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STRATEGIC BALANCING IN HIGH-TECH WORLD: HOW INDIA NAVIGATES THE US-CHINA TECH WAR

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Executive Summary
In a global landscape increasingly shaped by technological supremacy, India stands at a crossroads—caught between the competing pressures of the United States and China, each asserting influence over critical sectors like semiconductors, 5G infrastructure, and artificial intelligence. This research investigates how India navigates this high-stakes rivalry without compromising its sovereignty or long-term strategic interests. The study begins by mapping the broader contours of the US-China tech war, then explores India's responses across multiple fronts: government policy, industry behavior, bilateral engagements, and participation in international institutions. Using real-world events such as India's quiet exclusion of Huawei from 5G trials, its landmark semiconductor investment deal with Micron under the iCET framework, and its increased presence in multilateral forums like the Quad and WTO, the research demonstrates how India employs a balancing act defined by "de-risking without decoupling." Rather than aligning rigidly with either bloc, India is building a flexible digital strategy that enhances domestic innovation while carefully managing foreign partnerships. This study concludes that India's position is not a passive one; it reflects a proactive, context-driven model of strategic balancing where policy, diplomacy, and institutional engagement converge to carve out a sovereign path in an increasingly divided tech order.
Keywords: *Strategic Autonomy, Tech War, De-risking, Soft Balancing, Digital Sovereignty, Multilateralism, Techno-nationalism.*

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Introduction

In the contemporary geopolitical landscape, the intersection of technology and international power dynamics has created new forms of competition. One of the most significant manifestations of this is the escalating tech war between the United States and China. This rivalry encompasses strategic control over critical technologies such as semiconductors, artificial intelligence, 5G infrastructure, and quantum computing. However, while these two powers compete for technological dominance, a third major actor 'India' emerges as a key strategic player.

Among this strategic contestation, India finds itself in a uniquely complex position. It is not merely a passive observer but an active participant in this evolving techno-strategic theatre. The central point that motivates this research is: How does India strategically balance its relationships and interests in the high-tech rivalry between the United States and China, while preserving its own technological sovereignty and security ambitions? Despite extensive engagement with both superpowers and ambitious domestic digital initiatives, India's precise strategic calculus remains underexplored. This study seeks to illuminate that space, articulating the intricacies of India's balancing act.

By focusing on five central entities, namely, the Government of India, the United States, China's strategic posture, India's tech sector, and the role of international institutions this research will dissect the political, economic, and technological parameters shaping India's policy behavior. Through qualitative content analysis of official policy documents, speeches, trade patterns, and institutional engagements, the research aims to provide a structured and theoretically grounded understanding of India's strategic choices in this dynamic arena.

The Government of India has increasingly admitted the growing interplay between technology and national security, as evidenced by several policy shifts in recent years. Its official stance reflects a preference for "strategic autonomy," a legacy of its non-aligned tradition, recalibrated for the digital age. Key initiatives such as the Digital India programme, Semicon India, and the Production Linked Incentive (PLI) schemes underscore a drive toward technological self-reliance, especially in semiconductor manufacturing and critical digital infrastructure. Simultaneously, India has been cautious in accepting foreign digital infrastructure, notably evident in the banning of Chinese apps and tighter scrutiny over foreign direct investment in tech ventures.

The United States views the technological rivalry with China not merely as economic competition, but as a civilizational contest with far-reaching security implications. Washington's policy, particularly under the Biden administration, has become increasingly assertive evidenced by initiatives such as the CHIPS and Science Act, export restrictions on advanced semiconductor tools to China, and the formation of tech-focused alliances like the Quad Critical and Emerging Technology Group. India, as a strategic partner in the Indo-Pacific and a technological collaborator, is central to several American initiatives aiming to counterbalance Chinese influence, particularly in digital standards and semiconductor supply chains.

