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India Must Architect Sectoral Plurilateral Blocs to Overcome Geopolitical Coercion

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Takshashila Policy Brief 2026-01, Version 1.0, January 2026

This policy brief argues that India should architect sectoral plurilateral blocs to hedge against geopolitical risks. Further, India should continue its westward tilt to gain access to capital, markets, and technology while sustaining tactical engagement with China for infrastructure investments and market access.

Recommended Citation:
Lokendra Sharma, Abhishek Kadiyala, Arindam Goswami, Ashwin Prasad, Nitin Pai, ``India Must Architect Sectoral Plurilateral Blocs to Overcome Geopolitical Coercion'', , Takshashila Policy Brief 2026-01, Version 1.0, January 2026, The Takshashila Institution

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Executive Summary

India's current multialignment strategy is buckling under the pressure of a volatile, transactional US and a structurally aggressive China. This paper argues that while India should continue engaging with the US and China, it should also pursue a strategy of sectoral plurilateralism. Plurilateral blocs are capability-driven groupings of countries (excluding major powers) that function as geopolitical backstops.

We recommend that India pursue twelve such blocs in a phased manner, beginning with three priority pilot blocs — space, digital public infrastructure and AI — and then expand into supply chain, finance, scientific, technological, social, and security groupings.

Operationally, India must shift from broad multilateral arrangements and instead focus on narrow, deep arrangements built for functional sovereignty. These blocs have the potential to increase economic integration and create geopolitical leverage for all bloc members.

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This policy brief is the product of a collective brainstorming exercise at the Takshashila Institution.

The authors would like acknowledge the role played by the participants of this brainstorming exercise and extend their gratitude to Pranay Kotasthane for his invaluable feedback and acknowledge Manoj Kewalramani, Aditya Ramanathan, Anupam Manur and other colleagues at the Takshashila Institution for their valuable inputs.

1 Introduction

For close to two decades, India's external alignments with major powers were in a reasonably comfortable space. The ties with the US were on an upward trajectory, buoyed by the correcting of a historical wrong through the nuclear deal and a bipartisan consensus on both sides of the aisle about India's importance in the Asia-Pacific (and later, Indo-Pacific) region.[1] India's oscillating relationship with China was an unavoidable geopolitical reality that India sought to balance through loosely structured arrangements like the Quad. A free and open Indo-Pacific was a shared interest for Japan, Australia, India and the US to come together on a single platform. In the post-Cold War era, replacing "Soviet Union" with "Russia" in India's foreign policy calculus was a tricky endeavour, but it worked in an internationally permissive environment.

But today, none of these mental models seems to provide bankable outcomes. Geopolitically speaking, India could not have found itself in a more difficult position in more than two decades.[2]

Under the second Trump administration, the US has become volatile and transactional towards India.[3] The polarisation in US polity is crude enough that it does not even spare the closest allies.[4] India finds itself on the wrong side of the Trump administration with its Russian energy imports and broader economic policies.[5] Moreover, aside from the optics of Indian and Chinese political leaders embracing each other recently, there are structural issues that come in the way of closer New Delhi-Beijing ties.[6]

With Russia severed from global technology networks and becoming increasingly dependent on China and its energy exports, India's traditional hedging options have shrunk.[7] India's

relationship with Europe is showing potential for increased collaboration but the ongoing Russia-Ukraine war continues to cause friction in the New Delhi-Brussels dynamic.[8]

In such a scenario, what should India do? Who should India align with? What should be the basis for any alignment? That is, what are the parameters that should shape India's choices?

Reliance on the US or China for critical supply chains now carries unacceptable sovereignty risks. In this policy brief, we argue that India should move towards sectoral plurilateralism to hedge against these risks. The resulting plurilateral blocs would serve as geopolitical backstops. In the meantime, India should continue its westward tilt to gain access to capital, markets, and technology, and sustain tactical engagement with China for infrastructure investments and market access.

This policy brief is divided into two parts. Section 2 of the brief discusses the various plurilateral blocs conceptualised in this document. They are grouped by priority and themes. Section 3 provides an implementation strategy to actualise these blocs in the near and long-term.

2 Architecting Plurilateral Blocs

A sectoral plurilateral bloc can be defined as a focused grouping of countries that share concerns about sovereignty risks posed by economic coercion from the US and China. They have to be deliberately narrow and capability-driven. This design allows them to move faster than broad multilateral forums. The cohesion mechanism for such a bloc is a "bubble of trust": a bounded zone of cooperation where members integrate only in critical sectors rather than attempting blanket cooperation.[9]

The key point is that this bubble must start small and mature before it expands. In practice, the trust must be built through deeper economic ties and greater confidence in one another's judicial and regulatory institutions. It also requires broader policy convergence so that private investment, innovation and markets can come together to build shared ecosystems. Once the initial ecosystem is working and the rules are established, the bubble can expand organically to accommodate additional members who accept the operating framework.

