



India's Foreign Policy Transformation: From a Moderate Power to a Rising Global Actor in the 21st Century

Shashi Kant Yadav

Senior Research Fellow, Department of Political Science, University of Lucknow, India

ABSTRACT: India's foreign policy has undergone a significant transformation in the 21st century, transitioning from a cautious, moderate power to an assertive, rising global actor. This paper analyzes the evolution of India's foreign policy, focusing on key shifts in strategic priorities, diplomatic engagements, and global positioning. It explores how domestic reforms, economic growth, and changing geopolitical dynamics have contributed to India's ascent. The study also evaluates India's role in multilateral organizations, its bilateral relationships, and its responses to global challenges, positioning it as a crucial player in shaping the emerging world order.

KEYWORDS: Foreign Policy, Diplomacy, Global Order, Security, Power, War.

INTRODUCTION: India's foreign policy has historically been shaped by a blend of idealism, strategic autonomy, and pragmatism. Since gaining independence in 1947, India has maintained a unique position on the global stage initially emphasizing moral diplomacy and non-alignment, and later transitioning toward greater strategic assertiveness and global engagement. From the leadership of Jawaharlal Nehru and his vision of peaceful coexistence and non-alignment to the liberalization reforms of the 1990s and the growing strategic partnerships of the 21st century, India's foreign policy reflects its evolving identity and ambitions.¹

During the Cold War, India championed the Non-Aligned Movement (NAM), aspiring to avoid entanglement in the bipolar rivalry between the United States and the Soviet Union. This policy was grounded in the belief that newly independent nations should assert their autonomy and maintain freedom of choice in international affairs. The Panchsheel principles emphasized mutual respect, non-aggression, and non-interference, laying the foundation for India's early diplomatic outlook. However, the limitations of idealism became evident in times of conflict, such as the 1962 war with China, and highlighted the need for a more pragmatic and security-oriented foreign policy.²

The post-Cold War era and the economic liberalization of 1991 marked a pivotal turning point. India began to prioritize economic diplomacy, regional integration, and global outreach, recognizing that its domestic development goals required deeper international engagement. The emergence of a unipolar world, driven by U.S. dominance, created both opportunities and challenges for India.³ It responded by diversifying its partnerships, enhancing trade ties, and seeking greater integration into the global economy. The Look East Policy, which later evolved into the Act East Policy, demonstrated India's strategic pivot towards East and Southeast Asia.

As we entered the 21st century, India's foreign policy began reflecting a blend of realism and aspiration. India started to assert itself in international forums, sought permanent membership in the United Nations Security Council, and actively engaged with multilateral platforms such as BRICS, G20, SCO, and the Quad. Strategic partnerships with the United States, European Union, Japan, and Australia grew stronger, while relations with traditional allies like Russia continued to be nurtured. India also emerged as a leading advocate for the Global South, using its development assistance, diaspora diplomacy, and cultural outreach as tools of soft power.⁴

In this evolving global context, India's foreign policy objectives have expanded beyond preserving sovereignty and strategic autonomy. Today, India seeks to influence global norms, contribute to international peace and stability, and ensure a favorable environment for its own economic and security interests. The changing geopolitical landscape, marked by the rise of China, shifting U.S. priorities, and regional tensions, has necessitated a more flexible and assertive Indian foreign policy.

Historical Context and Foundations of Indian Foreign Policy

India's foreign policy journey began with a strong emphasis on moral diplomacy and the pursuit of peace and justice in international affairs. In the aftermath of colonial rule, Indian leaders sought to carve out a distinct path for the newly independent nation that avoided entanglement in the great power politics of the Cold War. Jawaharlal Nehru, India's first Prime Minister and a principal architect of its foreign policy, envisioned a world order based on cooperation, peace, and mutual respect. This vision materialized in India's active participation in the Non-Aligned Movement (NAM) and its advocacy for the Panchsheel principles: mutual respect for sovereignty, non-aggression, non-interference, equality, and peaceful coexistence.⁵

The decision to adopt non-alignment was rooted in the strategic imperative of maintaining independence in foreign affairs while fostering economic development and social progress at home. India did not want to become a pawn in the ideological rivalry between the United States and the Soviet Union. Instead, it sought to uphold a moral foreign policy that resonated with other post-colonial nations, leading India to become a leader in the NAM. This stance earned India a degree of moral authority and influence among developing nations.

