

## **BALANCING ASPIRATIONS AND REALITIES: INDIA'S SOUTH ASIA POLICY IN THE 21ST CENTURY**

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### **Abstract**

*This paper explores India's evolving foreign policy towards South Asia in the 21st century, with a particular focus on balancing the country's strategic aspirations with the geopolitical and economic realities it faces. India has long sought to assert itself as a regional leader in South Asia, with aspirations to enhance its security, economic influence, and diplomatic standing. However, its ambitions are consistently challenged by internal and external factors, including territorial disputes, the rise of China, regional political rivalries, and the changing dynamics of global power.*

*The primary objective of this study is to examine how India navigates these competing aspirations and realities in its South Asia policy, particularly since the turn of the 21st century. The study seeks to answer several key research questions: How has India's foreign policy towards its South Asian neighbours evolved in the face of new geopolitical challenges? What are the primary drivers behind India's regional strategy, and how does it balance economic cooperation with security concerns? How do India's relationships with its neighbours, such as Pakistan, Nepal, Sri Lanka, and Bangladesh, reflect broader regional dynamics?*

*The paper employs a qualitative methodological approach, drawing upon an analysis of both primary and secondary sources, including government documents, academic literature, and reports from regional think tanks. It also includes critical analysis of India's relations with South Asian countries to illustrate the practical application of its foreign policy strategies.*

*The study finds that while India's regional aspirations remain strong, the country's policy is often constrained by the complex realities of a fragmented South Asian region. India's regional policy has adapted to include pragmatic diplomacy, economic partnerships, and security arrangements, but challenges such as the ongoing India-Pakistan conflict and China's growing influence remain central to its strategy. The paper concludes by offering recommendations for*

*India to better align its aspirations with the evolving regional and global context, focusing on strengthening multilateral cooperation and regional trust-building.*

**Keywords:** *Indian Foreign Policy, South Asia, Geopolitical Dynamics, Soft Power, Debt Trap Diplomacy*

## **Contextualizing India's South Asia Policy**

Indian foreign policy in South Asia is shaped by a unique confluence of historical, economical, geographical, and geopolitical factors. As the largest and most populous nation in the region, India occupies a central position in the subcontinent, both strategically and politically. South Asia, home to nearly a quarter of the world's population, is marked by significant diversity, economic disparities, and complex political dynamics. India's interactions with its neighbours are influenced not only by shared history and cultural linkages but also by enduring challenges such as border disputes, ethnic tensions, and political mistrust.

In the 21st century, India has sought to redefine its role in the region by emphasizing economic integration, cross-border connectivity, and development partnerships under the banner of the "Neighbourhood First" policy. However, these ambitions face formidable tests: the strategic competition posed by China's expanding influence, enduring hostility with Pakistan, economic and political instability in the neighbouring countries and the domestic political and economic pressures that shape India's policy choices. Striking a balance between aspirational leadership and the pragmatic demands of geopolitical realities has thus emerged as the cornerstone of India's South Asia policy, reflecting its broader struggle to align its vision with the complexities of regional diplomacy.

## **Importance of Balancing Aspirations with Realities**

India's vision for South Asia reflects its ambition to emerge as a regional leader, driving economic integration, ensuring strategic security, and fostering cooperative development. (L. Fawcett & S. L. Jagtiani, 2024). As a pivotal power in the region, India aspires to shape a stable and prosperous neighbourhood to counterbalance external influences (most notably from China) and champion initiatives that promote trade connectivity, energy collaboration, and digital innovation. (Jain, 2018). Strategically, India prioritizes securing its borders, addressing terrorism, and safeguarding its maritime interests in the Indian Ocean, recognizing the region's significance to its broader geopolitical and economic goals.

However, these aspirations are tempered by complex realities. Protracted border disputes with China and Pakistan frequently escalate into tensions, while smaller neighbours like Nepal and Sri Lanka strategically leverage India's regional dominance by engaging with external powers to secure favourable terms. Domestically, economic limitations, evolving political scenarios, and shifting public sentiment pose additional constraints on foreign policy initiatives.

These dynamics underscore a critical imperative: India must adopt a pragmatic, context-sensitive approach that aligns its ambitions with the prudent realities of the region. By prioritizing long-term stability and fostering sustainable partnerships, India can effectively navigate the intricate interplay of aspirations and challenges in South Asia.

