

India's Foreign Policy in the Changing Global Order: Opportunities and Challenges

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Abstract:

In a world moving away from the post-Cold War unipolar towards a more competitive, complex and multipolar world, India's foreign policy has now embarked on a new and crucial phase of transformation. China's rise is now creating opportunities and strategic competition between the US and China, the Russia-Ukraine war, climate change, energy insecurity, disruption of technology and supply chain are presenting opportunities and challenges to India. The foreign policy of India in the evolving global order has been analysed in this research paper till December 2023. It contends that in India foreign policy is becoming more strategic and more aligned with multi-alignment and issue-based partnerships, as well as by seeking national interest in the country's increasingly fragmented international environment. India's active participation in the G20 Presidency, the Quad, its Indo-Pacific policy, its neighbourhood policy and its focus on the Global South indicate India's desire to play a balancing role, development partner and civilisational state. But India is also grappling with large issues such as the China border issue, the security of marine waters and challenges stemming from influencing the global sea order, pressure from great-power competition, energy import dependency and the requirement for Climate finance. But India also has huge challenges to deal with, such as China border dispute, South Asian instability, reliance on energy imports, pressure from great-power competition, climate finance demands and security threats in maritime waters, and the need to maintain strategic autonomy in a polarised world. The paper ends by concluding that a successful foreign policy for India in the future will require that it be able to combine economic strength, military power, diplomatic flexibility and credible leadership in multilateral institutions.

Keywords: India's foreign policy, global order, strategic autonomy, Indo-Pacific, G20, Global South, China, Russia, United States, multilateralism

Introduction

Foreign policy refers to a state's activities, policies and practices in safeguarding its national interests, interacting with other states, and reacting to change in the world. Historical geography and civilisation, security concerns and development priorities have always been the pillars of India's foreign policy. India pursued the policy of non-alignment after independence and did not want to join any military alliances. India liberalised its economy after the Cold War and engaged with major powers and entered into strategic partnerships. The twenty first century India's foreign policy has become more pragmatic, multi-direction and interest based.

The world order is evolving on a rapid pace. The USA is still a strong player, but China's emergence has changed the power dynamics in the Asian region and beyond. The invasion of Ukraine by Russia in 2022 exacerbated the rift between Russia and the West. The COVID-19 pandemic made it clear that the global supply chains are fragile. Climate change has emerged as one of the world's big security and development threats. Power is changing with new technologies like artificial intelligence, semiconductors, cyber systems and digital infrastructure. Meanwhile, developing countries are calling for reforms of global institutions and a stronger representation in world decision-making.

India is located at the centre of many of these changes. It is a great power in Asia, the world's most populous country, a large economy, a nuclear power, G20, BRICS, SCO and Quad member, a key player in the Indian Ocean. India's foreign policy, therefore, has to deal with multiple objectives – economic growth, national security, stability on the border, energy security, engagement with the diaspora, access to technology, maritime security, climate responsibility and global leadership.

The Indian presidency in the G20 in 2023 was a good example of its evolving foreign policy stance. India was the voice of the Global South and put forward the slogan “One Earth, One Family, One Future.” The New Delhi Leaders' Declaration was agreed with consensus despite significant geopolitical differences on Ukraine and the African Union was added as a permanent member of G20 (Prime Minister's Office, 2023). This was India's sign of becoming a 'bridge' between developed and developing countries.

This paper reviews India's foreign policy in the new world order. It highlights opportunities and challenges to December 2023. The thesis is that India has more room for diplomacy today, yet is experiencing increased pressures. The key to India's foreign policy success lies in striking a balance between maintaining strategic autonomy and creating functional partnerships.

Methodology

The research methodology employed in this research paper is qualitative, descriptive and secondary data sources up to December 2023. The study is based on official documents, reports of the Ministry of External Affairs, documents of the G20 and speeches, academic books, policy papers and literature on international relations. The sources are the Ministry of External Affairs, Quad joint statements, World Bank reports, International Energy Agency reports, as well as scholarly studies and documents on Indian foreign policy, and the Leaders' Declaration of the G20 New Delhi Summit.