If these conditions are met, the plurilateral blocs can function as geopolitical backstops. They can operate as practical, expandable tools to tackle external coercion.[10] New Delhi should ensure its indispensability to a bloc by identifying India's core competitive advantages and backing them with a policy framework that makes cooperation materially attractive to partners. The members can have some overlapping value propositions to the bloc as long as they bring varied core competitive advantages.

Spanning multiple technological sectors and other key areas such

as immigration and public health, we suggest that India should pursue twelve plurilateral blocs in a phased manner, beginning with priority pilot blocs. Once these priority blocs mature, India should then branch off to supply chain, finance, scientific, social and security-focused blocs.

2.1 Priority Pilot Blocs

2.1.1 Tropic Arc - The Equatorial Space Consortium (India, France, Brazil and Indonesia)

This partnership can serve as a commercial alternative for middle space powers. Eventually, the group can undertake joint development of critical technologies to compete with US monopolies in space.[11] This partnership can begin with a launch layer and eventually expand to communication mega-constellations, earth observation and space situational awareness.

India and Brazil can provide and service a capable launch port. Brazil has equatorial launch locations in Alcantara that can facilitate cheap and fuel-efficient launches.[12] India has a well-developed space program with ISRO rockets and other upcoming rockets from the private sector.[13] France has a mature payload capability in the form of optical sensors, lasers, and inter-satellite links, whereas India currently has limitations in these areas. India can act as the mass manufacturer of these payloads. Together, they can produce a jointly owned LEO constellation. Indonesia, with its 17,000 islands, is ideally placed as an anchor customer.[14]

Artemis Accords is the closest plurilateral in this domain, which is both US-led and focused on developing norms and regulating space exploration. This places the consortium as the sole focused non-US alternative serving as a platform for commercial space exploration. This platform can also include private actors based in the partner countries, as well as non-US, non-China-based multinational firms in this domain.

2.1.2 DATA - DPI Alliance for Transformational Advancement (India, Brazil, Singapore, Estonia, Kenya, Australia)

India could lead a group of countries in building open-source, interoperable digital public infrastructure (DPI) as an alternative to platforms run by US tech companies or the Chinese government. This group would include countries that have shown both technical skill and a commitment to digital independence by creating their own systems. For instance, India has launched large digital platforms like Aadhaar for identity, Unified Payments Interface (UPI) for payments, and DigiLocker for document storage.[15] These platforms handle billions of transactions each month and now serve as examples for other developing countries. Brazil has built strong digital governance with its e-voting platform and

the Cadastro de Pessoas Fisicas digital identity system.[16] Brazil has also passed laws like the Lei Geral de Protecao de Dados Pessoais, similar to Europe's General Data Protection Regulation, to balance data protection and innovation. Singapore is known for its leadership in technical standards and regulations, shown by the Singpass digital identity system and smart nation projects that connect public services.[17] Estonia offers its e-residency program and X-Road data exchange platform, making almost all public services available online and showing that even small countries can fully digitise.[18] Kenya uses a mobile-first approach, with M-Pesa helping to expand financial access and grow a strong tech sector. Kenya's story shows how to build digital infrastructure even with limited resources and technology.[19] Australia has experience rolling out digital identity systems in its federated states, all while maintaining strong privacy protections.[20] Australia also acts as a link to the Pacific Islands, where it has built close development partnerships.[21] This position allows Australia to help deploy the bloc's DPI in small island nations that do not have the resources to create their own systems. Deploying in the Pacific would give the bloc a quick proof of concept in challenging environments and help expand its influence in a region where both China and the US are seeking greater sway.

The bloc must focus on the development of common technical standards and mechanisms by building consensus on shared frameworks for identity validation, consent management, cross-border authentication, privacy and secure data exchange. The adoption of open-source standards could enable wider acceptance by other states, positioning the coalition's model as a more attractive alternative to proprietary systems.