### **Research Objective and Methodology**

This research paper aims to critically analyse the evolution of India's foreign policy toward South Asia in the 21st century, emphasizing the intricate balance between its aspirations and the multifaceted realities of the region. The study is guided by two central inquiries:

1. How has India's foreign policy evolved in the 21st century?
2. What factors influence India's engagement with South Asia?

The first inquiry examines the transformation of India's foreign policy from its foundational principles rooted in the Non-Alignment Movement to its current emphasis on pragmatic realism and strategic engagement. The second inquiry explores the political, economic, and security drivers of India's regional interactions, with a focus on its relations with neighbouring countries and the impact of external actors such as China and the United States on regional dynamics. Through these inquiries, the paper seeks to deepen understanding of India's South Asia policy, highlighting its achievements, challenges, and potential trajectories for future regional engagement.

To achieve these objectives, the study adopts a qualitative methodology, leveraging an extensive analysis of primary and secondary sources such as government documents, academic publications, and reports from regional think tanks. Additionally, it incorporates case studies of India's relationships with specific South Asian nations, offering subtle insights into the practical application and implications of its foreign policy strategies.

### **Historical Context and Evolution of India's South Asia Policy**

India's engagement with South Asia has undergone significant transformation over the decades, shaped by a complex interplay of historical legacies, shifting geopolitical priorities,

and evolving domestic and international dynamics. This evolution reflects a broader transition from idealistic ambitions to a more pragmatic, realist approach in the 21st century. The key milestones in India's South Asia policy are examined within the context of these changing influences, offering insight into how India's strategic orientation has adapted to meet the challenges and opportunities of the region.

### **Foundations of Indian Foreign Policy: Non-Alignment and Panchsheel**

After gaining independence, India charted its foreign policy amidst the turbulent dynamics of Cold War politics by adopting the principles of non-alignment and Panchsheel, or peaceful coexistence. These foundational ideas not only shaped India's global outlook but also laid the groundwork for its approach to South Asia.

India played a pivotal role in the establishment of the Non-Aligned Movement (NAM), aiming to maintain neutrality in a bipolar world dominated by the United States and the Soviet Union. Under the leadership of Prime Minister Jawaharlal Nehru, India prioritized strategic autonomy, resisting pressures to align with either bloc. Within South Asia, this policy of non-alignment was envisioned as a stabilizing influence, promoting peace and mitigating the risks of external interventions in regional affairs. (Harsh V. Pant & Julie M. Super, 2015).

To further its vision of peaceful coexistence, India embraced the Panchsheel principles, first articulated in the 1954 agreement with China. These five tenets—mutual respect for sovereignty, non-aggression, non-interference in internal affairs, equality and mutual benefit, and peaceful coexistence—became a cornerstone of India's bilateral relations, including with its South Asian neighbours. (Ghosh, 2020). The goal was to foster regional harmony and cooperation. However, the implementation of these ideals faced significant challenges, including border disputes and ideological divergences, which frequently complicated efforts to achieve lasting peace and stability in the region.

By blending the universal ethos of non-alignment with the practical aspirations of Panchsheel, India sought to navigate the complexities of its immediate neighbourhood while maintaining its autonomy and commitment to peace.

### **Cold War Dynamics and Their Regional Implications**

During the Cold War era, India grappled with the dual challenge of managing complex regional relationships while navigating the larger framework of global superpower rivalries. India's ties with Pakistan were marked by persistent tensions over territorial disputes, particularly in

Jammu and Kashmir. These disagreements escalated into open conflicts, culminating in wars in 1947–48, 1965, and 1971. The Bangladesh Liberation War of 1971 was a watershed moment, with India's decisive intervention not only reshaping the geopolitical contours of South Asia but also bolstering its role as a regional power. (Ranjan, 2016).

By the 1970s, India leaned towards the Soviet Union, formalizing its relationship through the Indo-Soviet Treaty of Peace, Friendship, and Cooperation in 1971. (Embassy of India, Moscow, 2021). This strategic partnership reinforced India's position globally and regionally but exacerbated tensions with neighbours like Pakistan, which sought alliances with the United States and China.

The establishment of the SAARC in 1985 reflected India's aspirations for fostering regional collaboration. However, deep-seated political rivalries, particularly with Pakistan, undermined SAARC's potential as an effective platform for cooperation.

