

IJMRRS

International Journal for Multidisciplinary
Research, Review and Studies

ISSN: 3049-124X (Online)

VOLUME 2 - ISSUE 3

2024

© 2024 International Journal of Multidisciplinary Research Review and Studies

From Non-Alignment to Networked Sovereignty: India's Geoeconomic Statecraft, Market Autonomy, and Weaponized Interdependence

Author

Adrita Dutta

Banaras Hindu University

Email ID: adritadutta.assam@gmail.com

Abstract

Indian statecraft has evolved from historic non-alignment to "non-alignment 2.0" which is flexible as well as assertive of India's Vishwaguru vision. India now practises a proactive model of strategic autonomy and multi-alignment in an attempt to reimagine the "Arthashastra" as a survival strategy in a growing VUCA landscape. This paper seeks to analyse how India leverages its massive domestic consumer market to execute its strategy of market autonomy and indirect economic coercion. Indian economic diplomacy employs asymmetric regulatory statecraft including foreign investment screening, targeted digital application bans, and localized data governance frameworks to protect domestic industries and penalize adversaries while securing its domestic interests. India's networked multilateralism does not seek to adjust to competitive dynamics of the global powers rather India frames its actions within the ambit of weaponized interdependence leveraging mutuality of interests and promoting itself from a consumer status to be the architect of its own geological foundation. India recognises that prioritizing geoeconomic mandate for an autonomous technological future amidst a gradually disintegrating post-Cold War liberal trade order. India leverages its geopolitical swing state status to establish that it is not a fence-sitter and refuses to be owned by any global power by leveraging multi-alignment as an architecture of its foreign policy. India has been engaging in strategic forum-shaping across overlapping multilateral and minilateral platforms, evidenced by its diplomatic efforts under its current BRICS chairmanship to its participation in the 2026 G7 Summit in Évian-les-Bains as a non-enumerated member. Besides this, the recent crisis in the Strait of Hormuz has highlighted the volatility and the structural fragility inherent in the aspirations of an "Asian Century" and posits an "ASEAN centrality" debacle. It creates a strategic vacuum for India to increase its clout as a "comprehensive strategic partner." This paper seeks to demonstrate that India's geoeconomic strategy is not merely protectionist or reactionary but represents an increasingly defensive and pragmatic integration. India has extended its Digital Public Infrastructure (DPI) through MoUs

signed with twenty-three countries to bolster its digital sovereignty. The country also pursues a hybrid geoeconomic model combining domestic capacity building through IndiaAI Missions, leveraging strategic partnerships to secure semiconductors, cybersecurity, digital health interoperability, sovereign generative AI governance, while simultaneously engaging in strategic narrative framing as a non-coercive voice of the Global South. Finally, the paper establishes that India's selective bilateral trade via CEPAs and FTAs with the EU, UK, UAE, and EFTA stands as a remarkable alternative as well as replicable template for emerging global powers to steer their ship of strategic autonomy amidst "polycrisis" by avoiding subordination to any Western-led or Chinese- led power hierarchies.

Keywords: Non-alignment 2.0, VUCA landscape, regulatory statecraft, digital sovereignty, hybrid geoeconomic model.

