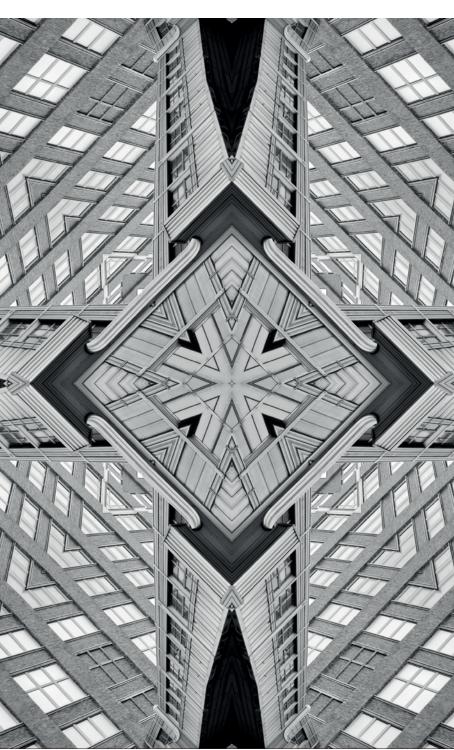


Issue Brief

ISSUE NO. 470 JULY 2021



© 2021 Observer Research Foundation. All rights reserved. No part of this publication may be reproduced, copied, archived, retained or transmitted through print, speech or electronic media without prior written approval from ORF.



The Relevance of Ancient Indian Strategy in Contemporary Geopolitics

Kajari Kamal and Gokul Sahni

Abstract

This brief examines India's relations with Pakistan and China using the lens of Kautilya, the ancient Indian strategic thinker—and argues for pragmatism: assessing the basis and severity of the threats, searching for possible strategic opportunities amidst the risks, and overall, avoiding the scenario of a two-front war. It begins by acknowledging that Pakistan and China view India through different prisms: for Pakistan, that of ideology; and for China, geopolitical balance of power. This necessitates varied approaches. It would do well for India to be flexible with China, a "strategic competitor"—this could prove to be a more rewarding, and realistic foreign policy objective compared to pursuing a grand reconciliation with Pakistan, a "strategic opponent".

Attribution: Kajari Kamal and Gokul Sahni, "The Relevance of Ancient Indian Strategy in Contemporary Geopolitics," ORF Issue Brief No. 470, July 2021, Observer Research Foundation.



ver the last 12 months, India has experienced fluctuating fortunes on its borders. The summer of 2020 saw the India-China border, the Line of Actual Control (LAC), heat up, with the loss of 20 Indian soldiers and around 40 Chinese soldiers in the Galwan Valley clash in Eastern Ladakha—the most serious military conflict on the world's longest disputed boundary since 1975. Along India's border with Pakistan, the Line of Control (LoC), meanwhile, the highest ever ceasefire violations took place last year. Eventually, however, the prospects for a two-front war abated. In February 2021, India and China announced an agreement for disengagement in a "phased, coordinated and verified manner." Within the same month, India and Pakistan issued a statement agreeing to observe the 2003 ceasefire agreement. Yet India must remain agile so that it can respond in the event of a break in the current lull.

To be sure, China and Pakistan present very different structural challenges to India; they offer very different strategic opportunities, too. This brief is an attempt to cull some of the most important lessons from Kautilya's *Arthashastra*, an ancient Indian treatise on statecraft, to understand India's current geopolitical engagements, particularly in its long-term approaches to Pakistan and China.^b Does Kautilya's treatment of the interstate realm, categorisation of neighbourhood, and nuanced understanding of the "enemy" provide useful insights to India's foreign-policymakers?

China and Pakistan present very different structural challenges to India; they offer very different strategic opportunities, too.

The count of 40 is from the Indian government, and not China. Chinese state-owned media did not give a count of the casualties on either side. See: Reuters, https://www.reuters.com/article/india-china-idINKBN23S075

b Kautilya's *Arthashastra* is an ancient Indian theoretical treatise that presents a comprehensive discussion on statecraft. While there is little consensus on the periodisation and authorship of the text, a large number of scholars believe that the compositional history of the text dates back to the Mauryan period (321 BCE-185 BCE), with later redactions and interpolations stretching up to the early centuries CE. Kautilya is also identified as Chanakya, the minister of Changragupta Maurya (321-296 BCE).



he *Arthashastra*'s exposition on the interstate realm has been convincingly shown to be both "eclectic" and exhibiting endogenous vocabularies of power, morality, and order, thereby highlighting its intellectual eigenvalue for International Relations theory.³ Its culturally embedded *realpolitik* stance of the *rajamandala* (circle of states) offers a distinct conceptualisation of the neighbours and, flowing from that, the formulation of customised, calibrated approach to external relations.

