



The Future is Federal: Why Indian Foreign Policy Needs to Leverage its Border States

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India's neighbourhood policy makes for a feel-good narrative of reimagining borders as bridges and speaks a comfortable cosmopolitan language, laying claim to a universal vision of globalism. The country's diplomatic engagement has begun to acquire a level of diversity and complexity in recent years with a host of subregional initiatives such as the Bay of Bengal Multi-Sectoral Initiative for Technical and Economic Cooperation (BIMSTEC), the Mekong Ganga Economic Cooperation (MGC), and the Bangladesh China India Myanmar Economic Corridor (BCIM). The past five years have seen a further deepening of this idea at the substantive as well as rhetorical levels with initiatives such as the Neighbourhood First policy, the rechristened Act East policy, Prime Minister Modi's high-profile visits to South Asian capitals, and the setting up of a States Division at the Ministry of External Affairs (MEA).¹

But for all its enthusiastic rhetoric, there is a curious paradox at the heart of India's subregional discourse. While the border states are projected as bridges between India and the neighbourhood, in actual practice India's neighbourhood policy remains unambiguously top-down and continues to be firmly led and steered by New Delhi. This is both puzzling and problematic since the notion of subregional cooperation is fundamentally premised on making geographically proximate border regions within two or more countries important sites of cooperation. Standing this logic virtually on its head, it is New Delhi that has regularly hosted BIMSTEC's Working Groups on regional governance issues such as disaster management, customs cooperation and regulation of passenger and cargo vehicular traffic. A comparison with the working of China's subregional discourse is both revealing and sobering. China's border province

of Yunnan, for example, regularly hosts the Greater Mekong Sub-region Working Groups on a range of regional governance issues such as environment, tourism and agriculture. The centralising impulse is again all too evident in India's discourse on border trade, for instance in Dharchula, Uttarakhand, an ancient border town located on the trans-Himalayan trading routes with Nepal and China. Trade permits required to conduct trade are no longer issued at the border but instead in Dehradun, the state capital, entailing protracted procedural delays and costs. Taken together, dichotomies such as these represent a classic instance of suboptimal subregionalism at work, a discourse that has clearly ended up aiming low and hitting lower.²

These dichotomies also indicate that there has been virtually no political incentive to invest in an institutionalised two-way engagement between national and subnational policy actors.³ This is a cause for serious concern and can result in institutional gridlocks between the Centre and states at a time when international engagement by border states is increasing. If recent trends are anything to go by, resource conflicts between the national and subnational governments could be a potential minefield. Bihar's demand for an equity stake in power projects being executed by India in Bhutan as well as the Teesta river dispute between India and Bangladesh arising out of the deadlock between the Centre and West Bengal bring out the inadequacy of existing institutional arrangements in negotiating such conflicts. This is also adding an edge to domestic resource conflicts as can be seen in the recent constitutional dispute between Nagaland and the Centre wherein the Centre contested Nagaland's claim that Article 371 (A) of the Constitution conferred upon it the right to develop its natural gas reserves. If New Delhi does not attempt to fill this policy vacuum, these growing federal-state conflicts will erode overall state capacity in damaging ways. The capacity or the mandate of existing institutional forums such as the MEA's States Division or the Inter-State Council, in their current makeup, to mediate and resolve these conflicts is open to debate. Recalibrating these federal-state

platforms to more effectively anticipate and address such challenges has to be the first order of business for the Indian government.

When Practice Meets Policy

By privileging the formal, state-led, inter-governmental processes, Indian diplomacy has ended up completely overlooking a range of practices at the border regions that are fundamentally reshaping India's engagement with its neighbourhood. Subnational-steered policy networks need to be recognised as a field of governance in their own right, with a capacity to rescale India's foreign policy beyond solely national frames. Local networks, both formal and informal, can work with – and not necessarily at cross-purposes – with the Centre on regional public goods. What is most striking about India's evolving subnational diplomacy is the sheer diversity of transborder exchanges being steered by border states in terms of their nature (formal and informal); activities (social, economic, cultural, political); duration (sustained and episodic); and actors (public and private).