2.1.3 IFAA - Intelligence for All Alliance (India, France, UAE and Japan)

A plurilateral bloc is necessary to establish a third global AI ecosystem capable of breaking the current China-US duopoly. This proposed bloc will initially comprise India, France, the UAE, and Japan. The alliance creates a symbiotic value chain. It combines France's leadership in open-weight models and research with the UAE's massive deployment capital.[22] For the hardware layer, it utilises Japan's advanced semiconductor manufacturing.[23] India's deep engineering talent and market can be put to good use to fuel the entire engine.[24] By integrating these complementary strengths, the bloc can reduce reliance on external providers.

The group can focus on building an open AI stack. That could mean a joint program to finance shared compute capacity and develop open standards for models. Open-source and open-weight approaches lower entry barriers and facilitate collaboration and hardware integration. In practical terms, this would mean creating open alternatives to the Compute Unified

Device Architecture to undercut single-source dependence, or developing open alternatives to Electronic Design Automation tools, where few US companies dominate.[25]

There are a few existing international arrangements that do not quite fulfill this purpose. Platforms like the Global Partnership on AI (GPAI) provide a forum for high-level dialogue, but they are insufficient for achieving technology autonomy.[26] GPAI is viewed as too broad to function as an operational shield.[27]

The global AI landscape remains overwhelmingly dominated by the competing hegemonies of China and the US. They create a growing point of pressure for other states. A loose multilateral forum cannot act as an effective backstop against these conditions. These four nations must forge a tight, operational partnership focused on hard capabilities and shared resilience.[28]

2.2 Supply Chain

2.2.1 VIJI (Vietnam, India, Japan, Indonesia)

The Vietnam-India-Japan-Indonesia (VIJI) bloc brings together countries with different strengths in the electric vehicle supply chain, creating a level of interdependence that is difficult for China's integrated model or Western capital-heavy strategies to match. Indonesia holds roughly one-third of the world's nickel reserves and is quickly increasing its processing capacity, making it a key supplier of battery-grade nickel sulfate.[29] Vietnam has become a major manufacturing centre, known for its automotive assembly skills, low labour costs, and access to ASEAN's markets.[30] This market is expected to need 13 million EVs each year by 2040.[31] Japan offers leading battery technology through companies like Panasonic and Toyota, as well as advanced materials engineering for battery parts that affect performance and safety. India brings three important factors: a large domestic market of 1.4 billion people, a growing pool of engineers in battery management and power electronics, and established manufacturing through firms like Tata and Mahindra, which are moving into EVs. Unlike China, where a few players control the whole supply chain, VIJI's structure means no single country can dominate. Indonesia needs Japanese technology to turn nickel into batteries, Japan relies on Indian and Vietnamese manufacturing to scale up, and Vietnam depends on Indonesia for raw materials.

In the short term, VIJI should focus on making binding supply agreements and setting up a joint venture battery manufacturing facility as a proof of concept, instead of starting with broad framework declarations. The first practical step would be for Indonesia and India to sign a multi-year nickel supply agreement with guaranteed price floors and ceilings, which would remove the spot market volatility that makes battery production planning difficult. At the same time, the four countries should create a joint venture with split-equity to build an integrated battery

manufacturing complex, likely on the coast of India or Vietnam, for better logistics. Japan would provide the cathode technology and quality control systems, Indonesia would supply processed nickel at preferential rates, and India and Vietnam would contribute manufacturing labour and local market access. This facility should show that VIJI can make commercially viable batteries at prices much lower than Chinese competitors by cutting out extra profit margins and currency conversion costs found in fragmented global supply chains. Once the facility is running, the bloc would gain geopolitical leverage by offering the ASEAN countries, the Middle East, and Africa an alternative to Chinese battery dependency. These markets want EVs but are increasingly wary of relying on a single supplier.

In addition to battery manufacturing, the bloc could set up a joint rare earth stockpile with binding offtake agreements to ensure a steady supply during geopolitical disruptions. This shared reserve would help protect member countries from China's control over the rare-earth supply chain and give them greater leverage to prevent price manipulation.

VIJI could also expand from batteries to full-vehicle platforms, develop common charging standards for the Indo-Pacific that do not depend on Tesla's Supercharger network, and eventually negotiate as a unified bloc in WTO disputes over EV subsidies and carbon border adjustments. This would help VIJI move from a commercial partnership to a rule-setting coalition that neither Washington nor Beijing could coerce.

2.2.2 G-TAPS - Group for Transnational API Supply (Germany, Ireland, Switzerland, Japan and India)

Not unlike critical minerals, China is a dominant player in the pharmaceutical market of active pharmaceutical ingredients (APIs), key starting materials (KSMs), and auxiliary chemicals. This has led Niels Graham to label pharma as Beijing's "next trade weapon" (after critical minerals) in the US-China contestations.[32] But it is not just the US that is dependent on Chinese pharma exports. India, which is known for its generic drug and vaccine exports, is also dependent on Chinese APIs.[33] Like in the case of other technological sectors, there is a potential for an intensifying US-China rivalry to adversely affect the interests of other pharma players in the global market.

