



India's Multi-Alignment: Still a Winning Strategy?



by Chiara Gesmundo

- Prime Minister Narendra Modi has fundamentally reshaped India's foreign policy, shifting from the historical doctrine of non-alignment towards a pragmatic approach based on flexible partnerships.
- Tariffs imposed by the Trump Administration have exposed the limits of India's foreign policy ambitions and highlighted the country's economic vulnerabilities.
- India has nonetheless been able to preserve its strategic orientation towards multi-alignment, maintaining relations with Russia while also deepening its economic and political ties with the EU and the Middle East.

Since its independence, India has positioned itself as the moral conscience of the Non-Aligned Movement. In the 1960s, as the United States and the Soviet Union carved the world into rival ideological and military blocs, India chose to stand apart. The Nehruvian foreign policy, championed by India's first Prime Minister Jawaharlal Nehru, embraced broader goals of peaceful coexistence, decolonisation and solidarity among the nations of the developing world. In this era, non-alignment was not just a strategy, but a badge of sovereign identity maintained at a high cost, including economic hardship and diplomatic isolation.

Over the last decade, however, the government of Prime Minister Narendra Modi has steered Indian foreign policy away from the moral

Chiara Gesmundo holds a Master's degree in Development Economics and International Studies, with a specialisation in Asian economies and international political economy. [✉ gesmundo.chiara@gmail.com](mailto:gesmundo.chiara@gmail.com)



idealism and strict non-alignment of the Nehruvian tradition, pivoting toward a pragmatic and proactive multi-aligned stance. To sustain the delicate balance across competing geopolitical arenas, New Delhi has avoided binding alliances in favour of flexible, interest-driven partnerships.

Washington's demands for clearer strategic alignment exposed the limits of New Delhi's room for manoeuvre

This transactional framework allows India to engage simultaneously with bitter rivals: deepening tech and security ties with the West, maintaining vital energy and defence links with Russia, and anchoring multilateral forums alongside China. A parallel balancing act plays out in the Middle East, where India carefully calibrates relations with Israel, Iran and the Gulf states to underwrite its national security and accelerate its domestic growth.

Bound by trade: The illusion of economic sovereignty

Yet, this diplomatic hedging is facing structural strains. Throughout 2025, intensifying geopolitical polarisation and Washington's demands for clearer strategic alignment exposed the limits of New Delhi's room for manoeuvre. Despite the nationalist rhetoric of *Atmanirbhar Bharat* – the self-reliance initiative launched by Modi in 2020 to forge a self-sustaining economic powerhouse – India remains deeply anchored in the Western financial and commercial architecture for capital and technology. This structural dependence is most evident in India's relationship with the United States, which is not only India's largest export destination – accounting for **20 per cent** of India's exports in the FY2025 (October 2024-September 2025) – but also the largest source of remittances, contributing to **28 per cent** of total inward flows.

These figures underscore a fundamental contradiction in New Delhi's economic approach. While the government champions autonomy, its strategy to position India as the primary “China Plus One” alternative in global supply chains inherently deepens its reliance on Western consumer demand. The asymmetry has been sharply exposed by Washington's recent imposition of sweeping tariffs, turning India's key economic driver into its most vulnerable fault line.

The tariff shock and geopolitical friction

In August 2025, the Trump Administration **imposed tariffs** up to 50 per cent on selected Indian imports. While Washington officially framed the measures as a response to New Delhi's continued procurement of discounted Russian crude, the move signalled a broader, more coercive shift in bilateral relations. The underlying friction runs deeper: Washington remains frustrated by India's increasingly active role within the BRICS bloc, as well as by its reluctance to align with US geopolitical preferences. In addition, President Donald Trump was particularly irritated by Modi's **refusal** to give him any credit for ending the short confrontation between India and Pakistan in spring 2025.

The episode underscored a critical reality: even a “strategic partner” remains exposed to economic coercion with an asymmetrical interdependence. For India, it served as a reminder that its integration into Western-led markets – central to its “China Plus One” ambitions – also increases its vulnerability to external pressure, highlighting the structural limits of its economic autonomy.

Multi-alignment in an increasingly polarised world

Despite Washington's aggressive playbook, New Delhi has managed to navigate this volatile environment without offering significant policy



concessions. Its resilience rests on two factors. First, the leverage of US bargaining power has been somewhat diluted by Washington's willingness to open multiple economic and strategic fronts simultaneously against both rivals and traditional allies. Second, India has aggressively accelerated its trade diversification to cushion the tariff blow.

