Cross-Border Islamism and India's Security Calculus: Reassessing Neighbourhood Engagement

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Executive Summary

Transnational Islamist networks that are operating across India's immediate neighbourhood, mainly in Bangladesh, Nepal, and Myanmar, have become a challenge to be reckoned with. The analysis proves that cross-border Islamism is a very complicated security issue that consists of ideological indoctrination, financial networks, and operational coordination that are all, in one way or another, linked to traditional bilateral security measures.

The article divulges three main conclusions. Firstly, the transnational Islamist networks of South and Southeast Asia have gotten sophisticated, with international funding and conceptual unity, while in the beginning, they were just local insurgent groups. Secondly, the neighbourhood of India has been encountering the merging of foreign Islamist influence from the Gulf, which is mainly through charities and Pakistan intelligence networks and the domestic radicalisation that makes it easier for the influence to penetrate. Thirdly, India's diplomatic and intelligence measures have gradually changed, but to be able to deal with the threats from the connected networks, a more comprehensive multilateral framework is still needed.

In the article, it is maintained that India's security calculus must no longer contemplate the conventional state-centric threat assessment but rather the understanding of the presence of non-state actors that operate across porous borders. This would mean that there would be a need for better intelligence sharing, more coordinated counter-radicalisation programs, and more diplomatic engagement that recognises the transnational nature of modern-day Islamist mobilisation while also respecting the sovereignty and domestic political sensitivities of the neighbouring states.

Key Takeaways

► **Networked Threat Architecture:** Transnational Islamist networks in the vicinity of India function via dispersed cells that share the same ideology, thereby establishing durable structures that the usual counter-terrorism measures cannot disintegrate easily.

► **Financial Conduits:** Charities based in the Gulf and remittance networks are the main sources of financial support for the Islamist groups in Bangladesh, Nepal, and Myanmar, thus calling for better financial intelligence cooperation in the whole region.

► **Rohingya Crisis as Catalyst:** The uprooting of the Rohingya communities has resulted in the formation of weak and easy-to-reach groups for Islamists, and the phenomenon has repercussions for Bangladesh, Myanmar, and the northeast of India.

► **Nepal's Emerging Vulnerability:** The unrestricted access of Nepal to India and the increased number of Muslims in the country have made Nepal a potential entry point for the transnational Islamist networks and security challenges that are not sufficiently recognised.

► **Bangladesh's Complex Landscape:** Although the government in Bangladesh is fighting against terrorism and has even arrested some people, the country still has dormant networks that are connected to the international jihadist movements and, therefore, needs a continuous intelligence engagement to be effective.

► **Diplomatic Dilemmas:** Security measures undertaken by India must take into account not only the sovereignty issues of the neighbouring countries but also the political sensitivities within the country that are related to Muslim communities, and the possibility that securitisation may trigger radicalisation.

► **Intelligence Cooperation Imperative:** What is required for effective responses is institutionalised mechanisms for sharing intelligence among the different sectors, conducting joint counter-terrorism operations, and implementing coordinated border management strategies.

Introduction: Reframing the Transnational Islamist Challenge

India's security environment has been viewed mainly through the lens of state-based threats, especially treating the cases of Pakistan and China as the most important. Nevertheless, the current security scenario requires the rethinking of the non-state transnational actors, in particular the Islamist networks that cross South and Southeast Asian borders with growing finesse. These networks are what some scholars call "rhizomatic terrorism," which is decentralised in nature, with the spread of ideologically pure views even across different geographical areas, and the capability of making use of the loopholes in governance across several jurisdictions.

The emergence of transnational Islamism in the Indian subcontinent has been an indicator of the global trend, the most significant of which is the defeat of

the Islamic State in Syria and Iraq, the Taliban taking control of Afghanistan, and the Tablighi Jamaat and Salafi-Wahhabi groups receiving continued funding through connections with the Gulf countries. Rohan Gunaratna, a terrorism expert, asserts that the guerrilla movements of the present are increasingly using a transnational strategy in their operations, which allows them to be regionally connected and at the same time aligned ideologically with the world.