While the mechanistic-geometric representation through the concentric circles of *mandala* suggests that a neighbour is an enemy and a neighbour's neighbour is a friend, such simplistic understanding underappreciates the complex interaction of factors in identifying friends and foes detailed in the Arthashastra. Kautilya envisages the interstate realm as a fluid space which, to some extent, dilutes the permanence of geography and its attendant determinism. Physical location is an important but not a determining variable, and works in conjunction with the state's relative strength and disposition (*bhavin*). Therefore, while an adjoining state may be potentially inimical, the character of its intent, and relative state capacity, together determine which of the categories they belong to: *mitrabhavin* (friendly neighbour); *aribhavin* (hostile neighbour); and *bhrtyabhavin* (vassal state).

The neighbours who have the disposition of an "enemy" are the most important and are of different types: (i) the enemy in front, not self-possessed and constantly doing injury; (ii) the enemy in the rear, in league with the enemy in front; (iii) one vulnerable, being in a calamity; and (iv) one attacking the leader in his calamity.⁴ In another discussion on the constituents of the *rajamandala*, Kautilya makes a distinction between an "innate enemy" or one of equal birth, and a "contingent enemy" as one who is hostile or acts with hostility (at least for the time being).⁵ From this perspective of the neighbourhood, Pakistan bears a resemblance to the "innate enemy" in front, devoid of exemplary qualities and constantly doing harm; China is the "contingent enemy". China in the recent years has also risen to become the *madhyama* (middle king)—⁶ a king who is geographically proximate to the conqueror and his enemy, capable of suppressing them when they are disunited, and wielding enough influence to upset the balance of power in the circle of states. These perceptions—of who is which enemy—keep shifting in tune with changing correlations of forces and state interests.

Kautilya would identify Pakistan as characteristically different from China due to their motivations and relative capabilities. He would advocate different strategies towards Beijing and Islamabad, recognising the differences not only in their threats, but also in the opportunities offered to attain India's foreign policy goals (yogakshema).



Foreign gakshema: India's

or Kautilya, the yardstick for a foreign policy is whether it allows the state to move up the cycle of decline, status-quo, and advancement. Foreign-policy goals concern safeguarding territory as much as providing economic well-being, and the two reinforce each other. Therefore, the prospective roles that Pakistan and China can play in the achievement of India's foreign policy objectives should largely define India's approach towards them.

It would help to clearly state what India's national interest is and how it defines its foreign-policy goal—*yogakshema* (security and welfare)—in a globalised, interdependent world. Prime Minister Narendra Modi, in his keynote address at the Shangri La Dialogue, linked India's future economic prospects to not just the scale of the country's economy but also to the depth of its global engagement.⁷ The interdependent fortunes of states in the region make a compelling case for privileging cooperation over contestation. The states in modern era *mandala*, therefore, "become intertwined and tie kingly obligations in one political entity with the happiness of people in another." India's push for a rules-based international order imaginatively targets the twin goals of security and prosperity.⁹

In this context, the importance of China as an established regional power, well-entrenched in the global economic order, far outweighs a fragile Pakistan in India's strategic calculus. China's role is pivotal to India's search for a great-power status, at least in the short term. However, to the extent that a stable and peaceful neighbourhood is the bedrock of India's economic prosperity, relations with Pakistan also deserve attention. While a passive Pakistan is *good enough*, a productively engaged China is *imperative*. As the world's second largest economy, China is an actor that cannot be ignored; Pakistan ranks 44th.

India-China relations have yielded certain tangible benefits for India as compared to its ties with Pakistan. For example, China is on-track to become India's largest merchandise trading partner in FY21. ¹⁰ Chinese investments are increasing across India's important sectors of pharmaceuticals and technology, ¹¹ with private Chinese capital in particular gravitating towards several Indian start-ups. China's ascent towards becoming a global technology leader appears imminent, which will only enhance opportunities for Indian companies. ¹² A breakdown in economic relations and refusal to engage with private Chinese companies would be a short-sighted move – India should instead calibrate its economic relationship with China to maximise opportunities, while also doing its best to cultivate lobbies in Chinese business circles to support the India-China economic relationship. ¹³ China itself provides the best example for India to emulate: its two largest foreign trade partners are countries with which it also competes—the US and Japan. ¹⁴