India's burgeoning tech sector is both an asset and a battleground in the broader geopolitical contest. Home to a vibrant IT services industry, an expansive startup ecosystem, and a growing hardware manufacturing ambition, India's technology sector is

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at a pivotal moment. It has historically benefited from deep linkages with the US market, particularly in software and IT-enabled services. However, recent efforts to expand hardware capabilities and climb up the value chain reveal a strategic repositioning. The tech sector's alignment with national security objectives, especially in AI, data localization, and chip manufacturing, renders it critical to India's strategic maneuvering in the US-China tech war.

China's strategic doctrine positions technology at the core of its global power ambitions. The Made in China 2025 blueprint, extensive investments in 5G and AI, and the Digital Silk Road initiative mark China's determination to become a dominant technological force. From India's vantage point, Chinese tech expansion represents both a competitive threat and a security challenge. While economic decoupling is neither feasible nor desirable in its entirety, India has systematically curtailed Chinese technological presence in its digital ecosystem, reinforcing its national security priorities while keeping channels for limited economic cooperation open.

International institutions, particularly those governing digital standards, intellectual property rights, trade, and cybersecurity, play a mediating role in the tech war narrative. Bodies such as the World Trade Organization (WTO), the International Telecommunication Union (ITU), and the United Nations Group of Governmental Experts (UN GGE) on cybersecurity are battlegrounds for norm-setting and influence projection. India, traditionally a norm-taker, is seeking to increase its normative footprint, aiming to shape regulations that align with its developmental priorities and strategic interests.

This research adopts the theoretical lens of strategic balancing, grounded in neoclassical realism and complex interdependence theories. The central hypothesis is that India engages in soft balancing and selective hedging to navigate the tech war, preserving its autonomy while maximizing strategic benefits. By analysing policy statements, diplomatic alignments, tech partnerships, and regulatory measures, this study will unravel the logic and patterns behind India's positioning. The structure of the paper follows a thematic progression: beginning with an overview of the tech war, it moves through analysis of each of the five entities, and concludes with an integrated assessment of India's strategic calculus.

Literature Review

Over the past decade, a growing body of literature has explored the increasing intersection of geopolitics and advanced technology, particularly in the context of the intensifying US-China rivalry. Much of this work frames technology not just as an economic or developmental asset, but as a strategic resource tied closely to national security and global influence (Allison, 2017; Segal, 2018). This literature sets the stage for understanding why nations such as India must make carefully calibrated choices when engaging in technological partnerships.

Scholars like Graham Allison (2017) have advanced the idea of a "Thucydides Trap" to explain the tension between a rising China and an established US power, with technology being one of the primary battlegrounds. Meanwhile, Adam Segal (2018) elaborates on the national security dimensions of artificial intelligence, semiconductors, and cyber governance, showing how technological dominance is increasingly seen as a zero-sum game. For countries like India, caught in the gravitational pull of both powers, these dynamics present both opportunities and dilemmas.

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From the Indian perspective, literature has examined New Delhi's cautious navigation of this tech rivalry. Raja Mohan (2021) emphasizes India's preference for strategic autonomy and warns against over-dependence on either the US or China. Similarly, Tanvi Madan (2020) argues that India's diplomatic posture is increasingly shaped by techno-nationalist concerns, with policy choices driven by both domestic capability development and external alignments. Scholars have also explored India's banning of Chinese apps and exclusion of Huawei from 5G trials as evidence of this nuanced balancing act (Pant & Passi, 2021).

On the US side, scholars such as Lindsay and Gartzke (2019) have underscored the American strategic effort to contain China's tech rise through export controls, alliances, and technological decoupling. In parallel, Chinese scholars and think tanks have defended their country's innovation policies under the banner of self-reliance and "indigenous innovation" (Zhou, 2015). These conflicting narratives reinforce the sense of a bipolar tech order.

