GOODBYE, NEHRU: INDIAN FOREIGN POLICY UNDER GLOBALIZATION

Fabio Luis Barbosa dos Santos

Introduction

India was probably the country that went further in the direction of economic planning and state intervention without breaking with Third World capitalism. The development of a national industry, a commitment towards the State and a secular policy, and the defense of non-alignment in the Cold War were fundamental pillars of the political horizon established in the country under the leadership of Jawaharlal Nehru and prevailed in India from independence in 1947 to the neoliberal inflection in the 1990s. Although since the 1970s the Nehruvian referential was explicitly questioned by the right as well as the left, it was in the early 1990s that an inflection, notable in all its dimensions, was established. Since then, the ideology associated with national-developmentalism, secularism, and sovereignty has been progressively diluted, paving the way for neoliberalism, communal politics, and integration with the United States-dominated world order (Tomlinson 1993; Rothermund 2003; Guha 2007).

This inflection is observed, first and foremost, in the performance of the Congress party itself, whose original ideological and moral references have eroded over the years, converting the organization of anti-colonial struggle into an ordinary party, ruled by power as an end in itself. It is under the government of the Congress that the first steps were taken towards economic opening in the 1980s, and were consolidated in the following decade, always under its command. At the same time, there are innumerable situations that attest to the omission, if not the complicity of the party in relation to communalism, that is, the instrumentalization of religion for political purposes. This leniency fecundated the ground for a poisoning of the Indian society,

---

1 Professor at the Department of International Relations of the Federal University of São Paulo (UNIFESP). Doctor in Economic History by USP. E-mail: faboroso@gmail.com.
mainly capitalized on by the Bharatiya Janata Party (BJP), the “Indian People’s Party”, currently in power. In the sphere of international relations, it was the government of Congress that signed, in 2005, the US-India Civil Nuclear Agreement, widely interpreted as a renunciation of the elementary principles of non-alignment. This episode led to the breakdown of leftist forces with the newly elected Congress party administration, which returned to the country’s command after the first term under the BJP (1998-2004) (Rewa 2017; Vanaik 2017).

The fundamental landmark of distancing from Nehruvian ideology was the adoption of the so-called New Economic Policy, the Indian version of the neoliberal structural adjustment implemented in 1991, from which economic and trade openness was accelerated (Velasco and Cruz 2007). The country had already taken steps in this direction throughout the 1980s, but Prime Minister Rajiv Gandhi’s (1984-1989) notorious intention to liberalize the economy faced resistance from above and below. It took an acute financial crisis to consummate the neoliberal tour de force.

Resistance to economic openness was rooted in the country’s history. Indian independence resulted from a protracted anti-colonial struggle led by the INC, which had as its main lead the non-violence apostle Mahatma Gandhi. In the midst of this process, a secular Indian nationalism was forged that placed multiple religious and cultural differences in the background in the name of anti-colonial unity, which was not obvious in a territory that houses dozens if not hundreds of languages and ethnicities, as an unit by British imperialism. This feat was carried out against colonial policy, which stimulated religious and regional cleavages with the aim of divide and rule. Lately, this British policy is at the root of the bloody partition that gave rise in 1947 to India and Pakistan.

Although impotent to maintain territorial unity in the independence, secular Indian nationalism has asserted itself as the fundamental political benchmark of the new country. This nationalism had broad popular support, built in the anti-colonial struggle, but also an important bourgeois foundation. According to Adithia Mukherjee (2002), an Indian bourgeoisie, whose interests generally evolved in opposition to British domination, was established in the gaps of English rule. This phenomenon had two consequences: on the one hand, this bourgeoisie supported the agitation of the INC, which strengthened the anti-colonial struggle; on the other hand, focused on the political orientation and program of this organization, contributing to neutralize the most radical pressures within it.

As a result, independent India has neither subverted private property nor revolutionized the relations of production. But according to Mukherjee’s
terms, it was the country that most advanced in the direction of non-colonial economic development within the capitalism framework. In this perspective, the general contours of the Indian economic history diverge from other developmental experiences in the Third World, such as the Brazilian one, although the dilemmas and limits faced are similar.

In the late 1960s, India reacted to the impasses posed by national-developmentism by intensifying State control over the economy: the country’s major banks were nationalized (1969), as were the insurance industry (1971-72) and the coal industry (1973), while restrictions on foreign investment were strengthened. As a consequence, the share of foreign capital in the Indian economy was relatively small, and it responded in the early 1980s to about 10% of the value added in the manufacturing and mining sectors. Foreign participation in the financial sector was also marginal (Chandra; Mukherjee; Mukherjee 2008, 462).

In this context, the country did not experience recession, hyperinflation, nor a debt crisis analogous to the Latin American countries. On the contrary, there was an industrial growth rate of around 8% over the 1980s, distancing itself from the prevailing “Hindu rate of growth” prevalent in the previous two decades, which did not exceed 3.5%. However, the main driver of the expansion was public spending. Powerless to attack the income concentration in the country, the Indian State was responding to various pressures from business but also from the world of work. If the industry benefited from multiple incentives that, in liberal eyes, resulted in productive inefficiency, agriculture received substantial subsidies in a country where the majority of the population still lived in the countryside. The workers’ organization had increased significantly in the independent country, and the number of days of work lost per year increased from 100 in 1961 to 891.6 in 1980 (Chandra, Mukherjee and Mukherjee 2008, 466).

Growth fueled by the expansion of public spending has resulted in rising fiscal deficits, which are covered by international loans at increasingly onerous conditions. In a decade, the surplus of US$ 1.5 billion registered in the balance of payments in 1977-78 (1.4% of GDP), became a deficit of US$ 9.9 billion in 1990-91 (3.5% of GDP). This was despite a favorable evolution in the trade balance in the second half of the decade (1985-1990), when the economy grew by an average of 5.5% per year. However, the country’s financial expenses increased at an exponential rate, so that by the end of the decade, interest expenditures amounted about 1/3 of the State budget. In 1988, India was Asia’s largest debtor.
Goodbye, Nehru

Vulnerability to short-term borrowing was a new phenomenon in the Indian economy, which expressed itself violently in the financial crisis in 1991. Facing fiscal and trade deficits in a time of international liquidity shortages to refinance the debt, the Indian State was hit by a balance of payments crisis, and was on the brink of moratorium.