Composed of leading countries in global pharma (Germany, Ireland, Switzerland, Japan and India), this bloc can build supply chains around APIs and drugs of both generic and branded kind. Tackling both US' big pharma interests and China's dominance of the API market, this bloc could ensure critical drug supplies are not impeded in times of crises. The API supply chain among the members of this proposed grouping can be strengthened by reducing any tariff and non-tariff barriers. While procurement of APIs from states beyond these groupings may not be discouraged, a mechanism to incentivise the production of key

APIs in the grouping countries can be created. This mechanism can be time-bound and take the form of a commitment by G-TAPS to purchase certain quantities of identified APIs through auction (even if the lowest price quoted by a manufacturer located within G-TAPS countries is above the prevailing international price). This mechanism can, in a few years, reveal and promote countries that enjoy a comparative advantage over certain APIs as well.[34]

The ideas for reducing trade barriers and domestic production of APIs are borrowed from Gautam Bambawale et al., who have made the arguments in the context of India domestically. These ideas have been applied here, in a broader sense, to the plurilateral grouping on pharma.

2.3 Finance

2.3.1 Fin-Cross (India, Brazil, UAE, Singapore, and France)

India, France, Brazil, the UAE and Singapore are all stuck using dollar-based payment systems and Western messaging infrastructure. There's a clear case for building alternative cross-border settlement rails together.

This group can leverage the scalability of UPI and Brazil's instant payments system, PIX. UPI is a real-time settlement system that actually scales. According to a Press Information Bureau story on an IMF report, India has a whopping 49 per cent "share in the global real-time payment system transaction volume" with Brazil coming second at 14 per cent.[35] India can also leverage its talent in the fintech sector.[36] The UAE brings Gulf capital, energy trade volumes, and regulators willing to experiment.[37] Singapore has the technical expertise to set standards and acts as a financial hub for the region. France offers a bridge to European markets and adds regulatory legitimacy.

Together, this can build alternative cross-border settlements to bypass dollar weaponisation and the risks posed by China's Cross-Border Interbank Payment System (CIPS). The US has weaponised the dollar domiance while imposing and enforcing international sanctions. China's CIPS is too politically loaded for most countries to fully commit to. This gap creates room for countries to collaborate on payment systems that don't force a binary choice.

What this could look like operationally: Start with a messaging layer for high-volume corridors — India-Gulf, India-ASEAN, Brazil-India. Build common KYC and anti-money laundering standards that don't run through SWIFT. Eventually, create a settlement mechanism for non-dollar transactions in specific sectors, such as energy or agriculture.

It is, however, important to note that this bloc does not aim to completely replace USD as the world reserve currency but to provide an alternative option for its members, with independent infrastructure, supply chains, and freedom from great-power coercion.

2.4 Security

2.4.1 Counter Terror Collective (India, France, the Philippines, Indonesia)

Counter-terrorism has remained a national security priority for India, which has been reinforced by the 2025 Pahalgam terror attack. Similar threat perceptions are evident elsewhere, like in France, Indonesia and the Philippines, where terrorism continues to pose immediate risks to domestic stability and civilian security.[38] This is in contrast with the strategic re-calibration underway in major powers such as the US which has increasingly deprioritised terrorism in favour of domestic political interests and great-power competition.[39] As a result, countries facing sustained terrorist threats find existing global counter-terrorism architectures insufficiently responsive to their operational and intelligence needs.

In this context, a focused plurilateral grouping anchored by India, and involving France, Indonesia, and the Philippines, would reflect a convergence of threat perceptions rather than ideological alignment. These countries face overlapping challenges from transnational terror networks that exploit digital radicalisation, informal finance channels, and cross-border safe havens, despite their manifestations remaining locally grounded. While counter-terrorism cooperation already exists through bilateral arrangements and multilateral platforms, these mechanisms are often constrained by definitional ambiguities, a lack of political will, and the absence of real-time intelligence sharing. ASEAN-led instruments such as the ASEAN Convention on Counter Terrorism, while normatively valuable, have also faced gaps that limit their effectiveness.[40]

A plurilateral framework could serve as a problem-driven mechanism focused on three areas of intelligence sharing, disruption of terror-finance networks, and coordinated diplomatic and legal responses against terrorism. Such a grouping would prioritise operational trust, speed, and actionable cooperation, allowing members to bypass bureaucratic inertia without undermining existing regional commitments. For India, this model offers a means to shape a counter-terrorism architecture aligned with its security realities, while reinforcing its role as a uniting force among states for whom terrorism remains a challenge.

