



Original Article

India's Neighbourhood First Policy: Achievements, Challenges, and Future Prospects

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Abstract:

*India's **Neighbourhood First Policy**, formally articulated after 2014, has become a central pillar of India's foreign policy. It aims to strengthen political trust, economic integration, regional connectivity, security cooperation, and people-to-people ties with its immediate neighbours Bangladesh, Bhutan, Nepal, Sri Lanka, Maldives, Myanmar, and Afghanistan. The policy seeks to promote regional stability while responding to intensifying strategic competition, particularly China's expanding influence through the Belt and Road Initiative (BRI). This paper critically examines the achievements, challenges, and future prospects of India's Neighbourhood First Policy through a qualitative and analytical approach based on official government documents, policy reports, scholarly literature, and regional developments from 2014 to 2026.*

*The study identifies several notable achievements, including the expansion of cross-border energy cooperation, improved digital and physical connectivity, humanitarian assistance and disaster relief (HADR), vaccine diplomacy during the COVID-19 pandemic under the **Vaccine Maitri** initiative, and enhanced maritime security cooperation in the Indian Ocean Region. Bilateral trade with neighbouring countries has increased substantially over the past decade, with India-Bangladesh trade exceeding **US\$18 billion (2023–24)**, making Bangladesh India's largest trading partner in South Asia. India has also advanced regional connectivity through initiatives such as India-Bangladesh rail and inland waterway links, petroleum pipelines with Nepal, power trade with Bhutan and Nepal, and infrastructure development in Sri Lanka and the Maldives.*

Despite these gains, the policy continues to face significant challenges, including political instability in neighbouring states, unresolved border disputes, delays in infrastructure implementation, the growing Chinese economic and strategic presence, domestic political sensitivities, illegal migration, transnational terrorism, and climate-induced security concerns. These factors have periodically constrained India's regional influence and complicated the pursuit of its strategic objectives.

*The paper argues that the future success of the Neighbourhood First Policy will depend on timely project implementation, deeper economic integration, stronger regional institutions, expanded digital and energy connectivity, enhanced climate resilience cooperation, and sustained diplomatic engagement grounded in mutual respect and shared prosperity. Strengthening sub regional initiatives such as **BBIN**, **BIMSTEC**, and the **Indian Ocean maritime framework** can further reinforce India's leadership role in South Asia and contribute to the vision of a stable, secure, and prosperous neighbourhood. The study concludes that a resilient*



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and inclusive Neighbourhood First Policy will remain essential to India's emergence as a leading regional power and an influential global actor in the twenty-first century.

Keywords: *Neighbourhood First Policy, South Asia, regional connectivity, maritime security, China, BIMSTEC.*

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Introduction:

India's Neighbourhood First Policy (NFP), announced as a guiding framework after 2014, reflects a renewed effort to place South Asia at the centre of India's foreign policy. The policy is based on the recognition that India's security, economic growth, and regional influence are closely linked to the stability and prosperity of its immediate neighbourhood. It seeks to deepen cooperation with Bangladesh, Bhutan, Nepal, Sri Lanka, Maldives, Myanmar, and Afghanistan through trade, connectivity, energy partnerships, disaster relief, and people to people exchanges. At the same time, the policy has acquired greater strategic significance amid intensifying competition in the region, especially China's expanding economic and geopolitical presence through the Belt and Road Initiative.

This paper examines the evolution of the Neighbourhood First Policy and evaluates its achievements and limitations from 2014 to 2026. It argues that while India has made visible progress in cross-border infrastructure, digital and energy connectivity, maritime cooperation, and humanitarian assistance, the policy has not always translated into sustained regional trust or consistent implementation. Political instability in neighbouring states, unresolved border issues, domestic

sensitivities, and delays in project delivery continue to constrain India's regional outreach.

The study also highlights how recent developments, including vaccine diplomacy during the COVID-19 pandemic and growing sub-regional cooperation through BBIN and BIMSTEC, have shaped the policy's trajectory. By assessing these trends, the paper seeks to identify the conditions under which Neighbourhood First can evolve from a diplomatic slogan into a durable framework for regional integration. It concludes that India's long-term influence in South Asia will depend on credible engagement, timely delivery, and a more inclusive approach to shared regional challenges.

Literature Review:

The literature on India's Neighbourhood First Policy is closely linked to broader studies of Indian foreign policy and South Asian regionalism. C. Raja Mohan, in *Modi and the Reinvention of Indian Foreign Policy*, argues that India under the Modi government shifted from cautious regionalism to a more assertive and connectivity driven diplomacy. His analysis is useful for understanding how Neighbourhood First became a central framework for linking security, economics, and strategic influence. Similarly, David Malone's *Does the Elephant Dance?* examines India's regional role and suggests that India's influence in South Asia



depends not only on power but also on trust, consistency, and sensitivity to smaller neighbours. This perspective helps explain why India's policy has often faced resistance despite strong intentions.

