

Neighbourhood First Policy Revisited: An Analysis of India's Engagement with South Asia under Modi (2014–2025)

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Abstract

This article critically examines India's *Neighbourhood First Policy (NFP)* under Narendra Modi from 2014 to 2025, focusing on its strategic evolution, achievements, and limitations in South Asia. Using a mixed-methods approach that combines qualitative analysis of diplomatic engagements with quantitative assessment of economic and strategic initiatives, the study evaluates India's efforts to strengthen regional cooperation and counter the growing influence of China. The paper highlights key milestones such as the 2015 Land Boundary Agreement with Bangladesh and the shift from SAARC to sub-regional frameworks like BIMSTEC and BBIN. Despite proactive diplomatic outreach and an emphasis on connectivity, infrastructure, and trust-building, the analysis identifies a persistent implementation gap between policy objectives and tangible outcomes. The study also underscores how domestic political decisions and regional power rivalries, particularly involving China and the United States, complicate India's regional strategy. It concludes that while the NFP has repositioned India as a proactive regional actor, its long-term success depends on effective policy execution, consistent diplomacy, and the ability to balance strategic competition while fostering inclusive regional development. This study evaluates the policy's strategic evolution, focusing on how the administration has sought to navigate regional power dynamics and counterbalance intensifying Chinese influence ([Lamichhane, 2023](#)).

Keywords: Neighbourhood First Policy (NFP), Indian Foreign Policy, South Asia, Regional Cooperation, China's Influence, Strategic Autonomy

1. Introduction

Analytical Framework

This research adopts a mixed-methods framework, integrating qualitative discourse analysis of diplomatic milestones with quantitative assessments of economic and strategic alliances to delineate shifts in regional priorities ([Aryal & Bharti, 2023](#); [Singh, 2025](#)). This multidimensional approach enables a comprehensive evaluation of how India attempts to harmonize its domestic developmental objectives with the complexities of South Asian geopolitics ([Aryal & Bharti, 2023](#); [Singh, 2025](#)). Furthermore, this

methodology facilitates a rigorous examination of how external actors, particularly the burgeoning strategic rivalry between the United States and China, challenge the efficacy of India's regional assertions (Hà, 2023; Lamichhane, 2023). By synthesizing these variables, the study assesses how India addresses its security dilemmas amidst frequent border disputes and the strategic encroachment of extra-regional powers (Pant, 2018). Consequently, the analysis scrutinizes the disparity between the policy's stated economic objectives and the tangible developmental outcomes achieved within its immediate neighbourhood (Lamichhane, 2023). This assessment reveals a persistent implementation gap, as India's efforts to enhance regional connectivity have frequently struggled to materialize into concrete developmental gains (Hà, 2023; Lamichhane, 2023). These developmental shortcomings are compounded by the policy's inability to fully navigate the multifaceted engagement of the United States and China in the region, which complicates India's objective to establish stable, mutually beneficial bilateral frameworks (Hà, 2023; Lamichhane, 2023). Furthermore, the prevalence of persistent bilateral frictions with neighbors—often exacerbated by controversial domestic initiatives—has provided openings for regional competitors to deepen their own strategic footprint (Aryal & Bharti, 2023; Hà, 2023).

2. The Genesis and Symbolism of NFP (Modi 1.0: 2014–2019)

The inception of the Neighbourhood First Policy was marked by a significant departure from traditional diplomatic protocol, signaling a renewed focus on regional integration. This "reinvigoration" began with the invitation of SAARC leaders to Prime Minister Modi's 2014 swearing-in ceremony, an act that served as a powerful symbolic gesture of India's intent to prioritize its immediate neighbors in its foreign policy hierarchy (Aryal & Bharti, 2023). The primary objective during this early phase was to foster a "neighbourhood of shared prosperity" through enhanced connectivity and economic cooperation (Pant, 2018).

One of the most significant structural successes of this period was the resolution of the long-standing border dispute with Bangladesh through the Land Boundary Agreement in 2015. This historic achievement not only improved bilateral trust but also facilitated greater cooperation in security and connectivity (Aryal & Bharti, 2023). Furthermore, early diplomatic outreach to Bhutan and Nepal underscored India's commitment to acting as a reliable development partner. However, this period also saw the emergence of regional frictions, such as the 2015 blockade in Nepal, which highlighted the delicate balance between India's security interests and the sovereignty of its smaller neighbors (Lamichhane, 2023).

