



## Relooking India's Neighbourhood First Policy

This editorial is based on [“Ties that epitomise India's neighbourhood first policy”](#) which was published in The Hindu on 20/03/2024. The article discusses the importance of India's Neighbourhood First Policy in present times along with inherent challenges, providing an example of Bhutan-India relations where both have generated goodwill and trust successfully over the years.

**For Prelims:** [India's 'Neighborhood First' policy](#), [South Asian Association for Regional Cooperation \(SAARC\)](#), [Bangladesh-Bhutan-India-Nepal \(BBIN\)](#), [Greater Male Connectivity Project \(GMCP\)](#), [Indo-Pacific region](#), [Gujral Doctrine](#), [Maritime Rescue Coordination Center \(MRCC\)](#).

**For Mains:** India's Relations with its Neighbours, India's Initiatives & Agreements with Neighbours, Challenges in Neighbourhood First Policy.

Prioritising its neighbours has been a central tenet of India's foreign policy. Effectively managing its immediate region in the subcontinent is crucial for India to expand its influence in Asia and globally. Frequent political or economic challenges in neighbouring countries often divert India's focus back to the subcontinent, limiting its capacity to address broader regional and global issues.

With recent shifts in global and internal political and economic landscapes among neighbouring countries, India has a renewed opportunity to invigorate its [Neighbourhood First Policy \(NFP\)](#), which it should seize wholeheartedly. If India aims to counter China's manoeuvrability in the region, the warmth and closeness observed in its relations with Bhutan should be extended to the entire immediate and extended neighbourhood.

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## What is India's Neighbourhood First Policy?

Since 1947, the Neighbourhood First policy has been a crucial part of India's foreign policy, focusing on building stronger relationships, promoting regional cooperation, and addressing shared issues with its immediate neighbours.

### ▪ About:

- The concept of the Neighbourhood First Policy came into being in 2008. Under its 'Neighbourhood First' policy, India is committed to developing friendly and mutually beneficial relations with all its neighbours. India is an active development partner and is involved in several projects in these countries.
- India's approach to engaging with its neighbouring countries is characterised by

consultation, non-reciprocity, and a focus on achieving tangible outcomes. This approach prioritises enhancing connectivity, infrastructure, development cooperation, security, and fostering greater people-to-people contacts.