2.4.2 TRACC - Transnational Reaction Against Cyber Crime (India, Singapore, Myanmar, Thailand, Vietnam, and Indonesia)

Cyber-enabled financial crime has emerged as one of the fastest-growing transnational threats in Asia, exploiting regulatory asymmetries, uneven enforcement capacities, and rapidly expanding digital ecosystems. India is now among the most cyber-attacked countries globally.[41] It has witnessed exponential

growth in digital connectivity alongside a widening attack surface, exposing critical sectors such as finance, healthcare, and energy to persistent cyber threats.[42] Similar dynamics are evident in Singapore, Myanmar, Thailand, Vietnam, and Indonesia, where rising digital adoption has outpaced institutional safeguards, even though the scale, sophistication, and financial impact of cyberattacks vary across jurisdictions.[43] Among these threats, cyber fraud, phishing, identity theft and organised scam operations have emerged as a particularly difficult challenge, with India alone incurring losses amounting to thousands of crores annually.[44]

The proposed plurilateral grouping brings together countries that either host cyber-fraud infrastructure or are directly affected by cross-border scam operations, creating a shared interest in coordinated action. A focused bloc could enable harmonised regulatory standards, real-time intelligence sharing, and joint rapid-response mechanisms to disrupt fraud networks that exploit jurisdictional gaps. By prioritising operational cooperation, the grouping could facilitate swifter action on scam centres, coordinated financial tracking, and victim-centric redress mechanisms. Such an arrangement would not replace existing cyber or digital governance frameworks, but rather complement them by providing a targeted, regionally grounded defence against the escalating threat of cross-border cyber fraud.

2.5 Social and Humanitarian

2.5.1 DiReCT - Disaster Relief and Control Team (India, Indonesia, Philippines, Japan and Australia)

The Indo-Pacific remains one of the most disaster-prone regions, with recurrent natural disasters.[45] Countries such as India, Indonesia, the Philippines, Japan, and Australia are among the most affected, bearing high human, economic, and infrastructure costs from natural disasters each year. While international disaster response mechanisms and bilateral assistance frameworks exist, disaster relief in the region continues to be largely reactive and ad-hoc, dependent on post-event mobilisation rather than pre-positioned capacity.[46] This gap has become more pronounced as climate change accelerates disaster cycles and compresses response timelines.

A focused plurilateral grouping among these five countries would reflect a convergence of capability, experience, and exposure to natural disasters rather than a broad normative agenda. Each possesses significant disaster response assets ranging from military logistics and early warning systems to civilian disaster management agencies but coordination remains episodic. Existing platforms such as the Coalition for Disaster Resilient Infrastructure play an important role in advancing long-term resilience, standards, and best practices. However, their expansive membership limits their ability to deliver rapid,

region-specific disaster response. A smaller grouping would allow for faster decision-making, uniform burden-sharing, and enhanced coordination tailored to Indo-Pacific disaster scenarios.

This plurilateral could institutionalise an enduring disaster response architecture by establishing a permanent endowment, pre-positioned relief stockpiles, and a standing joint response force capable of rapid deployment across the region. Moving beyond episodic humanitarian assistance, the grouping would focus on interoperability, joint exercises, shared logistics hubs, and common operating procedures for disaster relief and humanitarian assistance. By doing so, it would complement existing multilateral frameworks while providing a timely response mechanism for natural disasters in the region. For India in particular, such an initiative would reinforce its role as a first responder and net security provider in the region, while embedding disaster relief as an element of regional stability rather than as an act of goodwill alone.

2.5.2 TRIM - Transnational Immigration Management (India, Indonesia, Philippines, South Korea, Japan, Australia)

South Korea, Japan, Australia have relatively high average per capita income but are facing demographic pressures because of their birth rates. For instance, the governor of the Bank of Japan, while delivering remarks at a panel on labour market transition in 2025 emphasised the "demographic shifts that began in the 1980s are now producing acute labour shortages and persistent upward pressure on wages."[47] According to a report, Australia will face a "projected shortfall of nearly 250,000 skilled workers in the finance, technology, and business sectors by 2030".[48] South Korea is also prioritising high-skilled talent inflow from other countries to address the labour shortfall domestically.[49] A report places the range of labour shortages in South Korea between 4–5 million and in Japan between 2–3 million.[50]

India, Indonesia and the Philippines, compared to the states discussed above, have a relative labour surplus. A study has, for instance, estimated that India would have about 245 million labour surplus by 2030.[51]

To address the demand-supply mismatch, the bloc could establish regulated immigration flows that meet the requirements of both labour-exporting and labour-importing states.

