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FOREIGN POLICY PRESSURES ON INDIA AMID GLOBAL UNCERTAINTY

SYLLABUS:

GS 2 > International Relations > India's Foreign Policy

REFERENCE NEWS:

- India enters 2026 facing growing foreign policy pressures in a highly uncertain global environment. **Abrupt shifts in U.S. policy** under Donald Trump's second term, including tariffs, **sanctions linked to Russian oil**, and **tighter visa regimes**, have strained India's strategic and economic choices.
- On-going **wars in Ukraine and West Asia**, coupled with **instability in Pakistan, Bangladesh, Nepal, and Myanmar**, have tested **India's neighbourhood** and multilateral diplomacy, while projects like the India–Middle East Economic Corridor remain stalled.

FOREIGN POLICY PRESSURES ON INDIA AMID GLOBAL UNCERTAINTY:

- **Strategic Uncertainty in India–U.S. Relations:**
 - India faces pressure from the increasingly transactional approach of the United States under **Donald Trump**, weakening expectations of a **stable strategic partnership**.
 - For instance, **high tariffs and surcharges** imposed over India's purchase of Russian oil have affected trade competitiveness and energy security.
 - For example, **tighter H-1B and student visa norms**, deportations of undocumented Indians, and **U.S. outreach to Pakistan** have created domestic pressure and diluted India's diplomatic campaign against cross-border terrorism.
- **Shrinking Space for Strategic Autonomy:**
 - India's doctrine of strategic autonomy is under strain in an increasingly sanctions-driven global order.
 - For instance, the **Russia–Ukraine war has turned from a diplomatic balancing act into an economic liability**, as EU and U.K. sanctions on Nayara Energy impose secondary costs on India.
 - For example, **U.S. sanctions on Russian oil majors** indirectly disrupt India's energy supply chains, signalling growing pressure on middle powers to align rather than hedge.
- **West Asian Conflicts and Economic Spillovers:**
 - Instability in West Asia has created multidimensional pressure on Indian diplomacy.
 - For instance, the continuation of **Israeli military operations in Gaza** and **regional escalation involving Iran** have stalled the **India–Middle East Economic Corridor**, a flagship connectivity and trade initiative.

- For example, **India's reluctance to publicly criticise Israeli actions** has caused unease within groupings such as **BRICS and the SCO, particularly after Iran's inclusion**.
- This places India in a difficult position as it attempts to **balance relations with Israel, Iran, and Gulf states** while protecting energy imports and diaspora interests.
- **Neighbourhood Volatility and Erosion of Regional Influence:**
 - Persistent **political instability in South Asia** has tested India's "**Neighbourhood First**" policy.
 - For instance, political violence and rising **anti-India sentiment in Bangladesh** have strained people-to-people ties and border management.
 - For example, **uncertainty surrounding elections in Nepal and Myanmar** complicates regional connectivity projects and security coordination.
 - In Pakistan, renewed conflict and high-profile engagement with major powers have diluted India's efforts to diplomatically marginalise Islamabad over cross-border terrorism.
- **Economic Fragmentation and Trade Pressures:**
 - Global economic uncertainty has added a structural dimension to foreign policy pressure.
 - For instance, **slowing global growth and protectionist trends in Europe and North America** constrain India's export prospects.
 - For example, while India **successfully concluded bilateral trade agreements with the U.K., Oman, and New Zealand**, negotiations with the **U.S., the EU, ASEAN, and the GCC remain pending**.
 - This delays India's attempt to use trade diplomacy as a buffer against geopolitical shocks and limits market diversification.
- **Managing China amid Competition and Engagement:**
 - India faces sustained pressure in balancing competition and engagement with China.
 - For instance, **confidence-building measures** such as reopening the **Kailash–Mansarovar pilgrimage**, restoring flights, and resuming water data sharing followed high-level contacts involving **Narendra Modi and Xi Jinping**.
 - However, for example, **China's strong diplomatic and military support to Pakistan** during recent conflicts exposes the limits of diplomatic stabilisation and underscores the persistence of strategic rivalry.
- **Multilateral Fatigue and Institutional Weakness:**
 - The weakening of multilateral institutions has reduced **India's ability to convert diplomacy into rule-based outcomes**.
 - For instance, trade disputes increasingly bypass the WTO framework in favour of unilateral tariffs and sanctions.
 - For example, global forums such as the **UN Security Council remain paralysed on major conflicts**, limiting India's capacity to leverage multilateralism for conflict resolution, climate finance, or development goals.
- **Energy Transition versus Energy Security Dilemma:**
 - India faces pressure in **reconciling climate commitments with immediate energy needs**.
 - For instance, falling global oil prices due to production gluts reduce incentives for rapid renewable transition. For example, continued reliance on **discounted Russian oil has ensured domestic energy stability but exposed India to sanctions and reputational costs in the West**.
- **Diplomatic Bandwidth and Overextension:**
 - Managing multiple crises simultaneously has stretched India's diplomatic capacity.