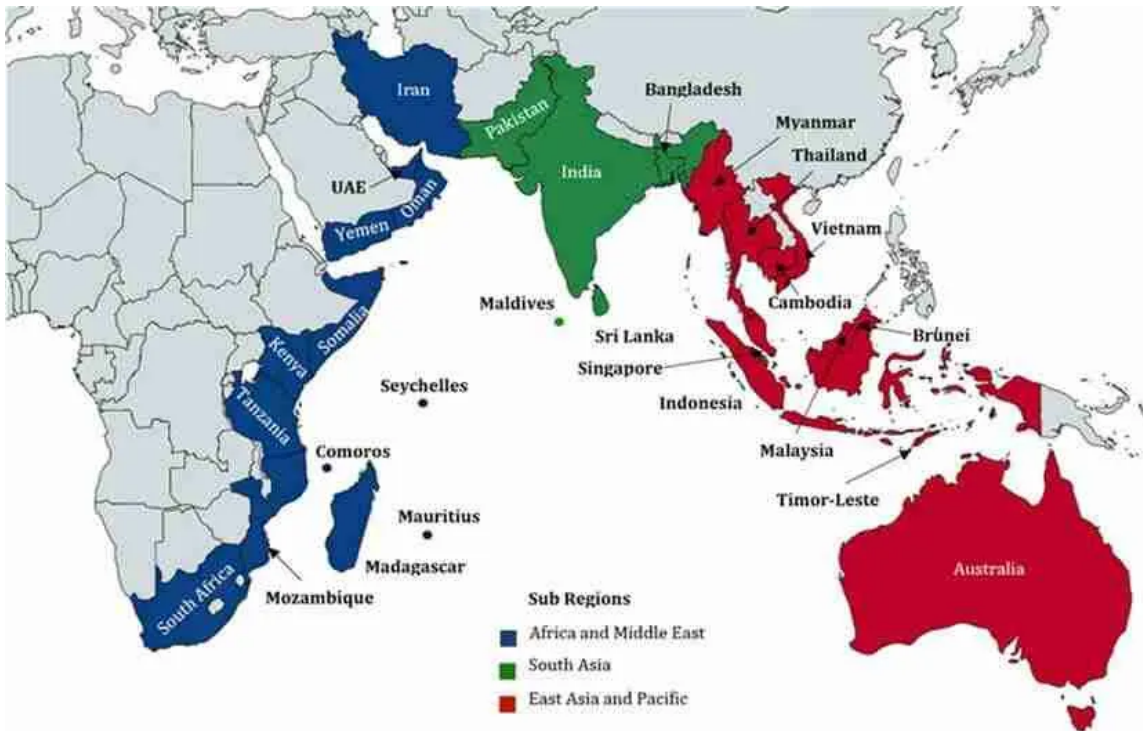
▪ **India's Neighbourhood:**

◦ **Immediate:**

- India shares its geographical land and maritime boundaries with its immediate neighbours in the South Asian region. These countries include Afghanistan, Bangladesh, Bhutan, China, Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka.
- India shares civilizational relations with these countries, marked by a shared history, culture, and extensive people-to-people contacts.

◦ **Extended:**

- Extended neighbours are countries that are geographically distant from India, such as those in the Indian Ocean Region, Southeast Asia, or West Asia, but maintain significant political, economic, cultural, and strategic ties with India.



▪ **Purpose:**

◦ **Connectivity:**

- India has entered into MoU with members of the **South Asian Association for Regional Cooperation (SAARC)**. These agreements ensure a free flow of resources, energy, goods, labour, and information across borders.

◦ **Improving Relations with Neighbours:**

- Priority is to improve the relations with immediate neighbours as peace and tranquillity in South Asia is essential for realising development agenda.
- It focuses on vigorous regional diplomacy by engaging with neighbouring nations and building political connectivity through dialogue.

◦ **Economic Cooperation:**

- It focuses on enhancing trade ties with neighbours. India has participated and invested in SAARC as a vehicle for development in the region.
- One such example is the **Bangladesh-Bhutan-India-Nepal (BBIN)** grouping for energy development i.e. motor vehicles, waterpower management and inter-grid connectivity.

## What is the Significance of Neighbourhood First Policy for India?

▪ **Countering Chinese Influence:**

- Collaboration with neighbouring countries serves India's strategic interests in countering

Chinese influence in the [Indian Ocean Region \(IOR\)](#). This cooperation aligns with India's aspiration to become a 'net security provider' in the region, thereby enhancing regional stability and security.

▪ **Support in Multilateral Fora:**

- Cooperation with neighbouring partners is essential for India's leadership role as a representative of the Global South in various multilateral forums such as the [UNSC](#), [WTO](#), and [IMF](#).
- Through engagement in multilateral fora, India introduces a regional/sub-regional dimension to bilateral relations, fostering a deeper understanding of the region.

▪ **Ensuring Territorial Integrity:**

- Neighbouring countries' cooperation is crucial for India's efforts to maintain its territorial integrity and combat separatist threats.
- For example, collaboration with Myanmar is vital in addressing insurgency in India's North-Eastern states, highlighting the significance of mutual respect for sovereignty and territorial integrity.

▪ **Enhancing Maritime Security:**

- Effective cooperation with neighbouring countries like Maldives, Sri Lanka, Bangladesh, and Myanmar is essential for bolstering maritime security.
- Given the maritime domain's susceptibility to threats, such collaboration enables India to effectively police its waters and counter transnational security challenges like terrorism.

▪ **Addressing Energy Security:**

- Cooperation with northern neighbours like Nepal and Bhutan, as well as countries in the Indian Ocean, is critical for ensuring India's energy security.
- With a significant portion of India's oil and gas imports travelling via sea routes, collaboration with neighbouring countries is indispensable to prevent disruptions in energy supplies.

▪ **Bridging Development Deficits:**

- Active engagement with neighbouring countries also facilitates the development of India's North-Eastern states.
- For instance, Bangladesh's approval for the use of its ports for transit and trans-shipment of cargo to the North-East highlights the potential for regional cooperation to bridge development gaps.

▪ **Leveraging Soft Power Diplomacy:**

- India's rich cultural and historical ties with its neighbours serve as a cornerstone of its soft power diplomacy. By promoting cultural exchanges and emphasising shared heritage, India strengthens people-to-people ties and enhances its influence in the region, exemplifying the potential of soft power diplomacy to bolster diplomatic relations.

## What are the Takeaways from India-Bhutan Relationship for India's NFP?

▪ **Mutual Respect & Coordination:**

- Both nations look to each other as equals, treat each other with the utmost respect and have long realised that size (in terms of area, population) does not really make a difference in relations between two sovereign nation states.
- Thus, India has constantly respected Bhutanese identity, Bhutan's unique religious practices and its desire to be economically prosperous while retaining its own way of life.
  - On its part, Bhutan has long known that there is no real threat to its sovereignty or identity from its southern flank. It has looked to India to help it grow, develop and prosper.