Foreign

On the other hand, from an Indian perspective, there is little that even a reformed Pakistan could contribute towards its rise. Pakistan's economy, which is the least competitive in South Asia, is smaller in size than that of Finland, the 12th largest economy in the EU.15 It has a weaker sovereign risk rating than Mongolia or Papua New Guinea, implying higher levels of assessed political and economic risks.¹⁶ Indeed, even Pakistan's purported ability to "unlock" Central Asia and help link it with South Asia has been overstated – its connection with Central Asia is through Afghanistan, which will remain mired in instability for the foreseeable future. There will thus be no strategic prize that would be commensurate to a future grand reconciliation between India and Pakistan. New Delhi should give it adequate thought before agreeing to any significant concessions towards Pakistan, as the actual strategic benefits would be minimal even if Aman ki Asha succeeds. Therefore, the potential roles that India envisions its two largest neighbours will play in securing its foreign policy objectives is in tandem with Kautilyan concepts: of Pakistan as "innate" and China as "contingent" enemy; and of the former as a "strategic opponent" and the latter, a "strategic competitor".

For India, a passive Pakistan is *good enough*; a productively engaged China is *imperative*.

Aman ki Asha is a joint initiative of the two of the leading media groups of India and Pakistan, emerging as one of the most successful peace initiatives between India and Pakistan since its launch in 2010.



Pakistan: Strategic Opponent

n a fundamental sense, Pakistan as the "innate enemy" must eternally oppose India. For a country that was established as the homeland for Indian Muslims as the British left the Indian subcontinent in 1947, there will always be the need to demonstrate *why* the homeland was created in the first place. Its powerful military establishment also believes the strategic threat from India is as existential as the ideological threat, and has successfully moulded itself to be a "state above the state" with a veto on Pakistan's foreign and defence policies.¹⁷

Pakistan's reflex-like desire to oppose India is not new. Even in the initial years after independence, Pakistan's foreign policy calculus was shaped by the perceived Indian threat. Keen to neutralise India's conventional military advantage, Pakistan joined hands with the US across a variety of organisations during the early years of the Cold War, ostensibly to battle Communism—a goal that was hardly taken seriously by its establishment. Pakistan has opposed India's entry to the Organization of Islamic States, despite it having one of the world's largest Muslim populations; rejected India's demand for a permanent or non-permanent seat on the United Nations Security Council; and more recently, opposed India's bid for geographical indication on Basmati rice. Pakistan's opposition to India appears to be unyielding and structural; it is unlikely to recede even if the central dispute concerning Jammu & Kashmir is resolved, which in itself is a remote prospect.

In many senses, Pakistan is distanced from an ideal Kautilyan state that puts a premium on political leadership; emphasises decision-making on scientific enquiry (anvikshiki) that coalesces rationality with ethics; and conceptualises power in both material and non-material terms through the saptanga theory which ranks ruler (swami), ministers (amatya), territory, and population (janapada) higher than armed might (danda).²¹ It may be argued that Pakistan has, to some extent, offset its relative weakness vis-à-vis India by resorting to sub-conventional means, acquiring nuclear weapons, and leveraging China as a counterweight – all strategies that Kautilya prescribes to a "weak king".²²

However, from the perspective of comprehensive statecraft that the *Arthashastra* uniquely expounds, Pakistan may be assessed as irrational and imprudent. It has continued to prioritise *danda* (armed might) over *janpada* (people and territory), with the 'state above the state' enjoying outsized influence in policymaking.^d Pakistan's use of radical Islamist terrorist groups in its bid to destabilise Kashmir

d The 'state above a state' dialogue was made most recently by former PM Nawaz Sharif in October 2020 to indicate the power and influence held by the Pakistani military.



has had disastrous consequences on its own soil, with several terrorist attacks in recent years and the underlying roots of extremism continuing to remain prevalent.²³ Allegations that it is financing terrorist activities continue to hound Pakistan in the international arena as well. It remains in the Financial Action Task Force's (FATF) 'grey list', which poses material impediments to receiving foreign investments.²⁴ *Janpada* seems to have been easily sacrificed in favour of the strategic interests of Rawalpindi, which has historically played the role of the *swami* (ruler), instead of the civilian government.