In this context, according to Chandrasekhar, important sectors of Indian capital converged in favor of economic liberalization, with different motivations. Consolidated players saw in the international association a way to overcome the limits of the domestic market, which had been growing little for decades. Others were betting on openness and international partnerships as a resource to compete in the Indian market itself, in the face of state protection of traditional groups. There were sectors interested in opening new market niches through the privatization of state assets, while agribusiness sought to expand exports, but without giving up the subsidies. Finally, the modernization of consumption patterns aligned middle sectors in favor of trade liberalization, amplified by the cultural influence of the Indian diaspora - the largest population outside the country of origin in the world (Chandrasekhar 2017).

Thus, at the moment, despite the ambivalence of Indian capitalists in the face of globalization, liberalizing pressures prevailed and India embarked on a structural adjustment program aimed at reducing the balance of payments deficit and stabilizing the economy. In this process, the rupee was devalued and capital controls were progressively liberalized, as well as imports. Public expenditures were reduced, subsidies were cut and privatizations were carried out. In 2000, the Indian version of the Fiscal Responsibility Act entered the agenda in parliament and was approved in 2003.

Although the depth of structural reforms in the country was less extreme whereas compared to similar programs in Latin America and elsewhere, neoliberal orientation has prevailed in the conduct of the state ever since, despite successive political rotation. As a result of the opening of the country, between 1990 and 2007 the international exchange rate of goods and services in the Indian economy doubled from 17% to 31% of GDP, reaching 54% in 2013 (Bouillot 2016, 87).

Financially, while the public sector remains dominant, and still commanded 75% of banking assets in 2004, the reforms were enough to subject India to speculative capital dynamics. As in Brazil and other countries, liberalization has resulted in sharp trade deficits. The expectation that these deficits would be provisional, since the opening would dynamise exports of
manufactured goods as in the Southeast Asia, was not fulfilled. The trade deficit jumped from US$ 6 billion in 2000-1 to US$ 185 billion in 2011-12, but the share of multinationals was limited to 10% of exports, while in China they accounted for 52% (Bardhan 2010).

In the early years of the adjustment policy, the balance of payments deficit was mitigated by remittances from non-resident Indians (NRIs), which surpassed all other forms of capital inflows combined. Its main source are the immigrants who work in the emirate oil tankers, even temporarily. By 2015, 27 million people of Indian origin have remitted more than US$ 70 billion to their country of origin, accounting for 3.5 percent of India’s GDP, making it the largest transfer of wealth by an expatriate group in the world (Pande 2017, 117).

Beyond the remittances of expatriates, India relies on attracting foreign investment to compensate for growing trade deficits. As in other countries, the conjunction between neoliberal macroeconomic discipline and high interest rates mainly attracts speculative capital. Greenfield investments are minorities and the expectation of boosting industrial exports has been frustrated. Only the pharmaceutical and services sector has shown international competitiveness. Most foreign direct investment is focused on acquisitions and mergers targeting the Indian domestic market. The levels of taxation are negligible, since residents in Mauritius enjoy exemption, and most of the investments arrive in this way. On the whole, the Indian economy is increasingly vulnerable to financial speculation, and therefore more sensitive to the agency’s disciplinary criteria that measure country risk (Neeraj 2006; Chandrasekhar 2011; Menon 2017).

If the industry participation remained stagnant, the service economy has grown significantly since liberalization. Between 1951 and 2015, the primary sector’s share of GDP, mainly agriculture, fell from 58% to 17%, while the industry never exceeded 18%, and even with construction, accounts for less than 1/3 of GDP. On the other hand, the service industry accounted for 53% of GDP in 2015 (Boillot 2016, 39-40).

Between 1997-2008, information technology (IT) services rose from 1.2% of GDP to 5.8%, of which 80% is for export. It is an industry that is segmented between a skilled, but employing few industry, and a wide range of outsourced services that require a low-cost business process outsourcing, such as the notorious call-center industry (RoyChowdhuri 2016). In 2013-14, it is estimated that the latter accounted for 90% of exports of IT-related services, while the development of software products accounted for only 6%. Therefore, the success of these exports is directly linked to the outsourcing movement of the large transnational corporations that is in progress, aim-
ing to cut costs. In this context, there are those who compare the export of services performed by cyber-coolies to the emigration of unskilled workers (Kuruvilla 2007). Growing on average over 9% annually since the beginning of the century, India’s current contribution to global exports of services is estimated at 3.35%, of which 45% is software services, which represents the double of its worldwide participation in exports of goods (1.65%).

However, despite constituting itself mainly as an urban economic sector based on the exploitation of cheap labor, there is a gap between the weight of the service industry in the Indian economy and the generation of labor that corresponds to it: although it moves more half of the country’s GDP, the sector employs less than 30% of the workforce, two thirds of which are in small enterprises in the informal economy. Despite the expansion of international business since structural reforms, only 6% of the workforce in the country is in the corporate sector and almost 90% remain outside the so-called organized sector of the economy, that is, have informal status (Sundar 2017; Bardhan 2010, 6). The slow pace of job creation in what will soon be the most populous country in the world is a serious problem, for which the expansion of the service sector offers no solution.

In fact, about 2/3 of the Indian population still lives in the countryside and half of the workforce is engaged in rural activities. Since independence, food security has been an indispensable social and political concern, which, to some extent, inhibits the expansion of agribusiness for export. Although agricultural goods account for 10% of exports, the country’s economy is not driven by agricultural exports, or commodities. In addition to services, the country exports jewelry and precious stones, petroleum derivatives, pharmaceuticals, textiles and cars, among others.

Likewise, the country can be qualified as an agricultural giant. India is the fourth largest agricultural power in the world, after the United States, China and the European Union. It is the seventh largest territory in the world, but has the second largest acreage (after the United States) and the second largest rural population (after China): one in five of the world’s rural workers live in India. The country is the world’s leading producer of milk (all origins added) and spices; the second of rice, legumes, fruits, tea and sugar cane, as well as the third wheat producer (Bouillot 2017, 41).

However, an eloquent indication of low productivity and the country’s social inequality is the finding that the supply of cereals and legumes per capita has long been stagnant: estimated at 470 grams per day in the early 1970s, in 2010 it was still less than 500 grams. In the impossibility of accomplish an effective agrarian reform in the light of the conservative alliances it secured, the Congress party oscillated between attempts at rural modernization, such
as the “green revolution” in the 1960s and 1970s, and policies to mitigate poverty and hunger, such as the Public Distribution System (PDS), which distributes food at low prices. In the 1980s, when growth was driven by state investment, 60% of public employment created was in rural areas.

In the following decade however, this and other policies were reversed. The combination of import liberalization, cuts in subsidies and rural assistance programs, reduction of state services and jobs in the countryside, have condemned those who live off the land to abandonment. An extreme expression of this reality is the high rate of suicides recorded: 12,000 rural workers committed suicide per year since 1995, accumulating an estimated 300,000 people in 2018, according to University of Berkeley’s calculations (Delacroix 2018).