Introduction

The modern international system is witnessing a pivotal shift in its structure, characterized by the collapse of the liberal trade system during the post- Cold War period and the growing geoeconomic fragmentation.The prevailing dominant paradigm in international relations assumed that increasing economic integration and deeper market interdependence would generate permanent sources of global stability and peace for the nations. Yet, the contemporary geopolitical dynamics have been thoroughly challenging these geopolitical liberal assumptions, highlighting that intricate trade, financial, logistics, and information serve as structural channels of asymmetric vulnerability and lead to mutual dependency. It also fosters coercive leverage and systemic risks. Within this VUCA landscape, emerging global powers confront an acute strategic dilemma as to how to integrate themselves into the world economy in order to facilitate capital accumulation while remaining internally immune to external coercion and network failures. At the same time, the instability of the international system compels India to revisit its grand strategy altogether as traditionally, Indian foreign policy has been premised on the non-aligned approach, a policy framework aimed at safeguarding India's political sovereignty. The underlying logic behind this in the twenty-first century was redefined with the emergence of "Non-Alignment 2.0", recognizing that development in India is intrinsically tied to how well New Delhi can manage global opportunities in an inherently unpredictable and dynamic multi-polar world order. The strategy has been further developed into multi-alignment and networked sovereignty. Strategic autonomy in this framework is not determined by isolation and passivity but rather viewed as active and fluid interaction on several multilateral and minilateral forums to increase strategic options and assert India's Vishwaguru identity. The paper therefore, seeks to examine these mechanisms, theoretical underpinnings, and results to assess India's geoeconomic statecraft in the contemporary era. This academic work will further analyze how New Delhi utilizes its larger domestic consumer market. Asymmetric regulatory statecraft, digital public goods as diplomatic tools and responds to maritime security challenges to create a strong base of national power. The study would also make an empirical examination of current events such as the rotation of India as chair of the BRICS nations, its guest status at the 52nd G7 Summit in Evian-les-Bains, and the disturbance at the Strait of Hormuz, in an attempt to demonstrate that India's geoeconomics is neither reactive nor protectionist. Instead, it is highly defensive in nature and an extremely pragmatic and calculated

attempt at crafting an independent economic and technological future without subordinating itself to any Western-led or Chinese-led power structure.

Literature Review

Understanding the confluence of economic integration and national security in the international relations literature is necessary to understand India's contemporary statecraft. The tension between prosperity and security has long been a concern of the realist scholarship. Classical realism exemplified by Hans Morgenthau views international politics as a perpetual struggle for survival and influence in a world of systemic anarchy where states define their national interest in terms of relative power and diplomacy. Structural realism as advanced by Kenneth Waltz, takes the analysis beyond intent to structural constraints, contending that the anarchic structure of the international system leaves states with no option other than thinking in terms of relative gains over absolute gains, and limit strategic dependence on other actors in order to ensure their survival. Traditional realist theories emphasize military equipment and territorial gains; however, the field of geoeconomic studies has modified these fundamental tenets of realism in light of the contemporary trend of globalization. The theory of geoeconomics was propounded by Edward Luttwack who opined that even though the confrontational " logic of conflict" characterizes inter-state interactions, "its grammar" had now shifted to commerce. Trade, investment, and technological standards are mobilized in a manner similar to military power. This view is further substantiated by the study conducted by Robert Mastanduno who notes that the distinction between international political economy and national security has diminished over time.

Similarly, Robert Gilpin's structural analysis clarifies that the international division of labour is a political construct rather than merely market efficiency. In the contemporary digital era, the concept of economic coercion has been further developed by Henry Farrell and Abraham Newman through the theory of "weaponized interdependence". According to the theory of Farell and Newman, the liberal assumption that globalized networks are decentralized and flat is false since physical, financial, and informational networks tend to be centralized around particular hubs which lie under the jurisdiction of certain states. These dominant states can use network asymmetry through two mechanisms: (a) the "Panopticon Effect" where the central nodes are leveraged for effective strategic information gathering and (b) the "Chokepoint Effect", where the dominant state can limit or cut off access to certain networks. However, while most of the literature dealing with weaponized interdependence concentrates on the coercive capabilities of the hegemonic powers