### **Post-Cold War Shifts and Regional Implications**

The end of the Cold War in 1991, coupled with the onset of globalization, brought transformative changes to India's foreign policy, particularly its approach to South Asia. These developments redefined regional dynamics, compelling India to adapt to new geopolitical and economic realities. Economic liberalization, initiated in 1991, became a pivotal driver of this shift, reorienting India's foreign policy toward economic diplomacy and regional connectivity. Initiatives such as the South Asian Free Trade Area (SAFTA) exemplified this focus, aiming to foster regional integration and shared prosperity across South Asia.

In response to shifting global power structures, India adopted a more pragmatic foreign policy, balancing its engagements with major powers like the United States and China while striving to assert leadership in South Asia. The growing influence of China in the region, particularly through the Belt and Road Initiative (BRI), posed a significant challenge, prompting India to prioritize counterstrategies to safeguard its strategic interests. (Ghiasi, 2021). Simultaneously, as the 21st century unfolded, India sought to align its regional ambitions with the complex realities of a rapidly changing geopolitical landscape, focusing on consolidating its position as a stabilizing force in South Asia.

During this period, India also embraced the principles of the Gujral Doctrine, introduced by Prime Minister I.K. Gujral in the late 1990s. This approach emphasized unilateral concessions to neighbours without demanding reciprocity, aiming to build trust and goodwill, particularly among smaller South Asian nations. (Sahoo, 2016). While the doctrine helped improve

relations with countries like Bangladesh and Sri Lanka, its impact was tempered by persistent tensions with Pakistan and other enduring regional challenges. Overall, India's evolving South Asia policy reflects its efforts to balance aspirations for regional leadership with the practical demands of navigating a dynamic and competitive environment

### **Idealism to Pragmatic Realism: Evolution of India's South Asia Policy**

In response to evolving geopolitical dynamics, India's South Asia policy in the 21st century has shifted toward pragmatic realism and regional hegemony. This transformation reflects a blend of soft power diplomacy and assertive strategic initiatives. A cornerstone of this approach is the "Neighbourhood First Policy," which prioritizes fostering robust relationships with immediate neighbours through economic cooperation, connectivity projects, and development partnerships. (Lok Sabha, 2024). By focusing on these areas, India aims to build mutual trust and create shared economic opportunities.

Simultaneously, India has intensified its efforts to counter China's expanding influence in the region. This is evident in initiatives such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and targeted infrastructure development in countries like Nepal, Bhutan, and Sri Lanka. (Grossman, 2023). These measures aim to strengthen India's strategic foothold and reinforce its role as a regional power.

India's South Asia policy embodies a continuous balancing act between aspirations for regional leadership and the complex realities of historical animosities, domestic challenges, and external pressures. This evolving trajectory underscores the dynamic interplay of idealism and pragmatism that has come to define India's foreign policy in the 21st century.

### **Key Dimensions of India's South Asia Policy in the 21st Century**

#### **Geopolitical Aspirations: Neighbourhood First Policy and Countering China**

India's "Neighbourhood First" policy epitomizes its strategic commitment to prioritizing its South Asian neighbours within its broader foreign policy framework. This initiative aims to cultivate closer ties through robust economic collaboration, political engagement, and cultural exchanges, thereby fostering regional stability and shared prosperity. Central to this approach are efforts to build trust through mutual respect and non-interference, coupled with practical measures such as strengthening trade agreements, advancing infrastructure projects, and enhancing cross-border connectivity. (Lok Sabha, 2023). Despite its promise, the policy's consistent implementation faces significant obstacles, including political volatility within the region and entrenched mistrust among South Asian nations.

China's expanding footprint in South Asia, particularly through its Belt and Road Initiative (BRI), presents a formidable challenge to India's regional aspirations. Strategic ventures like the China-Pakistan Economic Corridor (CPEC) and major investments in Sri Lanka, Nepal, and the Maldives have heightened concerns over sovereignty and security in the region. In response, India has pursued a dual strategy: promoting alternative connectivity initiatives, such as the Asia-Africa Growth Corridor (AAGC) in collaboration with Japan, and strengthening partnerships with Western allies. Simultaneously, India has ramped up its own investments across South Asia to counterbalance China's economic sway, leveraging shared historical and cultural affinities to sustain regional goodwill and reinforce its position as a trusted partner.