The social impacts of neoliberal reforms, at a time when the benchmarks historically associated with the Congress party were in check, accelerated the end of this organization’s domination in Indian politics. However, the social and moral degradation of congressional politics in a context of exacerbation of inequality and helplessness within the framework of neoliberalism facilitated political polarization towards communalism - a politicization of religion with a discriminatory orientation, often embedded in violent rhetoric and practices (Chandra 2002).

The roots of communalism are reminiscent of British colonial domination, which has shaped religious cleavages with the intention of weakening the Indian National Congress policy which, as we have seen, preached a secular nationalism, subordinating religious differences to anti-colonial unity. As Bipan Chandra (1988) analyzes, communalism is based on the premise that co-religionists share the same secular interests; and that these interests are incompatible or even antagonistic to that of other religions. It is an ideology based on fear and hatred in its extreme expression, which in recent years has established synergistic relations with the rhetoric of the war on terror.

The sharing of the subcontinent between India and Pakistan from a religious standpoint in 1947 was the most dramatic consequence of this policy, and although in India the Congress party preserved its commitment to secularism, it was unable to extirpate it. According to Yogendra, the Nehruvian politics identified communalism as one of the dimensions of the country’s backwardness, which economic development would be in charge of overcoming. The limits of Nehruvian modernization are also expressed in the recrudescence of communal politics (Yadav 2017).

Over the years, communalism was always present, but it was from the 1990s that it ascended to a dominant place in Indian politics. According to Chandrasekhar (2017), secularism is seen as a dimension of the Congress
party’s national project, which had failed. Nominally, this party’s monopoly
was broken in 1977, when an anti-Indira Gandhi coalition, which included
communal forces (Janata Dal), won the elections in 1977, reacting to repressive policies stemming from the 1975 state of emergency. In 1980, however,
the Congress party regained the reins of national politics, and despite an in-
terlude between 1989 and 1991, it preserved its dominance until 1996.

Two years later, in 1998, the BJP came to power. For the first time, a
party that feeds on communal politics has run the country for a full term. The
BJP has ideological and political roots in the Rashtriya Swayamsevak Sangh
(RSS) - “Organization of National Volunteers”, a fascist-inspired paramilitary
organization that emerged in the context of the inter-war anti-colonial strug-
gle, promoting the notion of Hindutva - the Hindu homeland. Placed in ille-
gality by the Congress party at various times, the organization remains active,
providing some of the key BJP cadres, as well as their ideological inspiration.

Thus, in the mandate of Prime Minister Atal Bihari Vajpayee (1998-
2004), Hindu nationalism took over the State, raising the degree of sensitivity
of the religious question in the country, while shifting the economic dimen-
sion of national policy. Between 1991 and 2004, the rationality of structural
adjustment gave the tone of the advanced reforms, under both parties. Since
then, the cleavage between the Congress party and the BJP has been placed
on the social and cultural dimensions of politics, while neoliberal rationality
remains unquestioned.

Return of the Congress

When it returned to the country’s command in 2004, with the support
of the left, the Congress party intended to partially repair the situation that
corroborated to create, in the field as in the city. Since the electoral campaign,
the party has tried a mea-culpa, proposing a “reform with a human face”, with
the pretension of reconciling the economic reforms, whose foundations re-
main untouched, with social reforms.

In the countryside, the National Rural Employment Guarantee Act
(2005) provided elementary protection against rural unemployment, ensur-
ing at least 100 days of work per year to farmers, while the National Rural
Health Mission joined actions to expand rural infrastructure (Bharat Nir-
man). In the following years, the coverage of the social security system was
expanded, programs for widows and disabled people living below the pov-
ety line have been implemented (Indira Gandhi National Widow/Disability
Pension Scheme), as well as a Midday meal scheme program, among other
assistance initiatives. While some see a more universalist approach to social welfare provision, activists criticize sliding towards a discourse of citizenship rather than advocating for workers rights, responding rather to the agenda of nongovernmental organizations than to unions and workers’ organizations (Nielsen 2017).

This social policy secured the re-election of the Congress party in 2008, facilitated by high growth rates, averaging 9% between 2004 and 2008. However, economic growth also unfolded in social conflicts. Massive flows of foreign capital, which in 2007 equaled 9.2% of GDP, intensified financial speculation, including on the stock market, but also real estate. Among the engines of economic growth was civil construction, whose expansion affected the city and the countryside, involving residential and commercial projects, infrastructure works and the creation of special economic zones (SEZ), provoking numerous conflicts in all cases. Some of these struggles have been successful at the local level, such as the resistance to the Communist-ruled Nadigram in West Bengal or the well-known battles against Coca-Cola factories that threaten the water supply of the peasant economy (Prashad 2015; India Resource Center 2018).

However, linguistic and ethnic diversity, coupled with religious and caste cleavages, hinder the political organization of all resistance at the national level. Even communism, historically identified with the left, has difficulties in overcoming divisions and projecting itself nationally, despite having commanded three states of the country for various mandates. The convocation of the left suffers, from the theoretical and practical point of view, to respond to the particularities of Indian society. In the picture of Yogendra, the communists try to adapt the reality of the country to the map they bring, referring to the civilizational pattern of central capitalism, not the opposite (Yadav 2017). The theoretical challenges are worsened, in practice, by a situation in which nine out of ten workers is in the informal sector. In this context, it is the mobilization of the so-called “untouchables” of Indian society that has achieved greater national repercussion, although this policy of the lower ones is not infamous to divisions and opportunism (Yadav 2017).

The Congress party’s commitment to advancing social policies continued in the second term, culminating in the implementation of the Right of Food Act in 2013. This program, which seeks to provide basic foodstuffs at subsidized prices for 2/3 of the country’s population, provoked an outraged reaction from the ruling class. On the other hand, successive corruption scandals undermined the party’s prestige among the middle class, while the limits to job creation, despite economic growth, eroded popular party membership, defeated at the polls again by the BJP in 2014. Two data explain the gap be-
tween advanced social programs and the country’s needs: more than half of adult women were illiterate, while more than 1.5 million children died each year from dehydration-related diseases such as diarrhea and dysentery (Bardhan 2010, 105).