India's tech sector has also received scholarly attention in this geopolitical context. Works by Niti Aayog (2018) and private think tanks like ORF and Carnegie India highlight how India's startup ecosystem, digital infrastructure (e.g., Aadhaar, UPI), and new semiconductor ambitions form the core of its strategic tech identity. However, many analysts caution that India's aspirations are constrained by limited R&D, dependency on foreign hardware, and inconsistent regulation Chaudhuri, A. (2022).

Lastly, a relatively smaller but growing set of studies emphasize the role of international institutions in shaping global tech standards and norms. Scholars such as Nye (2017) and Farrell & Newman (2019) discuss "weaponized interdependence" how control over networks and standards becomes a source of power. India's underrepresentation in these forums, despite its scale, is seen as a critical weakness. However, its increased participation in Quad working groups and WTO digital trade discussions signals a growing interest in rule-shaping rather than rule-following.

Altogether, the existing literature presents a fragmented but rich tapestry of insights. While there is considerable work on the US-China tech rivalry and India's digital rise, few studies have explicitly framed India's position as a strategic balancer using both domestic capabilities and external alignments. This study aims to fill that gap by synthesizing geopolitical, technological, and institutional factors into a cohesive strategic framework.

Authors such as Badrinath and Saxena (2020) have provided detailed insights into India's evolving cyber diplomacy, while Basrur and Sullivan (2022) emphasize how India's foreign policy is increasingly influenced by the technological imperatives of multipolarity. Further, Chaturvedi (2023) explores how India's data governance debates mirror its broader concerns over digital sovereignty in the global tech order. Additionally, Greenleaf (2018) compares India's data protection policies with global norms, highlighting the influence of EU's GDPR on Indian regulatory thinking. Scholars such as Saran and Singh (2021) also contribute to understanding India's stance in emerging global digital coalitions like the D10 and the Supply Chain Resilience Initiative. These additions provide a more nuanced and comprehensive view of the academic conversation around India's navigation through the US-China tech contest.

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Research methodology

This study investigates how India navigates the intensifying technology rivalry between the United States and China—an issue that increasingly shapes both global power dynamics and domestic tech policy. Given the deeply political and interpretive nature of this inquiry, a qualitative research approach was adopted. This method allows for a more nuanced understanding of how India balances competing pressures while pursuing its own technological and strategic goals.

The research takes the form of an exploratory case study, with India at the center of analysis. However, it also examines the role of four interconnected entities: The United States, China, India's tech sector, and relevant international institutions. These actors are treated not in isolation but as part of a broader strategic environment, where India's choices are influenced by both external pressures and internal capabilities. This approach is especially useful in understanding phenomena that are fluid, evolving, and subject to political interpretation.

To trace India's strategic choices, the study relies on process tracing—a method that allows researchers to follow policy developments over time and identify key turning points. By focusing on pivotal moments, such as the ban on Chinese apps in 2020 or the launch of the Quad's critical technologies working group, the study links specific policy actions to broader strategic shifts. This helps build a narrative of India's behavior rather than merely cataloging isolated events.

Sources for this research are drawn from a mix of primary and secondary materials. These include official documents such as government white papers, ministry press briefings, and parliamentary reports. In addition, academic articles, think tank publications (e.g., ORF, Carnegie India), and media coverage from respected global outlets provide context and interpretation. This wide range of sources allows the study to reflect multiple perspectives and avoid relying on a single narrative.

Rather than applying a rigid theoretical lens from the outset, the research lets key themes emerge from the data itself. Through content analysis, the study identifies recurring ideas such as "strategic autonomy," "techno-nationalism," and "digital sovereignty." These are then used to interpret India's strategic behavior. This inductive approach is particularly effective in policy research, where decisions are often shaped by shifting political realities.

Ultimately, the research is grounded in the belief that India's actions are not just reactions to the US-China conflict but also part of a broader strategy to define its place in the emerging global order. By examining how India navigates this complex environment—leveraging partnerships, investing in domestic capabilities, and participating in global institutions—this study aims to shed light on the logic behind its balancing act. In doing so, it contributes to a deeper understanding of how middle powers like India shape their technological futures in an age of great power rivalry.