like the US and China, the research by Amrita Narikar on the Global South provides a vital counter-perspective. Narikar illustrates that the emerging and developing countries do not have to be passive recipients in the ever-changing geopolitical situation and thus, they have room for action through using defensive regulatory statecraft, forming new coalitions, and constructing strategic narratives as a tool for resisting the pressure exerted by the great powers and retaining their strategic autonomy. This idea of strategic autonomy of states can be traced back to the long history and the theoretical discussions within India's foreign policy tradition. Some of India's best strategic minds— Sunil Khilnani, Rajiv Kumar, Pratap Bhanu Mehta, Lt. Gen. Prakash Menon, Nandan Nilekani, Srinath Raghavan, Shyam Saran, and Siddharth Varadarajan published "Non-Alignment 2.0: A Foreign and Strategic Policy for India in the 21st Century." It sought to define the essential principles and factors which would enable India to be a major global power in the international arena without compromising its national interest and values. But the concept of "Non-Alignment 2.0" itself invited considerable academic criticism. One major criticism was made by Ashley J. Tellis, who claimed that the approach did not offer any logical way out of the problems caused by security competition under conditions of high economic interdependence. He called this approach "old wine in new skin," contending that the strategic problems facing India were too serious to be solved via any revival of non-alignment policy. Tellis maintained that for India's sustained security and development, there should be greater involvement with the outside world in terms of strategic alliances with its best friends and partners. While such debates on Western realism take place, researchers in the field of international relations have increasingly resorted to studying indigenous or non-Western strategic cultures to understand the strategic behaviors of states like India. The work of Kajari Kamal provides systematic investigation into India's foreign policy and its underlying principles in light of the Arthashastra of Kautilya. She demonstrates the fact that the ancient Indian strategic culture provides an incredibly sophisticated realist strategic culture which continues to govern India's grand strategy until today. Kamal and Medha Bisht demonstrate that the focus of Arthashastra is on the Kautilyan beliefs like Yogakshema (the security, welfare, and political end-goal of the state), Saptanga (the seven structural aspects of state power), and Sadgunyas (the six measures of foreign policy). One such measure of Sadgunyas is the policy of Asana which is essentially the decision of strategically remaining stationary, uninvolved, and observing others without taking any action. It is a deliberate decision to allow unhindered development of the capabilities (Prakritis) of the state in order to enhance its relative power and

ensure its survival in the anarchic regional mandala. While the debate in theory goes on, one thing that is glaringly missing in the international relations literature is the operational use of these concepts in the contemporary world. In particular, there is a notable dearth of literature about operationalizing Kautilyan strategic preferences (Asana and Dvaidhibhava) in terms of modern regulatory statecraft, digital public infrastructure, and minilateral forum-shaping in a very digitized economy.

Theoretical and Conceptual Framework

This research adopts an integrated conceptual framework of Geoeconomic Realism to evaluate the foreign economic policy of India. Geoeconomic Realism is based on the idea that in times of great-power competition, the locus of strategic competition has moved from military engagements to regulation, connectivity, and technological networks. The following four core concepts form the conceptual framework:

Conditional Inclusion and Hierarchical Network: Instead of being horizontal and rule-based, the global economy consists of hierarchical network structures of overlapping commercial and technological systems controlled by hegemonic countries. Such countries do not use exclusion to exert power (as it is economically costly) but conditional inclusion. In accordance with this concept, foreign countries and integrated businesses have access to these important networks only in the case when they comply with process-based rules, data standards, and regulatory regime created by the dominant countries.

Rule Density as Power: The modern international order is characterized by "normative leverage" that is exercised through rule density – the creation of more measurable, auditable, and enforceable compliance standards such as carbon border adjustments, ESG framework, environmental, data localization laws, and so on. This allows dominant states to create structural chokepoints and transfer transaction costs to their competitors and integrated firms. This conceptual framework makes the distinction between the following terms:

Intentional Coercion: Specific measures such as sanctions, tariffs, import ban, and others that are used to change foreign policy of a particular state.

Structural Discipline: Ongoing indirect constraint due to network asymmetries and lock-in effect that require adherence to foreign standards in order to get access to the market.

Connector Country and Institutional Bilingualism: Due to the geoeconomic fragmentation of the global economy, no hegemon can discipline the entire global economy anymore. Such a structural

decay creates the strategic brokerage space for "connector country" or "pivot state" – actors that keep multi-aligned relationships with different political and economic blocs in order to reduce risks, increase their options and maintain sovereign independence. In order to navigate through this fragmented economy, the "connector country" needs to adopt "institutional bilingualism" , that is, simultaneous participation in the rules of multilateral organization (WTO) and minilateral alignments.

