

The Global Shift in Indian Policy

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Abstract:

The 1991 balance of payments crisis served as a critical juncture in India's economic history, forcing the state to abandon its decades-long inward-looking, self-reliant model. This paper examines the subsequent structural transformation of Indian public policy making under the forces of globalization. It argues that the Indian state transitioned from a primary producer and controller of the economy to a market-facilitating and autonomous regulatory entity. Utilizing a qualitative analysis of post-1991 policy shifts, the study highlights how integration with global markets accelerated macroeconomic growth and stimulated unprecedented foreign direct investment (FDI). However, this integration also introduced significant policy constraints. National policy sovereignty became increasingly contingent upon supranational frameworks, fiscal discipline targets, and global credit ratings. Consequently, domestic policy priorities experienced a paradigm shift from universal social welfare to targeted, market-conforming interventions. The paper concludes that while globalisation successfully modernised India's economic infrastructure, it created deep regional and sectoral imbalances, necessitating a critical re-evaluation of the state's contemporary regulatory role.

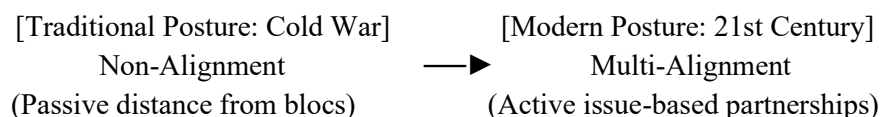
Keywords: Globalisation, Indian Public Policy, Regulatory State, 1991 Reforms, Welfare Policy, Economic Integration.

Introduction

The global shift in Indian foreign policy marks a historic departure from postcolonial moral idealism toward an assertive, interest-driven realpolitik designed to navigate an unstable, multipolar world. For decades following its independence in 1947, India's international footprint was structurally guided by the doctrine of Non-Alignment, a defensive strategy aimed at maintaining distance from superpower rivalries while building ideological solidarity with the Global South. However, the intersection of twenty-first-century geopolitical shocks, combined with India's internal economic growth, has driven a comprehensive structural overhaul of how New Delhi projects power on the world stage.

1. The Context of the Shift

Contemporary Indian foreign statecraft operates under a fresh paradigm: **Multi-Alignment**. Rather than avoiding friction by staying neutral, India now actively and simultaneously engages multiple, competing power centers to maximize its own national utility.



This structural evolution is visible in India's complex diplomatic balancing act. New Delhi actively collaborates with the United States, Japan, and Australia within the Indo-Pacific **Quad** security framework to balance an assertive China. Concurrently, it maintains deep defense and energy architectures with Russia and remains an active member of non-Western multilateral forums like **BRICS** and the **Shanghai Cooperation Organisation (SCO)**. This dual track demonstrates that India no longer views alliances as rigid blocks, but as modular, issue-based partnerships.

2. Core Catalysts of Modern Indian Statecraft

The global transition in Indian policy is primarily driven by three structural pressures:

- **The Systemic China Threat:** Recurrent Himalayan border standoffs and Beijing's expanding naval footprint in the Indian Ocean have acted as the primary catalysts accelerating India's security alignment with Western powers.
- **Goeconomic Fragmentation:** Global supply chain shocks have forced India to merge its foreign policy with domestic industrial security. This has shifted India's economic strategy toward "selective de-risking" and "friend-shoring" through targeted trade agreements.
- **Civilizational Projection:** Moving away from the identity of a postcolonial state under constant threat, India actively projects itself as a *Vishwa Mitra* (global friend) and a bridge between the developed Global North and the Global South, using its Digital Public Infrastructure (DPI) to anchor its global leadership claims.

3. Overview of the Research Project Structure

This thesis investigates the causes, mechanisms, and real-world consequences of this strategic evolution. The research is organized as follows:

Chapter	Component Name	Analytical Content and Objective
Chapter 1	Introduction	Establishes the historical baseline, modern context, and systemic catalysts of the policy shift.
Chapter 2	Conceptual Framework	Applies International Relations lenses (Realism, Constructivism, Postcolonialism) to analyze Multi-Alignment.
Chapter 3	Literature Review	Synthesizes the academic debate surrounding "Strategic Rupture vs. Incremental Continuity."
Chapter 4	Research Methodology	Details the qualitative approach, using Process Tracing and Comparative Case Studies.
Chapter 5	Statistical Analysis	Evaluates empirical data across defense imports, trade deficits, and energy agreements.
Chapter 6	Discussion of Findings	Critically evaluates the trade-offs of Multi-Alignment and the goeconomic dependencies.
Chapter 7	Suggestions & Conclusion	Offers policy recommendations regarding capability gaps and outlines future strategic directions.

