

India's Neighbourhood First Policy: Success and Failures

VIPUL KHURAIJAM¹, DR. DIKSHA JHA²

^{1,2}Amity University, Amity Institute of Social Sciences

Abstract- This project report provides a comprehensive comparative analysis of India's "Neighbourhood First Policy," evaluating its practical successes, diplomatic limitations, and the broader geopolitical factors influencing its implementation. The core objective is to systematically assess India's political cooperation, economic engagement, and connectivity initiatives across South Asia.

Key Findings:

Strategic Successes: The policy has yielded significant positive outcomes with specific nations, most notably Bangladesh and Bhutan. Success in these bilateral relationships is driven by stable political ties, resulting in improved transport links, joint hydropower projects, and strong strategic partnerships. Similarly, engagement with Sri Lanka and the Maldives has successfully fostered security cooperation and targeted economic assistance.

Diplomatic Challenges and "Failures": The vision of seamless regional integration faces severe roadblocks, primarily regarding Pakistan and Nepal. The research identifies that persistent border disputes, deep-seated political tensions, and profound trust deficits fundamentally limit the policy's success on these fronts.

Complex Engagements: Relations with Afghanistan and Myanmar demonstrate the complexities of implementing foreign policy amidst internal instability. While India has provided vital development assistance and humanitarian support, severe security challenges and domestic political issues in these nations restrict long-term policy effectiveness.

The China Factor: A major external limitation to the Neighbourhood First Policy is China's growing strategic footprint in South Asia. China's increasing involvement through infrastructure projects and investments creates direct economic and strategic challenges for India, altering the regional balance of power.

Multilateral Limitations: Regional organizations intended to boost cooperation, such as SAARC and BIMSTEC, facilitate trade agreements and transport corridors. However, their overall impact remains limited due to ongoing political disagreements among member states.

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Conclusion: Ultimately, the research indicates that while the Neighbourhood First Policy provides a strong framework for regional growth, its success is not uniform.

The policy thrives in politically stable environments but is consistently hindered by unresolved territorial disputes, internal state instability, and external strategic competition.

I. INTRODUCTION

1.1 Overview of the Neighbourhood First Policy
India's foreign policy has historically been shaped by its unique geographic, cultural, and historical ties with the broader South Asian region. At the core of its contemporary diplomatic strategy is the "Neighbourhood First" policy. Officially emphasized to prioritize building peaceful, cooperative, and mutually beneficial relations with immediate neighbours, this policy represents a shift toward deeper regional engagement. The foundational premise is that India's growth, security, and global aspirations are intrinsically linked to the stability and prosperity of its immediate periphery. By prioritizing political cooperation, economic engagement, and connectivity initiatives, India seeks to foster a shared regional destiny.

1.2 Strategic Importance and Policy Objectives
The strategic necessity of the Neighbourhood First Policy cannot be overstated. South Asia is one of the least integrated regions globally, yet it shares deeply intertwined security dynamics. For India, maintaining a peaceful neighbourhood is critical for securing its own borders and ensuring domestic stability. The primary objectives of the policy include enhancing trade relations, expanding infrastructure and connectivity corridors, and providing development assistance and humanitarian support.

Furthermore, the policy aims to counter regional trust deficits by promoting a cooperative framework rather than a purely transactional one. Whether through hydropower projects in Bhutan or security cooperation with maritime neighbours like Sri Lanka and the Maldives, India's vision is to act as a primary partner for regional development

1.3 Scope and Structure of the Report While the Neighbourhood First Policy outlines an optimistic framework for regional integration, its implementation has yielded mixed results across different geopolitical landscapes. This report provides a comprehensive and comparative analysis of the policy's tangible successes and limitations.

The subsequent chapters will systematically examine India's bilateral engagements. It will first explore the successful paradigms of strategic partnership and development, specifically looking at Bangladesh, Bhutan, Sri Lanka, and the Maldives. It will then address the complex engagements amidst regional instability, focusing on Afghanistan and Myanmar. Following this, the report will critically analyze the diplomatic challenges and policy limitations encountered with Pakistan and Nepal, primarily driven by border disputes and political tensions.

Finally, the analysis will expand to encompass broader regional dynamics, including the role of organizations like SAARC and BIMSTEC, and the crucial external factor of China's growing strategic and economic influence in South Asia. Through this structured comparison, the report aims to distill the core variables that determine the success or failure of India's Neighbourhood First Policy.

II. SUCCESSES: STRATEGIC PARTNERSHIPS & DEVELOPMENT

2.1 Bangladesh and Bhutan: Enhancing Connectivity and Economic Integration Under the Neighbourhood First Policy, India's relations with Bangladesh and Bhutan serve as primary examples of successful political cooperation and economic ties. Through focused diplomatic efforts, these bilateral relationships have achieved significant milestones. A review of recent engagements indicates substantial trade growth and the successful establishment of new connectivity corridors.