Analysis and Discussion: The Regulatory Statecraft of Market Autonomy

Through its regulatory statecraft approach of market autonomy, India has created a bold model where its massive domestic consumer market becomes its primary geoeconomic tool. Utilizing its domestic legal and executive instruments, New Delhi erects defensive barriers that reduce foreign penetration in strategic sectors, thus carrying out economic coercion indirectly and safeguarding its domestic industrial infrastructure from vulnerabilities.Foreign Investment Screening through Press Note 3On April 2020, the Ministry of Commerce and Industry came up with Press Note 3, which amended India's consolidated Foreign Direct Investment (FDI) Policy and requires all the foreign investments from, or by a citizen of, countries that share a land border with India to have prior approval from the government. While being drafted in neutral and non-discriminatory language, this policy was a clear geoeconomic measure aimed at preventing any opportunistic takeovers and debt-leverage acquisitions of Indian firms through Chinese state-sponsored capital amid the market turbulence caused by the pandemic.The empirical impact of Press Note 3 has been quite substantial. By August 2025, this regulatory barrier has led to delays in 200 foreign investment proposals from Chinese entities. These regulatory obstacles effectively limited the unchecked Chinese expansion of their capital in the strategically important sectors of Indian economy – digital, finance, and manufacturing.While such regulatory obstacles have led to some short-term inconveniences – slowing down of the inflow of vital component producers and sometimes hampering the fast growth of India's electronics and electric vehicles (EV) manufacturing sectors – they forced Indian enterprises to diversify their supply chains. Being structurally prompted not to depend on a single and hostile neighbor, Press Note 3 became a driving force of local industrial capabilities.Digital Interception and App Bans through Section 69A. Besides investment screening, India has been a pioneer in using its national security-oriented digital regulations geoeconomically. Section 69A of Information Technology (IT) Act, 2000 allows the central government to issue directions for the interception, monitoring, decryption, or

blocking of any information that may have been generated, transmitted, received, or stored in any computer resource. The accountability of the foreign technology platforms can be ensured through Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. In using such legal provisions, India imposed a permanent ban on many highly popular mobile applications under the control of Chinese tech companies (for example, TikTok, WeChat and mobile gaming applications). This was done due to the fear that these platforms were engaged in unauthorized data collection and transmission of this data to foreign servers as well as cognitive profiling. This action proved to India's domestic market as a sovereign strategic asset that could not be utilized without keeping in view the national security of the country. As a result, India imposed a transfer of digital market share to domestic tech companies, leading to the rapid development of India's home-grown digital industry.

The Port of Rotterdam CBAM Case

India's regulatory statecraft cannot work independently, and it needs to constantly protect the domestic industries from the asymmetric regulatory actions of the other trading blocs. An empirical example of this process took place in the year 2026, in which primary processed steel from India was not allowed to enter the Port of Rotterdam. The restrictions were not in the form of traditional tariffs, quotas or physical blockades through naval forces; rather, the CBAM (Carbon Border Adjustment Mechanism) of the European Union imposed restrictions on the imports in an automated way. The CBAM regulation demands that the firms importing the products should purchase certificates according to the carbon emission embedded within the products. In the case of importing 7,000 tonnes of steel from India to the Port of Rotterdam, the absence of CBAM compliant digital emissions tracking made the effective levy to become about 22%, which was about Rs. 6 crore for the transaction and made it economically non-viable.

Analysis and Discussion: Digital Sovereignty, DPI, and the Hybrid Geoeconomic Model

In order to protect itself from the vulnerabilities of digital hubs and prevent any form of technological lock-in by foreign entities, India has eschewed not only the entirely market-based Western model of digital sovereignty but also the strictly state-run Chinese model. Instead, the Indian leadership has innovated its own unique hybrid geoeconomic model which involves using state-enabled Digital Public Infrastructure (DPI) as well as selective investment in important and advanced technologies.