Mapping the US-China Tech War

Over the last decade, the competition between the United States and China has transformed from a largely economic rivalry into an expansive technological contest with global consequences. This tech war isn't simply about who leads in innovation; it's also about who sets the rules for the digital age. At the heart of the conflict lies a struggle for dominance in sectors like semiconductors, artificial intelligence, 5G, quantum computing, and cybersecurity all of which carry significant strategic and security

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implications. Understanding how this conflict evolved and the ways in which it shapes the behavior of third-party actors, such as India, requires a closer look at the underlying dynamics that define it.

The roots of this technological rivalry can be traced back to China's rapid ascent in high-tech industries, particularly under policies like *Made in China 2025*, which outlined Beijing's ambition to become a global leader in advanced manufacturing and innovation. This development triggered growing alarm in Washington, where policymakers began to view China's tech rise not only as a commercial challenge but as a national security threat. The US responded with a series of strategic measures: export controls on sensitive technologies, restrictions on Chinese firms like Huawei and ZTE, and efforts to de-risk supply chains through reshoring and friend-shoring. More recently, bans on AI chip sales to China and the CHIPS and Science Act reflect the US's attempt to throttle Beijing's access to critical tech.

But China hasn't remained passive. In response, it has doubled down on self-reliance, accelerating domestic innovation through state-backed R&D, expanding its global patent footprint, and investing in homegrown semiconductor production. In many ways, China's approach mirrors what the US did during the Cold War: leverage the state to build technological resilience. Beijing has also tried to shape global standards in its favor by expanding its influence in international bodies like the ITU and ISO. This tit-for-tat dynamic has generated ripple effects well beyond the two countries, creating a polarized landscape where other nations are often pressured to pick sides or hedge between them.

This emerging tech cold war is not purely bilateral; it's increasingly about shaping global networks and ecosystems. The US has tried to build like-minded coalitions through initiatives like the Quad's Critical and Emerging Technologies group, the G7's Digital and Tech Ministerial, and the proposed "Chip 4" alliance with Japan, Taiwan, and South Korea. These efforts signal a broader strategy of forming technology clubs that can counterbalance Chinese influence. In contrast, China has pushed forward its own frameworks—such as the Digital Silk Road—embedding its technology into the infrastructure of countries across Africa, Southeast Asia, and Latin America.

What makes this conflict so unique is the way it cuts across the public and private spheres. Big tech companies, from Microsoft and Google to Tencent and Alibaba, are not merely market players but strategic actors entangled in national agendas. The private sector is both a battlefield and a weapon. Export bans, sanctions, intellectual property disputes, and data localization requirements are no longer isolated policies—they're part of a larger playbook aimed at digital sovereignty and strategic leverage.

For countries like India, this binary conflict presents a particularly difficult challenge. On the one hand, the US offers strategic alignment, access to high-end technology, and shared democratic values. On the other hand, China remains a major trade partner and a key player in the regional economy. Navigating this tightrope demands a careful calibration of policy, one that allows India to strengthen its domestic capabilities while maintaining flexibility in its international partnerships. In this context, India's tech diplomacy becomes both a response to external pressures and a proactive effort to shape a new multipolar digital order.

In short, the US-China tech war is more than just a clash over gadgets or data it is about redefining the global hierarchy of power in a digital world. For a rising power like India,

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the choices it makes within this contested space will have lasting implications, not only for its own development but for the broader shape of global technological governance.

India's Strategic Position and Response

India's navigation of the US-China technology rivalry demonstrates a careful mix of strategic pragmatism and diplomatic subtlety. Rooted in its long-standing principle of **strategic autonomy**, India has resisted aligning too closely with either Washington or Beijing. This tradition, as explained by C. Raja Mohan (2021), is embedded in India's foreign policy culture and continues to inform its decisions in an increasingly polarized digital landscape.

