



Navigating Interdependence: India's Foreign Policy in an Era of Globalization and Strategic Flux

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Abstract:

The contemporary era of globalization, characterized by an unprecedented interweaving of economies, technologies, and societies, has fundamentally reconfigured the landscape of international relations. Traditional paradigms of statecraft, predicated on Westphalian sovereignty and hard power calculus, now operate within a complex matrix of transnational challenges, economic interdependence, and multi-vector diplomatic engagements. This research paper examines the evolution and execution of foreign policy in this globalized context, using India as a pivotal case study. It argues that India's journey from non-aligned balancing to proactive multi-alignment offers a nuanced blueprint for navigating the opportunities and constraints of 21st-century interdependence. The analysis traces the theoretical shifts from realism to complex interdependence, assesses the impact of economic globalization, digital connectivity, and non-traditional security threats, and evaluates India's strategic adaptations. Through an examination of its economic diplomacy, climate negotiations, security partnerships, and digital governance advocacy, the paper demonstrates how India seeks to leverage globalization to enhance its comprehensive national power while attempting to reshape global governance structures. The conclusion posits that in an era increasingly defined by strategic rivalry and fragmented globalization, India's foreign policy exemplifies the pursuit of strategic autonomy through calibrated interdependence, offering insights into the future of middle-power diplomacy in a contested world.

Introduction: Globalization and the Transformation of Statecraft:

Globalization, as a multifaceted process of accelerating interconnectedness, has rendered the classic dichotomy between 'high' (political-military) and 'low' (economic-social) politics increasingly obsolete. The forces of economic integration, instant communication, and transnational flows of people, ideas, and challenges (like climate change, pandemics, and cyber threats) have created a system where the autonomy of the nation-state is persistently challenged, yet its role as the primary actor remains undiminished. This creates a central

paradox for foreign policy: states must secure their interests in a world where borders are more permeable, threats are more diffuse, and power is exercised through networks and institutions as much as through military might.

Theoretical frameworks in International Relations (IR) have evolved to grapple with this reality. While realist perspectives emphasizing anarchy and relative gains persist, liberal institutionalism and theories of complex interdependence better capture the contemporary milieu where cross-border relations occur across multiple channels, the agenda of international politics is expansive, and military force is often a

costly and ineffective tool for resolving disputes over economic or regulatory issues. Joseph Nye's concept of 'soft power'—the ability to shape preferences through attraction rather than coercion—and the rise of 'network power' have become critical components of statecraft.

This paper posits India as an exemplary subject to study this dynamic. As the world's largest democracy, a major emerging economy, and a civilizational state with global aspirations, India's foreign policy evolution mirrors the journey of the post-Cold War international system itself. From its foundational commitment to non-alignment and Third World solidarity, India has recalibrated its approach to embrace economic globalization, forge diverse strategic partnerships, and assert itself as a leading voice in shaping norms for the digital and green transitions. Its experience encapsulates the trials of leveraging interdependence for development, the dilemmas of balancing major powers, and the imperative of crafting a distinct identity in a globalized yet fragmented order.

Theoretical Underpinnings: From Westphalia to Networks:

To understand foreign policy in the globalized era, one must move beyond monolithic theories. A synthesized framework is necessary:

Modified Realism: States remain the principal actors, and security (comprehensively defined) is the ultimate end. However, power is no longer solely military. It encompasses **economic resilience** (supply chains, markets), **technological prowess** (AI, semiconductors, cybersecurity), and **demographic capital**. Anarchy is tempered, though not eliminated, by dense institutional and economic linkages.

Complex Interdependence: As articulated by Keohane and Nye, this condition features: 1) multiple channels connecting societies (state-to-

state, transgovernmental, transnational); 2) the absence of a clear hierarchy among issues (trade can be as salient as territory); and 3) the declining efficacy of military force in many bilateral relationships. This creates a system of "vulnerability interdependence" where states are sensitive to external economic and policy shocks.