Quite simply, Pakistan's identity as an "innate enemy" as evidenced by its policy track record lends it the character of a "strategic opponent" for India. Pakistan has displayed a willingness to oppose India, even on matters that would benefit Pakistan itself, ranging from cross-border to regional connectivity. unwillingness to strengthen economic ties with Asia's third largest economy reveals a calculation driven by ideology and perceived strategic goals, where even a lesser developed Pakistan is more palatable than

Pakistan as the "innate enemy" must eternally oppose India; there will always be the need to demonstrate *why* the homeland was created in the first place.

contributing towards a "shining" India. According to External Affairs Minister (EAM) S. Jaishankar, "Pakistan's refusal to countenance normal trade or allow connectivity tells us much about its actual intentions." Recounting the episode of the Trigarta warriors from the *Mahabharata*, the EAM highlights "the danger of smaller adversaries whose single-mindedness goes to the extent of destroying themselves to inflict damage." Identifying Pakistan as a "strategic opponent" indicates that there are structural limits to the improvement of this relationship.

China: Strategic Competitor

China, on the other hand, is a "strategic competitor" of India and not necessarily a "strategic opponent". Its approach to India is not conditioned by an intrinsic motivation to oppose India. Instead, China approaches its relationship with India from a competitive perspective, with regional balance of power politics at the centre. It exhibits little popular discontent amongst its people against India. Despite being a democracy, India's political identity poses a minimal ideological threat to China, which considers itself to be in ideological competition only with the United States.



The level of strategic threat that India poses for China, however, has become more pronounced in the recent past. At the end of the Cold War, both India and China, who were roughly co-equals, entered into a peace pact (samdhi) for mutual gains.²⁷ The Border Peace and Tranquillity Agreement of 1993 and several other agreements of 1996, 2003, and 2012, helped maintain stability in the neighbourhood which was critical for the success of both countries' efforts at economic reform.²⁸ However, by the end of the first decade of the 21st century, China had outpaced India significantly and had moved up in the rajamandala to become the madhyama (middle king).²⁹ This was contemporaneous with what former Foreign Secretary Vijay Gokhale identifies as the first phase of misperception between the two countries.³⁰ After almost two decades of peaceful consolidation, China was ready and willing to pursue its global ambitions. The power asymmetry between India and China, along with a gradual shift in China's intent (bhavin) changed the character of the bilateral relations. India credibly appeared on China's strategic radar in the period that followed, arguably as a consequence of "outspoken bilateral diplomacy and a more explicit coalition diplomacy" displayed by India's new political leadership.³¹ Its assertiveness in the Doklam crisis of 2017, and its evident leanings towards the United States, ruffled Beijing's feathers.

China has certainly opposed India as well, again a trend that has heightened over time. It has blocked India's entry into the Nuclear Suppliers Group,³² tried initiating discussions at the UNSC about Article 370,³³ and is recognised as "the biggest stumbling block" in India's bid for a permanent seat at the UNSC.³⁴ The Ladakh stand-off can, perhaps, be seen as a manifestation of the heightened mistrust, and can be explained as China's policy switch – from *samdhi* to *samdhayayana* (marching after entering into a peace pact); leveraging strategic advantage to conquer the one causing harassment. The build-up to the Ladakh episode was marked by substantially improved Indian infrastructure and more intense Indian patrolling that had irked China.³⁵

The violence seen along the Line of Actual Control (LAC) in the summer of 2020 may lead some observers into believing that India genuinely faces the threat of a two-front war with its two neighbours. This assertion, however, would be incorrect. China is not a strategic opponent like Pakistan is, but rather is a "strategic competitor" of India. Beijing is dismissive of New Delhi and often grumbles at its actions, especially on the disputed LAC, but it presents a very different challenge than what Islamabad does. The LAC may demarcate the world's longest land border dispute, but is still far from being a primary theatre for Chinese concern. Manoj Joshi too, notes that historically, the "primary direction" for China was "from the north-east in the 1950s and 1960s (the US), the north in the 1970s and 1980s (the USSR), and today, the south-east (Taiwan and US maritime forces)."³⁶



From a realist perspective, competition between India and China is unavoidable. What is avoidable from India's perspective, however, is a deterioration of the bilateral relationship to an extent that India no longer draws benefits from China's rise. *Modus vivendi* opportunities with China are possible, and indeed, are worth pursuing for India as they will form an important component of aiding India's rise in the short-term. These extend from opportunities in economic areas of trade and investment, including from the rapidly rising private sector in China, to broader areas of regional and global governance, extending from the Asian Infrastructure Investment Bank to cooperation in the field of climate change. Ending cooperation with China would disproportionately impact India more, and New Delhi must be careful not to emulate Pakistan's India policy of refusing to work together even for mutual benefit.