Strategic cooperation with these nations has also extended to critical infrastructure and resource management. This includes active border management cooperation, the joint development of major hydropower projects, and the signing of crucial diplomatic agreements. By prioritizing these areas,

India has successfully improved transport links across its eastern and northern borders, fundamentally strengthening its strategic partnership with both Bangladesh and Bhutan.

2.2 Sri Lanka and Maldives: Maritime Security and Developmental Support Beyond its land borders, India's Neighbourhood First Policy actively encompasses its maritime neighbours, specifically Sri Lanka and the Maldives. The strategic approach toward these island nations heavily emphasizes capacity building and mutual security. India has consistently demonstrated its commitment and provided support through targeted economic assistance, large-scale development projects, and comprehensive security cooperation.

These engagements are designed to foster stability and economic resilience in the Indian Ocean region. However, the dynamics of these relationships are continuously influenced by broader regional geopolitics, particularly the impact of China's growing influence in South Asia. Navigating this complex geopolitical landscape remains a critical component of India's strategy, presenting both unique opportunities and notable challenges in maintaining strong, mutually beneficial neighbourhood relations

III. THE COMPLEX CASES: ENGAGEMENT AMIDST INSTABILITY

3.1 Afghanistan: Development Assistance and Humanitarian Outreach India's approach to Afghanistan under the framework of the Neighbourhood First Policy has been characterized by a strong commitment to civilian capacity building and goodwill. Despite operating within a highly volatile and unpredictable political landscape, India has historically played a pivotal role in providing substantial development assistance to the Afghan people. This commitment has materialized through the execution of major infrastructure projects aimed at rebuilding the nation's core facilities. Furthermore, India has consistently extended vital humanitarian support, emphasizing a people-centric approach to foster long-term goodwill and contribute to regional stabilization.

3.2 Myanmar: Strategic Connectivity and Border Management On India's eastern frontier, engagement with Myanmar serves as a critical bridge between the Neighbourhood First Policy and the broader Act East Policy. Bilateral cooperation with Myanmar has primarily centered on two vital pillars: enhancing regional connectivity and ensuring robust border security. Developing cross-border infrastructure and transit corridors through Myanmar is essential for economically integrating India's northeastern states with the wider Southeast Asian market. Additionally, coordinated efforts in border security are paramount for managing insurgencies and maintaining peace along the shared, porous boundary.

3.3 Security Challenges and Policy Limitations Despite the proactive measures in development and connectivity, the realization of India's policy objectives in both Afghanistan and Myanmar faces profound constraints. A critical analysis of these bilateral relationships highlights severe security challenges and deep-seated political issues that inherently limit the effectiveness of the Neighbourhood First Policy. Internal political upheavals, regime changes, and ongoing domestic conflicts in these states create a highly unpredictable environment for Indian diplomacy. Consequently, these systemic political and security vulnerabilities frequently disrupt infrastructure projects and complicate long-term strategic planning, making these nations the most complex cases in India's immediate neighbourhood

IV. CHALLENGES AND LIMITATIONS: THE "FAILURES"

4.1 Pakistan: Enduring Tensions and Trust Deficits While the Neighbourhood First Policy aims to foster regional integration, its application regarding Pakistan represents one of its most significant challenges. The bilateral relationship is fundamentally strained by deep-rooted political tensions and a profound trust deficit that severely affects any potential for meaningful cooperation. Frequent conflicts and persistent border disputes continue to define the engagement, effectively nullifying broader diplomatic and economic initiatives. Consequently, these enduring issues stand

as a primary reason for the policy's limitations on India's western front, marking a clear boundary to the policy's regional success.

4.2 Nepal: Diplomatic Complexities and Border Issues Similarly, India's relationship with Nepal—despite sharing deep historical, cultural, and open-border ties—has encountered notable diplomatic challenges under the current policy framework. The engagement has been complicated by shifting political relations and specific border issues that have periodically created severe friction between the two nations. These recurring diplomatic issues and political tensions have demonstrably limited the overarching success of the Neighbourhood First Policy. The complexities in this bilateral relationship highlight how territorial disagreements and internal political narratives can disrupt even the most traditional alliances.

4.3 Assessing the Overarching Policy Limitations Organizing and analyzing these specific cases clearly highlights the primary failures and structural challenges India faces within its immediate neighbourhood. The recurring limitations—chiefly border disputes, political tensions, and the resulting trust deficits—demonstrate that the policy's goals of economic and connectivity integration cannot succeed in a political vacuum. When fundamental political and territorial disagreements persist alongside internal instability in neighbouring states, they effectively paralyze the core cooperative objectives of the Neighbourhood First Policy.

V. EXTERNAL INFLUENCES AND THE CHINA FACTOR

5.1 The Growing Strategic Footprint in South Asia A critical component in assessing the overarching efficacy of India's Neighbourhood First Policy is the analysis of external factors, most notably China's growing influence across South Asia. In recent years, China has significantly increased its active involvement in India's neighbouring countries. This expansion is primarily driven through the funding and construction of large-scale infrastructure projects, substantial economic investments, and the forging of deep strategic partnerships.