The India Stack and DPI Diplomacy: The backbone of digital sovereignty in India is what is called the "India Stack"—the openly available and public goods-oriented digital infrastructure designed to level the playing field regarding access to financial and administrative services. The backbone of the India Stack includes the following three digital components:Aadhaar—a biometric-based digital identity system that provides unique identification, authentication, and delivery of public services;Unified Payments Interface (UPI)—real-time, interoperable digital payments system used for instant person-to-person and merchant payments;DigiLocker—a secure cloud-based platform for exchanging authenticated digital documents and eliminating physical dependencies.Outside of these basic components, the Indians have included a large number of additional specialized digital public goods in their sovereign digital infrastructure. The most notable examples are CoWIN (vaccination management), API Setu (open API access), UMANG (unified mobile governance), Government e-Marketplace (GeM for transparent government procurement), e-Office (decision-making without paper), e-Hospital (digital healthcare), e-Sanjeevani (telemedicine consultation), POSHAN Tracker (real-time nutrition monitoring), Skill India Digital Hub (SIDH), Public Financial Management System (PFMS), PM GatiShakti (national master plan for multi-modal logistics), and DIKSHA (national education portal).

India has used its domestic success in the digital sphere as an integral part of its foreign policy and thus developed DPI diplomacy. By early 2026, the Government of India has signed Memorandums of Understanding (MoUs) and bilateral agreements with twenty-three partner countries in order to work together towards adoption of India Stack platforms. By early 2026, the Government of India has signed Memorandums of Understanding (MoUs) and bilateral agreements with twenty-three partner countries in order to work together towards adoption of India Stack platforms. Diplomatic efforts have resulted into formation of partnerships in an immensely diverse geographical space, covering the Republic of Armenia, Sierra Leone, Suriname, Antigua and Barbuda, Papua New Guinea, Trinidad and Tobago, the United Republic of Tanzania, Kenya, Cuba, Colombia, Lao People's Democratic Republic, Saint Kitts and Nevis, Ethiopia, Jamaica, Gambia, Fiji, Guyana, and Venezuela. The internationalization of UPI has seen rapid strides as the real-time payment platform has been rolled out in more than eight countries, including the United Arab Emirates, Singapore, Bhutan, Nepal, Sri Lanka, France, Mauritius, and Qatar, helping improve cross-border remittance, increase financial inclusion, and solidifying India’s position as a fintech leader. While this happened, there have also been specific agreements made to replicate DigiLocker in Cuba,

Kenya, the UAE, and Lao PDR.In order to institutionalize the process of global transfer of digital public goods, India has launched India Stack Global portal and India Stack Global DPI repository during its G20 Presidency in 2023, providing friendly countries with access to eighteen different digital platforms, thus earning it the distinction of being the voice of the Global South, non-coercively.

Sovereign AI Governance and the IndiaAI Mission: Critical and emerging technology field has seen India understanding the fact that artificial intelligence will be the next major battlefield of weaponized interdependence. Dependency on large language models and hardware from other nations poses immense risks of cognitive sovereignty, national security, and economic self-reliance in the long run. In order to counter this, the Government of India's Union Cabinet has approved IndiaAI Mission with a massive budget allocation of Rs. 10,372 crore ($1.25 billion). IndiaAI Mission aims at making artificial intelligence the core of national infrastructure, thus putting emphasis on computational hardware, training datasets, and algorithmic governance.Sovereign AI governance is achieved through a comprehensive hybrid approach of government investment, cloud service provider, and private enterprise:

Common Compute Pool: To overcome the structural deficit in high-performance AI computing hardware, the IndiaAI mission has created a common compute pool. As of June 2026, this compute pool stands over 38,000 Graphics Processing Units (GPUs), provided by a strategic alliance of domestic and international cloud providers, providing equal access to high-performance computing for domestic startups, researchers, and public enterprises.