Furthermore, there are good chances that this may get reciprocated, for both geopolitical and economic reasons. For China to successfully challenge the US's global position, it "must make the first move toward facilitating a rapprochement with India." With China back as India's top trading partner even after the border conflict, the imperatives of economic interdependence and potential of a positive-sum game are only reaffirmed. India, therefore, should remain wary of letting the relationship with China completely spiral out of control.

China's approach to India is not conditioned by an intrinsic motivation to oppose India; it approaches its relationship with India from a competitive perspective.



espite the different nature of threats posed, and the opportunities offered by India's two biggest foreign policy concerns, key is the flexibility of response based on a real-time cost-benefit analysis. For Kautilya, power is three-fold; mantrashakti (power of counsel and diplomacy) being the most important; followed by prabhavshakti (power of treasury and army); and utsahshakti (power of valour). While military and economic power is important, the decision to use the right foreign policy instrument based on the context is critical for success.³⁹ This is reminiscent of Joseph Nye's conceptualisation of 'hard', 'soft', and 'smart' power. He emphasises the need for smart strategies that combine the full spectrum of soft and hard power through what he calls "contextual intelligence" – "the intuitive diagnostic skill that helps policymakers align tactics with objectives to create smart strategies."⁴⁰

Both Pakistan and China are potential military threats that need to be suitably addressed. Kautilya's famed dual policy approach advises a ruler to make peace with one neighbour when waging war with the other, to avoid a two-front war scenario. This may not be entirely applicable for India's current scenario, as China and Pakistan have mutual interests in working together to strategically and militarily box India in. What India can do, however, is reorient its approach to both neighbours. In the case of its weaker neighbour Pakistan, India should prepare for a short, sharp military conflict with a view to aggressively deter future misadventures. With China, meanwhile, Kautilya would suggest a multi-pronged approach essentially emanating from prudence which induces a creative exploration of the space between foolhardy valour and spineless submission. Reconciliation, augmentation of resources, including through strategic partnerships and a simultaneous military build-up are sure to be part of Kautilya's comprehensive approach.

Calibrated engagement with China does not mean that India should kowtow to China across any sphere, not least its contested border which has seen increased incursions from the People's Liberation Army (PLA).⁴¹ However, given China's salience as the world's second largest economy, India must cooperate with China in sectors where it is assessed to be in India's advantage. The need for this cooperation should not dilute India's stance on return to pre-April 2020 status across many of the disputed parts of the LAC. However, it does mean that India should be ready to invest the necessary diplomatic capital in restoring relations with China to a better level once the border stand-off is resolved to mutual satisfaction. Kautilya may term China as an "enemy", but he would also recognise the benefits of tactical cooperation for India's best interest.



Kautilyan prudence also demands that the promise of improving ties with Pakistan to "unlock the potential of South and Central Asia" and "move forward" should be treated with caution by New Delhi. For one, the best-case scenario of these reported back-channel talks is normalisation across some areas of the bilateral relationship, such as the exchange of ambassadors and the resumption of sporting ties. There is little economic gain that Pakistan can provide India that cannot be surpassed by, for instance Bangladesh, which now has a larger economy than Pakistan. India's trade with Pakistan in FY20 was one percent of its trade with China – even Equatorial Guinea was a larger trading partner for India.⁴²

A genuine rapprochement between India and Pakistan remains unlikely, as there are no signs that India will ever consider Pakistan to be a relevant and credible stakeholder for matters concerning the union territories of Jammu & Kashmir and Ladakh in the future. General Qamar Javed Bajwa's insistence on the Kashmir issue lying "at the heart" of the dispute between the two neighbours all but assures that a grand reconciliation is highly unlikely, and South Asia's long overdue integration will not gain any momentum. Kautilya's view of Pakistan as the "innate enemy" would indicate little hope of Pakistan ever being able to move past being a "strategic opponent" of India without structural change to the current regime.

India should be prepared for a short, sharp military conflict with Pakistan; with China, Kautilya would suggest a multi-pronged approach emanating from prudence.

Dr. Kajari Kamal teaches Kautibya's Arthashastra and is Research Faculty at Takshashila Institution, Bangalore. She can be followed

on Twitter @Kajari1; Gokul Sahni is based in Singapore and writes about geopolitics, geoeconomics and Indian foreign policy. He can be

followed on Twitter @Gokul_Sahni. Views are personal.



edia reports in March 2021 highlighted a potential thaw between New Delhi and Islamabad. Pakistan's vacillation on a relatively innocuous matter like importing cotton and sugar from India, however, clarified that the Pakistani establishment continues to view India through its prism as a "strategic opponent". Its stated unwillingness to normalise relations with India unless New Delhi agrees to bring back Article 370 in some form indicates that Pakistan remains content with a sub-optimal outcome for both countries.⁴³ While efforts around reducing tensions with Pakistan should be pursued, especially along the Line of Control, the key takeaway is that Pakistan's status as a "strategic opponent" and an "innate enemy" is unlikely to change, and India should be cautious around expending too much political capital in pursuit of an unachievable target.