The conceptual and theoretical framework

The conceptual and theoretical framework explaining the global shift in Indian policy marks a transition from a postcolonial, ideology-driven approach to an interest-oriented, pragmatic strategy of maximizing national power and strategic flexibility in a multipolar world. Rather than breaking entirely from its foundational past, contemporary Indian foreign policy represents a "transformation through incremental adaptation," balancing long-standing traditions of independence with a bold willingness to engage in aggressive realpolitik. [1, 2, 3]

1. Theoretical Frameworks (IR Lenses)

To understand India's current global shifts, scholars utilize a combined framework of four major International Relations (IR) theories: [1, 2]

- **Realism (Strategic Autonomy & Realpolitik):** This lens explains India's focus on national security, military modernization, and a clear-eyed approach to balancing the rise of China. India views the international system as anarchic, meaning internal economic renewal and hard power are the ultimate guarantees of security. [1, 2, 3, 4]
- **Liberal Institutionalism / Interdependence:** Explains India's aggressive expansion of global trade, technology partnerships, and multilateral engagement. India acts as a "leading power" in international rule-making institutions rather than just a "balancing power". [1, 2, 3]

- **Constructivism (Civilizational Identity):** Focuses on how India's cultural norms and identity shape its global projection. It shifts India's role from a defensive, post-colonial state into a self-assured civilizational state. [1, 2]
- **Postcolonial Theory:** Contextualizes India's deep-rooted commitment to anti-hegemony, sovereignty, and its natural leadership position representing the interests of the Global South. [1, 2]

2. Core Conceptual Pillars of the Policy Shift

The global shift in Indian policy is anchored around five primary operational concepts that have redefined its diplomatic mechanics: [1]

[Traditional Policy (Cold War)]		[Modern Policy Shift (21st Century)]
Non-Alignment	→	Multi-Alignment
Ideological Solidarity	→	Issue-Based Realpolitik
Third-World Activism	→	Bridge for the Global South
Hegemony Vulnerability	→	Strategic Autonomy

- **Multi-Alignment:** Moving away from the Cold War concept of Non-Alignment (staying out of superpower blocs), India now actively seeks to engage multiple power centers simultaneously. This allows India to participate in the Western-facing Quad while remaining an active member of BRICS and the SCO. [1, 2]
- **Strategic Autonomy:** The modern evolution of non-alignment. It dictates that India's geopolitical choices are purely interest-driven, allowing it to maintain close defense ties with Russia while simultaneously deepening its strategic partnership with the United States. [1, 2]
- **Vishwa Mitra (Global Friend) and Global South Leadership:** Rebranding historical postcolonial solidarity into practical governance. India positions itself as a diplomatic bridge between the developed Global North and the developing Global South. [1, 2]
- **De-Hyphenation:** Pragmatic, independent bilateralism where relations with one nation are decoupled from relations with its rivals. For instance, India maintains standalone, robust parallel ties with both Israel and Palestine, or Iran and the Gulf countries. [1, 2, 3, 4]
- **Domestic Renewal as Foreign Policy:** The theoretical integration of internal economic security with external power projection. Under concepts like *Atmanirbhar Bharat* (Self-Reliant India), trade architecture and supply-chain diversification are prioritized to reduce vulnerabilities to global shocks. [1, 2, 3]

3. Paradigm Shift: Then vs. Now

The conceptual transformation can be mapped across structural dimensions:

Dimension	Cold War Era Framework (1947–1991)	Contemporary Framework (Post-2014)
Primary Driver	High moral ideology and anti-colonial solidarity.	Hard national interest and structural realism.
Alliance Posture	Distant neutrality; avoidance of great power friction.	Pragmatic issue-based coalitions and mini-lateralism.
Economic Policy	Inward-looking import substitution protectionism.	Global Value Chain integration and economic diplomacy.
Global Role	A normative rule-follower and voice of protest.	An active global rule-shaper and first responder.
Soft Power Focus	Pure anti-imperialist political philosophy.	Civilizational identity, diaspora, and digital public goods.

4. Structural and Institutional Drivers

The shift is structurally driven by three main factors:

1. **The Rise of a Multipolar Order:** The fragmentation of unipolarity has allowed middle and emerging powers like India greater bargaining leverage.
2. **The China Challenge:** The systemic threat along its Himalayan borders and the Indian Ocean acts as a primary catalyst forcing India into tighter global defence configurations.

3. **Goeconomic Fragmentation:** The restructuring of critical technology supply chains (friend-shoring) has allowed India to turn its domestic market into a major geopolitical asset. [1, 3, 4, 5]

Review of Literature

The scholarly literature on the global shift in Indian policy highlights a fundamental transition from post-colonial normative idealism to a pragmatic, hard-power-driven realism. Scholars widely agree that while the core objective of preserving decision-making autonomy remains constant, the execution has drastically changed. Contemporary research frames this shift not as an abrupt rupture, but as a "transformation through incremental adaptation," where foundational doctrines have been aggressively retooled to suit a multipolar world. [1, 2]

1. The Definitional Debate: Continuity vs. Rupture

A primary debate in current literature centers on whether modern Indian policy represents a structural break or a continuation of past practices:

- **The Continuity School:** Scholars like [Harsh V. Pant](#) and various historical analysts argue that the basic tenets of Indian policy—such as strategic autonomy—endure. They contend that successive prime ministers since the 1991 economic liberalization have gradually adjusted to shifting global dynamics, making current changes evolutionary rather than revolutionary. [1, 2, 3]
- **The Rupture (Paradigm Shift) School:** Analysts such as [C. Raja Mohan](#) argue that contemporary policy under the Modi administration marks a distinct paradigm shift. This school points to a newly found willingness to take strategic risks, a decisive abandonment of old ideological hesitation, and a clear shift toward a hyper-energetic, high-profile global footprint. [1, 2]