2.5.3 HaPPi - Health and Prosperity Plurilateral (India, Maldives, Bangladesh, Nepal, Sri Lanka, Thailand, Malaysia, Singapore)

The COVID-19 pandemic served as a lesson in the vulnerabilities of isolated health systems. Biological threats do not respect national borders. Global institutions like the World Health Organisation (WHO) are important for setting standards. However,

their operational effectiveness is vulnerable to political delays caused by great power competition.[52] Health crises require fast international coordination.

To build resilience, a dedicated regional bloc is required. It needs to be anchored in the Indian subcontinent but extend to include key ASEAN members.[53] A coalition comprising India, Maldives, Bangladesh, Nepal, and Sri Lanka, joined by Thailand, Malaysia, and Singapore, creates a contiguous zone for pandemic preparedness. This geography shares similar climate-driven health risks and population densities. So shared surveillance data is highly relevant.

The bloc can develop joint infrastructure with shared protocols, response teams, and shared stockpiles of medical supplies. They can pool resources and integrate early warning systems. This approach ensures that the immediate neighbourhood is not left waiting for global consensus, but instead has a localised mechanism to manage health security independently.

2.6 Science and Technology

2.6.1 BitCo - Biotechnology Coalition (Germany, Japan, France, Switzerland, Australia and the Netherlands)

A biotechnology bloc could unite countries with different strengths along the value chain. Germany and Switzerland lead in pharmaceutical innovation and precision medicine, with companies like BioNTech (known for mRNA vaccines) and Roche leading in therapies. France stands out in genomics research (via institutions like Institut Pasteur) and has strong regulatory ecosystem. Japan is known for regenerative medicine and stem cell research (for instance, through iPS cell research by Shinya Yamanaka). The Netherlands has good expertise on agricultural biotech (for instance, plant breeding at Wageningen), while Australia has advanced clinical trial systems and biobanking. India brings high-volume manufacturing, access to diverse clinical trial groups, and strong bioinformatics. India's large generic drug industry makes treatments more affordable and accessible. Different countries in this bloc add expertise that China and the US either lack or keep tightly controlled. This gives them the market power to set their own standards, without needing the US' Food and Drug Administration or China's National Medical Products Administration approval.

In the short-term, the BitCo bloc should focus on three main goals. First, it could set up a joint approval process for gene therapies and CRISPR-based (Clustered Regularly Interspaced Short Palindromic Repeats) treatments. If any two member regulators approve a therapy, it should move quickly through the other countries, challenging the FDA's control over global safety standards. Second, the bloc could create a shared biobank and genomic database that anonymises patient data from all member countries. This would give researchers access to diverse

genetic data. Third, the bloc could start a joint manufacturing program for monoclonal antibodies and mRNA vaccines, with production spread across India for bulk manufacturing and Japan for advanced delivery systems.[54] These projects would bring immediate business benefits by lowering drug costs through better manufacturing and simpler rules. They would also help the bloc set technical standards, manage intellectual property, expand into agricultural biotech, or respond together to future pandemics without relying on rival countries for key treatments.

3 Charting the Implementation Pathway

Indian diplomacy must shift from joining broad, shallow forums to leading narrow, deep ones. The former approach uses little political capital but also yields little economic integration. Unlike broad issue-based alignments, which tend to be short and event-driven, the plurilateral blocs must be functionally interdependent. By deepening economic ties in their respective sectors first, they can build the geopolitical critical mass needed later.

The European Coal and Steel Community (ECSC) is a good example of how deep integration in one sector can lead to lasting interdependence and support broader political cooperation. When it started in 1951, the ECSC had six members and focused on coal and steel, which were vital for economic recovery and military strength. The ECSC created strong institutions that controlled production quotas, prices, and market access. This was more than just a trade agreement; it involved sharing control over key industries. By linking their supply chains, the ECSC made war between its members almost impossible and built trust before any political union was formed. Each country depended on the others for resources they could not easily get elsewhere, so leaving the group was more costly than staying, even during disagreements. Within ten years, this practical cooperation laid the groundwork for the larger European Economic Community. For India's plurilateral groups, the main lesson is to start with sectors where members have unique strengths that others cannot easily replace, like French AI models, Emirati investment, Japanese semiconductors, and Indian talent. These groups should create institutions with real authority to coordinate, not just to give advice. The aim is to build real interdependence, so that it is easier to solve problems together than to leave the group.