On the other hand, China's status as a "strategic competitor" indicates the possibility of pragmatic cooperation with China amidst the competition that is necessitated by geopolitics, and not due to an immutable ideological clash. While Pakistan may have little to offer India, China has more, with its economic, technological and scientific prowess. Successful statecraft requires a practical approach, while remaining clear-eyed about the threats and opportunities on offer.

There is no doubt that China, as a far larger power, poses a greater strategic threat to India than Pakistan does. However, Kautilya would advise that this fact should not lead to India initiating or welcoming a conflict with China. Instead, India should recognise that there are select opportunities to work with China to strengthen itself, while a permanent rapprochement with Pakistan, if ever possible, may not provide benefits commensurate to the significant costs it would entail. And while India's Pakistan policy may grab more attention in domestic politics, it is India's China policy that is significantly more important and will help propel India's rise and attain its yogakshema. ©RF



- 1 Meenakshi Ray, "LAC Disengagement in a phased manner, coordinated and verified way: Rajnath Singh", *hindustantimes.com*, February 11, 2021, https://www.hindustantimes.com/india-news/lac-disengagement-in-phased-manner-coordinated-and-verified-way-rajnath-singh-101613044535162.html
- Dinaker Peri and Suhasini Haider, "India, Pakistan agree to observe 2003 ceasefire", *The Hindu*, February 25, 2021, https://www.thehindu.com/news/national/india-pakistan-agree-to-ceasefire-along-border/article33930265.ece
- Deepshikha Shahi uses 'eclecticism' or the combination of ideas from diverse range of sources as an innovative methodology to display the contemporary relevance of Arthashastra. See, Deepshikha Shahi, "Arthashastra beyond Realpolitik: The 'Eclectic' Face of Kautilya", Economic and Political Weekly, Vol. XLIX No. 41, October 11, 2014, 68-74. Medha Bisht's book, Kautilya's Arthashastra: Philosophy of Strategy (London and New York: Routledge, 2020), xi, credibly establishes Kautilya as an exemplar strategist reconciling Hindu values with strategy.
- 4 R.P. Kangle, The Kautilya Arthashastra Part II (Delhi: Motilal Banarsidass, 2014), 382
- The terms 'innate enemy' and 'contingent enemy' have been used in a translation by Patrick Olivelle in *King, Governance and Law in Ancient India: Kautilya's Arthashastra* (New York: Oxford University Press, 2013), 274.
- According to R.P. Kangle, "one with territory immediately proximate to those of the enemy and the conqueror, capable of helping them when they are united or disunited and of suppressing them when they are disunited, is the middle king." Kangle, *Kautilya Arthashastra*, 318
- Prime Minister's Keynote Address at Shangri La Dialogue, June 1, 2018, Ministry of External Affairs Media Centre, https://www.mea.gov.in/Speeches-Statements. htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018
- For a Kautilyan perspective on BRICS (Brazil, Russia, India, China and South Africa) as a transnational governance institution in the modern day *mandala*, see Marko Juutinen, "Emerging Dynamics of Conflict and Cooperation in a PostHegemonic Age: A Kautilyan Perspective on BRICS", ORF Occasional Paper No. 208, August 2019, Observer Research Foundation
- 9 Former NSA, Shavshankar Menon opines on similar lines that "India is competing primarily to be secure at home in the subcontinent and IOR, and for an Asian order that enables India's transformation." See Shivshankar Menon, "India-China Ties: The Future holds 'Antagonistic Cooperation', Not War", *The Wire*, December 7, 2020, https://thewire.in/external-affairs/india-china-ties-expect-antagonistic-cooperation-future-not-war
- Department of Commerce, Total Trade, https://tradestat.commerce.gov.in/eidb/ iecnttopnq.asp
- Naina Bhardwaj, "India Rethinking its FDI Policy Stance with China: What We Know", *India Briefing from Dezan Shira & Associates*, March 5, 2021, https://www.india-briefing.com/news/india-rethinking-its-fdi-policy-stance-with-china-