In addition to macroeconomic continuity, economic growth has also marked the Indian trajectory in the twenty-first century, despite political alternation. This growth is driven by the services sector, including information technology (T.I.), but also by the financial sector and civil construction. Between 2012-13 and 2016-17, it is estimated that 68.7% of GDP growth was related to services; financial sector, insurance and real estate market accounted for more than 30%, while manufacturing was restricted to 18% (Bose 2013). However, Boillot and Bardhan both problematize the links between neoliberal reforms and economic growth, highlighting variables such as the favorable international context or more in-depth historical processes, such as the Indian university structure developed in the national-developmental years, policies implemented in previous decades that allowed the development of the IT industry, especially under Rajiv Gandhi (1984-89) (Bardhan 2010; Boillot 2016).

Despite the trend towards economic opening prevalent since the 1990s, the scope of reforms is still limited in India compared to other countries. In general, liberal analyzes estimate that the Indian market is relatively closed, reserving many products for local small businesses - although this list has declined from 400 to less than 80 in 2010. It is considered to be strict labor legislation compared to China, for example, making it difficult to lay off temporary contracts. The state bureaucracy is seen as a hindrance to foreign investment, while regulations hinder the acquisition of land for industrial purposes, which are still subject to confrontation with farmers and unions. Finally, the infrastructure is precarious and the Indian subcontinent is among the least integrated regions of the planet, either east to Southeast Asia, west to the Middle East, or north to China and Russia. The intra-regional trade rate is the lowest in the world, accounting for less than 5% of trade. Faced with these setbacks, the size of the domestic market is seen as one of the country’s only strengths in the Asian context (World Bank 2015; Gupta 2017).

It is against this background that we will analyze below the strategies pursued by the Indian state in the regional environment, aiming at enhancing the opportunities of mercantile achievement in the context of globalization.
The Asian environment

The Nehruvian attempt for non-colonial economic development within the framework of capitalism corresponded at the international relations level to the equidistance of the Cold War blocs. India led by Nehru was the main political and ideological engine of the Afro-Asian conference in Bandung in 1955, which adopted and developed the “five principles of peaceful coexistence” (Pancha Sila) formulated by the Indian leader. This meeting unfolded in the Movement of Non-Aligned Countries, a fundamental reference of the anti-colonial struggles in the Third World under the Cold War, in which India always had a prominent role.

As with the attempt to develop national capitalism, the policy of non-alignment entailed contradictions. At the time, tensions with China brought the country closer to the United States, while conflicts with Pakistan led to the Soviet partnership. Another example of the paradoxes, the decision to build a nuclear bomb in the shadow of Pakistan, a country that evolved as a US military satellite in the region, contradicted Nehru’s political commitment to nuclear disarmament.

Despite paradoxes and contradictions, the horizon of Indian foreign policy was referred to non-alignment until the end of the Cold War, when the neoliberal inflection corresponded to a progressive alignment with the United States. Diplomatic indication of this approach, in 1992 India opened an embassy in Israel. Economic indication, US investments in the country rose from US$76 million to US$4 billion in less than twenty years, following the implementation of the New Economic Policy in 1991 (Shiva 2005).

This reorientation focused on how the country fits relations with the Asian environment. The non-alignment paradigm angled Asian solidarity on a broad scale, both geographical and civilizational point of view, conceiving the approach of the southern countries within the framework of a strategy of overcoming the colonial legacy, referred to Pancha Sila values. From this perspective, India assumed that the smaller bordering countries, many of which also suffered British colonization, would be natural allies.

From the 1990s, the prevalent approach has distanced itself from this counter-hegemonic orientation, based on a resigned approach, increasingly dictated by the mercantilist demands inherent in globalization. The ambition of an alternative civilizing horizon in the face of the Cold War gave way to a pragmatic rationality that, accepting US leadership and globalization, designs strategies that favor a less peripheral place for the country in the world order.

This perspective has modified the dynamics with the neighboring
countries, and with Asia in general. The relationship with the border countries gained more importance, according to a rationality that conceives the regional leadership as a political asset in the world order, deriving recently in a policy of *neighbors first*. However, this leadership is hampered by the history of dissent bequeathed by partition, and the religious cleavages that accompanied it. With regard to Southeast Asia, the so-called *Look East policy* that has been around the country since the 1990s expresses India’s interest in being linked to the economic dynamism emanating from the East. In both cases, whether in the immediate surroundings or in Southeast Asia, India has engaged in various political and economic initiatives of regional integration. In both cases, the projection of Chinese power influences calculations and decisions, while in the relationship with Africa the spirit of Bandung gave way to mercantile expansion.

Probably the most significant expression of the Indian inflection in the 1990s was the country’s entry into the World Trade Organization in 1995 (Mazumdar 2017). This decision, taken by the Congress party’s administration, made a shift towards multilateral trade openness, distancing itself from the Nehruvian national-developmental horizon. However, instead of boosting agricultural exports as expected, the entry to the WTO immediately affected sectors such as pepper and rubber, as well as undermining the hardware industry. In the following years, the progressive commercial opening affected several local productive sectors, for example, with the importation of cheap coconut from Sri Lanka and palm oil from Malaysia (Bhutani and Segupta 2017; Kuruvilla 2017). This process worsened the country’s trade deficits, as analyzed previously.

Two years later, it became the embryo of the organization, which since 2004 was known as *Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation* (BIMSTEC). Originally a relatively loose arrangement, the composition of the organization is revealing the directions of Indian foreign policy. BIMSTEC is composed by countries from South and Southeast Asia: Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal. It is kind of a bridge between the *Association of Southeast Asean Nations* (ASEAN) and the *South Asian Association for Regional Cooperation* (SAARC) (ADB 2016).

The first was created in 1967, initially bringing together countries in the region committed to an anti-communist agenda (Malaysia, Indonesia, Philippines, Singapore and Thailand). Subsequently, it evolved towards a free trade zone. SAARC was proposed by Bangladesh in 1985, with the accession of Afghanistan, Bhutan, India, Nepal, Maldives, Pakistan and Sri Lanka. The organization, which had among its original expectations overcome the traum-
mas of the partition in the subcontinent, also evolved towards a free-trade area, the South Asian Free Trade Area (SAFTA), which was completed in 2006.

In this context, BIMSTEC results from the convergence between the orientation of the Look East Indian policy with the Look West policy emanating from Thailand for similar reasons (Bonu 2012; Datta 2017). The organization provided India with a gateway to ASEAN, with the participation of Myanmar and Thailand, completing a step in the “Look East policy.” On the other hand, the organization brings together SAARC countries, but without the presence of Pakistan, considered uncomfortable for Indian interests. In reality, the dissonance between these countries has always hampered the concrete progress of SAARC. In reality, the dissonance between these countries has always hampered the concrete progress of SAARC. In short, BIMSTEC expresses two fundamental trends in Indian foreign policy: the intention to consolidate leadership among the immediate surrounding countries, even if this implies in excluding Pakistan, which is seen as a condition to assert its international prominence, on the other hand, the economic commitment to intensify regional integration in the Eastern direction, with a view to strengthening economic ties within the framework of globalization (Yahya 2003; Palit 2016).