Analysis and Discussion: Networked Multilateralism, Forum-Shaping, and Strategic Brokerage

The progressive fragmentation of the global economy has weakened the unilateral disciplining ability of traditional great powers, thus opening up the strategic opportunities for flexible pivot states to pursue strategic brokerage. India succeeded in positioning itself as one of the main "connector states" by driving corridor-based connectivity projects and practicing networked multilateralism.

Corporate-Based Connectivity as a Base of Power:

In order to leverage its strategic geography and transform it into geoeconomic power, India actively develops some major corridor-based connectivity projects, which would enable India to bypass its unfriendly neighbors and find alternative transport routes :International North-South Transport Corridor (INSTC) - A multimodal transport network connecting India to Central Asia,

Russia and Europe through Iran. By using the INSTC, India bypasses the land transit obstacles in Pakistan, gets access to resource-rich Eurasian markets, and lowers the cost and time of transportations by up to forty percent.India-Middle East-Europe Economic Corridor (IMEEC) - A connectivity project that aims at integrating India, UAE, Saudi Arabia, Jordan, Israel, and Europe into an interconnected network of ship-to-rail transports, high-speed data cables, and hydrogen pipelines. Despite the high level of regional geopolitical volatility, India keeps developing the IMEEC, which will enable it to bypass maritime traffic jams and use physical connectivity as a base of structural network power.

Strategic Forum-Shaping: BRICS and G7

India's ability for strategic brokerage is illustrated by its double track participation in global governance institutions both in non-Western and Western led forums in 2026. On January 1, 2026, India officially assumed the rotating chairmanship of the BRICS bloc, heading it in its new expanded composition that includes ten members: five original members (Brazil, Russia, India, China, and South Africa), as well as five newly admitted members (Egypt, Ethiopia, Indonesia, Iran, and UAE). Under its chairmanship, the priorities of New Delhi are "Building for Resilience, Innovation, Cooperation, and Sustainability", guiding the agenda of the bloc towards sustainable development, economic integration, and worldwide use of digital public infrastructure.India faces a tough task of balancing severe geopolitical and economic contradictions in the enlarged BRICS bloc, since Iran and UAE are on opposite sides of the larger conflict in West Asia, Russia is under the comprehensive sanctions of the West, and there are tensions between India and China at the border. At the same time, India has succeeded in establishing itself as a strategic ally of the West. The 52nd G7 Summit took place from June 15-17, 2026, in the charming town of Évian-les-Bains in France, hosted by French President Emmanuel Macron. Considering that India holds a strategically vital position of a swing state from a geopolitical point of view, the French government invited Indian Prime Minister Narendra Modi to the G7 Summit as a guest member along with the heads of states of Brazil, South Korea, and Kenya. In Évian, India participated in diplomatic deliberations on the politics of the Middle East, international trade issues, Ukraine, and AI regulation.

Analysis and Discussion: The Strait of Hormuz Crisis and the Strategic Vacuum in Asia

It is clear that the inherent vulnerabilities of global supply chains are manifested primarily in the maritime environment. Physical choke points dictate international trade and energy flows. In 2026,

the vulnerability led to a serious crisis due to the intensification of geopolitical instability along sea lines of communication in the South China Sea, Red Sea and Strait of Hormuz.In particular, this intensification was manifested in attacks on Saudi oil tankers, resulting in the blockade and serious disruption of the maritime transport of goods via the Strait of Hormuz, a significant passage of international navigation. Since the economies of East Asia and Southeast Asia largely depend on oil and natural gas supplies from the Persian Gulf, such disruptions provoked a crisis in the energy and agricultural supply chains, increasing the price of fertilizers and food products in the region.