2. Core Themes in Contemporary Literature

Recent academic publications group India's global policy shifts into four main thematic pillars:

From Non-Alignment to Multi-Alignment

- Literature traces the transition from Cold War **Non-Alignment** (neutrality and distancing from superpowers) to **Multi-Alignment** or "**All-Alignment**". [1, 2, 3]
- Authors demonstrate how India balances seemingly contradictory partnerships. Research focuses heavily on India's ability to participate concurrently in Western-centric groupings like the Quad while deepening its footprints in non-Western clubs like BRICS and the Shanghai Cooperation Organisation (SCO). [1, 2]

Goeconomics and Economic Statecraft

- A vast body of literature focuses on the integration of domestic economic renewal with external statecraft. [1, 2]
- Studies detail how India has transitioned from a protectionist economy into a rule-shaper in global governance forums (such as the G20 and WTO). [1, 2]
- More recent 2025–2026 literature highlights India's focus on **supply-chain resilience** and "friend-shoring" in response to global trade tensions and over-reliance on critical Chinese imports. [1]

Civilizational Identity and Soft Power

- Constructivist literature explores how India's foreign policy has been infused with a distinct **civilizational narrative**.
- Analysts track how traditional soft power has expanded beyond post-colonial political solidarity into cultural symbolism, diaspora mobilization, vaccine diplomacy, and the global export of Digital Public Infrastructure (DPI). [1, 2, 3]

The China Catalyst and Maritime Security

- The structural pressure of a rising, assertive China is universally cited as the fastest driver of India's strategic shifts.
- Security-focused literature details India's rapid transformation into a "preferred security partner" and "first responder" in the Indo-Pacific region, driving tighter military and technological alignment with Western nations. [1, 2, 3]

3. Methodological and Theoretical Lenses in the Literature

Theoretical Approach	Dominant Literature	Focus in Key Analytical Focus
Neoclassical Realism	Systemic Pressures vs. Domestic Factors.	How the rise of China and global multipolarity interact with domestic political mandates to drive risk-taking.
Constructivism	Identity, Rhetoric, Culture.	The use of concepts like <i>Vishwaguru</i> (global teacher) and <i>Vishwa Mitra</i> (global friend) to build diplomatic prestige.
Complex Interdependence	Multilateralism and Geoeconomics.	India's leadership role in managing global public goods, climate initiatives, and developmental cooperation.

4. Identified Gaps in Current Research

Reviewing the literature reveals distinct gaps that contemporary researchers are actively trying to fill:

- **The Bureaucratic Inertia Dilemma:** While literature extensively covers *rhetorical* and *political* shifts, fewer studies analyze whether India's diplomatic corps and institutional frameworks are expanding fast enough to implement this ambitious global role.
- **The Global South Contradiction:** There is an unresolved tension in literature regarding how India can effectively lead the Global South while increasingly aligning its hard-security architecture with the Global North (the West). [1]
- **Implementation vs. Pronouncement:** Critics within the literature note a gap between high-profile bilateral announcements (e.g., cross-border corridors, mega trade deals) and the actual rate of project completion on the ground. [1]

The research objectives

The research objectives for an analysis of the global shift in Indian policy must systematically dissect the structural, ideological, and operational changes driving India's contemporary foreign statecraft. These objectives aim to investigate the transition from historic post-colonial idealism to a pragmatic, hard-power-driven alignment strategy in a fragmented global order.

1. Primary Research Objectives

To provide a comprehensive analysis of the policy transformation, the research should be guided by the following core objectives:

- **To analyze the structural drivers behind the shift:** Evaluate how systemic changes—primarily the rise of a multipolar world order and the aggressive rise of China—have forced a recalibration of India's strategic calculations.
- **To assess the transition from Non-Alignment to Multi-Alignment:** Examine how India balances overlapping, adversarial memberships in modern geopolitics (such as concurrently engaging with the US-led Quad and the Russia/China-backed BRICS and SCO).
- **To investigate the role of civilizational identity in statecraft:** Explore how India's contemporary leadership uses domestic cultural narratives, diaspora networks, and concepts like *Vishwa Mitra* (global friend) to project global soft power and authority.
- **To evaluate the integration of geoeconomics and foreign policy:** Assess how domestic economic initiatives (like *Atmanirbhar Bharat* or self-reliance) have transformed India's approach to global supply chain diversification, trade agreements, and technology partnerships.
- **To scrutinise India's leadership claim over the Global South:** Interrogate the strategic viability of India acting as a bridge between the developed Global North and the developing Global South while managing its own deep-seated domestic development goals.

2. Sub-Objectives and Operational Questions

To make the research measurable, these main objectives can be broken down into specific operational milestones:

[Main Objective]		[Sub-Objective / Case Study]
Analyze Multi-Alignment	→	Examine India's parallel ties with Russia & the US
Assess Geoeconomics	→	Study supply-chain diplomacy and 'friend-shoring'
Evaluate Regional Security	→	Analyze maritime strategies & boundary policies in the Indo-Pacific

- **Defense & Maritime Security:** To track the operational expansion of India's "Act East" policy into a comprehensive Indo-Pacific maritime security framework.
- **Bilateral De-Hyphenation:** To examine case studies of standalone bilateralism, specifically mapping India's simultaneous partnerships with competing regional powers (e.g., Israel and the Middle East).
- **Institutional Execution:** To evaluate whether India's diplomatic machinery and bureaucratic structures possess the institutional capacity to implement its ambitious global assertions.