This paper does not involve primary interviews or fieldwork. Rather, it examines policy trends, key events and strategic debates. The paper explains India's foreign policy actions in terms of three concepts; strategic autonomy, multi-alignment, multipolarity and Global South diplomacy.

Conceptual Background: From Non-Alignment to Multi-Alignment

Foreign policy of India has undergone various stages. India adopted the policy of non-alignment during the Cold War. Non-alignment was not a neutrality policy, but a policy of not formally aligning oneself with the Western bloc, led by the United States, or with the Soviet bloc. India sought independence in the field of judgment and policy making (Ganguly, 2019). This was a path reflecting the postcolonial identity and anti-imperial history and development needs of India.

Thereafter, India adapted to the new world post – the Cold war. With the end of the Soviet Union, economic liberalisation in 1991 and the advent of globalisation, India began to strengthen ties with the United States, Europe, East Asia and West Asia. India also maintained good relations with Russia and developed relations with ASEAN, Japan, Israel and the Gulf countries.

Indian policy is now being called the multi-alignment policy. Multi-alignment refers to engaging with multiple powers and platforms simultaneously without being dependent on each other (Mohan, 2021). India is part of the Quad and also a part of the BRICS and Shanghai Cooperation Organisation along with China and Russia. India purchases defense equipment and energy from Russia, strengthens technology and defense cooperation with the United States, maintains strong ties with the Gulf, and attempts to be a voice for the developing world. This flexible option is in line with India's vision of strategic autonomy in the multipolar world.

The Changing Global Order.

The world prior to 2023 was one of uncertainty and competition. The USA and China were competing with each other in terms of trade, technology, military power, Taiwan, the South China Sea and international governance. In 2022, Russia invaded Ukraine, thus creating a large geopolitical divide between Russia and the West. This conflict also drove up energy costs, made countries choose sides in international bodies and shaken up food systems. India took a measured approach to sanctions, opting instead to emphasize dialogue and diplomacy in a number of UN votes, without outright condemnation of Russia (Pant & Joshi, 2023).

There was also a change in the world economy. Since the outbreak of COVID-19 and conflicts with China, countries started to lessen their reliance on single supply chains. Issues like 'friend-shoring', 'China plus one', supply-chain resiliency and trusted technology networks became relevant. This sparked opportunities to put India on the investment map, increase manufacturing and join alternative value chains.

The transition due to climate change was an additional change. Equity, finance and technology transfer were highlighted as part of climate responsibility in developing countries. India championed climate action and argued for the recognition of varying degrees of historical responsibility from the developed world, alongside the need for climate finance commitments to be met (Ministry of External Affairs, 2023). Climate diplomacy and development justice are then becoming an integral part of India's foreign policy. The Global South was also more assertive. The global institutions were perceived as not representing the interests of many developing countries. The multi-institutional reforms gained even greater urgency due to debt distress, food insecurity and health inequality and climate vulnerability. These issues were brought to light by India during its G20 Presidency.

Table 1- Major Features of the Changing Global Order and India's Response

Global change	Impact on India	India's foreign policy response
U.S.–China rivalry	Strategic pressure in Indo-Pacific	Quad, Indo-Pacific partnerships, strategic autonomy
Russia–Ukraine war	Energy and diplomatic pressure	Dialogue-based position, continued Russia ties, Western engagement
Rise of China	Border and regional security concerns	Military preparedness, economic caution, strategic partnerships

Global South assertion	Opportunity for leadership	Voice of Global South Summit, G20 development agenda
Climate crisis	Pressure to reduce emissions	Climate justice, renewable energy, International Solar Alliance

The challenges of India's G20 Presidency and Global South Leadership.

The presidency of India at the G20 was a pivotal moment in the country's foreign policy in 2023. India tried to emerge as a bridge between the developed and the developing nations. The G20 agenda was on inclusive growth, sustainable development, climate finance, digital public infrastructure, women-led development, health, debt relief and multilateral development bank reform (Prime Minister's Office, 2023).

