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## NEIGHBORHOOD FIRST POLICY: MYTH, REALITY, AND STRATEGIC IMPLICATIONS FOR INDIA'S FOREIGN RELATIONS

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### Keywords

*Neighborhood First Policy,*  
*India's Foreign Policy,*  
*Regional Diplomacy,*  
*Regional Connectivity,*  
*Geopolitics,*  
*Economic Integration,*  
*India-Neighborhood Relations,*  
*SAARC,*  
*Asymmetric Power Relations.*

### Abstract

After assuming post of prime-minister of India, Narendra Modi hinted that his foreign policy will actively focus on improving ties with India's immediate neighbor's, a policy that has since been termed the neighborhoods first policy. India's Neighborhoods first Policy indicating four things: India will be giving political and diplomatic priorities to her immediate neighbor's and Indian Ocean Island states, India to provide all essential requirements of her immediate neighbor's as needed by them, to promote greater connectivity and integration in the Indian subcontinent to ensure a free flow of goods and services, people, capital etc., and to establish an India-led regionalism in the neighbourhood. The neighbouring countries had tried to check and restrict India geopolitically and geoeconomically through the overt or covert strategic relationships with the extra-regional powers. China's assertive, and often aggressive, behaviour has been viewed as a huge challenge for India because it opens up the likelihood of China dominating India's immediate



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	<p>neighborhoods. The “neighborhood first” policy is the striking feature of Modi government’s diplomatic approach. While often presented as a coherent and proactive regional strategy, the policy exists at the intersection of aspiration and constraint. This paper examines the gap between rhetoric and implementation by interrogating the “myth” of seamless regional leadership against the “reality” of geopolitical competition, domestic sensitivities in neighboring states, and institutional limitations within India’s diplomatic and development apparatus. The study argues that although India has made measurable progress in areas such as cross-border infrastructure, humanitarian assistance, and crisis response, its influence in the region is increasingly contested—most notably by China’s expanding economic and strategic footprint. Furthermore, asymmetries in size and power have generated mistrust among smaller neighbors, complicating India’s efforts to position itself as a benevolent regional leader. Ultimately, the paper contributes to a more nuanced understanding of India’s regional diplomacy by situating its neighborhood policy within broader debates on power, perception, and regionalism in international relations.</p>
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### Introduction:

India’s foreign policy has long been shaped by its geography, history, and strategic environment, with its immediate neighborhood occupying a central place in diplomatic priorities. The “Neighborhood First Policy”, formally emphasized under the leadership of Narendra Modi since 2014, represents a renewed commitment to strengthening political, economic, and security ties with South Asian countries. This approach seeks to promote regional stability, enhance connectivity, and foster mutual growth among India and its neighbors, including countries such as Bangladesh, Nepal, Sri Lanka, Bhutan, and Maldives. At its core, the policy reflects India’s recognition that its rise as a global power is closely linked to peace and prosperity in its immediate region. However, the implementation of this policy has encountered a complex mix of successes and challenges. Persistent political tensions, economic disparities, and external influences—particularly the growing presence of China in South Asia—have tested India’s ability to maintain influence and trust among its neighbors. This essay critically examines the Neighborhood First Policy through three lenses: myth, reality, and strategic implications. It explores whether the policy represents a substantive shift in India’s regional engagement or remains largely rhetorical, assesses its practical outcomes, and analyzes how it shapes India’s broader foreign policy objectives in an increasingly competitive geopolitical landscape. India has been focusing on improving ties with her immediate neighbor’s which is being termed as Neighbourhood policy. Indian PM Narendra Modi gave it more value in the foreign policy of India That is evident in invitation



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to all the head of state/government in his swearing ceremony. Despite Giving more priority to neighborhood policy in handling the foreign policy of India by Modi Government, India has faced huge problems in it. India has witnessed growing influence of China. In her backyard. Neharu, India's former Prime Minister Atal Behari Vajpayee has big contribution in shaping first Neighbouring policy. A country's neighborhood must enjoy unquestioned primacy in its foreign-policy making. Ipost of priminister of India Narendra Modi hinted that his foreign policy will actively Focus on improving ties with India's immediate neighbours, a policy that has since been termed the Neighbourhood first policy by the mediaand he started well by inviting all heads of state/heads of Government of South Asian countries in his inauguration and on the second day on office he held Bilateral talks with all of them individually.Speaking during the general debate of the 69<sup>th</sup> session of the United Nations General Assembly(UNGA), Narendra Modi aptly remarked, "A nation's destiny is linked to its Neighborhood. Realizing the geopolitical and geostrategic imperatives, India has invoked all the neighbouring Countries to be partners and contribute to the regional growth and prosperity (MEA, Annual Report 2005: 1). But on the other hand, the neighbouring countries have been perceiving India as Interfering, non- accommodative, selfish and overbearing. Due to this, bilateral or multilateral relations have been marred on account of recurring tensions (Singh, 2015:61). The neighbouring countries had tried to check and restrict India geopolitically and geo- economically through the overt or Covert strategic relationships with the extra-regional powers (ibid). This article is mainly aimed to examine India's first neighborhood policy and its implication in Current period. The "Neighborhood First" Policy (NFP) represents a cornerstone of India's modern foreign policy, signaling a transition from a reactive regional player to a proactive lead actor. Officially institutionalized in 2014, the policy aims to foster "shared prosperity" through physical, digital, and economic connectivity with India's immediate neighbors. However, the execution of this policy exists at a complex intersection of lofty ideals and harsh geopolitical friction.