Constructivist Insights: National identity, narratives, and the pursuit of status are powerful drivers. For India, the constructs of a "Vishwaguru" (world teacher), a "leading power," and a "responsible stakeholder" actively shape its diplomatic posturing and initiative-taking.

The Multi-Alignment Paradigm: This emerging praxis, distinct from non-alignment or bloc politics, involves actively cultivating deep partnerships with multiple, often competing, centers of power (e.g., the US, Russia, EU, Japan, ASEAN) to maximize options, access resources, and retain strategic autonomy. It is a pragmatic response to a multipolar, globalized world.

The Indian Case Study: Evolution of a Globalized Foreign Policy:

1. The Foundational Phase (1947-1991): Sovereignty Amidst Bipolarity:

Post-independence India's foreign policy, under the guiding philosophy of Non-Alignment, was primarily political and ideological. Its aims were to preserve hard-won sovereignty, champion decolonization, and avoid entrapment in the Cold War blocs. Economic policy was inwardly oriented (import-substituting industrialization), limiting deep economic interdependence. Globalization's forces were kept at bay, and foreign policy was a tool for political solidarity and strategic space, not economic integration.

2. The Paradigm Shift (1991-Present): Embracing Interdependence:

The 1991 economic crisis acted as a brutal catalyst. The subsequent liberalization,

privatization, and globalization (LPG) reforms irrevocably tied India's economic fortunes to the global market. Foreign policy was fundamentally reoriented to serve **economic imperatives**: attracting foreign direct investment (FDI), securing energy supplies, accessing technology, and expanding export markets. The "Look East" policy (launched in 1991, later upgraded to "Act East") symbolized this shift, prioritizing engagement with the dynamic economies of Southeast and East Asia.

This period saw the rise of **economic diplomacy** as a core function. Ministries of Commerce, Finance, and later, New & Renewable Energy, became key players in foreign policy execution. India's engagement with the World Trade Organization (WTO), though often defensive, reflected its new stake in the global trading system. Partnerships were increasingly evaluated through a cost-benefit lens of economic and technological gain.

Key Dimensions of India's Globalized Foreign Policy:

1. Economic Statecraft and Trade Diplomacy: FDI and Global Value Chains (GVCs): Proactive summits ("Make in India," "Invest India") target FDI in manufacturing and technology. However, deep integration into GVCs remains a work in progress, with efforts focused on sectors like electronics and pharmaceuticals.

Energy Diplomacy: As a major importer, India maintains ties with diverse suppliers from the Middle East to Russia, Africa, and the Americas, balancing cost, reliability, and strategic relationships. The International Solar Alliance (ISA) co-founded with France, showcases issue-based leadership in renewable energy globalization.

Trade Negotiations: India navigates between multilateralism (WTO), regionalism (stalled RCEP, active interests in IPEF), and bilaterals

(FTAs with UAE, Australia, EFTA). Its stance often balances offensive interests (services, IT) with defensive concerns (agriculture, protecting domestic industry), reflecting the tensions of an emerging economy in a liberalized order.

2. Strategic Multi-Alignment in a Contested World: India's partnerships illustrate its sophisticated navigation of strategic rivalry:

US-India Relationship: Transformed from estrangement to a "Comprehensive Global and Strategic Partnership." Driven by shared democratic values, convergent Indo-Pacific interests, and massive economic & tech complementarities (QUAD, iCET initiative). This relationship is the cornerstone of India's engagement with the Western-led global order.

Russia-India Ties: A historically rooted defense and energy partnership. Despite Western pressure post-Ukraine, India has maintained ties, highlighting strategic autonomy, its legacy dependency on Russian arms, and the need for discounted energy. It exemplifies multi-alignment under stress.

Engagement with Middle Powers and Institutions: Deep ties with EU, Japan, ASEAN, and groupings like BRICS (where it collaborates with China) and the Shanghai Cooperation Organisation (SCO) provide alternative platforms for influence, diversifying diplomatic and economic options.