- For instance, **New Delhi must handle high-level engagements across the Quad, BRICS, SCO, G20**, and regional forums, while responding to crises in its neighbourhood and beyond.
- For example, frequent high-level visits have not always translated into leverage, highlighting the limits of summit diplomacy in a volatile global order.

INDIA'S FOREIGN POLICY REALIGNMENT TO MANAGE GLOBAL PRESSURES:

- **Shift from Strategic Autonomy to Strategic Pragmatism:**
 - India has recalibrated its traditional doctrine of strategic autonomy into a more **issue-based and interest-driven approach**.
 - For instance, while continuing **energy imports from Russia** to protect domestic inflation and growth, India **simultaneously intensified engagement with Western partners to limit diplomatic fallout**. This reflects a conscious move from ideological non-alignment to outcome-oriented balancing.
- **Trade and Economic Diplomacy as a Shock Absorber:**
 - India increasingly used trade diplomacy to offset geopolitical pressures.
 - For example, New Delhi concluded **bilateral trade agreements with the U.K., Oman, and New Zealand** to diversify export markets amid U.S. and EU protectionism.
 - Negotiations with the EU, GCC, ASEAN, and the U.S. were prioritised to reduce overdependence on any single economic bloc and to cushion tariff and sanctions-related risks.
- **Selective Engagement with the United States:**
 - Rather than confrontation, India adopted **calibrated engagement** with Washington despite strains under **Donald Trump**.
 - For instance, India continued cooperation in defence, technology, and Indo-Pacific forums while managing disagreements on tariffs, visas, and Pakistan quietly through diplomatic channels. This reflects an attempt to **compartmentalise disputes without derailing the broader partnership**.
- **Stabilisation without Concessions in China Policy:**
 - India pursued limited stabilisation with China while avoiding dilution of core security interests.
 - For example, confidence-building measures such as reopening the Kailash–Mansarovar pilgrimage, restoring flights, and resuming water data sharing followed high-level contacts involving **Narendra Modi** and **Xi Jinping**. At the same time, India maintained military preparedness along the Line of Actual Control and avoided strategic dependence on Beijing.
- **Tactical Regional Engagement in the Neighbourhood:**
 - India adjusted its neighbourhood policy from idealistic leadership to **crisis-oriented stabilisation**.
 - For instance, **rapid humanitarian assistance to Sri Lanka** after Cyclone Ditwah and sustained engagement with Bhutan and the Maldives helped preserve goodwill despite instability in Bangladesh, Nepal, and Myanmar. This reflects a shift towards selective prioritisation within the **“Neighbourhood First” framework**.
- **Issue-Based Multilateralism:**
 - India adopted a more selective and functional approach to multilateral platforms.
 - For example, it continued **active participation in BRICS and the SCO** to engage **Russia, China, and Iran**, while simultaneously strengthening **Quad and Indo-Pacific cooperation to**

counterbalance China. This dual-track strategy allowed India to remain relevant across rival geopolitical groupings.