The idea is to start with commercial cooperation in areas such as space and DPI, then progress to wider partnerships, culminating in the formation of a formidable political bloc.The blocs should be framed as commercial or technical agreements, ensuring India remains the anchor through its irreplaceable capabilities.

Transitioning from the current system of broad multilateralism to sectoral plurilateralism does not mean abandoning India's existing diplomatic architecture. Instead, it requires a ruthless

assessment of which forums can be upgraded and which must be bypassed. India is currently entangled in regional bodies that are structurally incapable of delivering deep economic integration and cooperation. Many of them have the US or China as members.

Existing arrangements such as the South Asian Association for Regional Cooperation, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and the Indian Ocean Rim Association (IORA) have become irrelevant due to conflicting or vaguely broad interests.

Such forums reflect India's old approach, which consisted of the three pillars of broad membership, vague agendas, and weak institutions. They cannot provide the strong interdependence that characterised the ECSC.

The Quad (India, US, Japan, Australia) is India's most successful recent group. It has led to cooperation in vaccine distribution, critical minerals mapping, and maritime domain awareness. But the US plays a dominant role in shaping the Quad's agenda, leaving other members including India with less than desirable space to shape the grouping around their own priorities.

The Shanghai Cooperation Organisation has China as a dominant player. The broad economic forums like the G20 and BRICS have global governance objectives and are too broad.

The plurilateral blocs require two conditions that legacy arrangements are lacking at.

First, the plurilateral blocs will gain from an incubation phase that legacy arrangements cannot provide. The exclusion of the US and China during the blocs' formation phase allows members to build institutions, trust, and functional cooperation on their own terms.

Second, functional sovereignty. Functional sovereignty is the bloc's ability to make binding decisions and set standards within its own area, without needing approval from global institutions or following the lead of major powers. Unlike the World Trade Organisation, which relies on consensus, or the UN, where vetoes can block action, these groups need the power to create their own technical standards, certification processes, and ways to resolve disputes that members actually follow. For instance, the IFAA bloc should be able to decide what counts as "safe AI deployment" or set rules for cross-border data flows, without waiting for standards from groups led by American companies or influenced by the Chinese government. This approach does not mean cutting off from the rest of the world. Members can still join wider discussions, but the bloc itself should be the main authority for its sector. The key question is whether the bloc can set a technical standard that its members adopt, even if it goes against US or Chinese preferences. The economic outcomes from the bloc should create favourable conditions for such a consensus among the members.

India should, in addition to reforming the existing forums, identify willing partners and migrate them into new, narrower blocs. For

example, the IORA platform can be used to build diplomatic warmth with Indonesia and France for the space consortium. Similarly, the Comprehensive Strategic Partnerships with ASEAN countries can act as a precursor to VIJI.

To begin realising the objective of developing geopolitical backstops, India should follow a step-by-step approach with three phases, which can overlap, with each phase building stronger institutions and keeping strategic options open.

In the first phase, which should last short to medium term, India should set up three pilot groups in areas where it is strong, and its partners have urgent needs. The first pilot project India should prioritise is the Equatorial Space Consortium, involving France, Brazil, and Indonesia. ISRO's success with low-cost launches is the starting point, but the group's real strength lies in combining French satellite manufacturing, Brazil's equatorial launch sites (which save fuel), and Indonesia's need for its own observation tools for maritime and disaster monitoring. The best way to begin is to agree on building a joint earth observation satellite system, with each country having first access to data for its key regions. This would help Indonesia depend less on foreign satellites for tracking illegal fishing and forest fires, and give France new chances in Asian space markets beyond China's reach.

The next pilot project could be around DPI, given India's already established credentials and capabilities in this sector. This could be a project that aims to first firm up standards and protocols (around privacy, data management, consent management) that should underpin any joint DPI tech stack, and then use that to set up the plumbing for a generic data exchange platform. This platform can serve as the foundation for future projects in health, fintech, or other digital governance areas. This would help India take the lead in defining global standards for DPIs.

The next pilot project should be the IFAA group with France, the UAE, and Japan. To formalise this group, a real joint project should be the starting point. For example, the countries could develop a multilingual large language model using a shared cloud system across all four nations. The technical skills are already in place. What is needed now is a political agreement to share resources and a system to manage intellectual property rights in each country. Setting up a joint venture, with each country owning a share based on its input, would build interdependence. Disseminating the model in African and Asian markets, where English-focused AI can be a barrier, would generate inflows to sustain the partnership after the initial government support.

