bilateral agreements to sponsor connectivity and energy

\textsuperscript{177} Chattopadhyay, “India’s South Asian Neighbourhood: Policy and Politics.”
\textsuperscript{179} Bajpee, “Dephasing India’s Look East/Act East Policy.”
\textsuperscript{180} Baruah, \textit{India in the Indo-Pacific: New Delhi’s Theater of Opportunity}.
\textsuperscript{181} Xavier, \textit{India cannot afford to think of permanent friends anymore in its neighbourhood}.
\textsuperscript{182} Fernando, \textit{Sri Lanka, India and China: Here's What Keeps Neighbours Friendly – and What Doesn’t}.
\textsuperscript{183} Attanayake and Kapur, \textit{Sri Lanka’s Presidential Elections: Initial Observations}.
projects in Bangladesh, Bhutan, and Nepal are some of India’s initiatives.\textsuperscript{185} However, India has not backed its oratorical assurances with action. The deferral of India-funded developments in South Asia has elevated queries about India’s capability to deliver\textsuperscript{186} and take a lead in regional integration and development.\textsuperscript{187} India has not sharpened its contour as a benevolent neighbour. Rather, India is reported to have exercised coercive diplomacy against the small states, which aspire to benefit from India’s economic rise. Coercive measures, including economic blockades – as well as Modi’s persistent refusal to visit a particular country unless its political situation is favourable to the Indian interest – have driven these countries further away from India.\textsuperscript{188} To be perceived as a benevolent regional power, India will have to recognise the political independence of its neighbours and respect their right to chart their destiny, both in domestic politics and in external relations.\textsuperscript{189} Also, India should become responsible enough to promote regional cooperation and multilateralism in South Asia and the Indian Ocean region.\textsuperscript{190} By merely convening the states of the region under the umbrella of India-led initiatives, India has failed to promote unity and shared identity in South Asia or in the Indian Ocean.\textsuperscript{191} Following the logic that South Asia is too small an economic space for India, geo-economic considerations today are an explicit element of India’s policy in its extended neighbourhood.\textsuperscript{192} This way, rather than focusing on regional economic integration, India has gone far beyond the immediate neighbours, even militarily. On October 27, 2020, India and the US signed a military agreement on sharing sensitive satellite data, which was announced after the annual ‘2+2’ high-level talks.\textsuperscript{193} India’s extended cooperation away from the neighbourhood have made the small states realise that they need to be prepared for the consequences resulting from the strategic and economic rivalry both with India and with extra-regional actors.\textsuperscript{194} Structurally, this notion of the extended neighbourhood has served to widen the gap between the established role of India as a regional power and the function of South Asian small states.\textsuperscript{195} Thus, in terms of what Kautilya describes as the role and status of \textit{vijigishu} – the would-be conqueror – and \textit{Chakravartin} – the ideal universal ruler – India has not been successful as it should be when it comes to the neighbours, especially the small states.\textsuperscript{196} India’s rise has not been a responsible one, as India’s behaviour towards

\textsuperscript{185} Xavier, \textit{India cannot afford to think of permanent friends anymore in its neighbourhood.}
\textsuperscript{186} Gupta et al., \textit{“Indian Foreign Policy under Modi: A New Brand or Just Repackaging?”}
\textsuperscript{187} Ayres, \textit{Our time has come. How India is making its place in the world.}
\textsuperscript{188} Pant, \textit{“Socio-economic impact of undeclared blockade of India on Nepal.”}
\textsuperscript{189} Arora, \textit{“Just How Popular is India in South Asia Really?”}
\textsuperscript{190} S.D. Muni, \textit{“Problem Areas in India’s Neighbourhood Policy,”} \textit{South Asian Survey} 10, no. 3 (2013).
\textsuperscript{191} Panda and Baruah, \textit{Foreseeing India-China Relations: The ‘Compromised Context’ of Rapprochement.}
\textsuperscript{192} Scott, \textit{“India’s “Extended Neighborhood” Concept: Power Projection for a Rising Power.”}
\textsuperscript{193} US Department of State \textit{“Highlights of 2020 U.S.–India 2+2 Ministerial Dialogue,”} \textit{US Department of State} (2020).
\textsuperscript{194} Scott, \textit{“India’s “Extended Neighborhood” Concept: Power Projection for a Rising Power.”}
\textsuperscript{195} Paul, \textit{“When balance of power meets globalisation: China, India and small states of South Asia.”}
\textsuperscript{196} Pande, \textit{From Chanakya to Modi: The evolution of India’s Foreign Policy.}
the small states has been hegemonic\(^{197}\) and strategic, unlike the economic aspirations that small states have towards India.\(^{198}\) Although Kautilya’s *upayas* have been endorsed by Prime Minister Modi as an attempt to secure India’s national, strategic, and economic interests in the region, they are not free from contradictions and *ad hocism*, as manifested by the erstwhile neighbourhood policies.