3. Managing the China Challenge:

The rise of China represents globalization's dual-edged sword: a massive trade partner and a formidable strategic competitor. The 2020 Galwan clash underscored the limits of economic interdependence in the face of territorial disputes. India's response is a blend of:

Economic Decoupling/De-risking: Policies like Atmanirbhar Bharat (self-reliant India), FDI restrictions from bordering countries, and supply chain diversification aim to reduce critical vulnerabilities.

Military and Infrastructure Balancing: Strengthening border infrastructure, partnering with Quad members on maritime security, and enhancing military capabilities.

Diplomatic Containment: Actively participating in forums like Quad to advocate for a “Free and Open Indo-Pacific” as a counter-narrative to Chinese hegemony.

4. Diplomacy of Global Public Goods and Normative Influence:

India uses globalization’s platforms to shape norms and project soft power:

Climate Change: As a critical voice for climate justice, India emphasizes the principle of Common But Differentiated Responsibilities (CBDR). Its push for the ISA and commitment to net-zero by 2070 frame it as a responsible yet developing-world champion.

Digital Governance: At the UN and other fora, India advocates for a “digital public infrastructure” (DPI) model based on its success with Aadhaar and UPI, positioning itself as a leader in inclusive digital globalization against rival models from China and the West.

Development Partnership: Through capacity-building and grants-in-aid (especially in its neighbourhood and Africa), India projects soft power and builds goodwill, creating networks of influence.

5. Non-Traditional Security and Transnational Challenges:

Globalization has made non-traditional security central:

Climate Security: Foreign policy must now account for climate-induced migration, water disputes, and disaster diplomacy.

Health Diplomacy: The COVID-19 pandemic highlighted this. India’s “Vaccine Maitri” initiative was a soft-power projection, while its advocacy for TRIPS waivers positioned it as a global South leader. Supply chain disruptions for APIs revealed strategic vulnerabilities.

Cyber and Space: Diplomacy extends to negotiating norms for cyber conflict, internet governance, and the peaceful use of outer space.

Constraints and Challenges:

India’s globalized foreign policy faces significant headwinds:

The “Strategic Autonomy” Dilemma: Balancing between the US-led West and Russia/China is becoming exponentially harder as global fragmentation deepens and secondary sanctions loom.

Institutional Capacity: A relatively small diplomatic corps and bureaucratic silos can hinder the agile, whole-of-government responses required in a networked world.

Domestic Political Economy: Protectionist impulses, regulatory uncertainty, and slow domestic reforms can undermine external economic engagement and attractiveness as an alternative to China.

The Pakistan Conundrum: The perennial, territorially rooted conflict with Pakistan imposes a traditional security burden that diverts resources and attention from global agenda-setting.

Conclusion: India as a Paradigm for 21st Century Statecraft:

India’s foreign policy in the globalized era is a dynamic work in progress, demonstrating both the promise and perils of interdependence. It has successfully transitioned from a post-colonial, defensive posture to that of an aspirational power seeking to shape the international order. Its strategy of multi-alignment, economic pragmatism, and issue-based coalition-building offers a viable model for other middle and emerging powers in an age of uncertainty.

The future will test India’s ability to move from strategic balancing to genuine agenda-setting. Its success hinges on its internal economic and technological transformation—the

bedrock of comprehensive national power. As globalization enters a phase of reconfiguration, possibly fracturing into competing technospheres, India's foreign policy will be judged on its capacity to secure its interests, provide global public goods, and bridge the divides between the developed and developing world. In doing so, India is not just adapting to globalization but actively attempting to sculpt its next phase, asserting that in a world of inevitable interdependence, pluralism, strategic autonomy, and inclusive growth must be its defining principles. The story of India's foreign policy is, therefore, a central chapter in the ongoing story of how nations navigate an interconnected but contested world.

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