▪ **Cooperation in the Sustainable Project- Gelephu:**

- Gelephu is to be like a [Special Economic Zone \(SEZ\)](#) to attract foreign investment and advance prosperity for that nation. Naturally, India, including its business entities, is expected to play a significant role in this effort.
- Simultaneously, the Gelephu Mindfulness City is to keep sustainability, well-being and environmental concerns at the forefront. Such a project is expected to lead the people of Bhutan to higher income levels while allaying any concerns about its impact on Bhutan as a carbon negative country.

▪ **Constant and Regular Dialogues:**

- It is common understanding that any relationship, whether it is between two individuals or

between two nations, needs constant tending, regular dialogue and a lot of care and cooperation.

- The back-to-back visits of the Prime Ministers of Bhutan and India to each other's nations is a manifestation of this attention placed on the relationship by both governments.
- This is a good augury for the continued growth and development of India-Bhutan ties. It epitomises India's Neighbourhood First policy approach.

▪ **Hydropower and Renewable Energy Collaboration:**

- Hydropower cooperation is the bedrock of India's relations with Bhutan. Several cooperative hydro projects have been completed such as 1,020 MW Tala Hydroelectric Project and commissioned by the two governments which supply clean electricity to India and provide Thimphu with a stream of revenue due to which it has graduated out of the Least Developed Country status.
- The delayed Punatsangchhu-II hydropower project is expected to be completed in 2024 - yet another successful example of the government-to-government model of cooperation in hydropower.

▪ **India's Development Assistance:**

- India has also been a major development assistance partner to Bhutan and contributed Rs 5,000 crore to its 12th Five Year Plan which just concluded.
- Critical in this process of development assistance is the fact that India does not merely undertake projects which are of benefit to it but pays a lot of attention to the priorities of the Bhutanese people so that projects of direct benefit to them are constructed.

## What are the Challenges in India's Neighbourhood First Policy (NFP)?

▪ **Immediate vs Extended Neighbourhood:**

- Experts argue that India's approach to its neighbours has been more about managing existing relationships than shaping them. This lack of a clear policy framework has hindered the effective implementation of regional policies.
- The dual focus on both immediate and extended neighbours of India has hindered the clear and singular emphasis on South Asian neighbours, leading to unmet goals and uncertain outcomes.

▪ **Challenges in Bilateral Relations:**

- Strained bilateral relations among some nations in the region have posed significant challenges to implementing regional policies. For example, at the last [SAARC](#) summit, only one out of three proposed agreements was signed due to Pakistan's refusal to sign the other two.

▪ **Security Concerns:**

- The existence of permeable borders, support from neighbouring countries like Pakistan, and the rise of extremism in the region contribute to the emergence of terrorist activities within India. Additionally, India's proximity to the Golden Triangle and Golden Crescent exacerbates its drug trafficking problems.

▪ **Influence of China's OBOR Initiative:**

- China's trade volume with SAARC countries has grown rapidly due to its [One Belt One Road \(OBOR\)](#) initiative. India's neighbours, such as Sri Lanka, Maldives, and Nepal, have at times used the "Chinese card" against India, seeking alternative partnerships.

▪ **Perceptions of Unequal Treatment:**

- India's neighbours have often felt that India does not treat them equally. India's military involvement in countries like Bangladesh, Sri Lanka, and Maldives is still seen as evidence of regional apprehensions.

▪ **Impact of Poor Infrastructure:**

- Poor infrastructure in border regions limits the impact of free trade and investment deals. For example, there were more railway connections between India and East Pakistan in the 1960s than there are today with Bangladesh.

▪ **Domestic-Political Considerations:**

- India's neighbourhood policy is often influenced by domestic-political factors and ethnic considerations. For instance, the [Teesta Waters agreement with Bangladesh](#) was delayed due to opposition from West Bengal, and support for the Sri Lankan Tamil struggle was driven by ethnic ties.

### ▪ **Implementation Challenges of India's Line of Credit:**

- While India's [Line of Credit \(LOC\)](#) projects to its neighbours have increased significantly, there are delays in their implementation. This can lead to frustration, mistrust, and a reduction in India's influence in the region.
- Additionally, the region's vulnerability to natural disasters and climate change poses further challenges to development efforts.

## **What are the Suggestions for Making India's NFP More Effective?**

The Standing Committee on External Affairs submitted its report on 'India's Neighbourhood First Policy', in July, 2023. Key observations and recommendations for making it more effective include:

### ▪ **Terrorism and Illegal Migration:**

- Over the past thirty years, India has faced threats, tensions, and potential terrorist attacks from its neighbouring countries. Challenges such as illegal migration, weapon smuggling, and drug trafficking highlight the need for enhanced border security infrastructure.
- The committee suggests **monitoring demographic shifts resulting from illegal migration and advocates for close cooperation** between the Ministry of External Affairs, Ministry of Home Affairs, and state governments to tackle this issue.