**Discussion**

As mentioned, despite some distinctive endeavours, Modi’s neighbourhood policy is not free from contradictions and *ad hocism*\(^ {199}\) in the characteristics of neighbourhood policies of the governments before him. This article has applied the perspective of the neo-Kautilayan approach in analysing what produces such contradictions and *ad hocism*, as the Modi administration embraces traditional Asian statecraft in dealing with the immediate neighbours, especially the small states.\(^ {200}\) Prime Minister Narendra Modi launched his ‘neighbourhood first’ policy as an unavering component of his diplomacy when he invited the heads of the South Asian Association for Regional Cooperation (SAARC) nations during his first swearing-in as PM in 2014.\(^ {201}\) By contrast, in his second term in 2019, his swearing-in was attended mostly by the leaders of the member states in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), spreading speculations that the SAARC will be replaced by the BIMSTEC.\(^ {202}\) However, PM Modi saw in the SAARC a refuge when COVID-19 afflicted the entire world in 2020.\(^ {203}\) India’s neighbourhood policy was again perceived as inconsistent, as it used to be earlier, before him. However, the authors of this article believe that India’s neighbourhood policy, at least under Modi, does not appear to be inconsistent and contradictory if interpreted and compartmentalised through the ethos of the *Raja Mandala* and the *Upayas*.

Kautilya’s *Arthashastra* categorised the threats to a nation under four categories. The most serious of the four emanates from internal originators and internal abettors.\(^ {204}\) The internal threat is most relevant in the present context. Threats including terrorism, underdevelopment, disaster management, or the securitisation of refugees have all

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\(^{197}\) Ali, “India in its Neighborhood: Hegemonic Behavior?”, 98.

\(^{198}\) Chaturvedy, ‘Neighbourhood First’: Modi’s Foreign Policy Mantra.


\(^{200}\) Bhattarai, “Comparing Neighborhood Foreign Policy of India and China in Relation to the Security of Small States in South Asia.”


\(^{202}\) Singh, “China’s Vision for the Belt and Road in South Asia.”


\(^{204}\) Modelski, “Kautilya: Foreign Policy and International System in the Ancient Hindu World.”
plagued the region and affected India’s rise in various ways. Thus, Modi’s shift from the SARRC to the BIMSTEC is also a reaction to these intra-regional threats. The values of Kautilya were deeply entrenched in this shift, as Modi indicated that whatever policy India might pursue, the art of directing the foreign affairs lies in discovering what is the most beneficial to India. Thus, the recent turn of PM Modi towards the SAARC during the COVID-19 pandemic needs to be analysed from the perspective of Raja Mandala and Upayas.

During his first tenure, Prime Minister Modi’s first state visit was to the neighbouring small state of Bhutan, where he pledged to assist hydropower projects, and the subsequent visit to Nepal. Before his visit, no Indian prime minister had visited Nepal in almost two decades. Likewise, Modi signed a land-swap deal with Bangladesh. In Sri Lanka, in turn, where the Rajapaksa government had chosen to get closer to China strategically, Modi succeeded in repairing the damage with the election of the new Sri Lankan President Maithripala Sirisena. It indicates how Modi’s ‘neighbourhood first’ approach encompasses not inconsistent policies but, rather, the ‘proactive’ foreign policy of sama, dama, danda bheda. Prime Minister Narendra Modi usually shapes them by developing personal relationships during high-level visits. As of 2020, Prime Minister Modi has already made 59 international trips, including to most of the South Asian states, where he floated proposals of economic and strategic cooperation in the areas of mutual interest. Although Modi’s ‘neighbourhood first’ policy embraces financial assurances, it necessitates a proper mechanism for responding adequately to the political and security concerns in the South Asian region. Upon the same realisation, the Kautilyan uapayas of sama and dama towards the small neighbours aim to make them strong allies of India. Kautilya’s tenets should also be assessed in terms of how Modi’s multiple bilateral visits to the small neighbouring states came as a response to the increasing Chinese influence on those states; the aim was to lure those states towards India and away from China.

