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## For India, a Moment of Reckoning in the Neighbourhood

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*India's waning democratic credentials and its desire to see diplomacy towards its smaller neighbours through the narrow prism of security has seen its influence wane in South Asia. China meanwhile has muscled in. The repercussions will be felt in the future.*

On 21 May, Bangladesh's foreign minister, A.K. Abdul Momen, spoke to his Chinese counterpart Wang Yi when Beijing pledged to provide 600,000 doses of the China-made Sinopharm Covid-19 vaccines to Dhaka. The desperate call for help from Dhaka came barely days after a diplomatic tiff between the two countries; when China's envoy in Dhaka, Li Jiming, bluntly warned Bangladesh not to consider joining the Quad—the India-Australia-United States-Japan grouping—as doing so would “substantially damage” the bilateral relationship. This earned a sharp response from Momen who told reporters that “as a sovereign country, Bangladesh will determine the course of its foreign policy in the interest of its people” and “urged foreign envoys in Dhaka to maintain decency and decorum while speaking in public”.

It is tempting to jump at this evidence of China's new ‘wolf warrior diplomacy’, significant enough to be a salutary warning for all the countries in India's neighbourhood and something that should work in New Delhi's favour. But only a day after Momen's statement on the Chinese envoy's remarks, Dhaka tweeted a picture of the Bangladeshi foreign minister receiving a package of Sinopharm vaccines from Li and thanked China for “gifting 500,000 vaccines”. Bangladesh's dependence on China for vaccines emanated from the failure of the Serum Institute of India to fulfil its commercial contract to supply 30 million doses of AstraZeneca vaccine, after the Indian government abruptly barred exports. Serum Institute has supplied only 7 million doses to Dhaka, while New Delhi gave another 3.2 million jabs as a gift. Momen asked his Indian counterpart, S. Jaishankar, to send vaccine doses as gifts, arguing that New Delhi's bar was only on exports and not on gifts. He also asked Jaishankar to lobby with the Biden administration during his US visit and get a share of the US's unused 80 million AstraZeneca Covid-19 vaccines released to Dhaka.

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Bangladesh is not the only South Asian country—discounting Pakistan, now without any worthwhile ties with India—to suffer due to the government of India's mishandling of the pandemic. In the midst of a raging second wave of Covid-19, Nepal has 1.5 million of its citizens waiting for a second shot of vaccine, with supplies held up by the Indian export ban. It is using up the small quantity of Sinopharm jabs received from China, and has asked the US and UK for additional vaccines. Sri Lanka had a deal for 13.5 million jabs with Serum Institute, but that stands frozen due to the export ban. It is now using 600,000 gifted Sinopharm doses and is hoping to receive another 26 million vaccines from China and Russia. The Himalayan kingdom of Bhutan, which is helping India out with medical oxygen supplies, is also awaiting the second dose of vaccines from India.

### India's declining influence; China's rising influence

On the face of it, it seems that Prime Minister Narendra Modi's neighbourhood policy has suddenly failed in South Asian capitals during the second wave of the pandemic, with Beijing gaining a distinct advantage over New Delhi. But recent events are part of an ongoing trend where New Delhi's influence in the region has been declining as Beijing has muscled its way in. It is a reality that India finds hard to accept. Not only is China a bigger economic and geopolitical power, the Modi government has made matters worse by sucking in its friendly neighbours into increasingly fractious domestic Indian politics. New Delhi's declining democratic credentials, poor rate of economic growth and plummeting social indicators have also diminished its power of example, where India used to be a shining outlier with claims to exceptionalism and some moral heft in the region. The increasing securitisation of diplomacy, going against the grain of historical, cultural, ethnic, geographic and economic connections, has worsened matters. This can only be fixed if India regains its democratic credentials, leverages its traditional strengths, gets back to a higher economic growth trajectory, and displays enough self-confidence to not be insecure of its smaller neighbours.