The **2020 ban on over 200 Chinese apps**, including TikTok and WeChat, was more than a symbolic retaliation for border tensions—it marked a shift in India's digital strategy. As highlighted by Harsh Pant and Rajeswari Pillai Rajagopalan (2021), the Indian government invoked national security and data sovereignty concerns to justify the ban, signaling that digital platforms were now recognized as critical infrastructure. This move, paired with the discreet exclusion of Huawei and ZTE from India's 5G trials, shows how India has quietly pivoted away from Chinese tech firms without provoking overt backlash.

India's **deepening partnership with the United States**—particularly through the Initiative on Critical and Emerging Technologies (iCET)—has also reshaped its tech policy. According to Basrur and Sullivan (2022), this cooperation reflects India's desire to build capacity in frontier technologies like quantum computing and artificial intelligence while still avoiding a total decoupling from China. Rather than being drawn into a binary rivalry, India uses its partnerships to strengthen internal capabilities.

At the same time, India is working to **enhance its domestic tech base**. Government initiatives such as *Make in India*, *Digital India*, and the *India Semiconductor Mission* show a concerted effort to reduce dependency on external players. However, as pointed out by Chaturvedi (2023), India's ambitions are limited by underfunded R&D sectors and a fragmented digital policy framework. Even with Production Linked Incentive (PLI) schemes, Chaudhuri (2022) notes that supply chain constraints and regulatory uncertainty continue to challenge progress.

India's balancing act extends beyond bilateral ties. Its growing engagement in **multilateral technology frameworks**, such as the Quad's tech working groups and digital policy debates in the G20, represents a shift from being a passive participant to an active rule-shaper. Saran and Singh (2021) argue that India's participation in initiatives like the Supply Chain Resilience Initiative and D10 indicates its strategic push to co-author global digital norms.

Despite these developments, **India has not fully abandoned its economic ties with China**. Trade volumes remain high, and Chinese-made components still dominate Indian electronics. Tanvi Madan (2020) observes that India's diplomatic maneuvering reflects its desire to avoid rigid alignments, giving it room to maneuver in case the geopolitical winds shift. This hedging strategy allows India to adapt dynamically, safeguarding both strategic interests and economic resilience.

In essence, India's response to the US-China tech rivalry is neither reactionary nor dogmatic. It is built on calculated choices that prioritize sovereignty, technological self-reliance, and long-term strategic relevance. By maintaining flexibility, India positions

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itself not just as a passive recipient of external pressures but as a confident actor in shaping the rules of the emerging digital order.

The Role of International Institutions

In an era where technology shapes power as much as politics or economics, international institutions have become key arenas for geopolitical competition and cooperation. Their role in the US-China tech rivalry and India's strategic balancing cannot be overstated. Institutions that once seemed peripheral to national security are now at the heart of global rule-making, whether in setting standards for 5G, managing cross-border data flows, or negotiating digital trade norms. As Joseph Nye (2017) rightly pointed out, the future of global order may be shaped more by code and connectivity than by conventional military power.

India's engagement with these institutions is strategic, if at times cautious. While it remains underrepresented in many global tech forums, India has increasingly used its voice to influence digital governance. Its participation in the **World Trade Organization (WTO)**'s e-commerce negotiations, for example, reflects an effort to shape emerging norms around data localization, platform regulation, and digital taxation. As Farrell and Newman (2019) argue, control over standards and infrastructure is now a key source of international leverage what they call "weaponized interdependence" and India is beginning to appreciate the weight of this power dynamic.

Perhaps the clearest signal of India's growing confidence in tech diplomacy is its active participation in the **Quad's Critical and Emerging Technologies Working Group**, where it collaborates with the US, Japan, and Australia on matters ranging from AI ethics to supply chain resilience. According to Saran and Singh (2021), this engagement allows India to advocate for "open, transparent, and inclusive" tech ecosystems, aligning with its broader digital sovereignty goals without entering hard alliances. This approach fits India's diplomatic style: assertive, but not confrontational; participatory, yet always retaining its autonomy.