These three pilot projects will help identify bureaucratic obstacles, show which Indian ministries can work quickly and in sync as needed for sectoral integration, and test if partners are ready to turn talk into action.

The second phase, over the medium-term, is about building on what works and stopping what does not. The VIJI group

for electric vehicles and critical minerals will probably be the toughest and most important test. It involves changing supply chains — moving lithium processing, battery assembly, and car manufacturing across four countries while staying competitive with China and keeping quality high. Instead of launching VIJI as a formal group right away, India should first make investment deals with each member to align rules on aspects like origin, environmental standards and dispute resolution. The EU's Comprehensive Economic Partnership Agreement talks can be a guide, but VIJI can move faster because of competition from China.

The time to bring these separate deals into a single VIJI group should be when a battery plant is being built, using Indonesian nickel, Japanese technology, Indian engineering, and Vietnamese labour. The products should be set aside for all four home markets. The Asian Development Bank and Japan's export credit agencies can help with mixed financing. During this second phase, India should avoid adding new members too soon. The EU lost some of its unity when it expanded eastward before it was ready. Plurilateral groups should only add members if it makes them work better. New members should fill a capability gap. For example, Australia should join VIJI only after the group has shown it can make batteries at scale. At that point, Australia's rare earths and Indian Ocean shipping routes would add considerable value.

The third phase, in the long-term, is about turning practical cooperation into geopolitical influence. At this stage, the priority pilot blocs will have grown into platforms strong enough to resist pressure from major powers. India can then start activating the non-priority blocs in areas like supply chain, finance, security, social, and scientific fields. By now, the IFAA bloc should be earning revenue from selling multilingual LLMs in Africa and Asia, the Space Consortium should have launched its first joint earth observation satellites, and VIJI should be exporting batteries to new markets. These achievements will give India the credibility and models needed to quickly expand the remaining blocs. Let's look at some possible pathways. The pharmaceuticals bloc can use lessons from biotech to create joint regulatory pathways. The fintech bloc can build on VIJI's experience with cross-border legal frameworks for payments. The counter-terrorism bloc and the cyber-fraud bloc will address security risks associated with deeper economic ties. As supply chains grow, so do risks of disruption, making these security blocs essential for protecting the commercial system. The disaster-relief bloc and public health bloc will address regional needs that the US and China often overlook, helping to fill governance gaps and build crisis coordination skills. The migration bloc will create talent pipelines to support all other blocs.

The order in which India activates these blocs is important. India should not try to launch all twelve blocs at once. Instead, it should start them in stages, based on available diplomatic and bureaucratic resources, and use early successes to attract more

partners later. For example, the quantum computing bloc will be easier to implement after the success of AI bloc shows that countries can compete in advanced technology without relying on US or China. India's role is not to dominate these blocs, but to anchor them by offering scale, talent, and market access, while designing the blocs in a manner that one bloc's failure does not threaten the whole system. At this point, forums like IORA, BIMSTEC, and the G20 will serve as coordination tools rather than as primary institutions for India. New Delhi can use its G20 leadership to bring bloc leaders together, or work with ASEAN to make sure the cyber-fraud and public health blocs match Southeast Asian needs. A strong VIJI group could negotiate as a whole with ASEAN, instead of India dealing with each country separately. The Space Consortium could work with the African Union on launch schedules and data sharing, increasing India's influence among developing countries.

4 Conclusion

India's strategic environment is no longer based on stable alignments or hedging. A volatile and transactional US, a structurally adversarial China, and a Russia increasingly constrained by its dependence on Beijing have together narrowed India's margin for strategic error. Engagement with all major powers remains necessary for access to capital, markets, and technology, but dependence on any single pole now creates direct vulnerability across critical supply chains, standards-setting, and political decision-making. Strategic autonomy, therefore, can no longer rest on balance alone; it must be embedded into the architecture of India's external partnerships.

Sectoral plurilateralism offers a practical route to embed this autonomy. Such concentrated blocs in areas such as AI and compute, space, supply chains, finance, and security show how a group of countries can pool strengths to reduce exposure to external coercion while remaining commercially viable. Whether through shared technology stacks, jointly owned infrastructure, or coordinated standards, these arrangements can help member countries withstand coercion from other powers. As such groupings mature, they can evolve from sectoral cooperation into sources of geopolitical leverage, enabling India to influence and guide rules, secure critical capabilities, and deter external pressure without isolation or entrapment.

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