In the same framework, the Mekong-Ganga Cooperation (MGC) was launched in Laos in 2000, bringing together India and five ASEAN countries (Cambodia, Laos, Myanmar, Thailand and Vietnam) around a tourism, culture, education and transportation agenda. In addition to the opportunity for greater connectivity, suggested by the evocation of two major rivers that serve the continent, the initiative is based on historical ties that link India with this region, going back at least to the spread of Buddhism. The archaeological site of Angkor Wat for example, Cambodia’s main tourist attraction, was initially conceived as a Hindu temple, erected by the Khmer empire. In other words, there are relevant cultural similarities that may favor the rapprochement with India in terms of what some analysts refer to as soft power (Yhome 2017).

The proposal to integrate the region into globalization was not new. Since 1992, the Asian Development Bank (ADB) has been in charge of the Greater Mekong Sub-region (GMS), which does not include India, but includes regions of China related to the Mekong River (Verghese 2001, 195). In the early 2000s ADB also responded to new trends emanating from India and was leading the launch of the South Asia Subregional Economic Cooperation (SASEC) program in 2001. It is an initiative bringing together countries from South and Southeast Asia based on a regional infrastructure integration projects agenda comparable to the Initiative for the Integration of Regional Infrastructure in South America (IIRSA), advanced in this same context by the Inter-American Development Bank (IDB) in South America. SASEC also
proposed a joint regional integration strategy, although in the case of South America, the scale of the proposal is greater. According to Prabir De, this is not a coincidence, but there is a lot of interchange between the ADB and the IDB, which is reflected in the banking strategy. Chaturdevi is even more emphatic, suggesting that banks have begun integration processes on both continents (De 2017; Chaturdevi 2017).

Ultimately, the imperative of connecting India with Southeast Asia underlying BIMSTEC and SASEC is not an end in itself, but it is designed to integrate the country into global value chains, enhancing access to markets such as Japan and the United States (Taneja 2017). In this perspective, the infrastructure integration in the Eastern direction is a considerable challenge, which these initiatives intend to address. To begin with, the northeastern region of the country itself evolved as a kind of enclave, scarcely connected to the whole of India. Variables of different nature were involved in this situation. It is a border region with China, a country with which India has a sensitive and sometimes conflicting relationship. Since the war in 1962, India decided not to develop the infrastructure of the region as a defensive device against Chinese penetration, which in turn fueled resentment against the Indian state, expressed in various insurgent movements. Geography is even more complicated because it is a piece of outlying India involving Bangladesh, a country originated as East Pakistan in 1947 partition, preserving only a close geographical connection with the Indian region of East Bengal. The connection between the western and eastern borders of Bangladesh, both Indian territories, is easier by sea. On the other hand, despite a 1643 km border with Myanmar, only a poorly preserved road connects both countries. On the whole, the Indian northeast comprises relatively isolated and poorly integrated territories, where the presence of the State is scarce, except in the military aspect. The relative marginality of this population and the region’s low economic development is still complicated by prevailing ethnic diversity and informal relations with neighboring countries (RIS 2011).

In reality, the informal economy and smuggling is an important feature of the political economy of the entire region that extends to the east of India, including trafficking in poppy-derived drugs in northern Myanmar. For many years, the characteristics of the political regime of this country, relatively closed for the foreign penetration, also impeded the integration. Still, there are Chinese interests, not always favorable to the development of border regions, nor to an east-west approach, which may counteract its influence in the region. Finally, the main economic interest of infrastructural integration is not the markets of these countries themselves, but India’s connection to global chains via ASEAN space. In sum, geographical, ethnic, geopolitical and
economic variables hamper the integration of East India into Southeast Asia.

However, from the 1990s onward, India’s connection with its eastern neighbors was a challenge that needed to be addressed in order to tighten the country’s economic ties with global markets. In this perspective, connectivity is the biggest problem: maritime connections are relatively efficient, but by land are not. According to Yhome, three main projects were initially designed to overcome this obstacle. The first of these is a trilateral highway connecting India, Myanmar and Thailand. A second project is the Kaladan multimodal corridor involving sea and land routes to circumvent Bangladesh, connecting eastern India to the northeastern states: the connection involves the connection of the Indian port of Calcutta with the port of Sittwe in Myanmar, from which makes the connection by the Kaladan River with Paletwa still in Myanmar, to then connect by road with the state of Mizoram in the northeast Indian. The third project is an India-Hanoi (Vietnam) railroad, which in 2017 was still on paper, while other projects were underway. Other infrastructural integration initiatives followed, such as the India-Mekong corridor and the aforementioned portfolio of projects associated with SASEC (Yhome 2017).

In accordance with infrastructural integration efforts, trade flows between India and the CMLV countries (Cambodia, Myanmar, Laos and Vietnam) doubled between 2004 and 2013, jumping from US$1.1 billion to US$11.2 billion. In the latter year, Indian investment in these countries was estimated at US$ 40.9 million. These figures, although significant, pale in comparison to ASEAN’s investments in the CMLV countries this year, which reached US$ 3.5 billion, while China alone invested about US$ 2 billion (Dixit 2015).

In addition to infrastructural integration, trade exchanges were driven by free trade agreements, which resulted in a significant increase in the international exchange rate of the Indian economy, as already noted. In 2005 a free trade agreement was signed with Singapore, a country that hosts a significant Indian diaspora. However, the expectation that this agreement would serve as a gateway to ASEAN did not materialize (Chanda 2017). In 2009, a free trade agreement with ASEAN itself was signed. Agreements followed with Japan, Malaysia and South Korea, which in 2017 were in different stages of implementation. Negotiations with Australia, New Zealand and Indonesia were also in progress. In this process, trade between India and ASEAN countries multiplied by twenty in twenty years, reaching US$ 77 billion in 2014-5 (RIS 2016, xxxi). In the immediate environment, the creation of SAFTA agreed at a SAARC summit in 2004 put the subregion on the path of free trade.

However, there are those who point out that this proliferation of bilateral treaties responds to a certain fad, rather than being a weighted strategy.
In trade terms, since the beginning of the 2000s India has been facing a growing deficit with the ASEAN countries, as the increase in imports has not been offset by exports. In the service sector, there are non-trade barriers, such as the language issue, that make it difficult for Indian businesses to expand in countries like Japan and Korea (Chanda 2017).