However, India's idealism was soon tested by geopolitical realities. The 1962 Sino-Indian War exposed significant vulnerabilities in India's security apparatus and highlighted the limitations of relying solely on peaceful diplomacy. This war led to a strategic reassessment and the beginning of a more pragmatic approach to defense and foreign relations. Subsequently, India entered into a closer relationship with the Soviet Union, marked by the 1971 Indo-Soviet Treaty of Peace, Friendship, and Cooperation, which played a crucial role during the Bangladesh Liberation War.⁶

Throughout the 1970s and 1980s, India continued to navigate a complex international environment. While maintaining its non-aligned status, it developed closer ties with the Soviet Union, which provided military and economic support. At the same time, India remained skeptical of U.S. policies in South Asia, particularly Washington's support for Pakistan. India's nuclear policy also evolved during this period. The 1974 nuclear test, termed a "peaceful nuclear explosion," marked a significant assertion of strategic autonomy, even as it led to international criticism and sanctions.⁷

Domestically, India's foreign policy was also shaped by its developmental needs and economic constraints. The focus remained on securing international aid, promoting economic self-reliance, and fostering regional cooperation through the South Asian Association for Regional Cooperation (SAARC), established in 1985. However, limited economic growth and frequent political instability restricted India's ability to pursue a more ambitious foreign policy agenda.

The end of the Cold War and the disintegration of the Soviet Union in 1991 forced India to rethink its foreign policy strategy. The simultaneous economic crisis led to the adoption of liberalization reforms under Prime Minister P.V. Narasimha Rao and Finance Minister Manmohan Singh. This marked the beginning of India's shift from an inward-looking to a more outward-oriented foreign policy, laying the groundwork for its future role as a global actor.⁸

Economic Growth and Strategic Reorientation

India's rapid economic growth post-1991 has significantly influenced its foreign policy. Economic liberalization expanded India's global trade, attracted foreign investment, and increased its stake in global economic governance. The Look East Policy (later Act East Policy), launched in the early 1990s, was a strategic effort to engage with Southeast Asia and integrate into the Asia-Pacific economy.

India also began leveraging its growing economic clout to secure strategic partnerships, especially in energy security, infrastructure, and technology. Bilateral agreements with the US, EU, Japan, and others reflected this economic-strategic nexus. The India-US Civil Nuclear Agreement (2008) was a landmark event that underscored India's emergence as a responsible nuclear power and a trusted global partner.

India and the Changing Global Order

India's ascent in the 21st century global order is characterized by its efforts to navigate and influence a rapidly evolving international system. The post-Cold War global landscape, which initially saw the dominance of a unipolar world led by the United States, has gradually transitioned into a multipolar configuration. This shift has created new opportunities and challenges for emerging powers like India. In this context, India's foreign policy has become increasingly dynamic, seeking to balance strategic interests while projecting itself as a responsible and influential actor on the global stage.

One of the defining aspects of the changing global order is the rise of China and the subsequent realignment of power in the Indo-Pacific region. China's assertiveness, particularly in the South China Sea and along the India-China border, has been a significant driver of India's strategic recalibration. In response, India has deepened its engagement with like-minded democracies through the Quadrilateral Security Dialogue (Quad), involving the United States, Japan, and Australia. The Quad symbolizes India's commitment to a free, open, and inclusive Indo-Pacific, and its emergence reflects India's growing role in shaping regional security dynamics.⁹

India has also sought to leverage multilateralism to assert its global position. It has taken an active role in platforms such as BRICS (Brazil, Russia, India, China, and South Africa), the Shanghai Cooperation Organisation (SCO), and the G20. Through these forums, India advocates for the reform of global governance institutions, including the United Nations Security Council, to reflect contemporary geopolitical realities. India's advocacy for a more representative international system aligns with its aspirations to be recognized as a voice for the Global South.

Another significant feature of India's foreign policy in the changing global order is its strategic autonomy. Unlike during the Cold War, when India leaned more towards the Soviet Union, today's India is more adept at balancing relationships with multiple powers. It maintains strong defense and economic ties with the United States while preserving its historical ties with Russia. Simultaneously, India engages with European powers, strengthens its neighborhood through initiatives like "Neighbourhood First," and invests in Africa and Latin America through development partnerships.¹⁰

The growing emphasis on economic diplomacy also marks India's global engagement. India's rise as one of the world's largest economies has enabled it to expand trade, investment, and connectivity with key regions. Its participation in regional initiatives such as BIMSTEC and the International Solar Alliance further illustrates its role as a proactive stakeholder in global development and sustainability efforts.

Strategic and Security Dimensions

India's strategic and security posture has evolved substantially in the 21st century, reflecting its aspiration to be recognized not only as a regional leader but also as a credible global power. The strategic environment in South Asia and the broader Indo-Pacific region has grown increasingly complex, prompting India to adopt a more assertive and multidimensional security approach. This shift encompasses military modernization, defense diplomacy, counterterrorism strategies, and participation in multilateral security frameworks.