Limitations of ASEAN Centrality

The Strait of Hormuz crisis dealt a particularly devastating blow to the member states of the Association of Southeast Asian Nations (ASEAN). The problem is that the strategy of regional diplomacy based on economic diplomacy demonstrates serious structural limitations when it comes to managing security risks. For example, during the 59th ASEAN Foreign Ministers' Meeting (AMM), held in Manila in July 2026, the bloc referred to the international laws of maritime navigation, especially 1982 UN Convention on the Law of the Sea (UNCLOS), issuing joint communiques calling for restoring the secure passage of vessels in the Strait of Hormuz. Additionally, Southeast Asian states have to deal with disruptions of energy supplies in conjunction with escalating maritime conflicts in the South China Sea, namely Second Thomas Shoal between China and the Philippines.This double polycrisis triggered a major ASEAN centrality dilemma. In general, ASEAN-led architectures, such as ASEAN Regional Forum (ARF), East Asia Summit (EAS) and ASEAN Outlook on the Indo-Pacific (AOIP) proved effective as confidence-building measures but were criticized for lack of operational diplomacy, excelling in bringing rival countries to the table but failing to influence their behavior. Despite that, the ASEAN-Russia Action Plan 2026-2030 and Kazan 2026 Joint Declaration were aimed at stabilizing agricultural and energy supplies, but the absence of joint enforcement capability of the bloc together with rapid modernization of the region's military capabilities reduced the effectiveness of the strategy of pure strategic ambiguity. India is taking its role as both an operational security provider and a comprehensive strategic partner seriously in the Indian Ocean Region (IOR), which is crucial for the protection of its vital sea lane security for its energy supplies (80%) and trade (90%).

Responding to the rising regional instability, India is working towards securing its commercial transit routes and enhancing regional security with the help of:

- ASEAN-India Cooperation (until 2026): Enhancing practical joint exercises, capacity development, marine technology, and maritime law enforcement operations with regional partners.
- Quad Initiative (May 2026): Quad-at-Sea Ship Observer Mission: Carrying out joint missions to prevent illicit activities at sea.
- IPMDA Satellite Tracking: Utilizing AI and satellite imagery data for sharing real-time surveillance with the entire region.
- Infrastructure & Connectivity: Cooperation in the "Ports of the Future" project and providing resilient undersea cables in the Pacific Islands countries until 2026.
- HADR & Counter-Terrorism: Standardization of HADR frameworks and cooperation against transnational terrorism. With these efforts, India has shifted its position from a mere onlooker to an operational leader in Indo-Pacific maritime security.

India has managed to navigate around the limitations of multilateral WTO negotiation processes by opting out of any mega regional trade structures and pursuing a selective and smart bilateralism policy that has enabled India to secure important economic pacts with the EU, UK, UAE, and EFTA countries. In order to protect the country's "normative autonomy" and given the west's demands to introduce large-scale Trade and Sustainable Development sections that would have functioned as regulatory bottlenecks to undermine developing countries' comparative advantage, India has managed to ensure this through negotiating non-sanctionable TSD sections that focus on cooperation and not sanctions, adopting the practice of domestic regulatory adaptation that would help export-oriented industries adapt to western standards (CBAM) but would shield domestic small industries from compliance costs, and linking any tariff reduction to binding capital investments that resulted in a commitment to invest $100 billion in the case of the EFTA agreement.

Conclusion

India’s Grand Strategy of 2026 represents the move from the policy of non-alignment to an active and connected sovereignty, built on the basis of Kautilyan statecraft. The Indian government uses its domestic market and technologies as a source of power, deploying the investment screening mechanism known as Press Note 3 and IT Act Section 69A for regulation, while pushing the

technological independence of the country through the exports of its DPI infrastructure to 23 countries, as well as funding the production of domestic hardware with the IndiaAI Mission of ₹10,372 crore. Bridging the gap between the G7 and BRICS, offering maritime security and selective bilateral trade that retains normative autonomy, India provides the template for emerging powers that want to navigate in a fragmented world without falling under the influence of either Western or Chinese domination.