The most significant achievement was the permanent membership of the African Union in the G20; this was an important step. This reaffirmed India's request that the present global governance should be more representative. The Voice of the Global South Summit was also held in India for the first time to represent the concerns of the developing societies on the global arena. This was significant as it was seen as a way of ensuring developing countries were not marginalised in discussions dominated by the Ukraine conflict and great-power rivalry.

The New Delhi Leaders' Declaration was agreed upon by consensus. The division over Ukraine in the language was diplomatically important because this was the G20 members. India's ability to reach consensus demonstrated diplomacy and negotiation skills. It also revealed that India could play a role in tackling the issue of polarization while also emphasizing on development concerns.

Digital Public Infrastructure was also highlighted during India's G20 Presidency. India shared the examples of Aadhaar, UPI and DigiLocker as digital systems that can enhance inclusion and service delivery. This enabled India to position itself as a political player as well as a developer of solutions to development problems.

Relations with the United States

India United States (US) relations have been one of the most significant aspects of India's foreign policy. There is a growing linkage in the fields of defence, technology, trade, education, diaspora, clean energy and Indo-Pacific strategy. The United States view India as an important partner to counterbalance China's rise while India's view the United States as important for defence modernisation, technology and global influence.

But India doesn't want to become a formal ally of the United States. India supports strategic autonomy, and does not bind itself to military pacts. This establishes a convergence relationship but not an exact fit. An example of this is the Quad. India also engages in cooperation with the U.S., Japan and Australia regarding maritime security, health, infrastructure, climate, technology, and Indo-Pacific stability, but not as a formal military alliance (Quad Leaders, 2023).

Technology has emerged as a significant opportunity in India-U.S. relations. Strategic cooperation in the area of semiconductors and other critical technologies, artificial intelligence, defence production and space would reduce dependence and enhance India's strategic capacity. But there are differences that will need to be addressed with India in trade and human rights, Russia policy and visa matters.

Relations with Russia

Russia is an old friend of India. Defence cooperation is included in the relationship, as well as energy, nuclear power, space and diplomatic support. India never left Russia behind even during the Russia-Ukraine war. India kept on purchasing Russian oil and had diplomatic contacts. This was an indication of India's energy requirements and its reliance on Russian arms (Vickery, 2023).

India's Russia policy is an example of what strategic autonomy means. India has not backed Russia's invasion but it also has not joined the Western sanctions. India demanded "dialogue, diplomacy and respect for sovereignty". Some of the western nations contested this, while India said that their choices should be based on national interest and the requirements of the nation's people.

The problem is Russia is becoming more and more reliant on China, which could diminish India's strategic comfort. Russia is moving closer to China, and India's old friendship with the Russians might cease to be so useful. Thus, India needs to continue with the Russian cooperation and diversify the sources of defence and bolster other partnerships.

China: The Central Strategic Challenge

China is the greatest foreign policy and security threat to India. The two countries are big powers in Asia, big economy and nuclear countries. They are cooperating in various platforms like BRICS and SCO but they are also competing each other to influence Asia, Indian Ocean and global institutions. The unresolved border dispute is the single biggest problem.

The 2020 Galwan encounter has had a profound impact on India-China relations. This situation with tensions on the border is beginning to have an impact on people's trust in the political process by December 2023. India has reiterated that it would not be able to resume normal relations without peace and stability along the Line of Actual Control (LAC) (Ministry of External Affairs, 2023). India's security concerns are bolstered by the rise of China's infrastructure projects, military dominance and influence in South Asia and the Indian Ocean region.

India is caught in a hard-to-solve economic tightrope. China is a big trade partner, though India is concerned about trade imbalances, technology sectors' supply-chain vulnerabilities and security. Since the border tension, India has barred certain Chinese apps and investments. Selective engagement, economic resilience and higher domestic manufacturing will be the key to future policy.

Indo Pacific and Maritime Strategy

India's foreign policy has become focused on the Indo-Pacific region. India's geographical position places it in a key position in the Indian Ocean, where important shipping lanes pass through. China's presence in the region's navies, port investments, and Belt and Road Initiative projects have added to the strategic competition in the region.

SAGAR stands for Security and Growth for All in the Region, and is India's maritime vision. It is intended to foster cooperation, ocean security and disaster response and development in the Indian Ocean. India engages with island states, ASEAN, France, Japan, Australia and the United States to build maritime partnerships.