Shyam Saran, in *How India Sees the World*, emphasizes that India's foreign policy must balance ambition with practical cooperation, especially in its immediate neighbourhood. His work highlights the importance of infrastructure, trade, and people-to-people ties, which are core elements of Neighbourhood First. Harsh V. Pant, in *Indian Foreign Policy in a Changing World*, argues that India's regional strategy is increasingly shaped by China's rise and by the need to secure strategic space in South Asia. This is particularly relevant to the policy's evolution after 2014.

Overall, the literature shows that Neighbourhood First is widely viewed as a necessary but difficult policy. Scholars agree that its success depends on timely project delivery, political trust, and sustained engagement. However, they also note that domestic politics in neighbouring states, border disputes, and competition from China continue to limit India's regional leadership.

Methodology:

This study adopts a qualitative, descriptive research design to examine India's Neighbourhood First Policy and its implementation in South Asia. The analysis is based primarily on secondary sources, including scholarly books, peer-reviewed journal articles, government statements, policy documents, official speeches, and reports from think tanks and international organizations. These sources are used to trace the evolution of the policy, identify its main objectives, and assess the extent to which it has influenced India's relations with neighbouring states.

The research uses a thematic approach to organize the material around key issues such as

connectivity, trade, development assistance, security cooperation, and diplomatic engagement. Particular attention is given to developments after 2014, when Neighbourhood First was formally emphasized as a central pillar of Indian foreign policy. To understand policy outcomes, the study also draws on selected case references from countries such as Nepal, Bangladesh, Sri Lanka, Bhutan, and the Maldives. These cases help illustrate both the achievements and the limitations of India's regional strategy.

In addition, the study applies a comparative lens to examine how domestic politics, border disputes, and external influences, especially China's growing presence, have shaped the reception of India's policy in different neighbouring states. The methodology does not rely on statistical testing; instead, it prioritizes interpretive analysis of patterns, narratives, and policy responses. This approach is suitable because the subject involves strategic behaviour, political perceptions, and long-term diplomatic trends that are best understood through contextual examination. The findings are synthesized to provide a balanced assessment of policy intent, implementation, and regional impact.

Results:

The analysis shows that India's Neighbourhood First Policy has produced mixed but significant outcomes across South Asia. The most visible success has been in strengthening bilateral engagement with Bangladesh and Bhutan, where cooperation on connectivity, energy, trade, and development assistance has expanded steadily. India's support for road, rail, power, and port projects has improved physical and economic linkages, while regular high-level diplomatic exchanges have reinforced political trust. Bhutan remains India's closest strategic partner, and Bangladesh has emerged as a key regional collaborator in trade and infrastructure.



In Nepal, the policy has generated both progress and tension. India has remained an important economic and security partner, but disputes over border issues, perceptions of interference, and Nepal's efforts to diversify its foreign relations have limited the depth of cooperation. The 2015 blockade episode significantly damaged India's image and demonstrated how domestic political developments in neighbouring states can weaken the effectiveness of regional diplomacy.

Sri Lanka and the Maldives reveal a more competitive environment. India has increased development assistance, maritime cooperation, and crisis support, but its influence has often been challenged by domestic political shifts and China's growing economic presence. In both countries, India's policy has been effective when it has emphasized quick assistance, humanitarian support, and visible infrastructure delivery, but less effective when delayed responses or political sensitivities have reduced trust.

Overall, the findings indicate that Neighbourhood First has improved India's regional visibility and restored attention to South Asia as a foreign policy priority. However, its impact remains uneven because implementation is shaped by local politics, historical grievances, and external competition. The policy has been most successful where India has combined economic support with diplomatic sensitivity and least successful where strategic concerns have overshadowed mutual confidence.

Discussion:

The findings suggest that India's Neighbourhood First Policy has become one of the most important pillars of its foreign policy, but its outcomes have been uneven across the region. The policy was designed to place India's immediate

neighbours at the centre of diplomatic attention through connectivity, development cooperation, trade, security coordination, and rapid humanitarian assistance. In practice, however, the success of this approach has depended heavily on the political climate in each neighbouring country, the legacy of historical mistrust, and the growing influence of external powers, especially China. As a result, the policy has delivered clear gains in some states while facing resistance, suspicion, or strategic competition in others.

Bangladesh stands out as one of the strongest examples of successful neighbourhood diplomacy. India has deepened cooperation with Bangladesh through road, rail, inland waterway, energy, and port connectivity projects, which have improved both bilateral trade and regional integration. The relationship has also benefited from cooperation on counterterrorism, border management, and power sharing. Bangladesh's economic growth and India's willingness to support infrastructure and market access have created a more stable and mutually beneficial partnership. At the same time, issues such as water sharing, border killings, and concerns over unequal economic dependence continue to require careful management. Even so, Bangladesh demonstrates that India's policy works best when it combines strategic patience, economic support, and respect for the partner country's domestic priorities.