### **Developmental Aspirations: Trade, Connectivity and Infrastructure**

Trade and connectivity form the cornerstone of India's developmental aspirations in South Asia. India has actively promoted regional integration through initiatives like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), which aims to strengthen economic and technological collaboration among member states. (Rao, 2020). While the SAARC has struggled due to political differences, India has focused on sub-regional frameworks like the Bangladesh-Bhutan-India-Nepal (BBIN) Corridor to enhance cross-border trade and connectivity.

To strengthen its role as a developmental partner, India has prioritized investments in key infrastructure projects across the region. Notable examples include the construction of road and rail networks in Nepal, port modernization in Sri Lanka, and the establishment of power grid linkages with Bangladesh. These initiatives seek to streamline regional trade, improve energy access, and foster economic interdependence. Through grants and concessional loans, India's developmental assistance has not only driven infrastructural growth but also countered external influences, reinforcing its commitment to regional stability and goodwill.

### **Strategic Realities: Border Disputes, Counterterrorism and Defense Diplomacy**

India's foreign policy in South Asia is heavily influenced by its ongoing border disputes, especially with China and Pakistan, which remain central to its security strategy. The India-China border tensions, marked by confrontations like the 2017 Doklam standoff and the 2020 clashes in Ladakh, highlight the pressing need for robust border security and sustained diplomatic engagement. Similarly, the protracted dispute with Pakistan over Jammu and Kashmir continues to strain bilateral ties, complicating efforts for broader regional cooperation.

Central to India's regional security approach are counterterrorism measures and defense diplomacy. India has actively participated in both bilateral and multilateral frameworks to combat cross-border terrorism, particularly from Pakistan. In parallel, India has deepened defense collaborations with neighbouring nations, including Bangladesh, Sri Lanka, and Nepal, through joint military exercises, training programs, and defense supplies. (Dutta, 2009). These initiatives not only strengthen regional security but also position India as a net security provider in South Asia, enhancing its influence and leadership role in the region.

### **Soft Power Diplomacy: Cultural, Educational, and Diaspora Engagement**

India's soft power diplomacy harnesses its cultural legacy and historical ties to cultivate goodwill across South Asia. Through initiatives like scholarships for South Asian students, cultural exchange programs, and the promotion of Indian arts and cinema, India has strengthened vital people-to-people connections in the region. India's outreach through the Indian Council for Cultural Relations (ICCR) and the dissemination of yoga, Ayurveda, and other traditional practices further reinforces its cultural influence in the region.

The Indian diaspora in South Asian countries serves as a vital link in strengthening bilateral relations. Their contributions to local economies and their engagement with Indian initiatives create opportunities for collaboration. India's strategic use of cultural diplomacy, such as organizing regional festivals and commemorations of shared historical events, enhances its image as a unifying force in South Asia. By promoting inclusive narratives and fostering a sense of shared identity, India seeks to mitigate tensions and build trust across the region. (Seth, 2021).

### **Challenges in Balancing Aspirations and Realities**

#### **Internal Political and Economic Constraints**

India's internal political and economic realities frequently act as significant constraints on its ability to translate its regional aspirations into effective policies within South Asia. Domestically, the nation grapples with competing priorities such as economic development, political stability, and the need to address deep socio-economic disparities. These challenges create a complex environment where foreign policy initiatives often face opposition or are subject to modification based on regional political considerations. It is evident in the influence of regional parties, such as those in Tamil Nadu, can substantially shape India's approach to its neighbours, particularly in issues related to Sri Lanka, thus complicating the formulation of a consistent national policy. (Blarel, 2021).

Economically, despite being one of the world's fastest-growing economies, India's development challenges and resource constraints place significant limitations on its ability to engage comprehensively with its South Asian neighbours. While the country seeks to project itself as a regional leader, the financial and logistical demands of such a role often exceed the capabilities of its domestic infrastructure. (Channan, 2024). Compounding these issues are bureaucratic inefficiencies and the lack of a unified long-term strategic vision, both of which further hinder India's efforts to sustain and implement its regional ambitions. As a result, the gap between aspirations and the realities of domestic governance frequently prevents India from achieving its desired regional influence.