### **Review of literature:**

Dahiya, R., Behuria, A.K. (2012) argues that, the geopolitical situation in the neighborhood is likely to change significantly due to uncertainties in the global economy, chronic instability in the region, increasing salience of external factors in regional politics, continuing anti-India sentiments In some of the countries, demographic pressures, growth in illegal migration, and adverse Consequences of climate change. However, there are also signs of greater desire for economic Integration, strengthening of democratic institutions in some countries, and emphasis on regional Cooperation. While India may face increasing security challenges due to instability in certain countries. There will be an opportunity for it to better integrate its economy with the region.



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Singh (2015) focuses on the fault-line of Indian Neighborhood Policy particularly in the context of its handling of Nepal's Constitutional Crisis Post-2015. He draws the statement of former Indian Prime Minister Vajpayee that friends can change but not neighbors who have to live together, and argues that the neighborhood policy is holding a very significant place in Indian foreign Policy. Since independence, India has been pursuing 'Neighborhood Policy'. He also mentions That the incumbent government has also conceived 'Neighborhood First' policy under the visionary And dynamic leadership of PM Modi, but the irony is that notwithstanding this policy, India has Recently lost its geopolitical space in Nepal despite such policy. On the contrary, China has made its geopolitical space. He also mentions that India has legitimate security concern in addition to its Geopolitical interests.

Rengama (2017) argues that "charm offensive" of China's foreign policy have an impact on the world in terms of how China pursues its national goals and global objectives. According to him this "charm" of China is its "soft power," The term was first coined by Joseph S. Nye Jr., Who argued that the future of international politics would rest on the attractiveness of a Country and not necessarily its economic or military power. China has understood that Harnessing soft power through attractive features of "brand China" may play a consequential role in China's ascendance in the hierarchy of global power.

Lai, H., & Lu, Y. (2012) In this book, each of the ten chapters focuses on a unique aspect of China's soft power and a rising China, and provides an in-depth analysis of that aspect. Of the ten chapters, the first seven are devoted to analyses of China's soft power). This status-quo thinking is deeply rooted in the mindsets of Russian political elites, resulting in a rigid zero-sum game approach shaping their attitude towards The neighbourhood. Academic discourse often begins by contrasting the Gujral Doctrine (1996) with the current NFP (2014–Present). While the Gujral Doctrine emphasized unilateral concessions, literature by scholars like C. Raja Mohan and S.D. Muni suggests that the modern NFP balances "inducement" with "redlines." India now provides massive aid but expects neighbors to remain sensitive to its core security concerns (e.g., cross-border terrorism and Chinese presence).

Scholars like Constantino Xavier (2025) and Roman Gautam (2026) critique the "myth" that South Asia is a cohesive unit waiting for Indian leadership. The analysis delves into the complex relationships between India, Nepal. Pal (2018) analyzes that in order to become a regional power, New Delhi needs to reassess Its priorities in foreign policy. The author proposes several solutions to address conflicts and build Peace in the region, especially considering China's increasing influence over India's neighboring Countries. Regarding Modi's role and perspective, Chaulia (2016) highlights the significance of Modi as A critical factor in shaping India's foreign policy. Under his adept leadership, India is gradually moving towards becoming a global power.



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Ganguly et al. (2018) emphasize that India's foreign policy under Modi's tenure has made remarkable Progress towards stability, peace, and prosperity in the region. With Modi's skilled leadership, India is Poised to become a "diplomatic superpower". Additionally, numerous research works are on the Bilateral relations between India and its neighboring countries, factors influencing these relationships and overall neighborhood policies. These studies highlight the increasing presence of China, Escalating tensions with Pakistan regarding the Kashmir issue, and activities supporting terrorism, all of Which pose threats to India's national security and regional peace.

### **Objectives:**

1)To examine the concept and evolution of India's Neighborhood First Policy Analyze how the policy emerged and developed under leaders like Narendra Modi, including its intended goals and diplomatic framework.