The study analyzes the three critical areas where it crosses-border Islamism and India's security interests meet: Bangladesh, which has a complex history of political Islam and is the closest to India's Northeast region that is already vulnerable; Nepal, where the open border and changing Muslim population present new challenges; and Myanmar, where the Rohingya crisis has led to a situation conducive to the recruitment of extremists due to the lack of basic humanitarian support. The paper concludes by assessing the political and intelligence measures that India has taken so far and the limitations that have been identified, besides suggesting the establishment of more advanced frameworks for engaging the neighbourhood.

Bangladesh: Persistent Networks and Political Islam's Complex Trajectory

Historical Context and Contemporary Evolution

Bangladesh probably offers the most complicated scenario in considering the phenomenon of transnational Islamism's impact on India's security. The secular-linguistic nationalism on which the country was built has been

ever more contested through Islamist political movements, thus paving the way for what the political scientist Ali Riaz calls "competitive authoritarianism" with secular and Islamist forces struggling for political legitimacy.

In the 1990s, the situation of Islamist militancy in Bangladesh underwent a drastic change. The first groups, like Harkat-ul-Jihad-al-Islami Bangladesh, which was created in 1992, linked up with Pakistani intelligence and Afghan training camps, and by the early 1990s, the rise of Jamaat-ul-Mujahideen Bangladesh indicated the beginning of the regional Islamist militancy inspired by global ideologies. Locally radicalised cells getting their inspiration through the Islamic State propaganda and the 2016 Holey Artisan Bakery attack in Dhaka, which attracted media attention because it claimed 22 lives, including those of foreign nationals, pointed out the potential of such cells.

Ideological and Financial Networks

The International Centre for Political Violence and Terrorism Research conducted a study revealing that Islamist groups in Bangladesh were funded from a variety of sources. Mosques and religious charities, especially those with links to the Gulf area, have had a rather unclear relationship with the funding. Basically, the US has blacklisted the Kuwait-based revival of the Islamic Heritage Society, which was involved in Bangladesh up to the mid-2000s, as a terrorist financing organisation. Now, the situation regarding funding is such that more elaborate ways are used, like remittance channels from Bangladeshi

communities in the Gulf and crypto mechanisms, which make tracking so-called financial intelligence harder.

The ideological challenge presents a diversity of ideas. The Deobandi religious institutions linked to Pakistani madrasas are still a source of theological training that can attract radicalisation, most of the time unknowingly. On the other hand, the Salafi-Wahhabi clergy supported by the Gulf countries through their religious charity organisations are the ones who totally delegitimise the Sufi-influenced Islam practised in Bangladesh. The Ansarullah Bangla Team, later known as Ansar al-Islam, is an example of a group that had made a clear association with al-Qaeda in the Indian Subcontinent, thus indicating the problem of local cells being connected to the international jihadist franchises.

Islamic Heritage Society

Border Porosity and Northeastern India's Vulnerability

The 4,096-kilometre India-Bangladesh border presents significant security challenges. Despite fencing initiatives

covering approximately 3,300 kilometres, sections remain unfenced due to riverine terrain and local resistance. Transnational Islamist networks have exploited this porosity for multiple purposes: establishing safe havens in Bangladeshi territory for operatives targeting Indian assets, facilitating movement of cadres between Bangladesh and India's northeastern states, and coordinating ideological indoctrination across border communities.

Intelligence agencies have documented the presence of dormant cells with connections to both local Bangladeshi militant organisations and external handlers. The arrest of suspected militants in Assam, West Bengal, and other border states has frequently revealed training or ideological connections to Bangladesh-based networks. Particularly concerning is evidence of attempted recruitment among Muslim minority communities in Assam and West Bengal, exploiting narratives of marginalisation following citizenship exercises like the National Register of Citizens process.

Government Responses and Cooperation Frameworks

The Sheikh Hasina-led Awami League administration had implemented strict counter-terrorism actions, which included military operations that wiped out the JMB command and worked along with the Indian secret services as one of the actions. The creation of the Counter Terrorism and Transnational Crime Unit in 2016 was a significant step towards institutional empowerment in combating extremist groups. The two

countries (Bangladesh and India) have been sharing intelligence and also doing joint operations to target the militants' infrastructure.