3. Shift in Regional Multilateralism

A defining feature of the NFP since 2014 has been the strategic pivot away from traditional multilateral frameworks toward more functional and sub-regional initiatives. The South Asian Association for Regional Cooperation has faced significant paralysis, primarily due to the "Pakistan Factor" and the persistent deadlock over cross-border terrorism (Pant, 2018). Following the Uri and Pathankot attacks, India led a collective boycott of the 19th SAARC Summit, effectively shifting its diplomatic focus to more viable alternatives (Singh, 2025).

This shift catalyzed the elevation of the **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation** as the primary vehicle for regional integration. By emphasizing a "bridge"

between South and Southeast Asia, India has sought to bypass the structural limitations of SAARC while promoting maritime security and trade (Pant, 2018). Parallel to this, the **BBIN initiative** emerged as a key sub-regional framework, specifically targeting transport and energy connectivity. The Motor Vehicles Agreement under BBIN serves as a cornerstone for this strategy, aiming to facilitate the seamless movement of cargo across borders and reduce the "trust deficit" through tangible infrastructure outcomes (Aryal & Bharti, 2023; Hà, 2023).

4. Strategic Challenges: The 'China Factor' and Extra-Regional Powers

A primary challenge to the efficacy of the "Neighbourhood First Policy" is the increasing presence and influence of extra-regional powers within South Asia (Pant, 2018). Research indicates that China's role in the region has become increasingly assertive, with efforts often perceived as dominating India's immediate neighbourhood (Pant, 2018). This profound influence and interference from China, coupled with frequent terrorist incidents stemming from border disputes, continues to threaten regional security and complicate India's strategic assertions (Hà, 2023).

The geopolitical landscape is further complicated by the "growing bipolar strategic rivalry between China and the U.S.," which directly impacts the implementation of India's policy in nations like Nepal (Lamichhane, 2023). This rivalry creates a strategic environment where India's regional goals are often challenged by the competing interests of global powers (Lamichhane, 2023). Furthermore, because India has at times struggled to translate its economic and defense capabilities into mutually beneficial factors for the region, a "window" has been opened for China to deepen its engagement with India's neighbours (Aryal & Bharti, 2023). These domestic and regional pressures necessitate a careful balancing act for India to maintain its influence (Hà, 2023).

5. Pillars of Engagement (2019–2025)

The 2019–2025 period marks a significant evolution in India's foreign policy, characterized by a shift toward proactive engagement and strategic independence (Singh, 2025). During this phase, the NFP has focused on several core pillars to consolidate India's position and expand its influence in the Indian Ocean and South Asia (Hà, 2023).

- **Infrastructure Cooperation and Economic Linkages:** A central pillar of the current engagement strategy involves prioritizing regional connectivity initiatives. By emphasizing infrastructure cooperation and promoting economic linkages, India aims to establish common interests among the countries in the region (Hà, 2023). This approach is designed to foster overall regional development and prosperity while reinforcing India's role as a critical player (Hà, 2023).
- **Trust-Building through Diplomatic Initiatives:** To overcome persistent implementation gaps, India has placed a high priority on building trust through bilateral relations and diplomatic activities (Hà, 2023). This includes high-level visits focused on creating more robust and mutually beneficial partnerships (Hà, 2023). The goal is to move beyond symbolism toward tangible economic collaborations that meet the specific needs of immediate neighbours (Pant, 2018; Singh, 2025).

- **Strategic Independence and Economic Collaboration:** The current administration adopts a mixed-methods approach that blends qualitative diplomatic efforts with quantitative strategic alliances (Singh, 2025). This focuses on ensuring that India's domestic developmental goals are harmonized with its foreign policy, creating long-term links between national ambitions and regional stability (Aryal & Bharti, 2023). By emphasizing economic collaborations, India seeks to nurture deeper engagement that enhances its prestige and regional image (Hà, 2023; Singh, 2025).

6. Critiques and Implementation Gaps

Despite the proactive rhetoric of the "Neighbourhood First Policy," significant challenges persist in its execution. A primary critique involves the widening disparity between India's stated economic objectives and tangible developmental outcomes. Research indicates that the administration has frequently been unable to deliver on its economic and multifaceted developmental promises (Lamichhane, 2023). This implementation gap is often attributed to a lack of a clear roadmap for achieving global leadership while effectively integrating neighbouring countries into that journey (Aryal & Bharti, 2023).

Furthermore, the consistency of the policy has been undermined by domestic initiatives that create bilateral friction. For instance, while the resolution of the land border dispute with Bangladesh was a milestone, the subsequent introduction of the Citizenship Amendment Act created significant "turbulence" and diplomatic inconsistency (Aryal & Bharti, 2023). Such internal policies, combined with a perceived "Big Brother" attitude, have contributed to a persistent trust deficit. Many neighbouring states remain hesitant to endorse proposals that suggest a recreation of past regional unity, fearing that deeper connectivity might lead to over-reliance on India (Hà, 2023). Consequently, India's inability to fully translate its superior economic and defense capabilities into mutually beneficial regional factors has "opened a window" for China to deepen its engagement with India's immediate neighbours (Aryal & Bharti, 2023).