- what-we-know 21824.html/#:~:text=Between%20April%202000%20and%20 September,trade%20at%20US%2477.7%20billion
- 12 Naubahar Sharif, "China as the World's Technology Leader in the 21st Century: Dream or Reality?", HKUST IEMS Thought Leadership Briefs No 11, https://iems.ust.hk/publications/thought-leadership-briefs/china-as-the-worlds-technology-leader-in-the-21st-century-dream-or-reality
- Ananth Krishnan, 'Following the money: China Inc's growing stake in India-China relations', *Brookings*, March 30, 2020, https://www.brookings.edu/research/following-the-money-china-incs-growing-stake-in-india-china-relations/
- Daniel Workman, China's Top Trading Partners, World's Top Exports, https://www. worldstopexports.com/chinas-top-import-partners/
- Klaus Schwab (ed), The Global Competitiveness Report, 2019, World Economic Forum, http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf
- 16 https://tradingeconomics.com/country-list/rating
- 17 Imtiaz Ahmad, "Pak army a state above the state, says Nawaz Sharif as Oppn united against military leaders", *Hindustan Times*, September 20, 2020, https://www.hindustantimes.com/world-news/pak-oppn-parties-unite-to-decry-military-s-state-above-state/story-6a0jTfeYC6cSpnhQ8IhFLN.html
- 18 Gurbachan Singh, "How Pakistan Scuttled India's Invitation to the First OIC Plenanry", *The Wire*, February 23, 2019, https://thewire.in/diplomacy/india-pakistan-oic-first-plenary
- "India doesn't quality for UNSC membership, Pakistan says in General Assemby debate", *Dawn*, November 17, 2020, https://www.dawn.com/news/1590871
- 20 Muireann Bolger, "Pakistan opposes India's bid for Basmati geographical indication', World Intellectual Property Review, October 13, 2020, https://www.worldipreview.com/news/pakistan-opposes-india-s-bid-for-basmati-geographical-indication-20280
- For a brief overview of the role of *Anvikshiki* in Kautilyan statecraft, see Kajari Kamal, "Generality of Kautilyan Tenets Informed by Unique Indianness", IDSA Comment, April 28, 2021, https://www.idsa.in/idsacomments/generality-of-kautilyan-tenets-kkamal-280421 Kautilya's *saptanga* theory is a unique conceptualization of state power. Literally, seven limbs/organs, *saptanga* refers to seven constituent elements (*prakritis*) of the state in a hierarchical order starting with ruler (*swami*), ministers (*amatya*), people and territory (*janapada*), fort (*durga*), treasury (*kosa*), armed might (*danda*) and ally (*mitra*).
- On China-Pakistan relationship as mutually beneficial even in Covid-19 pandemic, see Sushant Sareen, "Why China and Pakistan Need Each Other in the Covid 19 Crisis", Commentary, Observer Research Foundation, April 28, 2020, https://www.orfonline.org/research/why-china-and-pakistan-need-each-other-in-the-covid19-crisis-65311/
- 23 Madiha Afzal, "Terrorism in Pakistan has declined, but the underlying roots of extremism remains", *Brookings*, January 15, 2021, https://www.brookings.edu/blog/