When Modi was first elected prime minister in 2014, in a dramatic move, he invited the leaders of all South Asian countries to his swearing in ceremony. He soon propounded his “neighbourhood first” policy and this new rhetoric earned him a lot of recognition and

appreciation in South Asia while silencing his domestic critics. But soon, unable to match his government's deeds with his own words, while India continued to play big brother-cum-interfering bully vis a vis its smaller neighbours, Modi's popularity in the region dipped within a couple of years. It has never fully recovered. Even though his government was eventually able to re-establish functional ties with other South Asian governments in Bangladesh, Sri Lanka, and Nepal, India did not regain its credibility and aspirational status in the eyes of the citizens of these countries.

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The timing is relevant here. Because India's decline coincided with China's coming out as a global power, effectively breaking away from the emerging India-China hyphenation that India had enjoyed for some years. Beijing's heavy investment in the region for President Xi Jinping's flagship Belt and Road Initiative (BRI) contributed to its rising weight in the region and beyond. New Delhi chose to boycott the BRI but every other South Asian country actively embraced it. India had neither the economic capacity to match Chinese investments nor was Modi able to reinvigorate his government to deliver on existing commitments in infrastructural and other developmental projects in these countries. Chinese investments in all of South Asia (including Pakistan), including loans, grants, and aid, are estimated to be around \$100 billion, compared with India's \$800 million. There is a lot that was made of the Chinese 'debt trap' but those fears have been unfounded. Smaller neighbours began to naturally work to benefit from this competition between India and China, and play one against the other. As a senior Bangladesh diplomat told me, "India may be our brother but China is our banker. You can't replace one with the other."

India's anaemic economic growth since Modi's sudden midnight announcement in November 2016 to ban high value currency notes, leading into a recession last year, has further widened its power gap with China. Stung by the border standoff in Doklam in 2017 and the ongoing border crisis in Ladakh, Beijing has shown greater interest and paid more attention to the region. The deepening cooperation has accelerated during the pandemic, as China invited Bangladesh, along with Afghanistan, Nepal, Pakistan and Sri Lanka, to a foreign-minister-level virtual dialogue last month, the fourth such meeting organised by Beijing with South Asian countries to discuss cooperation in fighting Covid-19. Beijing offered Chinese vaccines and a plan to set up an emergency reserve for supplies for South Asian countries. Chinese Foreign Minister Wang said that India had also been invited to the forum but did not attend.

### Diplomacy through the prism of security

New Delhi's absence from the meeting is understandable but its propensity to drag the smaller neighbours into India's domestic politics is bereft of any strategic rationale. The Citizenship Amendment Act (CAA) of 2019 was based on the reasoning that governments in countries like Bangladesh and Afghanistan were targeting Hindus and other religious minorities, which puzzled and annoyed those India-friendly regimes. It led to massive outrage in Bangladesh, which saw huge public protests during Modi's recent visit to the country. Modi's itinerary included visits to a couple of Hindu religious sites, with an eye on the polling in the important West Bengal state elections. Two years ago, the country's second-most powerful political figure, Amit Shah, called Bangladeshi immigrants "termites" during one of his election campaign speeches, an epithet not forgotten by India's eastern neighbour since. This hit Bangladesh more as it now boasts of better human development indices and claims a higher per capita GDP than that of India.

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The Modi government also tried to publicly force its Hindu-majority neighbour, Nepal, to reverse its promulgation of a secular republic, and enforced a blockade in 2015 after Kathmandu refused. Senior ministers of the Modi government boasted about a military operation by Indian army on Myanmar soil, essentially violating that country's sovereignty and embarrassing the powerful Burmese military. Modi's Hindu majoritarian ideology has placed him at odds with Pakistan, which led to the emasculation of the South Asian Association for Regional Cooperation (SAARC), the regional grouping that provides the only institutional mechanism for smaller countries. His government's attempts to posit the BBNI (Bangladesh- Bhutan- India- Nepal Initiative) and BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, an organisation of seven countries of South and Southeast Asia) as alternatives to SAARC failed to deliver results and have been put on the backburner. India's smaller neighbours cannot end up becoming a subset of New Delhi's Pakistan or China problem.