### ▪ **Relations with China and Pakistan:**

- India's bilateral relations with China and Pakistan have been plagued by contentious issues; terrorism emanating from Pakistan is a core concern. The Committee recommended **engaging with regional and multilateral organisations to sensitise them** of the role of Pakistan in fostering terrorism.
- Efforts should be made to **establish a common platform for countering terrorism** under the Neighbourhood First Policy. The Committee also recommended that the government should **establish economic ties with Pakistan**.

### ▪ **Investment in Border infrastructure:**

- The Committee noted the deficiency in India's border infrastructure and the **need to stabilise and develop border regions**. For engagement with India's neighbours, connectivity infrastructure such as cross-border roads, railways, and inland waterways and ports need an improvement.
- It recommended exploring the feasibility of setting up a regional development fund for connectivity infrastructure under regional frameworks.

### ▪ **Monitoring India's Line of Credit (LOC) Projects:**

- India's LOC to its neighbours increased from USD 3.3 billion in 2014 to USD 14.7 billion in 2020. The Committee observed that 50% of India's global soft lending goes to its neighbours.
- It recommended the Ministry of External Affairs to take **effective steps for timely completion of such LOC projects** through regular monitoring. Development projects in neighbouring countries should be completed in a timeframe by **strengthening the Joint Project Monitoring Committees** and oversight mechanism.

### ▪ **Defence and Maritime Security:**

- Defence cooperation is key to India's bilateral relationship with its neighbouring countries. Joint military exercises are conducted with various countries such as Maldives, Myanmar, and Nepal.
- The Committee recommended that the Ministry should take initiatives for **enhancing maritime domain awareness** in India's extended neighbourhood.

### ▪ **Development in the North-Eastern Region:**

- The Act East policy focuses on the extended neighbourhood in the Asia-Pacific region. India's north eastern region shares land borders with many neighbouring countries.
  - The economic development of north eastern states is integral to the success of the Neighbourhood First Policy and the [Act East Policy](#).
- The Committee recommended the Ministry to maintain a synergy between these two policies. This can help **improve connectivity, economic development, and security** of the North-Eastern Region.

### ▪ **Tourism Promotion:**

- Since 2020, India has been the largest source of tourist arrivals to most south Asian countries, i.e., Maldives. Large number of visitors also come to India from Bangladesh for

medical treatment.

- Many Indians also visit Nepal for religious tourism. The Committee recommended promoting investment in tourism, **including medical tourism** under the Neighbourhood First Policy.

▪ **Multilateral Organisations:**

- India's engagement with its neighbours is driven by multilateral and regional mechanisms. This includes the SAARC and the [Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation \(BIMSTEC\)](#).
- The Committee observed that the impact of the Neighbourhood First Policy should be felt on the ground in an extensive manner. This requires strengthening of institutional and multilateral/regional mechanisms. The Committee recommended **conducting periodic review of bilateral and multilateral relationship frameworks**.

## Conclusion

Undoubtedly, the challenges facing India in its neighbourhood have evolved and become more complex and potentially threatening over the past two decades. However, India's "Neighborhood First Policy" should be based on consistent engagement at all levels, both political and people-to-people. Regional connectivity must be pursued with greater vigour while security concerns are addressed through cost-effective, efficient and reliable technological measures which are in use in other parts of the world.

### **Drishti Mains Question:**

Explain the objectives of India's Neighbourhood First policy and its significance in diplomatic relations. Also discuss the challenges faced by India in implementing the Neighbourhood First policy and suggest measures to overcome them. (250 Words)

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### **Prelims:**

**Q. Elephant Pass, sometimes seen in the news, is mentioned in the context of the affairs of which one of the following? (2009)**

- (a) Bangladesh
- (b) India
- (c) Nepal
- (d) Sri Lanka

**Ans: (d)**

**Q. Consider the following statements: (2020)**

1. The value of Indo-Sri Lanka trade has consistently increased in the last decade.
2. "Textile and textile articles" constitute an important item of trade between India and Bangladesh.
3. In the last five years, Nepal has been the largest trading partner of India in South Asia.

**Which of the statements given above is/are correct?**

- (a) 1 and 2 only
- (b) 2 only
- (c) 3 only
- (d) 1, 2 and 3

**Ans: (b)**

### **Mains:**

**Q.** “China is using its economic relations and positive trade surplus as tools to develop potential military power status in Asia”. In the light of this statement, discuss its impact on India as her neighbour. **(2017)**

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