In this context, significant sectors of Indian capitalism reluctantly receive the ongoing proposal of a Regional Comprehensive Economic Partnership (RCEP), aiming to constitute a free trade area between the ten ASEAN countries and the six countries with which ASEAN has free agreements (Australia, China, India, Japan, South Korea and New Zealand). According to Chaturdevi (2017), industrial sectors agglutinated with the Confederation of Indian Industry (CII) are against the initiative. The RCEP is envisaged as an alternative to the Trans-Pacific Partnership (TPP), an initiative that encompasses several Asian and American countries, but excludes China and India. However, for Arpita Mukherjee (2017), RCEP would not offer any economic interest to India, which has signed trade agreements for political reasons.

However, the mercantile approach with China is cause for concern, since the trade deficit with China has also increased. In fact, the Chinese projection on Southeast Asia is a concern underlying Indian politics in the region and elsewhere. On the other hand, similar fears about Chinese power, in countries such as Thailand, Myanmar and even Japan, have favored the rapprochement with India (Hoda 2017). All Southeast Asian countries have some degree of apprehension or even hostility toward China due to past conflicts (Laos, Cambodia, Vietnam) or present tensions.

In the immediate environment, India faces dilemmas. Similar to what happens in China in Southeast Asia, the small countries of the Indian subcontinent are apprehensive about Indian projection. This fear refers not only to the trauma of the partition and to the various wars with Pakistan, but also to interventions in Bangladesh (1971, then East Pakistan), Sri Lanka (1987) and the Maldives (1988). In fact, at the beginning of 2018, the possibility of Indian intervention amidst the political crisis in the Maldives was re-emerging once again (Kazmin 2018).

On the other hand, Chinese investments in the Indian subcontinent have climbed since the launch of the One Belt, One Road Initiative (BRI) in 2013. It is a Chinese government strategy that evokes the ancient silk routes to intensify the country in the direction of Central Asia and Europe (Silk Economic Belt Road), but also in the south direction, articulating to varied maritime routes (Maritime Silk Road). In this context, China has presented itself as an available partner in circumstances where India does not wish to, or is unable to attend.
In Sri Lanka, the Chinese financed the construction of the port of Hambantota in the south of the island, which the Indians previously refused as expensive. At the end of 2017, less than seven years after the inauguration, the port was leased by the Sri Lankan government to the Chinese for 99 years, in the face of the impossibility of paying the debt, specifically integrating BRI (Purushothaman 2017). In Nepal, the impact of Chinese investments is notable on roads, hydroelectric and railways, as well as aid for the country’s reconstruction after the earthquake of 2015, which killed more than 9000 people. While Chinese investment was estimated at US$ 8.3 billion in 2017, the Indian commitment was at US$ 317 million. This year, the Communists won the elections, foreshadowing a closer rapprochement between the kingdom and China. In Bangladesh, where relations with India have evolved favorably, the Chinese ambassador has announced investments of around US$ 10 billion in 2018, within BRI’s milestones. Even the loyalty of little Bhutan, with whom India cultivates “sacred bonds” secured by economic dependence (95% of exports and 75% of imports), has been courted by Chinese investments. Meanwhile, the Maldives signed its first free trade agreement at the end of 2017, precisely with China.

Viewed in this light, the Neighbors First policy adopted by Prime Minister Narendra Modi since 2014 emerges first as a reaction to the corrosion of Indian hegemony in its immediate surroundings, rather than as a strategy to assert the country’s leading role in the world order. The intention to cultivate the political loyalty of neighbors is driven primarily by security concerns, as they are countries that offer relatively small markets with limited attraction for Indian business. On the other hand, these countries find business opportunities in China, but also a political asset to be used in negotiations with India: the so-called China card, that is, the possibility of manipulating the approach with Beijing as a way of obtaining concessions from Delhi.

However, it is in Pakistan that the Chinese presence asserts itself in a massive way. In this country, the arm of BRI is the so-called China-Pakistan Corridor, involving investments in infrastructure in progress estimated at US$ 62 billion. This amount is equivalent to any direct foreign investment in the country since 1970, accounting for about 22% of Pakistan’s GDP in 2015. The corridor crosses the Kashmir region, reason for dispute between India and Pakistan since the partition. The geopolitical reach of the corridor is not clear: some people consider Chinese ambitions to be limited, but hostile reactions rehearsed by Trump can make the approach to China a “self-fulfilling prophecy” in this country that has become an American military enclave in the region (Ali 2010). On the other hand, this move increases the importance of India in the eyes of the United States, seen by the Obama administration as
a possible pivot to isolate China in Asia (Kuruvilla 2017).

With regard to Pakistan, a BJP communalist policy led by Modi, based on an instrumentalization of religious hostility for political purposes, particularly with Muslims, is not auspicious. However, in addition to the bellicose rhetoric that mobilizes Indian nationalism against China as well, unofficial dialogue channels remain open. And if there are no signs of substantive improvement in relationships, they are also not believed to be worsen.

India and Africa

In the face of the embarrassment of projecting westward toward Pakistan and Afghanistan, or to the north, where China is, Indian business has expanded in Africa in recent years. Despite difficulties related to language, infrastructure and the size of markets, Indian companies find greater openness (goodwill) in this continent, so that different sectors such as services (IT and telecommunications), mining, construction and the acquisition of land grabbing, has expanded its activities (Chanda 2017; Mazumdar 2017).

Major software companies such as Tata Consultancy Services, Infosys and Wipro operate in Africa, implementing low-cost operations to serve customers who outsource services from Europe and western Asia. Other companies are targeting the African ICT market, where middle-class expansion puts pressure on demand for products and services, such as 3G and 4G network connectivity. An example of this interest in the domestic market is the Indian company Bharti Airtel, which acquired Zain Telecommunications operations in Africa in 2010 and 2015, had 70 million subscribers in 17 countries (Keene 2015). Indian mining companies such as giant ArcelorMittal invest across the continent. Iron, coal and gold are the main products, but there are also businesses linked to rare metals and copper. In early 2018, GAIL, the state-owned natural gas company, was expanding business in Nigeria and Ghana. At the same time, India’s demand for raw materials fosters land ownership in Africa. While it is difficult to access reliable statistics on this politically sensitive issue, a study indicates that in 2010 more than 80 Indian companies had invested about US$ 2.4 billion in buying or renting land in countries such as Ethiopia, Kenya, Madagascar, Senegal and Mozambique, mostly used to produce food for the Indian market (CUTS 2014).