Bottom-up market-driven processes of economic integration are today resulting in the rise of a new set of stakeholders with stakes in subregional integration processes.⁴ There are three reasons why a serious engagement with these processes is vital. First, there is growing evidence that border regions are beginning to effectively engage the Centre to deepen subregional integration processes. The effects of this lobbying can be seen in India's decision to open 70 border haats along its boundary with Bangladesh, with 35 along the border with West Bengal; 22 at the Meghalaya border; five in Tripura and four in Assam. Meghalaya and Tripura recently successfully lobbied the central government to permit the export of surplus power to Bangladesh. Second, direct transborder subnational links have on occasion bypassed the Centre to break difficult logjams and bottlenecks. A case in point is the construction of the 726 MW Palatana gas power project in southern Tripura. Given the challenges in transporting heavy equipment to Tripura due to the

difficult terrain, Bangladesh allowed transshipment of heavy turbines and machinery through its territory. Bangladesh's decision to allow transshipment became a critical factor in the successful completion of the project. Palatana will be bookmarked in India's evolving subnational cross-border engagement as arguably one of the first instances of subregional problem solving. Third, the greatest discursive potential of subregionalism arguably lies in its capacity to position the local as a central actor in the governance agenda. It will be suboptimal to conceive them as mere agents for monitoring the implementation of service delivery systems. Consultative processes between key institutional actors have to be both continuous and inclusive, bringing together relevant local line departments and officials across all levels – from planning, through monitoring to implementation. The locational advantage of border states as primary points of contact with the neighbourhood can also help plug critical transboundary governance gaps. For instance, border regions can play an important bridging function by facilitating networked governance in subregional Asia. Several such networks – such as the Asian Environmental Compliance and Enforcement Network (AECEN), South Asian Biosphere Reserve Network (SeaBRNet), Asian Network of Sustainable Agriculture and Bioresources (ANSAB), Freshwater Action Network South Asia (FANSA), Himalayan Conservation Approaches and Technologies (HIMCAT), and South Asian Network on Environmental Law (SANEL) – are already in existence.

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Nudging Indian foreign policy towards a practice-based template has the potential to incorporate a rich and hitherto untapped corpus of domain and field knowledge that national-level policymakers have no means of acquiring on their own. Policy need not always dictate practice; instead, policy and practice need to co-evolve into an institutionalised two-way flow of communication. Institutionalising consultations with a new set of border stakeholders such as legislative bodies both at the central and state levels, media and civil society organisations can go a long way in ensuring that these actors become informed interlocutors in shaping India's evolving neighbourhood policy. A lot will, however, depend on the feedback loops that are put in place for creative ways of power sharing, institutional learning and adaptation to produce inclusive outcomes. It is only then that one can create a level playing field and a measure of parity between central and state level policy actors. India's neighbourhood policy has the potential to produce a modest but valuable space for border states to become active partners in framing and fashioning the terms of India's engagement with its neighbourhood. But this potential institutional innovation in Indian foreign policy is neither guaranteed nor infallible. If it is to succeed, leveraging the location of border states needs to go hand in hand with the federalisation of India's foreign policy.

END NOTES

1. Ministry of External Affairs, Government of India. 2014. https://mea.gov.in/lok-sabha.htm?dtl/24347/Q_NO687_SEPARATE_DIVISION_FOR_CENTRESTATE_RELATIONS. The political signalling has however been neither consistent nor credible. For instance, while Prime Minister Modi projected his government's Neighbourhood First Policy, the then Chief Economic Advisor Arvind Subramanian has been on record in 2014 stating that 'regional economic integration in South Asia is not a first priority for India', *The Hindu*, 29 September 2015.
2. Nimmi Kurian, 'Indian IR's Subregional Moment: Between a Rock and a Hard Place?', CPR Policy Brief, November 2015.
3. The Inter-State Council, a forum designed to bring all Chief Ministers to work on operationalising the coordination mechanism between the Centre and the states, was convened in 2017 after a gap of 12 years.
4. Nimmi Kurian, 'Subterranean Subregionalism: Interrogating the Role of Borders in Indian IR', *Research Journal of Social Sciences* 24 (1&2) (2016).