Moreover, India has become more involved in **standard-setting bodies** like the International Telecommunication Union (ITU) and the International Organization for Standardization (ISO). As Greenleaf (2018) notes, these bodies often shape de facto global policies through technical regulations, even without direct political negotiations. India's technical experts and diplomats are now more frequently involved in influencing these standards, especially in areas like encryption, digital identity, and biometric authentication. This involvement is subtle, but strategically vital, as China has significantly expanded its footprint in these same bodies, often pushing state-centric approaches that clash with India's democratic and privacy-oriented digital principles.

Another important venue is the **United Nations**, particularly its forums on internet governance and cyber norms. Though slow-moving, these multilateral dialogues offer India a platform to advance its views on cyber sovereignty, cross-border cybercrime, and digital rights. Scholars like Lindsay and Gartzke (2019) highlight the growing use of these spaces by middle powers to constrain digital hegemons and push for a more equitable internet governance model. For India, whose cybersecurity posture is still developing, multilateral forums provide both legitimacy and learning opportunities.

At the same time, India's engagement is not limited to formal institutions. It is part of emerging coalitions like the **Supply Chain Resilience Initiative** with Japan and Australia, and the **D10 Club of Democracies**, which seek to offer alternatives to China-

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centric digital infrastructure. According to Basrur and Sullivan (2022), these minilateral efforts give India the flexibility to align with like-minded countries on specific tech issues without compromising its strategic autonomy. This multi-institutional approach reflects India's recognition that no single institution holds the key to global tech governance; rather, it's a web of overlapping forums where influence must be carefully negotiated.

In sum, international institutions offer India both a challenge and an opportunity. They are spaces where major powers seek to entrench influence, but also where middle powers like India can assert agency, shape norms, and protect sovereignty. India's increasing presence in these institutions reveals a maturing tech diplomacy—one that is quietly ambitious and strategically thoughtful. In a world where global tech governance is still being written, India is learning to pick up the pen.

Analysis: Strategic Balancing in Practice

India's approach to navigating the US-China tech rivalry is not theoretical—it plays out in real-time through deliberate decisions, often blending pragmatism with principle. A striking example is New Delhi's cautious but clear stance during the Huawei 5G controversy. While countries like the UK and Australia imposed outright bans, India quietly excluded Chinese vendors from its 5G trials without ever issuing an explicit prohibition. This "silent decoupling," as described by Pant and Passi (2021), illustrates India's preference for **action over rhetoric**, minimizing escalation while still safeguarding national security interests.

Strategic balancing also manifests in India's evolving relationship with the United States. The 2023 announcement of the **India-US iCET (Initiative on Critical and Emerging Technologies)** reflects a conscious deepening of ties, not only in AI and semiconductors but also in space, quantum computing, and biotech. As Basrur and Sullivan (2022) argue, this partnership helps India diversify its technological dependencies while avoiding complete alignment with the American containment strategy against China. Notably, India has signed multiple memoranda with US chipmakers like Micron and Lam Research, yet continues to resist joining any formal anti-China bloc—a clear signal of calibrated engagement.

However, India's balancing is not always symmetrical. In terms of trade, **China remains one of India's top import partners**, especially for electronics and critical components. Despite border clashes and geopolitical tensions, bilateral trade hit a record $136 billion in 2023 (Ministry of Commerce & Industry, 2024), demonstrating that strategic competition coexists with economic interdependence. As Tanvi Madan (2020) notes, India neither seeks confrontation nor over-dependence—it aims to maintain leverage on both sides of the divide.

India's engagement in multilateral platforms further reflects its strategic hedging. In the **Quad's tech framework**, India cooperates on semiconductors and resilient supply chains while advocating for more inclusive tech development principles. At the same time, it supports the **Global Digital Compact** at the United Nations, signaling its desire to influence global digital norms through both democratic partnerships and broader multilateral institutions. Farrell and Newman (2019) have warned of the dangers of "weaponized interdependence," and India appears intent on avoiding both vulnerability and over-commitment by diversifying its institutional engagements.