Trade between India and Africa increased five-fold between 2005-06 and 2015-6, reaching US$ 52 billion in March 2016-17. Indian direct investment in Africa totaled US$ 14 billion in 2012, making it the seventh largest foreign investor on the continent. Although these numbers are modest in
relation to all Indian businesses overseas, investments have increased since then, and political movements have also: since 2008, India-Africa Forum is held periodically. The most recent summit was held in New Delhi in 2015 and brought together 41 African heads of state (Dubey; Biswas 2016). At the moment, India was the largest investor in Ethiopia (including massive land purchases), and was among the top five foreign investors in countries like Kenya, Ghana and Zambia.

In general, the State has supported this expansion, without, however, developing a precise strategy until now (Chanda 2017). In the words of the Export Import Bank of India’s president, “Indian history (in Africa) is a story of private entrepreneurship” (Khare 2013). However, this bank, among others, has moved concretely to boost this mercantile expansion.

Since 2005, Indian banks are allowed to support acquisitions operated by domestic companies abroad. Specifically, EXIM Bank’s Overseas Investment Finance program aims to cover the entire business cycle of Indian investments abroad, including financing of joint ventures or wholly owned subsidiaries. The bank provides lines of credit to numerous institutions in Africa, which at the end of 2016 totaled US$ 7.7 billion in 44 countries. In the context of the India-Africa summit in 2015, the bank announced the launch of the *Kuzuza Project Development Company* (KPDC), which also has the participation of the *State Bank of India* and the ADB. This company works to make infrastructure projects with Indian participation in Africa, which according to a World Bank study, offers an attractive market, requiring investments of around US$ 90 billion per year (Srivats 2015). In early 2017, the bank raised US$ 10 billion through the *London Stock Exchange*, which will be used to support Indian export projects and investments abroad through long-term credit lines (Money Control 2018). In summary, EXIM Indian Bank has been a partner in the globalization of Indian business.

In this context of increasing commercial engagement with Africa, the Asia-Africa Growth Corridor (AAGC) was launched in 2017, an economic cooperation agreement between the governments of India, Japan and the African countries. According to the original document, an Indo-Japanese collaboration is sought to develop African infrastructure, including its digital dimension, with a view to enhancing linkages between countries across the Indian Ocean (RIS 2017). Above all, there is a sea corridor with ramifications over the territories, in an evident reaction to the Chinese *One Belt, One Road Initiative*, which foresees an arm extending over the same Indian Ocean. United by fears of Chinese projection, India and Japan are making efforts to expand business in and with Africa, as well as ensuring the supply of raw materials and food they need, while counterbalancing Chinese expansion in
Africa and the Indian Ocean.

**Final thoughts: the BJP back to power**

The election of Narendra Modi as the Indian prime minister in 2014 put Hindu nationalism again in command of the country, at a time when the Congress party faces the greatest crisis of legitimacy in its history, while the left is reduced to the least parliamentary representation since independence. Modi is a picture of the RSS, reputed for his probusiness attitude and brutal methods of doing politics as governor of Gujrati, Gandhi’s home state, where he is accused of complicity in the massacre of thousands of Muslims in 2002. He is a rude but charismatic politician, adept of the spectacularization of politics and activism in social networks, which converts Hindu motives into an object of personal or business marketing, designing a modernizing version of Hindutva.

Adopting the slogan *Make in India*, Modi set out to increase the share of industrial GDP from 16% to 25% by 2022, creating 100 million new jobs. Under his presidency, the economy of the country continued to grow at a rapid pace, becoming the most dynamic economy of the G-20 in 2017, ahead of China, with a growth rate of more than 7%. In 2018, the country’s GDP is projected to surpass the UK and France, making India the fifth world economy (Pinson and Stiel 2018).

However, the trends already described persevere: although the country was the world’s ninth destination of foreign direct investment in 2016, few *greenfield* investments and even less employment generation. New sectors of the economy have been open to international capital, including universities, hospitals, banks and retail trade. Walmart, which operates 21 Best Price stores in India with the ironic slogan “Making Small Business Thrive,” announces that it will multiply its business in the coming years. Meanwhile, in the second half of 2017 the manufacturing sector lost 87,000 jobs in a country that needs to create 1 million jobs a month to absorb the growth of the labor force. It is projected that in five years, the Indian population will surpass the Chinese population.

In his commitment to external openness and investment attraction, Modi recovered the idea of the ZES, but within the framework of a political strategy that aims to limit geographically the opposition to economic liberalization between industrialists and workers. The Chinese path is often emulated among Indian business sectors, albeit veiled (Mohanty 2018). At the same time, the government set up a Project Development Fund to support Indian
industries interested in setting up manufacturing centers in the CLMV countries. This policy, contradicting the Make in India banner, is justified on the grounds that the competitiveness of Indian industry will increase, bringing in the long term more advanced practices and technologies for the country. Africa has also attracted some Indian industries, such as the manufacturer of transformers who announced the installation of a factory in Zambia in 2018, benefiting from local copper.

While Modi promises less bureaucracy and red carpet for international business, his domestic policy is marked by obscurantism and repression. Despite the constitutional surface, the government operates in a state of permanent exception, manipulating an aggressive Hindu nationalism amid authoritarian practices. It denounces the growth of a culture of impunity, while NGOs, intellectuals, activists and students are persecuted. In the same month that Modi was greeted at the Economic Forum in Davos in 2018, the Dalits stalled the country’s financial capital, Mumbai, while the country’s main university in New Delhi (UNJ) was in permanent turmoil. There is growing unease, under a government compared to fascism by intellectuals of different extraction (Vanaik 2017a).

The social base of the BJP is composed by large capitals, including those derived from the Hinduization of consumption, such as the Ayurvedic products industry; owners; the middle class reactive to corruption endemic in the INC; the Indian diaspora; part of the lumpenproletariat, between the youth without work and the untouchables. In the absence of a political project that goes beyond the art of winning elections, in which he became a master, the BJP’s policy turns against the horizon historically associated with the Congress party: the state planning commission has been suppressed, while the government does not nor produces statistical data, despised as a leftist thing; at the same time, it manipulates the poverty line in its favor; the long-term loan structures have been emptied, and like other developmental tools, they become commercial. Even the social laws enacted in recent years are threatened. In terms of international economics, Arpita Mukherjee, a researcher at the prestigious Indian Council for Research on International Economic Relations (Incier), complained that the BJP does not believe in long-term research and therefore tends to make decisions that are less and less informed. related to adherence to PWNCs (Mukherjee 2017).

On the economic front, the BJP’s management is to open and deregulate the domestic market with a view to attracting foreign investment, while supporting the projection of Indian business considered to be internationally competitive. In foreign policy, this dynamic deepens the trends already analyzed: political leadership in the regional environment (Neighbors first); in-
infrastructural integration with Southeast Asia to connect to global value chains (Act East); expansion towards Africa. All these movements take into account the Chinese projection, in the region and in the world.