The Quad is a facet of India's Indo-Pacific policy. The Quad Foreign Ministers reaffirmed their support to a free, open, inclusive, and resilient Indo-Pacific and practical cooperation in field health security, climate, infrastructure, maritime security, cyber security and in critical technologies in 2023 (Quad Foreign Ministers, 2023). The Quad is a chance for India to counter China in a way that is not an alliance.

Neighbourhood First Policy

Foreign policy of India starts from her neighbour. India is directly influenced, secured, traded and moved by South Asia directly as well as to its security and influence in the region. The Neighbourhood First policy aims at improved relations with countries like Bangladesh, Nepal, Bhutan, Sri Lanka, Maldives, Myanmar and Afghanistan.

There are significant achievements in India's neighbours. The connectivity, trade, energy and security cooperation with Bangladesh got better. Bhutan continues to be a close friend. During the financial distress in Sri Lanka, India extended its financial aid. But there are also challenges to the neighbourhood. India's policy in the region is complicated by political changes in Maldives, unrest in Myanmar, China's influence in South Asia, and border problems and sponsored terrorism from Pakistan.

However, Pakistan is a tough nut to crack. India's stance talks and terror can't go together. Normal relations remain hampered by the issue of cross-border terrorism, Kashmir and political mistrust. Though the regional connectivity strategy has shifted more towards sub-regional connectivity in the Indian region with Bangladesh, Bhutan, Nepal and the Indian ocean, as opposed to SAARC, the emphasis is gradually increasing.

The security of energy in West Asia

West Asia is very significant for India for various reasons like energy imports, diaspora, remittances, trade and strategic connectivity. There are millions of Indians residing and working in the countries in the Gulf region. India has cultivated robust ties with UAE, Saudi Arabia, Israel, Iran and other regional players. India's dilemma is that there are countries which may have conflicts with each other.

During the G20 Summit in September 2023, the India–Middle East–Europe Economic Corridor was introduced, which turned into a significant opportunity. The corridor's goal is to link India and the Middle East and Europe via shipping, rail lines, energy and digital infrastructure (White House, 2023). IMEC has economic and strategic significance for India because of its ability to enhance connectivity and offer an alternative economic model to those dominated by China.

But West Asia is volatile. Indian economy and diaspora can be impacted by conflicts, oil price shocks and regional rivalries. India, therefore, needs to pursue a delicate policy with the Arab countries and Israel, as well as with Iran, in the interest of energy security.

Nevertheless, it seems that the principle of multilateralism and institutional reform is still a long journey. India is ready for reform of global institutions. India says that the institutions established after World War II are out of date. Other institutions such as the United Nations Security Council, the International Monetary Fund, the World Bank should be reformed to better represent the developing countries and the emerging powers.

India wants to become a permanent member of the UN Security Council. It also promotes the reform of multilateral development banks and increased presence of the Global South. As a G20 President, India put forward the agenda of development finance, climate finance and global institutions reform (Prime Minister's Office, 2023).

Multilateralism is a chance for India, as it gives them the ability to have a greater impact. But it's a tough process to reform since those who hold the power do not want to cede control to anyone else. India thus needs to form alliances with Africa, Latin America, ASEAN, the small island states and other developing nations.

Table 2- Opportunities for India's Foreign Policy

Opportunity	Explanation
Global South leadership	India can represent developing countries in global governance
Supply-chain diversification	India can attract investment as firms reduce China dependence
Technology partnerships	Cooperation with the U.S., Japan and Europe can support innovation
Indo-Pacific role	India can shape maritime security and regional stability
Climate diplomacy	India can lead on solar energy, green hydrogen and climate justice
Diaspora diplomacy	Indian diaspora strengthens soft power and economic links
Connectivity projects	IMEC and regional corridors can improve trade and strategic reach