Crucially, the aggressive American stance has catalysed a global shift, forcing third-party nations to actively seek trade alternatives to mitigate their own exposure to US protectionism. By capitalising on this widespread desire for diversification, India managed to navigate an increasingly volatile external environment without making significant policy concessions. Following a trade agreement with the **UK** in July 2025, New Delhi secured a landmark accord with the **EU** in January 2026, breaking a 13-year negotiation deadlock. This diplomatic momentum quickly extended into the Asia-Pacific, with the signing of a historic free trade agreement with **New Zealand** in April 2026, followed closely by the entry into force of the India–Oman Comprehensive Economic Partnership Agreement (**CEPA**) in June 2026. Concurrently, New Delhi is also exploring a new export corridors through **Mexico**. Taken together, these aggressive market expansions show an agile India actively leveraging a global marketplace eager to construct systemic hedges against Washington's protectionism.

At the same time, New Delhi has avoided public confrontation with Washington, maintaining steady diplomatic engagement. India initially accommodated US concerns by **reducing its purchases** of Russian crude (at least until March 2026, when **imports began to rise again** following disruptions linked to the closure of the Strait of Hormuz) and by increased imports of US oil and liquefied natural gas, thereby narrowing its trade surplus.

Yet, while the imposition of tariffs exposed India's external vulnerability, it also revealed

the practical limits of American leverage. Although Washington retains the systemic capacity to impose sweeping punitive duties, it has stopped short of targeting sectors central to its own economic interests. By exempting Indian pharmaceuticals and primary agricultural products, Washington has implicitly acknowledged that aggressive economic coercion faces a hard ceiling when it threatens to fuel domestic US inflation.

Long-standing partners like Russia remain structurally indispensable to New Delhi's immediate security and energy needs

Adjustment without realignment

From US tariff measures to European attempts to embed stringent climate compliance clauses into trade agreements, and broader Western pressure to degrade historical ties with Moscow, the outcome has remained uniform: New Delhi is fundamentally unwilling to trade its sovereign policy autonomy for external validation.

Herein lies the central miscalculation of Western policymaking. Washington and Brussels have often seemed to assume that shared democratic values or institutional partnerships – or, alternatively, the need to counterbalance China – would naturally translate into strategic alignment. This perspective misinterprets the nature of Indian diplomacy. New Delhi's foreign policy is not driven by shared ideology or a desire to join geopolitical blocs. On the opposite, it is deeply rooted in an uncompromising realism.

At the core of this pragmatism lies a clear set of structural priorities. Energy affordability is treated as a non-negotiable prerequisite to sustaining macroeconomic growth and lifting millions out of poverty, while unhindered access



to cost-effective defence material remains vital for managing complex border vulnerabilities with Pakistan and China. And thus, despite external turbulences, long-standing partners like Russia remain structurally indispensable to New Delhi's immediate security and energy needs, ensuring that Western strategic expectations remain subservient to national interest.

From this perspective, attempts to exert economic or diplomatic pressure have done little more than underscore the structural limits of Western influence in an increasingly multipolar order. Whether India's balancing act will succeed over the long term remains an open

question, but the Trump Administrations has not succeeded in triggering the rigid, clear-cut bloc formation that some in Washington envisioned a year ago. Instead, by introducing friction into traditional alliances, the weaponisation of trade has created the strategic runway for New Delhi to recalibrate its external positioning. India has absorbed short-term shocks while turning global economic uncertainty into opportunities for new bilateral partnerships. Whether this strategy remains sustainable will depend less on India's diplomatic agility than on the future trajectory of great-power competition. For now, however, New Delhi has managed to preserve the flexibility at the heart of its multi-alignment strategy.

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Via dei Montecatini, 17
I-00186 Rome, Italy
T +39 06 6976831
www.iai.it



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Interim Editor: **Riccardo Alcaro** (r.alcaro@iai.it)
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-
- 26 | 28 Chiara Gesmundo, *India's Multi-Alignment: Still a Winning Strategy?*
-
- 26 | 27 Agnese Pacciardi, *The EU Pact on Migration and Asylum: Promises, Risks and the Road Ahead*
-
- 26 | 26 Riccardo Alcaro, *No Deal, No War Is Still Trump's Way Out of the Iran Catch-22*
-
- 26 | 25 Giovanni Parente, *Not Europe's War? The Gulf Crisis and the EU's Maritime Dilemma*
-
- 26 | 24 Luca Cinciripini, *The Case for Northern Enlargement: Iceland Paving the Way?*
-
- 26 | 23 Albert Rakipi, *From Closeness to Strategic Partnership: Fincantieri's Shipyard Project and a New Vision for the Future of Italy-Albania Relations*
-
- 26 | 22 Oana-Cosmina Mihalache, *Crusade Against Norms that Prohibit the Use of Force: The 'Might' of the Autocrats Meets the Detractors of 'Right'*
-
- 26 | 21 Riccardo Alcaro, *Time for Europe to Raise Its Voice on Iran*
-
- 26 | 20 Ernesto Gallo, *The BRICS+ Are Still Alive and Kicking*
-
- 26 | 19 Luca Cinciripini, *Rethinking the EU-UK Reset in a Shifting Global Context*
-