- **Energy Security over Normative Signalling:**
 - India clearly prioritised energy security over normative alignment.
 - For instance, continued **imports of discounted Russian oil helped manage inflation and fiscal pressures** despite reputational and sanctions risks. Simultaneously, India maintained its long-term commitment to renewable energy and climate action, signalling that short-term pragmatism did not imply strategic reversal.
- **Quiet Diplomacy over Public Posturing:**
 - India increasingly relied on **low-profile, sustained diplomacy** rather than public rhetoric.
 - For example, frequent high-level visits by External Affairs Minister **S. Jaishankar** aimed to manage disagreements through engagement rather than escalation. This reflects recognition of the limits of moral or declaratory diplomacy in a volatile global order.

WAY FORWARD:

- **Strengthen Issue-Based Coalitions:** India should deepen flexible, issue-specific partnerships on trade, technology, climate finance, and maritime security to reduce overdependence on any single power bloc.
- **Insulate Economic Interests from Geopolitics:** Accelerate pending trade agreements with the EU, ASEAN, GCC, and the U.S. to diversify markets and cushion tariff and sanctions shocks.
- **Reinforce Neighbourhood Stabilisation:** Move from episodic engagement to sustained political, economic, and humanitarian outreach in South Asia, especially in Bangladesh, Nepal, Myanmar, and Sri Lanka, to rebuild regional trust.
- **Enhance Strategic Communication:** Improve narrative management on terrorism, energy choices, and strategic autonomy to counter external claims and reduce diplomatic misperceptions.
- **Balance Energy Security with Transition Goals:** Continue short-term fossil fuel pragmatism while scaling up renewables, green hydrogen, and climate finance diplomacy to align security needs with long-term commitments.
- **Revitalise Multilateral Engagement:** Push reform-oriented leadership in global institutions while using minilateral forums to achieve concrete outcomes where multilateralism is stalled.
- **Expand Diplomatic Capacity:** Invest in diplomatic manpower, regional expertise, and economic statecraft to manage simultaneous crises and complex negotiations more effectively.

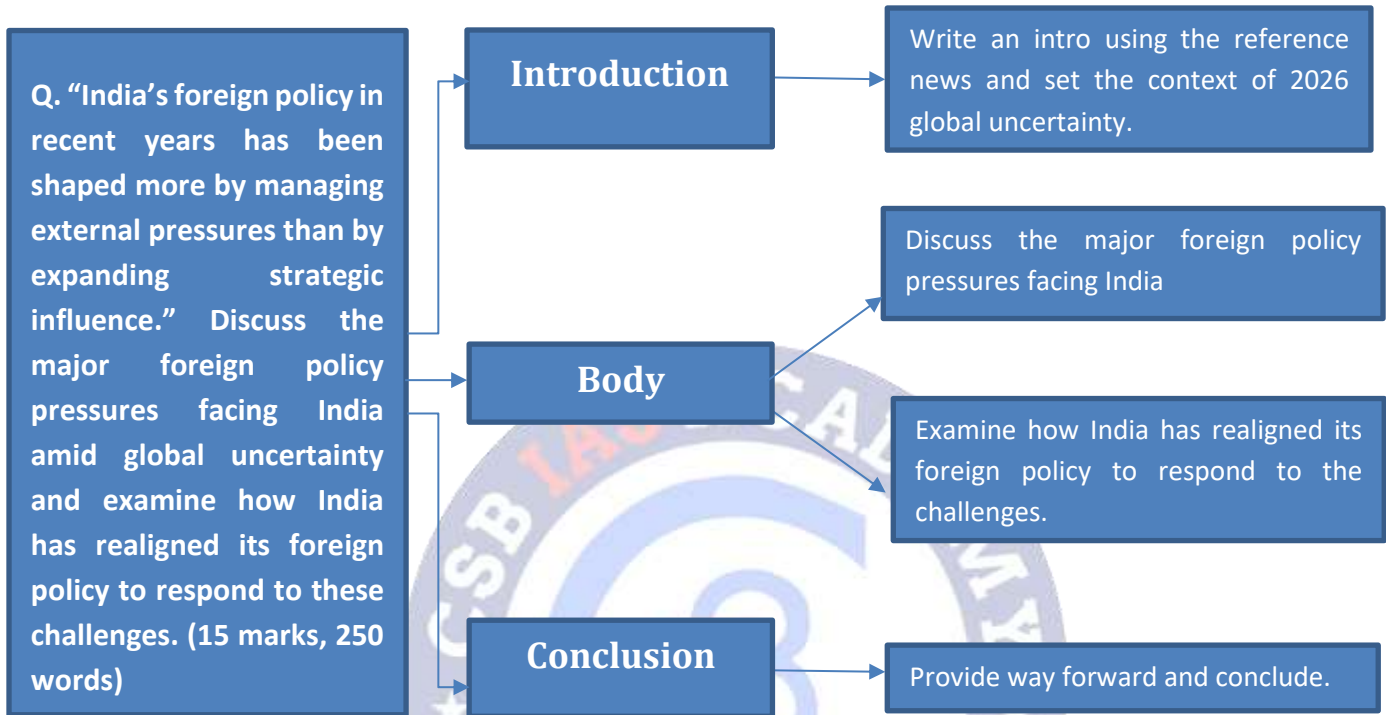
CONCLUSION:

- India's foreign policy amid global uncertainty is defined by pressure management rather than strategic expansion. Through pragmatic realignment, diversified partnerships, and quiet diplomacy, India has sought to safeguard core interests without abandoning strategic autonomy. The challenge ahead lies in converting resilience into sustained influence in an increasingly fragmented and unpredictable global order.

PRACTICE QUESTION:

Q. "India's foreign policy in recent years has been shaped more by managing external pressures than by expanding strategic influence." Discuss the major foreign policy pressures facing India amid global uncertainty and examine how India has realigned its foreign policy to respond to these challenges. (15 marks, 250 words)

APPROACH



MODEL ANSWER:

India enters 2026 facing intensified foreign policy pressures amid a volatile and uncertain global environment. Abrupt **shifts in U.S. policy under Donald Trump's second term, prolonged wars in Ukraine and West Asia, and political instability across India's neighbourhood** have constrained New Delhi's strategic choices. Consequently, India's foreign policy in recent years has focused more on managing external pressures than on expanding strategic influence.

Major Foreign Policy Pressures Facing India:

1. Strategic Uncertainty in India–U.S. Relations: India–U.S. ties have become increasingly transactional. The imposition of **high tariffs** and surcharges by the U.S. in response to India's purchase of Russian oil has affected trade competitiveness and energy security. **Tighter H-1B and student visa norms**, along with deportations of undocumented Indians, have created domestic political pressure. Simultaneously, U.S. outreach to Pakistan has diluted India's long-standing diplomatic narrative on cross-border terrorism.

2. Shrinking Space for Strategic Autonomy: India's doctrine of strategic autonomy is under strain in a **sanctions-driven global order**. The Russia–Ukraine war has turned from a diplomatic balancing act into an economic liability, as EU and U.K. sanctions on Indian–Russian ventures imposed secondary costs. **U.S. sanctions on Russian oil majors** have further increased transaction and insurance risks, signalling growing pressure on middle powers to align rather than hedge.

3. West Asian Conflicts and Economic Spillovers: Instability in West Asia has generated multidimensional pressure on Indian diplomacy. The continuation of the **Gaza conflict** and escalation involving Iran stalled the India–Middle East Economic Corridor. India’s reluctance to publicly criticise Israeli actions caused unease within BRICS and the SCO, particularly after Iran’s inclusion, complicating India’s balancing of relations with Israel, Iran, and Gulf states while safeguarding energy imports and diaspora interests.

4. Neighbourhood Volatility and Erosion of Regional Influence: Political instability in Pakistan, Bangladesh, Nepal, and Myanmar has tested India’s **“Neighbourhood First”** policy. **Rising anti-India sentiment in Bangladesh** strained people-to-people ties and border management. **Uncertainty in Nepal and Myanmar** delayed connectivity and security initiatives, while renewed conflict and international engagement with Pakistan diluted India’s efforts to diplomatically marginalise Islamabad on terrorism.