5.2 Impact on Regional Strategic Balance This increasing external presence fundamentally alters the regional geopolitics and directly affects India's traditional relations with its neighbours. As previously observed in the analysis of maritime nations like Sri Lanka and the Maldives, China's expanding footprint creates profound economic and strategic challenges for New Delhi. The influx of external capital and alternative strategic alignments often forces India to compete for influence and leverage within its own historical sphere of influence, thereby complicating its regional objectives.

5.3 External Limitations on Policy Success Ultimately, the pervasive influence of external powers serves as a recurring limitation to the Neighbourhood First Policy. The comparative study of these regional dynamics clearly highlights that external factors, driven by competing strategic ambitions, significantly limit the overall success of India's integration efforts. Therefore, any comprehensive evaluation of the Neighbourhood First Policy must account for the reality that its implementation is frequently constrained by the broader geopolitical maneuvers occurring in South Asia

VI. REGIONAL ORGANIZATIONS AND CONNECTIVITY INITIATIVES

6.1 Multilateral Frameworks: SAARC and BIMSTEC To fully understand the implementation of India's Neighbourhood First Policy, it is essential to examine the role of regional organizations, specifically the South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). These multilateral platforms are intended to serve as foundational pillars for regional integration, allowing India to engage with multiple neighbours simultaneously to support its broader policy goals.

6.2 Promoting Cooperation through Connectivity and Trade A core objective within these regional organizations is the facilitation of major trade and infrastructure projects. By establishing comprehensive trade agreements, these frameworks aim to boost economic interdependence.

Furthermore, the development of transnational transport corridors and targeted connectivity projects plays a crucial role in improving physical and economic cooperation between India and its neighbouring countries. These initiatives are designed to transform physical borders into bridges of economic opportunity.

6.3 Institutional Limitations and Political Disagreements However, the effectiveness of these regional organizations is frequently constrained by internal geopolitical realities. While the theoretical frameworks for cooperation exist, the practical implementation of shared goals faces significant limitations due to underlying political disagreements among the member states. These bilateral frictions, often bleeding into multilateral forums, can stall major connectivity initiatives and prevent these organizations from achieving their full potential in driving regional integration.

VII. COMPARATIVE ASSESSMENT

7.1 Parameters of Evaluation A comprehensive evaluation of the Neighbourhood First Policy requires a detailed comparative analysis of India's relations with its neighbouring countries. To accurately assess the policy's impact, it is essential to evaluate these bilateral relationships across several critical dimensions. The primary parameters for this comparison include political cooperation, economic engagement, connectivity initiatives, security concerns, and diplomatic challenges.

7.2 Identifying Patterns of Success Evaluating these parameters across different nations reveals distinct patterns regarding the policy's effectiveness. The Neighbourhood First Policy has been relatively successful in specific environments. Most notably, positive outcomes are consistently observed in countries characterized by stable political relations and a mutual commitment to strong economic cooperation. These stable environments allow for the uninterrupted development of infrastructure and trade agreements.

7.3 Recurring Limitations and Strategic Roadblocks Conversely, a comparative lens also highlights the systemic barriers to regional

integration. There are recurring limitations that frequently hinder diplomatic progress. Chief among these obstacles are unresolved border disputes and the internal instability present within certain neighbouring states. Furthermore, the growing influence of external powers acts as a significant constraint on India's strategic goals.

7.4 Understanding Divergent Outcomes
Ultimately, aligning these successes against the identified limitations provides a clearer understanding of why the policy produces different outcomes across countries. The varying degrees of political stability, historical grievances, and external alignments in each nation dictate the ultimate trajectory of India's neighbourhood initiatives

VIII. CONCLUSION AND INTERNSHIP LEARNINGS

8.1 Final Assessment of the Neighbourhood First Policy
The comprehensive analysis of India's diplomatic engagements concludes by summarising the main findings related to the successes and limitations of the Neighbourhood First Policy. The policy has demonstrated tangible achievements, yielding patterns where the Neighbourhood First Policy has been relatively successful, particularly in countries with stable political relations and strong economic cooperation. Conversely, the broader vision of regional integration is frequently hindered by recurring limitations such as border disputes, internal instability in neighbouring states, and the influence of external powers. Ultimately, while the framework provides a vital roadmap for regional stability, its success remains highly dependent on bilateral trust and the mitigation of external strategic pressures.

8.2 Key Insights from the Internship
Beyond the theoretical research, this project yielded significant practical insights, specifically noting down the key learnings from the internship, such as understanding India's neighbourhood relations and the challenges involved in foreign policy implementation. Analyzing the gap between stated policy objectives and on-the-ground geopolitical friction provided a clear view of how domestic politics, historical

disputes, and external strategic competition complicate day-to-day diplomatic efforts.

8.3 Future Trajectory and Applications
The culmination of this research not only serves as a capstone to the internship but also lays a strong foundation for future academic and professional endeavors. Moving forward, future work will involve applying the knowledge gained during the internship to further academic study and practical understanding of international relations. This practical exposure has been instrumental in bridging the gap between theoretical political science and the pragmatic realities of global diplomacy

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