One of the most pressing strategic challenges for India comes from its two nuclear-armed neighbors, Pakistan and China. With Pakistan, the longstanding conflict over Kashmir and the recurring threat of cross-border terrorism have dominated the security narrative. India's response has shifted over time from diplomatic restraint to assertive action, as demonstrated by the 2016 surgical strikes and the 2019 Balakot airstrikes following terrorist attacks. These moves signaled India's willingness to exercise military options to safeguard its national interests.¹¹

Tensions with China have escalated in recent years, particularly along the Line of Actual Control (LAC). The 2017 Doklam standoff and the 2020 Galwan Valley clash were watershed moments that underscored the fragility of India-China relations. These incidents prompted India to accelerate infrastructure development along the border and recalibrate its China policy by strengthening ties with regional allies and participating in balancing coalitions like the Quadrilateral Security Dialogue (Quad).

India's defense modernization is a cornerstone of its strategic transformation. The country has prioritized upgrading its armed forces, acquiring advanced weaponry, and enhancing indigenous defense production under the 'Make in India' initiative. Strategic procurements from key partners such as the U.S., France, Russia, and Israel have bolstered India's military capabilities, while joint exercises like Malabar (with the U.S., Japan, and Australia) reflect deepening defense cooperation.

Beyond conventional threats, India is increasingly addressing non-traditional security concerns. Cybersecurity, maritime security, climate change, and health emergencies have all found space within India's expanded security doctrine. The Indo-Pacific Oceans Initiative (IPOI) illustrates India's intent to lead in maritime governance, emphasizing freedom of navigation, disaster response, and environmental sustainability in the region.¹²

India has also grown more active in multilateral security forums, seeking to shape global security norms. Participation in the SCO, BRICS, and G20 reflects India's commitment to a rules-based international order. India's candidacy for a permanent seat in the United Nations Security Council further underscores its aspiration to influence global strategic decisions.

The strategic and security dimensions of India's foreign policy have undergone a decisive shift. From a posture of cautious engagement, India has moved toward proactive diplomacy backed by credible defense capabilities. This transformation is central to India's emergence as a rising global actor capable of shaping regional and international security architectures.

India has increasingly harnessed soft power to enhance its global image. The promotion of Indian culture, yoga, cinema, and cuisine, along with the proactive use of its diaspora, has helped project India as a civilizational state with a global vision. Initiatives like the International Day of Yoga and the expansion of the Indian Technical and Economic Cooperation (ITEC) program have contributed to India's soft power diplomacy.¹³

Additionally, India's proactive role in global health, including its vaccine diplomacy during the COVID-19 pandemic through the "Vaccine Maitri" initiative, showcased its willingness and capacity to contribute to global public goods.

CONCLUSION: India's transformation from a moderate to a rising global power is the result of sustained economic growth, strategic recalibration, and active global engagement. While challenges persist, India's pragmatic diplomacy, growing influence in multilateral forums, and strategic partnerships position it well for an expanded global role.

As the global order continues to evolve, India must continue to balance principle with pragmatism, soft power with strategic assertiveness, and national interest with global responsibility. The coming decades will be crucial in determining whether India can fully realize its potential as a major global power and contribute meaningfully to a multipolar, democratic, and rules-based international order.

REFERENCES:

1. Bajpai, K., Basit, S., & Krishnappa, V. (2014). *India's grand strategy: History, theory, cases*. Routledge.
2. Chaudhuri, R. (2020). India's foreign policy: The Modi era. *International Affairs*, 96(4), 861–879. <https://doi.org/10.1093/ia/iiaa090>
3. Ibid.
4. Ganguly, S., & Pardesi, M. S. (2009). Explaining sixty years of India's foreign policy. *India Review*, 8(1), 4–19. <https://doi.org/10.1080/14736480802665162>
5. Mohan, C. R. (2003). *Crossing the Rubicon: The shaping of India's new foreign policy*. Viking Penguin.
6. Ministry of External Affairs (MEA). (2023). *Annual report 2022–23*. Government of India. <https://www.mea.gov.in/annual-reports.htm>
7. Ibid.
8. Pant, H. V. (2016). *Indian foreign policy: An overview*. Manchester University Press.
9. Rajagopalan, R. P. (2017). India and the changing geopolitics of the Indo-Pacific. *Strategic Analysis*, 41(3), 207–219. <https://doi.org/10.1080/09700161.2017.1295603>
10. Saran, S. (2022). *How India sees the world: Kautilya to the 21st century*. Juggernaut Books.
11. Ibid.
12. Tellis, A. J. (2020). *India's emerging strategy in Asia*. Carnegie Endowment for International Peace. <https://carnegieendowment.org/>
13. Tharoor, S. (2012). *Pax Indica: India and the world of the 21st century*. Penguin Books.