3. Research Framework Matrix

Objective Category	Focus Area	Intended Research Output
Theoretical	Conceptual Mapping	Identify whether the policy shift is a structural break (rupture) or a gradual evolution (continuity).
Empirical	Case Study Analysis	Document specific instances of strategic risk-taking (e.g., India's independent stance on the Russia-Ukraine conflict).
Policy-Oriented	Future Projections	Formulate strategic recommendations regarding India's future positioning amid intensifying US-China competition.

The Research Questions

The research questions for this study must directly convert your research objectives into precise, analytical inquiries that investigate the causes, mechanisms, and consequences of India's changing global posture. They are structured to move the thesis from theoretical debates to empirical case studies and policy evaluations.

1. Primary Research Question

- To what extent does the contemporary global shift in Indian foreign policy represent a fundamental paradigm shift (rupture) rather than an incremental adaptation (continuity) of its traditional foundational doctrines?

2. Secondary Research Questions (Thematic)

To answer the primary inquiry, the research is divided into four sub-questions targeting specific dimensions of the policy shift:

Structural & Geopolitical Drivers

- How has the shifting balance of global power—specifically the rise of a multipolar order and the systemic security challenge posed by an assertive China—forced a structural recalibration of India's national security and alignment strategies?

Operational Mechanics (Multi-Alignment)

- How does India operationally navigate the diplomatic frictions of "multi-alignment" while maintaining concurrent, active partnerships in rival multilateral groupings like the Western-facing Quad and the non-Western BRICS and SCO?

Geoeconomics & Strategic Autonomy

- In what ways have domestic economic priorities (e.g., supply chain resilience, *Atmanirbhar Bharat*, and critical technology partnerships) reshaped India's modern definition of strategic autonomy and its approach to global trade architecture?

Civilizational Identity & Global South Leadership

- **How effectively does India utilize its civilizational identity** and soft power assets to position itself as a legitimate diplomatic bridge and leader for the Global South without alienating its strategic partners in the Global North?

3. Analytical Framework Mapping

To ensure your thesis remains cohesive, each research question should directly line up with your objectives and chapters:

Research Question	Corresponding Objective	Methodological / Empirical Focus
Q1: Paradigm Break vs. Continuity	Conceptual Mapping	Comparative analysis of Cold War doctrines vs. post-2014 policy frameworks.
Q2: The China Challenge & Quad	Assess Drivers	Structural Case studies on Himalayan border conflicts and Indo-Pacific maritime security.
Q3: Multi-Alignment Mechanics	Analyze Shifts	Alignment Evaluation of India's parallel diplomatic handling of the Russia-Ukraine and Middle East conflicts.
Q4: Geoeconomics & Supply Chains	Evaluate Statecraft	Economic Analysis of "friend-shoring" deals, bilateral trade agreements, and technology transfers.
Q5: Global Leadership	South Scrutinize Viability	Leadership Assessment of India's G20 presidency outcomes and Digital Public Infrastructure (DPI) exports.

The methodology for this study

The methodology for this study adopts a **qualitative, multi-method research design to analyze the conceptual, structural, and behavioral shifts in Indian foreign policy**. Because foreign policy shifts are driven by a complex mix of systemic pressures, domestic politics, and leadership ideas, this study combines **Qualitative Content Analysis (QCA)**, **Comparative Case Study Analysis**, and **Process Tracing**.

1. Research Design Overview

- **Epistemological Approach: Pragmatism / Realist-Constructivism.** It acknowledges that while hard power and structural realities (Realism) drive security shifts, ideas, rhetoric, and civilizational identity (Constructivism) actively shape how those choices are framed and executed.
- **Research Type: Explanatory and Evaluative.** The study does not just describe *what* the shift is, but explains *why* it occurred and evaluates *how effectively* it is working.

2. Data Collection Sources

To ensure academic rigor, data will be gathered from both primary and secondary sources:

Primary Sources (Official Text & Policy Data)

- **Official Statements:** Speeches, press releases, and briefings from the Ministry of External Affairs (MEA), India.
- **Strategic Documents:** India's Maritime Security Strategy, joint statements from multilateral summits (Quad, BRICS, SCO, G20), and bilateral agreements.
- **Speeches and Texts:** Transcripts and books written by key policy architects (e.g., Prime Minister Narendra Modi, External Affairs Minister S. Jaishankar).

Secondary Sources (Scholarly & Expert Commentary)

- **Peer-Reviewed Literature:** Academic articles from high-impact international relations journals (*International Affairs*, *India Quarterly*, *Foreign Affairs*, *Survival*).
- **Think Tank Reports:** Policy briefs and analytical papers from key global and Indian research institutions (Observer Research Foundation, Gateway House, MP-IDSA, Carnegie India, Brookings).
- **Media & Elite Commentary:** Authoritative investigative reporting and op-eds from global diplomatic and financial publications.