India can provide a peaceful, resolute, and prosperous neighbourhood. Nevertheless, to achieve it, she needs to adhere consistently to the doctrine of sovereign equality and mutual respect. One of the bedrocks of India’s foreign policy has been to build

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205 Ramachandran, Modi’s Forthcoming Visit to Maldives and Sri Lanka.
210 Ali, “India in its Neighborhood: Hegemonic Behavior?”
211 Karad, “Perspectives of Kautilya’s Foreign Policy: An Ideal of State Affair.”
a strategically secure, politically stable, and economically-cooperative neighbourhood, as the one which Kautilya emphasises for *Chakravartin*. Since its independence, India has focused more on strengthening its security vis-a-vis its instant neighbours. Although India has frequently spoken about the significance of greater economic cooperation with its neighbours, the results have been unimpressive and almost miserable, of which the SAARC itself is an example. Small neighbouring states have perceived the policies of India as hegemonic in the South Asian region, and China has emerged as a potential opponent to India in terms of trade, investment, and assistance. 

Nevertheless, both emerging powers, India and China, have not been able to deliberate over the needs and requirements of the small states around them, at least at the institutional level.

When it comes to the neighbourhood policy, India’s strategies have varied, as New Delhi aims to establish herself as a global actor, a *Chakravartin*. However, as the Kautilyan theory of *Raja Mandala* suggests, without persistent predominance in the immediate neighbourhood, no state can become a conventional power at the system level. Thus, fulfilling the objective of being a *Chakravartin* in South Asia and a significant power of Asia rests decisively on India’s capability to cope in its backyard. However, as India’s tactic has been reactive at times, India is yet to demonstrate to the world that she has gathered all the potentialities to be a hegemon such as the United States or today’s Russia.

For the enhancement of its relations with most of its immediate neighbours, especially the small states, the ‘Gujral Doctrine’ was enunciated in 1996. Although the doctrine emphasised the importance of non-intervention and highlighted peaceful settlement of disputes through bilateral negotiations, the reality today is different, as India sees Pakistan as the exclusive enemy, one reportedly micromanaging the political spectrum in small countries and providing patronage to one-party rule in Bangladesh. Instead of being part of a network of interdependence, small states are not only asymmetrically dependent on India, but are also engulfed in the geopolitical

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213 Muni, “Problem Areas in India’s Neighbourhood Policy.”
214 Malone and Mukherjee, “India and China: Conflict and Cooperation.”
216 Barbieri, “Regionalism, globalism and complexity: A stimulus.”
217 Muni, “India and Its Neighbour: Persisting Dilemmas and New Opportunities.”
218 Mohan, “India’s Neighborhood Policy: Four Dimensions.”
219 Muni and Mohan, “Emerging Asia: India’s Options.”
220 Malone and Mukherjee, “India and China: Conflict and Cooperation.”
221 Basrur, “Modi’s foreign policy fundamentals: a trajectory unchanged.”
224 Dixit, “Indian Elections, South Asian Concerns.”
226 Chattopadhyay, “India’s South Asian Neighbourhood: Policy and Politics.”
conflict between India and China, e.g. with Sri Lanka being torn over the Chinese-backed Hambantota port.227

Conclusions

By using qualitative methodology, this article has discussed Modi’s neighbourhood policy from the neo-Kautilayan perspective, which distinctively analyses the power relations and principles of foreign policy in a non-Western fashion. This study finds Kautilaya’s ideas of Raja Mandala (circle of states) and upayas (strategic policies) relevant to analyse Modi’s neighbourhood policy, which most of the available literature has perceived as inconsistent and driven by ad hocism. However, this research highlights how the Kautilyan approach can help in comprehending Modi’s foreign policy as inconsistent but driven by the contextual relevance of Raja Mandala and Upayas. The critical task of the research was twofold: to elaborate on Kautilya’s Arthasastra as a methodical agenda for a present-day strategic analysis, and to test it against the Indian neighbourhood policy under the Modi administration. As Modi employs the Kautilayan statecraft in a new way, the neo-Kautilyan approach confirms the understanding of well-established scholarship, namely that Kautilya is a valuable foundation for a non-Western strategic study.

The application of the Kautilyan approach to Modi’s neighbourhood policy indicates how India’s political destiny is driven by geography and appropriateness in terms of policy choice and its execution (Upayas). The Kautilayan approach to Indian foreign policy has signalled the relevance of Raja Mandala and Upayas in the contemporary regional politics of South Asia, as Modi’s India today has exercised its foreign policy towards its immediate neighbours by assessing China’s increasing influence in the region. Thus, this study has revealed that while devising neighbourhood policies with an objective to counter the Chinese presence in South Asia, the Indian neighbourhood policy has been secured. However, the securitisation of the neighbourhood policy has clouded the question of India’s rise, which this study describes as a ‘rise without responsibility’ towards the economic aspirations of the small states in the vicinity. Therefore, India requires a forward-looking institutional structure which might eventually embody the spirit of Kautilaya’s Chakravartin and concurrently promote regional connectivity. Instead of merely considering South Asia as its conventional sphere of influence, Modi’s neighbourhood policy needs to embrace its civilisational inheritance.