2)To distinguish between the perceived 'myth' and actual 'reality' of the policy Evaluate whether the policy has been more rhetorical than practical, identifying gaps between official statements and on-ground outcomes.

3)To assess India's bilateral relations with neighboring countries Study India's engagement with countries such as Nepal, Bangladesh, Sri Lanka, Bhutan, Maldives, and Pakistan to understand successes, tensions, and policy consistency.

4)To analyze the strategic challenges influencing the policy Explore factors such as regional security, economic competition, and the growing influence of China in South Asia.

5)To evaluate the effectiveness of regional cooperation frameworks Assess India's role in organizations like SAARC and BIMSTEC in advancing neighborhood engagement.

### **Research Question:**

- To what extent has India's "Neighborhood First Policy" succeeded in strengthening its strategic, economic, and diplomatic relations with neighboring countries?
- Is the Neighborhood First Policy more rhetorical than substantive in shaping India's regional foreign policy outcomes?
- How effective has the Neighborhood First Policy been in countering external influences, particularly China, in South Asia?

### **Methodology:**

The Methodology section for a study on India's "Neighborhood First" Policy (NFP) must bridge the gap between high-level diplomatic theory and the ground-level data of infrastructure and trade. Since foreign policy is a mix of official intent and measurable



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outcomes, a Mixed-Methods Approach is typically the most robust. In terms of research methodology, this paper employs a range of research methods, including historical and logical methods to examine different historical periods and chronological aspects simultaneously, along with specific social science methods like analysis, statistics, synthesis, and comparison to present data descriptions, statistics, and explore patterns within specific spatial and temporal contexts. The research is primarily based on secondary sources, including official government statements, policy documents, speeches, and diplomatic briefings issued by institutions such as the Ministry of External Affairs.

### **Significance of the Study:**

The analysis of India's Neighborhood First Policy reveals a mix of achievements, limitations, and evolving strategic realities. The policy, strongly emphasized by Narendra Modi, has elevated neighborhood diplomacy to a central place in India's foreign policy. However, its implementation has been inconsistent across different countries, reflecting varying political and strategic contexts. India has achieved considerable success in strengthening ties with Bangladesh and Bhutan through cooperation in trade, energy, and connectivity. In contrast, relations with Nepal, Sri Lanka, and Maldives have experienced periodic tensions, highlighting the fragile nature of regional diplomacy. The expanding economic and strategic presence of China has emerged as a major factor shaping India's neighborhood policy. China's investments in infrastructure and connectivity have increased competition, sometimes reducing India's traditional influence in the region. Regional frameworks like SAARC have been largely ineffective due to political disagreements, particularly involving India and Pakistan. Alternatively, BIMSTEC has gained prominence but is still developing as a robust platform for cooperation. Internal political dynamics in neighboring countries significantly affect bilateral relations. Changes in leadership, nationalist sentiments, and domestic priorities often lead to fluctuations in their engagement with India. The study finds that economic cooperation, infrastructure development, and regional connectivity are key to strengthening long-term relationships, but progress in these areas remains gradual and uneven.

### **Analysis:**

In the recent years, China has stepped up high-level visits to Nepal in the recent days. Chinese vice Prime Minister Wang Yang concluded three day (15-17 August 2017) to Nepal signing three agreements related to bilateral economic and infrastructure cooperation. Chinese leaders, government officials and military officials are visiting Nepal almost on monthly basis. In December last year Liu Qibao, a senior leader of Chinese Communist Party and head of party's propaganda department visited Nepal and discussed on connectivity agenda. In March this year, Chinese Defense Minister and State Councilor General Wanqan