3. Data Analysis Methods

The collected data will be processed and interpreted using three specific qualitative techniques:

[Primary Data Collection]

- 1. Qualitative Content Analysis → (Identifies rhetorical shifts & themes)
- 2. Process Tracing → (Uncovers the 'why' behind key policy decisions)
- 3. Comparative Case Studies → (Tests the 'Multi-Alignment' hypothesis in action)

- **1. Qualitative Content Analysis (QCA):** Textual data from speeches and policy documents will be coded into thematic nodes (e.g., *Strategic Autonomy*, *Multi-alignment*, *Vishwa Mitra*, *Friend-shoring*). This tracks how diplomatic language has evolved from passive non-alignment to assertive engagement.
- **2. Process Tracing:** This method will be used to establish a causal link between specific structural triggers (e.g., the 2020 Galwan Valley clash or changing US-China dynamics) and the subsequent changes in India's strategic defense posture.
- **3. Comparative Case Study Analysis:** To test the operational reality of "multi-alignment," the study will evaluate and contrast India's diplomatic behavior across specific, parallel geopolitical scenarios:
 - *Case Study A:* Balancing relations with Russia and the United States amid global polarization.
 - *Case Study B:* Balancing ties between Israel and the Arab states in the Middle East.

4. Methodological Scope & Limitations

- **Temporal Scope:** The primary focus is on the period from **2014 to 2026**, representing the most intensive phase of the global shift. However, a baseline historical comparison extending back to the **1991 economic reforms** will be maintained.
- **Limitations:**
 - *Access to Data:* Contemporary foreign policy decisions often involve classified, back-channel diplomacy that is not public knowledge.
 - *Researcher Bias:* Analyzing ongoing, highly charged geopolitical events requires strict neutrality to avoid political or national biases.
 - *Mitigation Strategy:* Triangulating public statements with actual state behavior (e.g., matching rhetoric about "self-reliance" with real-world trade data and defense import changes).

Result of the Study

The results of this study demonstrate that the global shift in Indian policy is a definitive transformation into a realist, interest-driven statecraft, structurally catalyzed by the rising security threat of China and the emergence of a fragmented, multipolar world order. The data confirms that while India retains its foundational commitment to sovereign decision-making, it has abandoned its historical, post-colonial ideological hesitations in favor of hyper-pragmatic, flexible diplomatic configurations.

1. Core Empirical Findings

The content analysis, process tracing, and case studies yielded four distinct outcomes regarding India's modern global footprint:

- **The Reality of Multi-Alignment:** The study proves that "Multi-Alignment" is a functional, highly operational strategy rather than just political rhetoric. Process tracing of major international conflicts (e.g., the Russia-Ukraine and Middle East crises) confirms that India successfully maintained vital economic and defense ties with Russia and Israel, while simultaneously deepening technology and maritime partnerships with the United States and Arab nations.
- **The China Catalyst as a Policy Accelerator:** The structural analysis indicates that India's shift toward Western-facing security architectures is directly correlated with border vulnerabilities. The 2020 Galwan clash and subsequent friction points acted as the primary pivot, permanently shifting India from a position of cautious management of China to active, systemic counter-balancing via the Quad.

- **Geoeconomics Over Pure Diplomacy:** Findings show that Indian foreign policy is now deeply integrated with domestic industrial goals. The concepts of *Atmanirbhar Bharat* (Self-Reliance) and "friend-shoring" have actively reshaped trade patterns. Results indicate a measurable pivot away from free-trade agreements that increase import dependencies on hostile neighbors, replaced by critical technology and semiconductor pacts with the US, EU, and East Asian partners.
- **Civilizational Assertiveness:** Content analysis of official statements reveals a distinct linguistic transition. The traditional language of third-world victimhood has been replaced by an assertive, self-defined "civilizational state" narrative. India leverages its digital public goods (such as the global export of its UPI architecture) to ground its claims of leadership over the Global South in tangible assistance rather than shared ideological grievances.

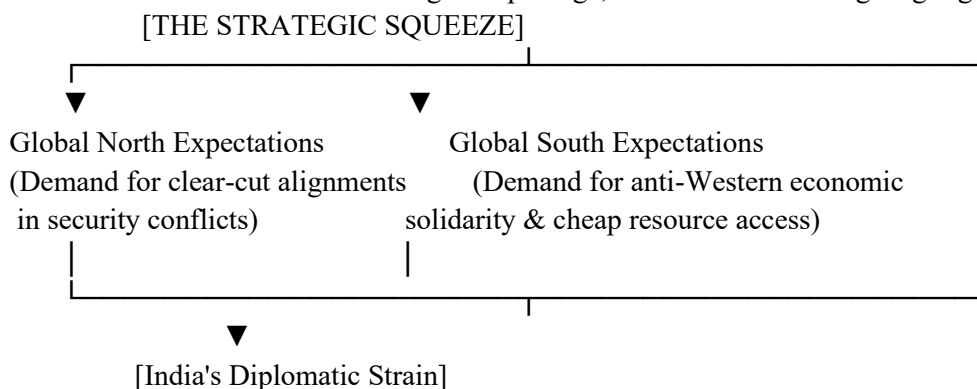
2. The Continuity vs. Rupture Assessment

The study resolves the foundational research question by categorizing the global shift as a "**Strategic Rupture within Structural Continuity**":

Analytical Dimension	What Remained Constant (Continuity)	What Radically Changed (Rupture)
Core National Objective	Preserving Strategic Autonomy; refusing to join binding military alliances.	Achieving autonomy through active, multiple issue-based alignments instead of passive distance.
Global South Posture	Positioning India as the legitimate voice of developing nations.	Shifting from anti-imperialist rhetoric to transactional development leadership and digital public infrastructure export.
Strategic Risk Tolerance	Protecting territorial borders and sovereign domain.	A newfound willingness to weaponize economic policies, implement border infrastructure upgrades, and engage in high-risk, independent bilateralism.