Future Research Areas

Non-Sanctionable TSD Chapters: Monitoring how the West is going to use secondary regulations, such as supply chain due diligence, to circumvent non-sanctionable trade exemptions.

Sovereign AI & Semiconductor Supply Chains: Studying how India's goal of 38,000+ GPUs under IndiaAI Mission interacts with global hardware concentration and U.S.-led export controls.

IPMDA Operationalization in the IOR: Investigating how real-time satellite data sharing, OSINT, and "visual warfare" change the behavior of non-state actors and foreign navies in IOR.

References

Blackwill, Robert D., and Jennifer M. Harris. 2016. *War by Other Means: Geoeconomics and Statecraft*. Cambridge, MA: Harvard University Press.

Bradford, Anu. 2020. *The Brussels Effect: How the European Union Rules the World*. Oxford: Oxford University Press.

Chander, Anupam. 2020. "Nationalizing Digital Networks." *Michigan Law Review* 118 (3): 439–478.

Drezner, Daniel W., Henry Farrell, and Margaret E. Peters, eds. 2021. *The Uses and Abuses of Weaponized Interdependence*. Washington, DC: Brookings Institution Press.

Farrell, Henry, and Abraham L. Newman. 2019. "Weaponized Interdependence: How Global Economic Networks Shape State Coercion." *International Security* 44 (1): 42–79.

Gautam, P. K. 2013. "One Hundred Years of Kautilya's Arthashastra." *IDSA Occasional Paper No. 30*. New Delhi: Institute for Defence Studies and Analyses.

Hall, Ian. 2019. *Modi and the Reinvention of Indian Foreign Policy*. Bristol: Bristol University Press.

Jaishankar, Subrahmanyam. 2020. *The India Way: Strategies for an Uncertain World*. New Delhi: HarperCollins India.

Kautilya. 1992. *The Arthashastra*. Translated and edited by L. N. Rangarajan. New Delhi: Penguin Books India.

Khilnani, Sunil, Rajiv Kumar, Pratap Bhanu Mehta, Prakash Menon, Nandan Nilekani, Srinath Raghavan, Shyam Saran, and Siddharth Varadarajan. 2012. *Nonalignment 2.0: A Foreign and Strategic Policy for India in the Twenty-First Century*. New Delhi: Centre for Policy Research.

Liebig, Michael. 2014. "Kautilya's Relevance for Contemporary India's Strategic Culture." *India Quarterly* 70 (2): 99–116.

Ministry of External Affairs, Government of India. 2023. *G20 New Delhi Leaders' Declaration*. New Delhi: Ministry of External Affairs.

Mohan, C. Raja. 2003. *Crossing the Rubicon: The Shaping of India's New Foreign Policy*. New Delhi: Viking.

Narlikar, Amrita. 2022. "India's Foreign Policy and Geoeconomics: Navigating Weaponized Interdependence." *International Affairs* 98 (4): 1121–1139.

Orenstein, Mitchell A., and Branko Milanovic. 2022. "The Geoeconomics of Global Multipolarity." *World Development* 151: 105781.

Pant, Harsh V., and Reetika Sharma. 2021. "India and the Quad: Rhetoric to Reality." *Asia Policy* 16 (3): 31–48.

Pohle, Julia, and Thorsten Thiel. 2020. "Digital Sovereignty." *Internet Policy Review* 9 (4): 1–19.

Rajagopalan, Rajesh. 2020. "Evolving Indian Strategy: From Non-Alignment to Multi-Alignment." *Observer Research Foundation Issue Brief* 362: 1–12.

Taneja, Nisha, and Sanjib Pohit, eds. 2021. *India's Comprehensive Economic Partnerships: Trade, Investment, and Regulatory Cooperation*. New Delhi: Springer India.

Tellis, Ashley J. 2022. "Striking the Balance: India's Geoeconomic Strategy in an Era of Great Power Competition." *Carnegie Endowment for International Peace Paper Series*, November 15.