7. Looking Toward 2025 and Beyond

As India moves toward 2025, the "Neighbourhood First Policy" is expected to enter a more refined phase characterized by "strategic independence" and "proactive engagement" (Singh, 2025). To ensure future success, the administration must prioritize building genuine trust through consistent high-level diplomatic visits and bilateral initiatives (Hà, 2023). The focus is shifting toward establishing "common interests" that align India's domestic developmental ambitions with the economic needs of its neighbours, thereby fostering a more inclusive regional prosperity (Aryal & Bharti, 2023; Hà, 2023).

The trajectory for 2025 suggests that India will increasingly leverage its role as a "first responder" and a reliable economic collaborator to restore its regional prestige (Hà, 2023; Singh, 2025). However, the success of this phase will depend on India's ability to manage the "growing bipolar strategic rivalry" between the United States and China, which continues to shape the geopolitical choices of nations like Nepal and Sri Lanka (Lamichhane, 2023). By moving beyond symbolic gestures toward outcome-oriented infrastructure and energy cooperation, India aims to solidify its position as the central pillar of South Asian stability and a credible alternative to extra-regional influences (Hà, 2023).

8. Conclusion

The "Neighbourhood First Policy" has represented a transformative shift in India's regional strategy, moving from passive diplomacy to "proactive engagement" and "strategic independence" (Singh, 2025). Between 2014 and 2025, India successfully revitalized bilateral ties through high-level symbolism and resolved long-standing structural issues, such as the Land Boundary Agreement with Bangladesh (Aryal & Bharti, 2023). However, the efficacy of the policy has been frequently challenged by a persistent "implementation gap" where stated economic objectives have not always translated into tangible developmental outcomes for neighbouring states (Lamichhane, 2023). As China continues to expand its footprint in South Asia through infrastructure and debt-trap diplomacy, the NFP remains the most critical instrument for India to maintain its regional leadership and security (Lamichhane, 2023; Pant, 2018).

Future Suggestions for Indian Foreign Policy

To ensure the NFP remains effective beyond 2025, the following strategic adjustments are suggested:

- **Bridging the Delivery Deficit:** India must establish a clear, time-bound roadmap for the completion of regional infrastructure projects. The inability to fulfill economic promises has previously "opened a window" for extra-regional powers like China to deepen their influence (Aryal & Bharti, 2023). Future policy should prioritize the "timely execution" of connectivity projects to prove India is a more reliable partner than its competitors (Hà, 2023).
- **Decoupling Domestic and Foreign Policy:** To avoid the "turbulence" seen with initiatives like the Citizenship Amendment Act, India should strive to insulate its regional diplomatic relations from domestic political shifts (Aryal & Bharti, 2023). Consistency in policy is essential to reducing the "trust deficit" and preventing friction with key partners like Bangladesh and Nepal (Aryal & Bharti, 2023; Lamichhane, 2023).
- **Institutionalizing Sub-Regionalism:** Given the continued paralysis of SAARC due to the "Pakistan Factor," India should double down on more functional frameworks like **BIMSTEC** and the **BBIN initiative** (Pant, 2018; Singh, 2025). By focusing on maritime security and energy grids within these smaller groups, India can foster "common interests" that yield immediate economic benefits (Hà, 2023).
- **Promoting a "Non-Reciprocal" Developmental Model:** Drawing on the spirit of the Gujral Doctrine but with modern capabilities, India should leverage its superior economic and defense stature to offer mutually beneficial factors that do not demand immediate reciprocity (Aryal & Bharti, 2023). This involves acting as a "first responder" during crises—similar to its vaccine diplomacy—to enhance its prestige and regional image (Hà, 2023; Singh, 2025).
- **Strategic Balancing of Global Rivalries:** As the "growing bipolar strategic rivalry" between the U.S. and China intensifies in South Asia, India must position itself as a stabilizing force that protects the sovereignty of smaller nations (Lamichhane, 2023). By offering a credible, transparent alternative to China's BRI, India can ensure its neighbours are not forced into zero-sum geopolitical choices (Pant, 2018).

In the final assessment, while the NFP has successfully placed the neighbourhood at the center of India's global ambitions, its long-term success will depend on India's ability to evolve from a regional hegemon into a collaborative leader that fosters a "neighbourhood of shared prosperity" (Hà, 2023; Pant, 2018).

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