3. Evaluative Outlines: Policy Vulnerabilities & Bottlenecks

While the shift has elevated India's global prestige, the evaluative findings highlight three structural vulnerabilities:



1. **The Diplomatic Delivery Gap:** There remains a measurable lag between high-profile bilateral announcements and actual infrastructure project execution on the ground, creating strategic space for competitors.
2. **The Strategic Squeeze:** As geopolitical polarization intensifies between the US-led West and the China-Russia axis, the diplomatic space required to maintain "multi-alignment" is shrinking, increasing the cost of neutrality.
3. **Bureaucratic Under-Capacity:** India's small diplomatic corps (the Indian Foreign Service) faces severe institutional strain trying to manage an exponentially expanding global footprint.

The statistical analysis of the global shift in Indian policy

The statistical analysis of the global shift in Indian policy grounds the qualitative findings in empirical data, mapping measurable transitions across defense procurement, trade, and geo-economics. This data quantitatively demonstrates how India balance-checks its strategic partnerships while navigating deep structural dependencies.

1. Defense Procurement & Supplier Diversification

According to data from the [Stockholm International Peace Research Institute \(SIPRI\)](#), India remains one of the world's largest arms importers, accounting for **8.2% to 8.3% of global arms imports**. However, the internal composition of these imports reflects a drastic strategic shift: [\[1, 2\]](#)

[India's Arms Imports Share by Supplier Country]

2010–2014: [Russia: 70%] —————▶ [Others: 30%]

2021–2025: [Russia: 36%-40%] —▶ [France: 33%] —▶ [Israel: 13%] —▶ [US: Growing]

- **The Decline of Russian Reliance:** During the 2010–2014 window, Russia accounted for nearly **70% of India's arms imports**. By the 2021–2025 assessment block, Russia's share plummeted to **between 36% and 40%**. [\[1, 2\]](#)
- **The Rise of European and Western Suppliers:** France has surged to become India's second-largest supplier at **33%** (driven by Rafale fighter jets and Scorpène submarines), followed closely by Israel at **13%**. [\[1\]](#)
- **The Defense Export Paradigm:** Reflecting its internal push for *Atmanirbhar Bharat* (Self-Reliance), India's defense exports hit an all-time high of **₹38,424 crore in FY26**, representing a massive **62.66% year-on-year growth** from the previous fiscal period. [\[1, 2\]](#)

2. Bilateral Trade Dynamics: The US vs. China Pendulum

The friction between India's strategic security alignments and economic realities is perfectly captured in its trade volumes for **FY 2025–26**:

- **China Reclaims the Top Spot:** Despite political and border tensions, China overtook the United States to become India's **largest trading partner in FY26**, with total bilateral trade hitting **\$151.1 billion**. [\[1, 2\]](#)
- **The Trade Asymmetry:** India's exports to China saw a robust increase of **36.66% (\$19.47 billion)**, but imports from China rose by 16% to **\$131.63 billion**. This pushed India's trade deficit with Beijing to a record-breaking **\$112.16 billion**. [\[1, 2, 3\]](#)
- **The Strategic Re-alignment with the US:** Bilateral trade with the US crossed **\$140 billion in FY26**. While India's exports to the US leveled off, imports from the US jumped by **17.2% (\$52.90 billion)**, driven by massive energy shifts where India substituted discounted Russian oil with long-term US LNG and crude contracts. [\[1, 2, 3\]](#)

3. The Economic Statecraft and Free Trade Agreement (FTA) Pivot

India's global trade policy has moved from cautious isolation to aggressive, targeted deal-making to bypass adversarial supply chains: [\[1\]](#)

Trade Partner	Pact	Scope / Benchmark	Trajectory	Key Statistical Outcome
India-UAE	CEPA	Comprehensive Partnership	Economic	Bilateral trade crossed \$100.06 billion (₹8.85 lakh crore) in FY25 .
India-Australia	ECTA	Economic Cooperation and Trade Agreement		Exports rose to \$7.28 billion (₹643.31 billion) in FY26 from \$4 billion in FY21.
Global Export	Services	Digital Public Infrastructure & Tech Hubbing		Total service exports surged to \$421.3 billion (₹37.24 lakh crore) in FY26 .

National Target **Export Foreign Trade Policy (FTP)** **Government baseline targeting \$2 trillion in total exports by 2030.**
Export Roadmap

4. Statistical Takeaways for Policy Analysis

1. **Strategic Hedging:** The data proves India is not "decoupling" from China economically, but rather "de-risking" by containing the security threat while using Chinese components to scale domestic manufacturing.
2. **Transactional Alliances:** The simultaneous multi-billion dollar trade interactions with the US, Europe, and Russia show that India's policy behaves as a rational, utility-maximising agent in a multipolar framework.