### **Diverging Priorities and Perceptions Among South Asian Neighbours**

India's regional leadership aspirations often meet with scepticism and resistance from its South Asian neighbours, who perceive its actions as hegemonic rather than collaborative. Countries such as Nepal and Bangladesh have voiced concerns over India's dominant role in key bilateral agreements, including water-sharing treaties and trade negotiations, which are seen as disproportionately benefiting India. (DT Tribune Desk, 2024). The stark power asymmetry between India and its smaller neighbours intensifies these perceptions, fuelling mistrust and hindering the formation of cooperative relationships. This growing sense of inequality reinforces divergent priorities and obstructs the pursuit of common regional objectives.

In this context, India's focus on counterterrorism efforts and large-scale connectivity projects contrasts sharply with the priorities of its smaller neighbours, who seek a more balanced approach to economic growth and respect for their sovereignty. While India views regional integration as a means to enhance security and economic cooperation, smaller states often prioritize equitable economic benefits and insist on non-interference in their domestic affairs. (DT Tribune Desk, 2024). These differing perspectives, rooted in historical experiences and national interests, create significant friction, impeding the realization of a cohesive regional vision for South Asia.

### **Geopolitical Tensions with Pakistan and China**

India's geopolitical landscape in South Asia is significantly shaped by its enduring tensions with Pakistan and China, both of which present formidable challenges to regional cooperation. The long-standing hostility between India and Pakistan, rooted in contentious issues such as the Kashmir dispute and the prevalence of cross-border terrorism, continues to undermine bilateral relations. These deep-seated animosities have not only strained direct diplomatic engagements but also hindered collective regional efforts, impeding multilateral initiatives.

aimed at fostering cooperation within South Asia. The absence of mutual trust and the frequent escalation of tensions between the two nuclear-armed neighbours further perpetuate instability in the region, complicating India's broader strategic goals.

Simultaneously, China's growing influence in South Asia has added a new layer of complexity to India's geopolitical calculations. China's Belt and Road Initiative (BRI), which includes extensive investments in neighbouring countries such as Pakistan, Sri Lanka, and Nepal, directly challenges India's dominant role in the region. The China-Pakistan Economic Corridor (CPEC), which passes through the disputed region of Pakistan-occupied Kashmir, is a particularly contentious issue for India, as it exacerbates both territorial and strategic disputes. As China strengthens its foothold in South Asia, India faces the dual challenge of managing its relations with both Pakistan and China while safeguarding its regional influence amidst rising strategic competition.

### **Ineffectiveness of Regional Forums like SAARC**

The SAARC, envisioned as a platform for fostering regional collaboration, has struggled to achieve its objectives due to persistent political and strategic rivalries, most notably between India and Pakistan. The organization's effectiveness has been hampered by the entrenchment of bilateral disputes, which have foiled efforts to address shared regional challenges such as poverty alleviation, climate change, and the promotion of regional trade. (Kim, 2024). Despite its founding principles, SAARC has failed to evolve into a dynamic, cooperative forum, with member states often prioritizing national interests over regional solidarity.

In response to SAARC's inactivity, India has increasingly turned to alternative multilateral frameworks like BIMSTEC and placed greater emphasis on bilateral agreements. These shifts reflect India's growing discontent with the lack of progress within SAARC. However, while these alternatives have provided some avenues for cooperation, they have not yet delivered a comprehensive or sustainable substitute for a fully functional regional cooperation mechanism in South Asia. This gap underscores the ongoing challenge for India in balancing its aspirations for regional leadership with the realities of a fragmented South Asian political landscape.

### **The Role of Extra-Regional Powers**

The involvement of extra-regional powers, particularly the United States and China, significantly complicates India's South Asia policy. The United States has largely supported India's emergence as a counterbalance to China's growing influence, yet its strategic priorities in the region—especially its engagements in Afghanistan and its alliances with Pakistan—

occasionally clash with India's interests. (Lou, 2022). These tensions highlight the complex interplay of global geopolitics that India must navigate, where its aspirations for regional stability and leadership are frequently at odds with the strategic calculations of other global actors.

Simultaneously, China's expanding economic and strategic footprint in South Asia, primarily through initiatives like the Belt and Road Initiative (BRI), directly challenges India's traditional sphere of influence. The deepening partnerships between China and South Asian nations not only shift regional power dynamics but also encourage smaller states to use their relationships with extra-regional powers as leverage against India. (Kuruwita, 2024). This dynamic introduces a new layer of complexity to India's quest for regional dominance, forcing it to reassess its approach to leadership and influence in South Asia.