- $order-from\text{-}chaos/2021/01/15/terrorism\text{-}in\text{-}pakistan\text{-}has\text{-}declined\text{-}but\text{-}the\text{-}underlying\text{-}roots\text{-}of\text{-}extremism\text{-}remain/}$
- "Global money laundering watchdog keeps Pakistan on terrorism financing 'grey list' , *Reuters*, February 25, 2021, https://www.reuters.com/world/asia-pacific/global-money-laundering-watchdog-keeps-pakistan-terrorism-financing-grey-list-2021-02-25/
- 25 S Jaishankar, *The India Way: Strategies For an Uncertain World* (New Delhi: Harper Collins, 2020), 60
- 26 Jaishankar. The India Way, 59-60
- 'Samdhi', or making peace in the Arthashastra, is defined as entering into an agreement with specific conditions, i.e. concluding a treaty, see L.N. Rangarajan, Kautilya: The Arthashastra (New York: Penguin Books, 1987), 548; it is also called a 'panabandha' or a negotiated agreement. Mark McClish looks at samdhi as a non-aggression pact meant to forestall enemy hostility, see Mark McClish, "Non-Aggression Pacts and Strategic Partnerships in Kautilyan Foreign Policy", in Indigenous Historical Knowledge: Kautilya and His Vocabulary Volume III, Pradeep Kumar Gautam, Saurabh Mishra and Arvind Gupta (eds.), IDSA (Delhi: Pentagon Press, 2016), 16-36
- According to Kautilya, "When the benefit accruing to kings under a treaty, irrespective of their status as the weaker, equal, or stronger party, is fair to each one, peace by agreement shall be the preferred course of action." See Rangarajan, *Kautilya: The Arthashastra*, 547.
- 29 According to RP Kangle, "one with territory immediately proximate to those of the enemy and the conqueror, capable of helping them when they are united or disunited and of suppressing them when they are disunited, is the middle king." Kangle, *Kautilya Arthashastra*, 318
- 30 Misperceptions between the two countries have evolved over three distinct phases; the first immediately after the 2008 financial crisis which witnessed China's foreign policy reorientation; the second with the change in leadership of the two countries and attendant foreign policy redirection; and the third with their (divergent) attitudes towards the Indo-Pacific. See Vijay Gokhale, "The Future of India-China Relations: The Road from Galwan", *Carnegie Endowment for International Peace*, 2021, https://www.jstor.org/stable/resrep30024.12
- See Kanti Bajpai, "Narendra Modi's Pakistan and China Policy: Assertive Bilateral Diplomacy, Active Coalition Diplomacy", *International Affairs* 93: 1 (2017): 69–91
- "China rules out India's entry into NSG without 'consensus' on allowing non-NPT countries", The Economic Times, June 21, 2019, https://economictimes.indiatimes.com/news/defence/china-rules-out-indias-entry-into-nsg-without-consensus-on-allowing-non-npt-countries/articleshow/69893448.cms
- Elizabeth Roche, "India slams China's attempt to raise Kashmir issue at UN Security Council", *Mint*, August 6, 2020, https://www.livemint.com/politics/news/india-slams-china-s-attempt-to-raise-kashmir-issue-at-un-security-council-11596697308834.html
- 34 Shishir Gupta, "China is biggest stumbling block in India's UNSC permanent



- membership", *Hindustan Times*, November 19, 2020, https://www.hindustantimes.com/india-news/china-is-biggest-stumbling-block-in-india-s-unsc-permanent-membership/story-yTpTstOwjEY7vYz5t2NiNN.html
- Harsh Pant, "For Beijing and New Delhi, 2020 Was the Point of No Return", *Foreign Policy*, December 28, 2020, https://foreignpolicy.com/2020/12/28/for-beijing-and-new-delhi-2020-was-the-point-of-no-return/
- Manoj Joshi, "Eastern Ladakh, the Longer Perspective," ORF Occasional Paper No. 319, June 2021, Observer Research Foundation.
- 37 Vijay Gokhale, "The Road from Galwan", 2
- For a brief overview of India-China trade relations in 2020, see Karthikeyan Sundaram and Archana Chaudhary, "China back as India's top trade partner even as relations sour", *The Economic Times*, February 23, 2021, https://economictimes.indiatimes.com/news/economy/foreign-trade/china-back-as-top-india-trade-partner-even-as-relations-sour/articleshow/81166575.cms?from=mdr
- 39 "The king who understands the interdependence of the six methods of foreign policy, plays as he pleases, with other rulers bound to him by the chains of intellect", Rangarajan, *Kautilya: The Arthashastra*, 541
- 40 See Joseph S. Nye, Jr., "Get Smart: Combining Hard and Soft Power", *Foreign Affairs*, Vol. 88, No. 4 (July/August 2009): 160-163
- 41 Two former ambassadors to China Vijay Gokhale (also former foreign secretary-2018-2020) and Shivshankar Menon (also former National Security Advisor- 2010-2014) view India-China relations post-Ladakh in a competition-cooperation framework. For Gokhale, "This might be the final chance to take the path to coexistence of cooperation and competition," and Menon suggests, "self-strengthening while avoiding a hot or cold war or a two-front war by being ready for it; cooperating where possible and competing when necessary." See Vijay Gokhale, *The Road from Galwan*, 23, Shivshankar Menon, Shivshankar Menon, "India-China Ties: The Future holds 'Antagonistic Cooperation', Not War", *The Wire*, December 7, 2020, https://thewire.in/external-affairs/india-china-ties-expect-antagonistic-cooperation-future-not-war
- 42 https://tradestat.commerce.gov.in/eidb/iecnttopnq.asp
- 43 Karan Pradhan, "No trade unless India reverses Article 370 abrogation, says Pakistan and shoots self in foot", *Firstpost*, April 2, 2021, https://www.firstpost.com/india/no-trade-unless-india-reverses-article-370-abrogation-says-pakistan-and-shoots-self-in-the-foot-9488861.html

Images used in this paper are from Getty Images/Busà Photography.