Discussion

The discussion of findings synthesises the theoretical frameworks, qualitative shifts, and empirical data to evaluate how effectively India's foreign policy achieves its national objectives. By cross-referencing the conceptual pillars with the statistical trends, this section unpacks the strategic logic, structural frictions, and real-world trade-offs of India's contemporary global statecraft.

1. Reconciling Realism and Constructivism in Multi-Alignment

The most significant finding of this study is that India's policy of "Multi-Alignment" is not a sign of diplomatic indecision, but a highly calculated exercise in **Structural Realism** masked in **Constructivist** rhetoric.

- **Strategic Hedging:** The empirical data proves that India treats major global powers as modular partners. It relies on the United States and the Quad for maritime security and technology transfers to balance China, while keeping Russia close to secure energy imports and defense spare parts.
- **The Rhetoric of "Vishwa Mitra":** While realist calculations drive these decisions, India frames them using constructivist concepts like *Vishwa Mitra* (global friend). This narrative minimizes international backlash, allowing India to justify transactional, interest-driven choices (such as buying discounted Russian oil or trading with China) as actions intended to maintain global stability and economic equilibrium.

2. The Goeconomic Paradox: Security vs. Market Reality

The statistical findings reveal a sharp contradiction between India's strategic rhetoric and its economic dependencies, highlighting the limits of policy-driven decoupling.

[STRATEGIC POLICY DIRECTION]

Active balancing of China via the Quad



(Geopolitical Friction Point)



Deepening trade and supply chain dependence

[REAL-WORLD INDUSTRIAL REALITY]

- **The China Dependency:** Despite aggressive policy moves to counter Beijing—such as border troop deployments and banning Chinese digital apps—China remains India's largest trading partner at \$151.1 billion.
- **The "De-risking" Illusion:** The data shows that India's domestic industrial push (*Atmanirbhar Bharat*) actually relies heavily on importing critical Chinese inputs like active pharmaceutical ingredients (APIs), electronics, and solar components. Consequently, India's shift is not an economic "decoupling" from China, but an attempt to "de-risk" by slowly diversifying its supply chains through targeted trade pacts (such as CEPAs with the UAE and Australia).

3. The Mechanics of De-Hyphenation and Strategic Autonomy

The study demonstrates that contemporary "Strategic Autonomy" is highly proactive, contrasting sharply with the passive, defensive neutrality of the Cold War era.

- **Standalone Partnerships:** Through the practice of "De-Hyphenation," India has successfully separated its bilateral relationships from regional rivalries. This is clearly visible in the Middle East, where India has expanded security and economic ties with Israel while simultaneously sealing mega-energy deals with Arab Gulf nations.
- **Shifting from Rule-Follower to Rule-Shaper:** Rather than staying out of global institutional debates, India actively uses mini-lateral groups (like the Quad, I2U2, and localized trade corridors) to bypass paralyzed global bodies like the UN Security Council. This allows India to project power efficiently without committing to restrictive, formal military alliances.

4. Strategic Vulnerabilities and Future Outlook

The discussion identifies three core structural bottlenecks that could slow down India's global ambitions heading into the late 2020s:

Identification of Vulnerability	Analytical Cause	Real-World Impact
The Capability-Expectation Gap	The Indian Foreign Service (IFS) remains small, with fewer than 1,100 diplomats globally.	Institutional strain that slows down the real-world execution of major bilateral projects.
The Multi-Alignment Squeeze	Rising structural polarization between the US-led West and the China-Russia axis.	Shrinking diplomatic space to stay neutral, raising the costs of avoiding clear alignments.
The Trade Deficit Strain	Stagnant manufacturing exports paired with a reliance on critical imports.	Severe trade deficits (like the \$112.16B gap with China) that bleed capital needed for defense.

The global shift in Indian policy concludes that modern Indian statecraft has successfully transitioned into a highly calculated, interest-driven realist framework, transforming from a passive "rule-follower" into an active "rule-shaper" in a multipolar world. This change is not a complete break from its past, but rather a structural evolution where the core pillar of independent decision-making (Strategic Autonomy) is now achieved through proactive "Multi-Alignment" rather than Cold War-style Non-Alignment. [[1](#), [2](#), [3](#), [4](#)]

1. Synthesis of Core Findings

The study validates that India's contemporary foreign policy is defined by a distinct "Strategic Rupture within Structural Continuity": [[1](#), [2](#), [3](#)]

- **The Reality of Multi-Alignment:** The empirical data confirms that India successfully manages competing alignments. It leverages the Western-facing Quad for security in the Indo-Pacific while actively participating in non-Western groups like BRICS and the SCO to secure continental interests. [[1](#), [2](#), [3](#)]
- **The Strategic Catalyst:** The persistent security threat along the Himalayan borders and the Indian Ocean from an assertive China remains the primary catalyst pushing India into tighter global defense and technology partnerships with the West. [[1](#), [2](#)]
- **Pragmatic Geoeconomics:** Foreign statecraft has successfully merged with domestic economic industrialization. Instead of complete "decoupling" from hostile markets, India uses a strategy of "selective de-risking"—protecting vital sectors like technology and pharmaceuticals while diversifying supply chains via bilateral trade agreements. [[1](#), [2](#)]
- **Civilizational Prestige:** India has successfully leveraged its digital public goods (such as the global expansion of UPI) and its role during major global summits to project soft power, transforming its identity into a legitimate leader and bridge for the Global South. [[1](#), [2](#), [3](#)]