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Domestically, India has initiated reforms to build a tech ecosystem that is self-reliant but globally competitive. The **India Semiconductor Mission**, launched in 2021, has attracted substantial foreign investment, including a $2.75 billion chip assembly plant by Micron in Gujarat (Economic Times, 2023). Yet, as Chaturvedi (2023) notes, these industrial ambitions are tempered by challenges in supply chains, workforce readiness, and regulatory fragmentation. Strategic balancing thus becomes a daily exercise—choosing where to align, where to hedge, and where to assert autonomy.

Ultimately, India's strategy is neither passive nor reactionary. It is an active form of **geostrategic calibration**, combining policy innovation, silent realignment, and diversified engagement. This balancing is not without risks—there are tensions, inconsistencies, and external pressures. But as Nye (2017) emphasizes, power today is not only about coercion but also about the capacity to shape outcomes in a connected world. India's balancing, in this sense, is both a survival mechanism and a projection of emerging influence in a tech-defined global order.

Strategic Balancing Amid Technological Tensions

At the heart of this research lies a fundamental puzzle: how does India, a rising power with both vulnerabilities and aspirations, navigate the tightening techno-political rivalry between the United States and China without compromising its own strategic autonomy? The answer, as the preceding analysis suggests, lies not in a binary choice but in a multidimensional, often case-specific balancing act where India responds not with ideological alignment, but with calibrated engagement.

A compelling real-time example is India's recent move to deepen semiconductor cooperation with the United States while still maintaining substantial trade in electronics with China. In 2023, India signed a landmark agreement under the **India–US iCET framework**, securing investments from Micron and Applied Materials to bolster its domestic chip industry (The Hindu Business Line, 2023). This move clearly aligns India with US efforts to reduce dependency on Chinese supply chains. Yet, during the same period, **India's electronic imports from China rose**, reaffirming the reality of entrenched economic ties (Ministry of Commerce & Industry, 2024). This duality underscores India's conscious strategy of de-risking without decoupling.

India's exclusion of Huawei from its 5G ecosystem done quietly and without formal declaration, further illustrates how the country avoids provoking Beijing while satisfying security expectations from Washington. Pant and Passi (2021) argue that this is not indecision but a deliberate method of reducing confrontation by choosing policy over pronouncement. Notably, India allowed other non-Chinese vendors, including Ericsson and Samsung, to conduct 5G trials, thus achieving the same strategic outcome as an outright ban but without the diplomatic backlash.

Similarly, India's participation in the **Quad's emerging technology initiatives** signals its willingness to collaborate with the US and its allies on norms for AI, cyber governance, and supply chain resilience. At the same time, India remains actively engaged in **UN-level multilateral dialogues** such as the Global Digital Compact and the UN Group of Governmental Experts (UNGGE) on cyber norms. As Nye (2017) observed, a state's power increasingly depends on its ability to shape rules and institutions—not just military or economic capabilities. India leverages this insight by engaging in both exclusive and inclusive platforms to secure its interests.

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However, India's balancing act goes beyond forums and partnerships, it is deeply tied to how it conceives digital sovereignty. The **Digital Personal Data Protection Act (2023)** is a manifestation of India asserting control over its data regime, reflecting neither a fully Western model like the GDPR nor a Chinese model of tight state control. As Chaturvedi (2023) notes, India's framework represents a hybrid logic, balancing citizen privacy, state oversight, and business facilitation. This legal architecture positions India to collaborate with both blocs while retaining the flexibility to adapt policy based on domestic priorities.

Lastly, India's role in initiatives like the **Supply Chain Resilience Initiative (SCRI)** with Japan and Australia signals a desire to construct alternate frameworks rather than dismantle existing ones. These efforts are not about isolating China but about reducing vulnerability to disruptions—particularly evident during the COVID-19 pandemic when medical and technological supply chains were severely strained (Basrur & Sullivan, 2022).