Bhutan remains India's closest and most reliable partner in the neighbourhood. The relationship is anchored in strong historical ties, hydropower cooperation, and close security coordination. India has played a central role in Bhutan's development through financial assistance, infrastructure support, and energy collaboration, particularly in the hydropower sector. Bhutan's foreign policy has traditionally aligned closely with India's strategic interests, and the relationship has



been relatively free from the tensions seen elsewhere. However, Bhutan's gradual diversification of external relations and its sensitivity to sovereignty issues indicate that even this traditionally strong partnership must be managed with care. The Bhutan case shows that long-term trust and consistent development support can produce durable regional cooperation.

Nepal presents a more complex picture. India and Nepal share open borders, deep cultural ties, and extensive people-to-people contact, yet the relationship has often been affected by political disputes, border disagreements, and perceptions of Indian interference in Nepal's internal affairs. The 2015 blockade remains a major turning point that damaged India's image and strengthened anti-India sentiment in Nepal. Although India has continued to be an important economic, security, and development partner, Nepal's efforts to diversify its foreign relations have reduced India's traditional dominance. The rise of nationalist politics in Nepal has made the relationship more sensitive, especially on issues such as the Kalapani, Lipulekh, and Limpiyadhura border disputes. This case illustrates that neighbourhood policy cannot succeed through proximity alone; it must also respect sovereignty, political identity, and domestic sensitivities.

Sri Lanka highlights the importance of timely and visible assistance. India has provided development aid, credit lines, disaster relief, and maritime security cooperation to Sri Lanka, especially during periods of economic crisis and political instability. India's response during humanitarian emergencies has helped reinforce its image as a dependable neighbour. However, Sri Lanka's strategic balancing between India and China has limited India's influence at times, particularly when Chinese investment in ports, infrastructure, and loans has offered an alternative source of support. India's challenge in Sri Lanka is

not only to provide assistance but also to ensure that its engagement is perceived as respectful and non-intrusive. The Sri Lankan case shows that soft power and crisis support are valuable, but they must be sustained by long-term economic engagement and political sensitivity.

The Maldives also demonstrates both the strengths and limitations of the policy. India has been a major partner in defence cooperation, infrastructure development, health support, and disaster response. Its rapid assistance during crises has often strengthened goodwill among the Maldivian public. Yet domestic political changes in the Maldives have repeatedly altered the tone of the relationship, with some governments seeking closer ties with China or using nationalist rhetoric to reduce India's influence. This makes the Maldives a clear example of how neighbourhood diplomacy can be vulnerable to electoral politics and external competition. India's policy has been most effective when it has focused on practical benefits, such as housing, connectivity, and medical support, rather than overt strategic messaging.

Afghanistan, though not a conventional neighbour in the same way as the others, has also been an important part of India's regional approach. India invested heavily in Afghanistan's reconstruction through roads, schools, hospitals, and parliamentary infrastructure, and it gained considerable goodwill among the Afghan people. However, the changing political situation in Afghanistan, especially after the return of the Taliban, has sharply reduced India's room for manoeuvre. Security concerns, terrorism, and the absence of a stable political partner have made sustained engagement difficult. Afghanistan shows that India's neighbourhood policy can generate strong soft power, but that such gains are fragile when regional instability and regime change intervene.



Myanmar is another critical neighbour where India's policy has mixed results. India has sought to strengthen connectivity through the Kaladan project, improve border trade, and cooperate on security issues, especially in relation to insurgency and cross-border crime. Myanmar is strategically important because it links South Asia and Southeast Asia, and it is central to India's Act East and neighbourhood strategies. However, political instability, military rule, and China's strong presence have complicated India's engagement. Progress on infrastructure and connectivity has often been slow, and India has had to balance democratic values with strategic necessity. Myanmar demonstrates that geography alone does not guarantee success; implementation capacity and political stability are equally important.

Pakistan remains the most difficult neighbour and the clearest limitation of the policy. Despite repeated attempts at dialogue and confidence-building, relations have remained dominated by conflict, terrorism, border tensions, and deep mistrust. The unresolved Kashmir dispute and repeated security crises have prevented meaningful progress in bilateral cooperation. Unlike India's other neighbours, Pakistan has not responded positively to the logic of regional integration, and the relationship continues to be shaped by rivalry rather than partnership. This makes Pakistan the strongest example of how structural conflict can block the goals of neighbourhood diplomacy.