Balancing these challenges requires India to adopt a strategic and pragmatic approach that addresses both its own constraints and the concerns of its South Asian neighbours. Central to this will be a consistent effort to foster trust, deepen economic cooperation, and capitalize on multilateral platforms. By doing so, India can craft a policy that not only aligns with its aspirations but also responds to the evolving dynamics of the region, ensuring long-term stability and mutual progress.

### **Summary of Findings**

India's foreign policy toward South Asia in the 21st century is characterized by a delicate balancing act between its regional aspirations and the geopolitical realities that define its interactions with neighbouring countries. Over the past decade, India has consistently sought to assert its leadership in South Asia, prioritizing economic growth, strategic security, and regional stability through its neighbourhood-focused policies. However, these aspirations have often been constrained by regional rivalries, particularly with Pakistan and China, and the limitations of regional institutions like SAARC.

India's 'Neighbourhood First' policy, launched in 2014, has yielded notable successes, particularly in infrastructure development, regional connectivity, and diplomatic engagement. Initiatives such as the BBIN Corridor and increasing trade relations with countries like Nepal, Bhutan, and Bangladesh have enhanced India's influence in the region. Additionally, India's soft power, encouraged by cultural diplomacy, educational exchanges, and development aid, has helped improve its image across South Asia. Yet, these relationships are complicated by political dynamics within these countries, historical tensions, and the region's competitive security environment, which sometimes obstructs deeper cooperation.

At the same time, India has faced significant challenges. Relations with Pakistan remain troubled, primarily due to longstanding territorial disputes and security concerns. China's expanding influence in the region, particularly through its Belt and Road Initiative (BRI), has also posed a strategic challenge for India. Furthermore, cross-border terrorism and regional military confrontations have underscored the complexity of managing India's security concerns. These challenges have often limited India's ability to realize its ambitions of regional leadership and security.

### **Opportunities for Recalibration in Light of Regional and Global Dynamics**

The evolving geopolitical landscape over the past decade offers both challenges and opportunities for India to recalibrate its South Asia policy. China's increasing assertiveness and the shifting dynamics of global powers, including the United States' fluctuating engagement in the region, present both obstacles and avenues for strategic innovation.

India has significant opportunities to strengthen regional cooperation through multilateral platforms such as BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation). This grouping, which includes South Asian and Southeast Asian countries, presents opportunities for economic integration and security collaboration. Enhancing connectivity projects, such as the BBIN Corridor, and deepening trade ties with neighbouring countries could solidify India's position as a regional economic leader.

In response to China's growing presence in South Asia, India faces the challenge of countering the Belt and Road Initiative, which has extended Chinese influence in countries like Sri Lanka, Nepal, and Bangladesh. India may consider offering alternative development models that emphasize sustainable growth, respect for sovereignty, and transparency, providing a counterpoint to China's "debt-trap diplomacy." Strengthening its partnerships with regional stakeholders while promoting these alternatives can offer a path to balance China's influence.

Pakistan remains a pivotal issue for India's South Asia policy. Although a comprehensive resolution to longstanding disputes appears elusive, India's diplomatic efforts focused on shared security and economic interests could pave the way for gradual confidence-building measures. This ongoing engagement, despite periodic setbacks, remains crucial for regional stability.

Moreover, India has ample scope to expand its soft power in South Asia, particularly through people-to-people initiatives, cultural exchanges, and educational partnerships. These efforts can foster deeper ties, mitigate anti-India sentiment, and contribute to long-term regional peace.

### **Future Outlook for India's South Asia Policy**

In the years ahead, India's South Asia policy is expected to evolve, shaped by both internal and external factors. Regionally, the dynamics of China's growing influence, Pakistan's strategic posture, and the potential for cooperation with smaller South Asian nations will remain critical. India will need to balance its ambition of regional leadership with the goal of peaceful coexistence, ensuring that its aspirations do not lead to further alienation or conflict.

The rise of global players such as Russia and the shifting priorities of the United States will influence India's strategies, compelling it to adapt to the changing regional power structure. The increasing salience of global challenges, such as climate change, technological development, and trade agreements, will necessitate a multifaceted approach to foreign policy. India's foreign policy may increasingly focus on regional economic cooperation, security frameworks, and shared development goals.