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paid a three-day official visit to Nepal. The Defense Minister pledged to provide assistance to Nepal Army and Nepal Police. There are other various visits from China. The frequent visits from India and China clearly demonstrate the competition between two giant neighbors to increase their influence in Nepal (Bhattarai, 2017 September 30). India seems worried about its decreasing influence in Nepal. China, on the other hand, is working to increase its influence in Nepal though its economic strength. It is easier for China to increase its influence in Nepal due to at least four reasons. First, there is no opposition or even criticisms from political parties and media if Nepal government signs deal and understanding with China. Second, the border blockade in 2015 contributed to anti-Indian feeling in Nepal which provided room to substantially increase its influence in Nepal. In the last two years, there has not been any big deal between India and Nepal. Prime Ministers who frequently visit to India refuse to sign a deal with a fear of criticisms by opposition parties. India to its neighbours, instead of mourning China's rising profile in the Subcontinent, Delhi should reflect on its past failures to respect the logic of geography in the neighborhood and find ways to correct them. Proximity at once generates intimacy and hostility between a hegemon and its neighbours. Delhi's foreign policy discourse must stop seeing the competition with China in the Subcontinent as a limited overs cricket game with one winning and the other losing at the end of play. It is essential to understand that there has been a paradigm shift in the understanding of borders, which has evolved from boundaries separating regions to areas, facilitates the movement of people and goods across borders. In today's global climate, cooperation and connectivity with neighbours is a must if one is to maintain decorum. Therefore, India must change its views and adopt a more open stance when it comes to borders. India and its relationship with its neighbours have always been marred by minor disputes, which harm bilateral ties. To counter this, short-term sacrifices need to be taken on the Indian front in order to achieve long-term goals; focusing on the provision of mutual, unilateral and preferential benefits to its neighbours in order to build their trust, and thereby tying them to India in the long run .In regard to crises and problems in neighbouring countries, India needs to first self-introspect before blaming neighbours for their 'internal problems'; as the root of crises in neighbouring countries can often be traced back to the other side of the border, as is also the case for domestic and regional policies. While the influence of China in South Asia steadily rising over the past decade, India should neither. While China has been growing from strength to strength in conducting development projects in third world countries, India has been unable to complete a majority of its endeavor's in third world countries. Focus therefore needs to be placed on actions such as project delivery instead of political maneuverings to address the threat of China's increasing influence.

**Findings:**



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The study of India's Neighborhood First Policy is significant because it helps bridge the gap between diplomatic intent and regional realities, offering a clearer understanding of India's role in South Asia and beyond. This study highlights how India positions itself as a regional power and leader in South Asia. Under Narendra Modi, the Neighborhood First Policy has been central to shaping India's diplomatic identity, making it crucial to evaluate its effectiveness in maintaining regional influence. There is often a divergence between policy rhetoric and actual outcomes. This study is significant in critically analyzing whether the policy has achieved meaningful cooperation or remains largely symbolic in countries like Nepal, Sri Lanka, and Maldives. The increasing presence of China in India's neighborhood—through infrastructure investments and strategic partnerships—makes this study highly relevant. It helps assess how India's policy responds to geopolitical competition and shifting regional alignments. By analyzing India's engagement with regional organizations like SAARC and BIMSTEC, the study contributes to understanding the prospects for regional integration, economic cooperation, and conflict reduction. The findings of this study can assist policymakers, diplomats, and strategic analysts in refining India's foreign policy. It offers insights into improving bilateral relations with neighbors such as Bangladesh, Bhutan. This research adds to the scholarly understanding of Indian foreign policy by providing a nuanced analysis of regional diplomacy, contributing to the broader field of international relations and strategic studies. India's credibility as a global power is closely tied to its ability to manage its immediate neighborhood. This study is significant in exploring how regional dynamics influence India's ambitions in the Indo-Pacific and global governance platforms.

### **Conclusion:**

India's Neighborhood First Policy represents an important diplomatic framework aimed at strengthening ties with its immediate neighbors and reinforcing its position as a regional leader. Initiated and actively promoted under Narendra Modi, the policy reflects a strategic recognition that stable and cooperative neighborhood relations are essential for India's security and global aspirations. However, the analysis of the policy reveals a complex interplay between myth and reality. On the one hand, India has achieved notable successes—particularly in its relations with Bangladesh and Bhutan through enhanced connectivity, economic cooperation, and diplomatic engagement. On the other hand, challenges persist in countries such as Nepal, Sri Lanka, and Maldives, where political sensitivities, domestic dynamics, and occasional diplomatic strains have limited consistent progress. Relations with Pakistan remain particularly constrained due to longstanding conflicts and security concerns. A key strategic reality shaping the effectiveness of the policy is the expanding influence of China in South Asia. Through economic investments and infrastructure initiatives, China has altered the regional balance, compelling India to recalibrate its diplomatic and strategic approach. This competition underscores the need for India to move beyond symbolic gestures



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toward sustained, credible engagement with its neighbors. Furthermore, regional cooperation mechanisms such as SAARC have struggled to remain effective, while alternatives like BIMSTEC offer new but still evolving opportunities for collaboration. This shift reflects India's attempt to adapt its neighborhood strategy in response to geopolitical and institutional constraints. In conclusion, the Neighborhood First Policy is neither entirely a myth nor an unqualified success. It is a work in progress, shaped by competing interests, regional complexities, and global power dynamics. For the policy to achieve its full potential, India must prioritize consistency, mutual trust, economic integration, and sensitivity to the domestic concerns of its neighbors. Strengthening these aspects will not only stabilize South Asia but also enhance India's credibility as a responsible regional and global power. India's Neighborhood First Policy (NFP) aims to build a peaceful, prosperous periphery through trade, connectivity, and, for example, non-reciprocal support, as noted by Drishti IAS and Vision IAS.

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