Freedom House recently classified India as 'partly free' and the Sweden-based research organisation, V-Dem, has termed India an 'electoral autocracy'. The sharp decline in India's liberal democratic credentials since 2014 may have been covered up internally under

the garb of a 'strong power', but this has had a profound effect regionally. Nepal had looked towards India while formulating its constitution, and New Delhi could point to the equal rights given to its minorities as it pressed Colombo to deal with minority Tamils fairly. More than anything else, it was India's success as a liberal democracy and its ability to embrace its diversity and pursue an inclusive development path that attracted vast swathes of people in South Asia towards India. That India is no longer seen as the lodestar its smaller neighbours should aspire to be like, is a loss. This is a decline in the vast reservoirs of soft power, an advantage India has always had over Beijing, which hinders New Delhi's quest for global respect.

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Since its ascent to power, the Modi government has calibrated its diplomatic ties in the region through the narrow prism of security. The Rohingya crisis, that saw a religious minority group being pushed out of Myanmar, has been portrayed as a major internal security threat to India. Due to this approach of securitising refugee policy, India was absent as a problem solver between Myanmar and Bangladesh, while China mediated between two of India's closest regional partners. New Delhi's security-centric approach towards Bangladeshi immigrants has been well documented, whereas an approach prioritising deeper economic ties could lead to much higher growth and development in some of the most backward regions in east and north-east India. The north-eastern Indian state of Tripura recently demanded that it be allowed to auction its teas in Bangladesh. Even with Myanmar, it is the Indian military that seems to be driving policy even as democratically elected leaders in India's border states seek a more humane path. The state government of Mizoram refused to heed to the Modi government's directions as it opened its borders for Myanmarese refugees running away from the military oppression after the coup, calling them 'family'.

Bounded by the Himalayas and the seas, the Indian subcontinent boasts of natural connections—cultural, ethnic, linguistic, religious and economic—that were artificially disrupted by the boundaries of nation-states created in the 20th century. These historic ties, that have naturally existed for centuries, can never be replicated by China. In its political imagination, the Indian leadership needs to revive the natural connections without making the smaller countries insecure of a hegemonic India.

Having been the only major power in the region for the last seven decades, New Delhi is loath to acknowledge that China's growing influence is a reality that cannot be wished away. With Asia and the Indo-Pacific now the centre of gravity of emerging global geopolitics, India will have to be prepared to deal with a lot of powerplay in its neighbourhood and learn to play it deftly, building on its bridges in the region, rather than burning them. In the words of the former Indian national security advisor, Shiv Shankar Menon, "The more the overall uncertainty in the global system, the higher the priority that India should accord to stabilising and managing its immediate periphery, particularly the subcontinent."

In according priority, India does not need to compete on Chinese turf as it has enough strengths of its own to leverage in South Asia. That New Delhi compounds the challenge from a more powerful competitor by dragging neighbours into its domestic politics and is unable to uphold the strength of its democratic credentials successfully in contrast with China, is a self-goal. The inability to deliver on its commitment to provide vaccines to its neighbours can be overcome as a minor blip if the Indian leadership uses the opportunity to reimagine its relationship with its smaller neighbours: as one between equal partners, with due respect for all, of stronger people to people ties, and one directed towards the betterment of the region. If not, this moment could mark the point when New Delhi failed its neighbours. The outcome may not be immediately visible but its repercussions will be felt in the future.

Modi's ambitions to make India a 'global power' under his watch will remain a pipe-dream unless New Delhi can demonstrate substantive influence and earn a lot of affection in its neighbourhood. Even as the government works to promote the Vishwaguru sobriquet for India, the neighbourhood should be the focus of New Delhi's immediate attention.