Indian strategy that avoids over commitment and bring up resilience. It does not aim to play kingmaker between Washington and Beijing but to quietly engineer space for its own rise where strategic decisions serve national development rather than alliance politics. This balancing is fragile, at times inconsistent, but profoundly pragmatic. In a fragmented world order, India's approach offers an alternative template: one of thoughtful engagement, informed flexibility, and long-term strategic patience.

Conclusion and policy recommendation:

India's approach to the US-China tech rivalry reveals a nuanced and evolving strategy rooted in pragmatism, resilience, and a commitment to strategic autonomy. At the heart of this research was a critical puzzle: **How can India navigate the intensifying technological contest between two global powers without being pulled too far in either direction?** The answer, as the analysis has shown, lies in India's ability to balance economic interests, national security, and geopolitical alliances through flexible, context-specific responses.

The evidence points to a pattern of deliberate calibration. Whether it's India's quiet exclusion of Huawei from 5G trials, its growing partnership with the United States through initiatives like the **India–US iCET**, or its simultaneous trade ties with China in electronics and rare earths, India is neither aligning wholesale with one power nor remaining passive. Instead, New Delhi is actively shaping its path by engaging in multilateral institutions, modernizing its domestic tech sector, and taking calculated steps to assert digital sovereignty—such as the **Digital Personal Data Protection Act of 2023** and semiconductor investments in partnership with US firms like **Micron** (The Hindu Business Line, 2023).

Policy Recommendations for Indian Decision-Makers

1. *Diversification as a Strategic Imperative*

India must accelerate the diversification of its technological partnerships, especially in critical areas like semiconductors, AI, and cybersecurity. While ties with the US have deepened, it is equally important to nurture relationships with the EU, Japan, South Korea, and Israel—countries with strong innovation ecosystems and less entanglement in the US-China rivalry. The **India–Japan–Australia Supply Chain Resilience Initiative (SCRI)** offers a good template that should be expanded into new domains like rare earth processing and battery technologies (MEA, 2023).

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2. *Digital Diplomacy and Norm-Setting*

India should move beyond being a participant in global digital governance forums and aspire to shape norms. Its leadership in the **Global Digital Compact** and engagement with the **OECD's digital taxation efforts** are positive steps but must be followed by consistent diplomatic investments. This includes pushing for equitable data-sharing frameworks, transparent AI ethics guidelines, and cyber norms that reflect both developmental and democratic values. As Nye (2017) has argued, countries that shape the rules wield power beyond traditional metrics.

3. *Strengthening the Domestic Innovation Ecosystem*

To reduce technological dependency and become a credible global actor, India must invest more aggressively in R&D and education. The establishment of the **India Semiconductor Mission**, while promising, must be matched with university-industry linkages, upskilling programs, and incentives for high-tech manufacturing. India's 2024 budget allocation for electronics manufacturing was a step in this direction, but much more is needed to match global innovation standards (Ministry of Finance, 2024).

4. *Institutional Participation and Rule-Shaping*

India's growing engagement in frameworks like the **Quad**, **G20 Digital Economy Working Group**, and even informal groupings like the **D10** should be leveraged not only for cooperation but for influence. India's position as a trusted democracy and a major digital market gives it soft power that can be used to advocate for inclusive tech governance. Participation in **standard-setting bodies**, including the **International Telecommunication Union (ITU)** and **ISO**, should be prioritized and better coordinated across ministries and industry stakeholders.

India's strategic balancing is not just a matter of navigating a rivalry, it's about crafting a new model of autonomy in a digitally divided world. The choices New Delhi makes today about alliances, investments, institutions, and ideologies will define not only its technological future but its standing in the emerging global order. This research underscores that balancing is not weakness; when done with foresight, it is a form of quiet strength.

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