5. Economic Fragmentation and Multilateral Fatigue: Global growth slowdown and **protectionist trends in Europe and North America** have constrained India’s export prospects. Although India concluded trade agreements with the U.K., Oman, and New Zealand, negotiations with the U.S., EU, ASEAN, and GCC remain pending. At the same time, **weakening of institutions such as the WTO and paralysis of the UN Security Council** have reduced India’s ability to rely on rule-based multilateralism.

India’s Foreign Policy Realignment:

1. Shift from Strategic Autonomy to Strategic Pragmatism: India has recalibrated its traditional doctrine into an **issue-based, interest-driven approach**. While continuing Russian oil imports to protect domestic inflation and growth, India intensified engagement with Western partners to manage diplomatic fallout. This reflects a move from ideological non-alignment to outcome-oriented balancing.

2. Trade and Economic Diplomacy as a Shock Absorber: India increasingly used **trade diplomacy to cushion geopolitical shocks**. Bilateral trade agreements with the U.K., Oman, and New Zealand were concluded to diversify export markets amid rising protectionism. Parallel negotiations with the EU, ASEAN, GCC, and the U.S. aim to reduce overdependence on any single economic bloc.

3. Selective Engagement with the United States: Rather than confrontation, India adopted **calibrated engagement with Washington**. Cooperation in defence, technology, and Indo-Pacific frameworks continued, while disagreements on tariffs, visas, and Pakistan were managed quietly through diplomatic channels. This **compartmentalisation** helped preserve the broader partnership.

4. Stabilisation without Concessions in China Policy: India pursued limited stabilisation with China without diluting core security interests. Confidence-building measures such as reopening the **Kailash–Mansarovar pilgrimage**, restoring flights, and resuming water data sharing followed high-level contacts, even as India maintained military preparedness along the Line of Actual Control and avoided strategic dependence on Beijing.

5. Tactical Regional Engagement in the Neighbourhood: India adjusted its neighbourhood policy from idealistic leadership to crisis-oriented stabilisation. **Rapid humanitarian assistance** to Sri Lanka after Cyclone Ditwah and sustained engagement with Bhutan and the Maldives helped preserve goodwill despite instability in Bangladesh, Nepal, and Myanmar.

6. Issue-Based Multilateralism: India adopted a selective and functional approach to multilateral platforms. Active participation in **BRICS and the SCO** allowed engagement with Russia, China, and Iran, while strengthening Quad and Indo-Pacific cooperation counterbalanced China. This dual-track strategy ensured relevance across rival geopolitical groupings.

7. Energy Security over Normative Signalling: India prioritised energy security over normative alignment. Continued imports of discounted Russian oil helped manage inflation and fiscal pressures despite reputational and sanctions risks, while long-term commitments to renewable energy and climate action were retained.

8. Quiet Diplomacy over Public Posturing: India increasingly relied on low-profile, sustained diplomacy rather than public rhetoric. Frequent high-level engagements were used to manage disagreements through dialogue, recognising the limits of moral or declaratory diplomacy in a volatile global order.

Way Forward:

- Strengthen issue-based coalitions on trade, technology, climate finance, and maritime security
- Accelerate pending trade agreements with the EU, ASEAN, GCC, and the U.S.
- Reinforce sustained neighbourhood stabilisation through political, economic, and humanitarian engagement
- Enhance strategic communication on terrorism, energy choices, and strategic autonomy
- Balance short-term energy security with long-term renewable and climate commitments
- Revitalise multilateral engagement through reform advocacy and effective minilateralism
- Expand diplomatic capacity through greater investment in manpower and economic statecraft

India's foreign policy amid global uncertainty is defined by managing pressures rather than pursuing rapid strategic expansion. Through pragmatic realignment, diversified partnerships, and calibrated diplomacy, India has safeguarded core interests while preserving strategic autonomy. The challenge ahead lies in converting this resilience into sustained influence in an increasingly fragmented and unpredictable global order.