These goals sometimes overlap. Recently, India led the group of four countries that forced the cancellation of the 19th SAARC summit scheduled for September 2016 in Pakistan, claiming that Pakistan did not provide sufficient protection against acts of terrorism. The country then took advantage of the BRICS meeting in Goa to promote a meeting between BRICS and BIMSTEC in a move that deepened the exclusion of Pakistan and was described by the local press as “a masterstroke” (Gatty 2016; The Hindu 2016).

In BIMSTEC, the Indian goals of political leadership and economic integration converge. Prabir De mentioned three reasons to believe that the initiative would finally take off: a permanent secretariat was set up in Dhaka, led by an active secretary general, Sumith Nakandala (whose term expired in August 2017). Second, the land border agreements between India and Bangladesh, and maritime between Bangladesh and Myanmar, have removed the last diplomatic obstacles to infrastructural integration. Finally, the continuity of tensions between India and Pakistan should condemn SAARC to a slow evolution, favoring alternative forums (De 2017).

As for SASEC, in July 2016 the ADB’s initiative counted 40 projects already completed or in progress, totaling investments of US$ 7.7 billion. There is an overlap (or complementarity, according to the approach) in relation to BIMSTEC, because as we have seen, the latter proposes to integrate India into Asean markets and beyond, emphasizing infrastructural connectivity with Southeast Asia. At the same time, the recent partnership with Japan around the AAGC will enhance the maritime connection from Africa. Taken together, while the Chinese project north-south corridors on the BRI landmarks, India engages in east-west corridors, bringing together partners equally concerned with Chinese expansion, as is the case with Japan.

From the point of view of the general orientation of recent foreign policy, the split between the Congress party and the BJP seems secondary. Since the inflection in the 1990s, the prevalent north is to negotiate the terms of the country’s integration into globalization. In this perspective, the pace and time of the process is disputed, but not its direction. Of course, there are differences: Modi broke with the practice of the Indian heads of state who, when visiting Israel, also visit Palestine. Nor does it insist on the creation of a Palestinian state that has as its capital East Jerusalem, traditionally supported by the country. In a perverse way, Hindu nationalism flirts with Jewish nationalism, both backed by hostility to Muslims, with the approval of the White House.

If the policy is not equal, the difference has a limit, which is the in-
sulation of the economy. In general, the BJP differs from the Congress party not because of the economy, but because of politics. Ironically, the ideology of both parties refers to an economic nationalism that, in practice, has been buried. If Congress itself dug the hole in the 1990s, the BJP strives to play the lime shovel. Although Hindu economic ideology refers to Swadeshi (self-sufficiency), the BJP in power is committed to liquidating the horizon associated with the Congress party, which includes national industrialization, secularism and non-alignment, as well as a feeble remission to socialism. Instead, they glimpse transnational capital, communal politics and alignment with the United States, referred to the ideology of Hindu nationalism.

The polarization between congressional politics and the BJP is real: communal politics makes victims to the bullet, and not only with misery. However, this polarization also fulfills a conservative function, eluting from the debate alternatives that face the structural dilemmas of Indian society. For as a proverb says in the country, when two elephants fight, the one who suffers is the grass.

But if the Congress party is hit, Hindu nationalism is not content to beat. The BJP’s policy direction goes beyond demolishing what remains of the Nehruvian elephant, for it threatens the very existence of grass, turning the soil of Indian politics into quicksand, which risks engaging the country in barbarism.

REFERENCES


Keene, Stephanie. 2015. ‘India’s ICT companies lead the way to fur-


Prashad, Vijay. 2015. No free left. The futures of Indian Communism. New Delhi: Leftword.


Goodbye, Nehru: Indian Foreign Policy Under Globalization


**Interviews (August 8-21 in Bangalore and New Delhi):**

ABDUL NAFEY. Department of International Relations (JNU)

BHUTANI, Shalini; SECUPTA, Ranja. Third World Network

CHANDA, Rupa. Indian Institute of Management Bangalore (IIMB)

CHANDRASEKHAR, C. P .. Economist, School of Social Sciences (JNU)

CHATURDEVI, Sachin. Director General of Research and Information System for Developing Countries (RIS)

DE, Prabir. Research and Information System for Developing Countries (RIS)

GUPTA, Pralok. Center for World Trade Organization (WTO) Studies
HODA, Anwarul. International Center for Trade and Sustainable Development

KURUVILLA, Benny. Transnational Institute

MAZUMDAR, Surajit. Center for Economic Studies and Planning (JNU);

MENON, Gayatri. Sociologist and professor at Azim Premji University (APU)

MUKHERJEE, Adithia. Historian and professor at Jawaharlal Nehru University (JNU);

MUKHERJEE, Arpita. International Growth Center (ICRIER)

NIELSEN, Alf. Sociologist specialized in India.

PHELAN, Fleachta. PhD, School of International Studies, New Delhi.

PURUSHOTHAMAN, Chithra. Researcher at the Institute for Defense Studies and Analyzes

REWA, Pranjal. NewsClick Director.


SUNDAR, Aparna Sundar. Sociologist and professor at Azim Premji University (APU)


VANAIK, Achin. University of Delhi.

YADAV, Yogendra. Political leader.

YHOME, K. Observer Research Foundation (ORF)
ABSTRACT
This article analyses the trends of India’s foreign policy in recent years under the light of political and economic dynamics, with a focus in its regional surrounding. The text locates an inflection towards economic liberalization undertaken in the beginning of the 1990’s, and then moves on to the context of economic expansion in the 21st century. The achievements and limits of those processes are taken into consideration. In the political realm, as the legitimacy of the Indian National Congress (INC) was brought to check, so was its hegemony, in a process that has favored the rise of political agencies identified with hindu nationalism and communalism, such as the BJP. Overall, the hallmarks of Indian politics that prevailed since independence under leadership of the Congress Party are left behind: economic nationalism, secular politics, and international non-alignment. In this context, the broad orientation of Indian foreign policy also has changed. The text analyses the consequences of this inflection in the regional context, focusing the Neighbors first policy and the priority given to infrastructural connectivity with Southeast Asia (Look East and Act East policies), as well as the recent intensification of business in the African continent. Altogether, the expectations of an alternative civilizatory horizon in the context of the Cold War which has nurtured Nehruvian politics, has given place to a pragmatic rationality that accepts the United States leadership and as such, draws strategies adapting to the mercantile trends that typify globalisation.

KEYWORDS
India; Southeast Asia; Regional Integration; Look East policy; Neighbors first.