China, while not a South Asian neighbour in the same regional sense, is also a crucial factor in shaping India's neighbourhood environment. China's growing economic and strategic presence in Nepal, Sri Lanka, the Maldives, Bangladesh, Myanmar, and Pakistan has created a competitive regional setting. In many cases, neighbouring states use China as a counterbalance to India, which limits India's traditional influence. This external

competition has forced India to move beyond symbolic diplomacy and focus more on delivery, speed, and credibility. The policy therefore cannot be understood only as bilateral engagement; it must also be seen as part of a wider contest for influence in South Asia.

Overall, the discussion shows that Neighbourhood First has improved India's regional visibility and reaffirmed South Asia as a foreign policy priority. Its greatest strengths lie in development cooperation, humanitarian assistance, connectivity, and cultural proximity. Its main weaknesses arise when India is perceived as slow, overbearing, or insufficiently sensitive to domestic politics in neighbouring states. The policy works best when India acts as a reliable partner rather than a dominant power. To strengthen future outcomes, India must continue investing in infrastructure, trade facilitation, energy cooperation, and people-to-people ties while also respecting sovereignty and political diversity. In a region marked by historical mistrust and external competition, the success of Neighbourhood First will depend not only on resources, but also on consistency, humility, and strategic patience.

Recommendation:

India should strengthen the Neighbourhood First Policy through a more differentiated, delivery oriented, and politically sensitive approach. The evidence suggests that the policy works best when India combines development cooperation, connectivity, and crisis support with respect for sovereignty and domestic political realities. Rather than applying a uniform strategy across South Asia, India should tailor its engagement to the specific needs, sensitivities, and strategic concerns of each neighbour.

First, India should accelerate the implementation of promised projects. Delays in



infrastructure, trade facilitation, and connectivity weaken trust and create space for rival powers to expand influence. Fast-tracking roads, rail links, ports, energy cooperation, and digital connectivity will help convert goodwill into durable partnerships. Second, India should deepen institutional mechanisms for regular dialogue on border management, water sharing, trade disputes, and security cooperation, especially with Bangladesh, Nepal, and Sri Lanka, where unresolved issues can quickly affect public perceptions.

Third, India must place greater emphasis on people-to-people engagement and public diplomacy. Scholarships, medical cooperation, disaster relief, cultural exchanges, and labour mobility can build long-term goodwill beyond elite-level diplomacy. This is particularly important in the Maldives, Nepal, and Sri Lanka, where domestic politics can rapidly shift the tone of bilateral relations. Fourth, India should avoid actions that may be interpreted as coercive or intrusive. Sensitivity to sovereignty, local identity, and political change is essential if India wants to be seen as a trusted partner rather than a dominant regional power.

Finally, India should prepare for sustained strategic competition with China by improving the speed, scale, and visibility of its assistance. Competing effectively will require not only resources, but also consistency, transparency, and reliability. In Pakistan and Afghanistan, where structural constraints limit cooperation, India should focus on selective engagement, humanitarian support, and regional stability rather than unrealistic expectations.

Overall, the future of Neighbourhood First depends on patience, credibility, and practical delivery.

Conclusion:

India's Neighbourhood First Policy remains central to its regional strategy, but its success depends less on rhetoric than on consistent, sensitive, and credible implementation. The evidence shows that India's influence in South Asia is strongest when it combines development assistance, connectivity, crisis response, and diplomatic engagement with respect for the sovereignty and domestic politics of its neighbours. Where India has delivered projects quickly and engaged through dialogue, it has strengthened trust; where it has appeared slow, overbearing, or inattentive to local concerns, space has opened for competing powers and domestic backlash.

The policy therefore cannot be treated as a uniform template for the region. Bangladesh, Nepal, Sri Lanka, the Maldives, Pakistan, and Afghanistan each present different political realities, strategic anxieties, and expectations of India. A differentiated approach is essential. For some neighbours, the priority is trade, infrastructure, and energy cooperation; for others, it is crisis support, humanitarian assistance, or careful management of sensitive disputes. Across all cases, India must improve delivery, reduce delays, and ensure that promised initiatives are visible and reliable.

At the same time, India should invest more in public diplomacy and people-to-people ties. Scholarships, health cooperation, disaster relief, cultural exchanges, and labour mobility can build durable goodwill that survives changes in government. This is especially important in politically volatile environments, where elite-level agreements alone cannot secure long-term partnership.

Ultimately, Neighbourhood First will succeed only if India is seen as a dependable partner rather than a dominant power. Patience, transparency, and practical cooperation will be more



effective than pressure or symbolism. In a region shaped by competition, mistrust, and shifting domestic politics, India's greatest strategic asset will be credibility. If New Delhi can align ambition with restraint and delivery with dialogue, it can turn Neighbourhood First from a slogan into a sustainable framework for regional stability and influence.

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