Table 3- Challenges for India's Foreign Policy

Challenge	Impact on India
China border dispute	Creates military pressure and strategic distrust
Great-power rivalry	Forces India to balance between competing blocs
Russia dependence	Defence and energy ties create diplomatic complexity
Neighbourhood instability	Political changes and China's influence challenge regional strategy
Energy import dependence	Exposes India to global price shocks
Climate pressure	Balancing development and decarbonisation is difficult
Maritime competition	Indian Ocean security requires stronger naval capability

Graph 1- Selected Measurable Outcomes of India's G20 Presidency, 2023

Indicator	Number
G20 outcomes	87
Adopted documents	118
African Union countries brought into G20	55
Digital Public Infrastructure examples in global repository	50
Countries in DPI repository	16

Interpretation: The graph shows that India used its G20 Presidency to project itself as a development-oriented diplomatic actor. The numbers reflect India's attempt to combine multilateral leadership, Global South representation and practical policy initiatives.

Image Suggestions

Image 1: India's G20 Summit diplomacy



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Caption: India's G20 Presidency highlighted its ambition to act as a bridge between major powers and the Global South.

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Image 2: Indian Ocean and Indo-Pacific maritime cooperation



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Caption: Maritime security has become central to India's foreign policy because of trade routes, energy flows and China's expanding presence.

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Image 3: India engaging with world leaders in a multilateral forum



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Caption: Multilateral platforms provide India an opportunity to promote strategic autonomy, development priorities and reform of global governance.

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Discussion

The Indian foreign policy in the evolving global order is best described as 'pragmatic multi-alignment'. India was not going to get stuck in a particular camp. It plays an active role in the Indo-Pacific, has defence and energy relations with Russia, but competes with China, has ties with the Global South, with the Gulf, and is involved in Western and non-Western institutions.

This enables India to take a flexible approach, which is one of the key benefits for them. It enables India to get the maximum benefit from various partnerships. But flexibility also brings criticism. India's Russia policy could be called into doubt by the Western countries. Russia could be concerned by India's proximity to the U.S. The Quad is not necessarily a welcome development for India in China. Smaller neighbours may feel threatened by the dominance of the Indians. Hence, India has to continuously make explanations and compromises.

The biggest determinant of India's future foreign policy will be domestic capability. Diplomatic ambition is a developing and growing need, and must be backed up by economic development, industrial strength, military modernization, technological capability and social stability. Economically, and institutionally, India must be strong to turn opportunity into influence.

Recommendations

First, India must continue to pursue strategic autonomy, but in a more evident manner with a focus on rules-based order, sovereignty, and peaceful dispute settlement. Second, India needs to phase out its over-reliance on Russian arms and cultivate more partnerships. Third, India must build up its border infrastructure and deterrence against China but maintain diplomatic channels with China. Fourth, India needs to put more resources into neighbourhood diplomacy as regional instability can undermine India's global ambitions. Fifth, India needs to build up Indian Ocean maritime power through naval modernisation, India-coastal partnership and India-island partnership.

Sixth, India must leverage its G20 experience to create long-term coalitions for the Global South for debt, climate finance, health, food security and digital public infrastructure. Seventh, India must enhance the competitiveness of trade, otherwise foreign policy can be supported only by economic muscle. Last but not least, India must build its diplomatic capacity — by training its officers in language, area studies and policy research — for a bigger role in the world will need a better institution.

Conclusion

The foreign policy of India is in the midst of a paradigm shift in the wake of a dynamically evolving world order. The world is becoming multipolar, competitive and uncertain. There are significant opportunities for India: to lead the Global South, to model the Indo-Pacific, to draw in supply-chain investments, to boost technology ties, to advance the agenda of climate justice and to push for multilateral reform. It is this capacity that India's 2023 G20 Presidency has illustrated – to bring together a variety of actors and draw the world's interest to development issues.

Meanwhile, there are significant challenges in India. Foreign policy is more complex, due to the China border issue, the Russia-Ukraine war, energy insecurity, neighbourhood instability, and great power rivalry in the seas. The policy of multi-alignment with its flexibility also needs to be balanced in India.

The future of India's foreign policy will lie in the power application along with principles, autonomy with cooperation, and national interest with international responsibilities. India can be one of the major architects of the global order of the twenty first century if it enhances its economic prowess, military strength, diplomacy and regional leadership.

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