### **Policy Recommendations**

In the past decade, India's South Asia policy has increasingly emphasized regional cooperation while navigating the complexities of geopolitical rivalries and developmental challenges. To strengthen India's role as a stabilizing force in the region, the following strategies are critical.

#### **Strengthening Multilateral Frameworks, with a Focus on BIMSTEC**

India should prioritize revitalizing multilateral platforms like BIMSTEC which holds significant potential for regional integration, offering a cooperative space to tackle shared challenges in trade, connectivity, disaster management, and counterterrorism. In the last ten years, BIMSTEC has proven to be an adaptable forum, even as SAARC faces ongoing political deadlocks. India can promote institutional reforms to enhance decision-making and operational efficiency within BIMSTEC, invest in capacity-building initiatives to address common regional challenges, particularly in the areas of climate resilience, infrastructure, and disaster response, and leverage BIMSTEC as a complementary platform to SAARC, ensuring sustained progress in regional cooperation where SAARC has stalled.

#### **Pursuing Pragmatic and Inclusive Economic Partnerships**

In the context of South Asia's economic disparities, India must continue pursuing inclusive economic partnerships that prioritize equitable access to markets and mutual economic

benefits. Over the past decade, regional trade integration has been slow, with barriers still impeding trade flows. India can enhance regional economic cooperation by expanding trade agreements that facilitate equitable access to markets, especially for smaller economies such as Nepal, Bhutan, and the Maldives, supporting cross-border infrastructure projects like the BBIN Motor Vehicles Agreement and energy-sharing initiatives, which have the potential to enhance regional connectivity and economic flows, and promoting the development of regional value chains, connecting South Asia to global trade networks and boosting the region's competitive edge in global markets.

### **Balancing Strategic Competition with Cooperation**

In South Asia, India's strategic competition with China remains a focal point, especially as China's influence in the region grows. However, India should identify and leverage shared areas of interest to foster cooperation. Key collaborative initiatives from the past decade, particularly in areas like maritime security and renewable energy, offer a pathway to balanced engagement. India's approach could include partnering with regional neighbours on climate resilience and environmental sustainability projects, collaborating on maritime security in the Indian Ocean Region to address non-traditional threats like piracy and illegal fishing, and strengthening bilateral ties through sector-specific cooperation, particularly in health, education, and technology, where India has considerable expertise to offer.

### **Enhancing India's Role as a Development Partner**

India's role as a development partner in South Asia has expanded, with significant investments in infrastructure projects and humanitarian assistance. To further strengthen its influence and credibility, India should refine its approach to development aid. Key recommendations include streamlining aid disbursement mechanisms to ensure timely project completion and minimize delays, which can undermine trust and hinder developmental progress, prioritizing transparent, needs-based project selection to address the most pressing issues in regional partner countries, particularly those related to infrastructure, healthcare, and education, and collaborating with international organizations to co-finance large-scale infrastructure projects, reducing the financial burden on individual states while maximizing impact across the region.

### **Investing in Soft Power Initiatives**

India's soft power, rooted in its cultural heritage, democratic ideals, and vibrant diaspora, remains one of its strongest assets in shaping regional perceptions and building trust. In recent years, India has utilized its soft power effectively to counter negative narratives and foster goodwill. India can expand its soft power initiatives by increasing scholarships, exchange

programs, and educational collaborations, creating educational bridges between South Asian nations and fostering long-term diplomatic ties, promoting cultural exchanges through festivals, tourism, and media collaborations to deepen people-to-people connections and highlight India's rich cultural diversity, and enhancing public diplomacy efforts, particularly through digital and traditional media channels, to counter misinformation and enhance India's image as a responsible regional leader.

By implementing these strategies, India can build a regional environment that fosters cooperation, addresses shared challenges, and promotes sustainable development. A balanced approach—integrating pragmatic economic partnerships, strategic collaboration, and soft power initiatives—will enable India to navigate the complexities of the South Asian landscape, while pursuing its aspirations of regional stability and integration.

In conclusion, India's South Asia policy faces considerable challenges but also presents numerous opportunities. The region's evolving geopolitical dynamics, coupled with India's ability to adapt and recalibrate its diplomatic, security, and economic strategies, will determine the trajectory of its foreign policy. By leveraging its influence and fostering cooperation, India has the potential to guide South Asia toward a more integrated, stable, and prosperous future.

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