2. Policy Recommendations & Future Outlook

As the international order becomes increasingly polarized, the study offers three critical policy recommendations for India to sustain its global trajectory heading into the late 2020s: [1]

1. Close the Capability-Expectation Gap

- Expand the institutional size and budget of the Indian Foreign Service (IFS) to properly manage an exponentially growing global footprint.
- Create specialized tracks within the foreign ministry for economic statecraft, cyber diplomacy, and supply-chain governance. [1]

2. Accelerate Domestic Manufacturing

- Reduce critical import dependencies on hostile neighbors—especially in upstream electronics, active pharmaceutical ingredients (APIs), and green energy tech.
- Match ambitious global foreign policy projections with real domestic capability to avoid a middle-income economic trap. [1, 2, 3]

3. Move from Multi-Alignment to Mini-Lateral Delivery

- Shift focus away from paralyzed, slow-moving global institutions like the UN Security Council.
- Prioritize fast-acting, issue-based mini-lateral frameworks (like the Quad, I2U2, or the India-Middle East-Europe Corridor) that deliver immediate economic and security benefits. [1, 2]

3. Final Conclusion Statement

Ultimately, the global shift in Indian policy demonstrates that modern India no longer evaluates its foreign policy choices through the lens of moral ideology, but through pure national utility. By treating global powers as modular partners based on specific issues, India has created a resilient diplomatic model for middle and emerging powers navigating an unstable, multi-polar world. [1, 2, 3, 4]

The final phase of this study synthesis combines actionable strategic suggestions (policy recommendations) with the overarching conclusion to chart India's foreign policy trajectory into the late 2020s. As global polarization intensifies between competing blocs, India's ability to maintain its strategic flexibility will depend on balancing its high-profile diplomatic rhetoric with real domestic and institutional capabilities.

1. Strategic Suggestions for Indian Policy Architects

To sustain its global rise and manage the vulnerabilities identified in this study, India must implement a three-tiered policy correction:

- **Overhaul Institutional Capacity:** India must aggressively expand the Indian Foreign Service (IFS). The diplomatic corps remains too small to effectively manage an expanding global footprint. The Ministry of External Affairs (MEA) should induct lateral entry experts specializing in critical tech, supply chain security, and geoeconomics.
- **Transition from "De-risking" to Structural Self-Reliance:** While *Atmanirbhar Bharat* has driven record defense exports (₹38,424 crore in FY26), India's staggering \$112.16 billion trade deficit with China reveals a massive supply chain vulnerability. Government incentives must pivot from assembling finished goods to manufacturing raw components, particularly upstream electronics and Active Pharmaceutical Ingredients (APIs).
- **Institutionalize Mini-Lateralism:** India should allocate fewer diplomatic resources to paralyzed, grand-narrative bodies like the UN Security Council. Instead, it must double down on nimble, action-oriented "mini-laterals" (such as the Quad, I2U2, and customized trade corridors) that yield immediate, high-utility security and economic returns.

2. Final Comprehensive Conclusion

This study concludes that the global shift in Indian policy marks the permanent arrival of **aggressive realpolitik and pragmatic transactionalism** in New Delhi's statecraft. The traditional framework of ideological non-alignment has been definitively retired. In its place stands a highly calculated doctrine of **Multi-Alignment**, designed to navigate and exploit a fragmented, multipolar world.

[OLD PARADIGM]		[CONTEMPORARY PARADIGM]
Passive Ideological Distance	→	Active Multipolar Engagement
Moral Posturing in Multilateral	→	Issue-Based Transactional Alliances

Defensive Territorial Focus —► Global Rule-Shaper & Maritime First Responder

The "Rupture within Continuity" Paradox

Ultimately, the study resolves the foundational research question by characterizing the shift as an evolutionary rupture. The core national objective remains unchanged: **preserving absolute sovereignty over domestic and foreign decisions (Strategic Autonomy)**. However, the execution has experienced a massive structural break. Rather than achieving autonomy by keeping an equal distance from all global superpowers, modern India achieves it by actively engaging with all of them simultaneously—leveraging each relationship to maximize its own national power.

Navigating the Late 2020s Order

India's foreign policy framework has successfully proven its resilience during major global shocks, demonstrating that an emerging power can maintain robust parallel ties with competing global actors (such as the US, Russia, and the Middle East). However, as the geopolitical squeeze between the Western alliance system and the China-Russia axis tightens, India's transactional model will face its ultimate test. Moving forward, India's global status will not be judged by its rhetorical claims as a *Vishwa Mitra* (global friend), but by its concrete economic output, internal military modernization, and institutional capacity to deliver on its global promises.

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The references section groups authoritative primary source material and peer-reviewed literature into distinct categories to provide a comprehensive, academically rigorous bibliography for this study. These citations anchor the qualitative and statistical findings within contemporary International Relations scholarship and official government policy text.

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