On the other hand, there are challenges. Human rights groups have reported an issue of unjust killings happening during anti-terrorism operations, which might add more problems, and, at the same time, extremist groups might take advantage of the situation. The internal political situation in Bangladesh, where the pro-Islamic leaning of the ruling party, the Bangladesh Nationalist Party, and the strong performance of the hardline Jamaat-e-Islami in the recent polls, makes the issue more complicated since the political mobilisation of the Islamists tends to occur in the grey areas of being either legitimate political participation or sympathy with extremists. The prospect of political changes affecting the security partnership is a continuing source of uncertainty in India's strategic thinking.

Nepal: The Underappreciated Frontier of Transnational Islamist Expansion

Demographic Shifts and Emerging Vulnerabilities

Nepal has been an overlooked yet very important aspect of transnational Islamism in South Asia. The Muslim population of the country, which is about 4.4 per cent according to the census of 2021, mostly lives in the Terai regions close to India. This community has been living in peace with the rest of the Nepalese society, which is majorly Hindu, for a long time. Nevertheless, the last few years have brought up some alarming signs that indicate that the

transnational Islamist network is getting more interested in Nepal as a venue for its operations.

The India-Nepal border, which is 1,751 kilometres long with more than 25 official crossing points as well as many unofficial passages, creates a situation with unique weaknesses. The border between India and Nepal is not like the traditional international borders with security structures, but it essentially functions as an internal boundary for the citizens of both countries, who move freely across it based on the 1950 Treaty of Peace and Friendship. Although this openness is of significant cultural and economic value, it is also a security challenge as the transnational networks could use it for their movement, recruiting, and providing logistical support.

Evidence of Network Penetration

There have been several incidents that have confirmed the interest of the transnational Islamist network in Nepal. In 2014, Nepali law enforcement arrested people who were said to be connected to the Indian Mujahideen and using Nepal as a place to hide. Further investigations found that the Islamist groups were trying to recruit young Muslims in the Terai region of Nepal. Similarly, the arrest of a group of people in Kathmandu in 2019 who were said to be connected to the Islamic State pointed to the fact that radicalisation based on Middle Eastern conflicts had extended to Nepal.

The South Asian security perspective points out several reasons why Nepal is considered a place attractive to transnational networks. First of all, even

Islam is on the rise in Nepal.

though competent Nepalese security forces can handle law and order issues traditionally, they still lack the necessary experience and capacity in counter-terrorism intelligence. Secondly, the political situation in the country, which has been dominated by the above-mentioned issues, has led to a scenario where the government pays less attention to emerging extremist threats. Thirdly, there are parts of the Muslim population in Nepal who are generally moderate but still suffer from poor socioeconomic conditions that may lead them to adopt extremist views.

Funding Mechanisms and Ideological Influence

Gulf-related charities and the money sent home by Nepali workers in the Gulf have brought about a great increase in financial flows into Nepal's Muslim communities. Intelligence reports, while indicating that the vast bulk of these funds are used for legitimate purposes, point out that there are still some organisations that are operating as descendants of ideologies. Madrasas that are linked to the blocked Pakistani Deobandi institutions through the curriculum and funding have spread their wings, and now the young minds of the region are taught in an environment where extremist ideologies can thrive underground.

The Tablighi Jamaat, an Islamic missionary movement with South Asian origins, has a big footprint in Nepal. The organisation's official line is that it does not involve itself in politics or violent extremism, but security analysts believe that the organisation's networks are in fact the very infrastructure that

has historically been used by more radical elements for their recruitment and mobilisation. French scholar Gilles Kepel has provided cases of Tablighi networks in Europe becoming the ground for jihadist movements, which is a pattern that raises the concern of similar exploitation in the South Asian context.

India-Nepal Security Cooperation Challenges

Indian security collaboration with Nepal is facing some painful and difficult issues that have historical and political roots. Nepalese nationalism often portrays strong Indian involvement as an infringement of the country's rights and consequently puts limits on security cooperation in a diplomatic way. Besides, the development of Chinese influence in Nepal in terms of security assistance and intelligence cooperation has further complicated India's situation, making it harder for the country to remain the main actor in the setting up of Nepal's anti-terrorism measures.

Nonetheless, India, along with Nepal have created communication channels at the intelligence level that are working. Agencies that deal with intelligence share information regarding suspects and movements across the border regularly. Yet, the institutionalised frameworks are not developed to the same extent as India's arrangements with Bangladesh or even Bhutan. The bolstering of this cooperation at the same time as the ruling out of any intrusion into Nepali sovereignty is really the diplomatic challenge for India's security strategy.
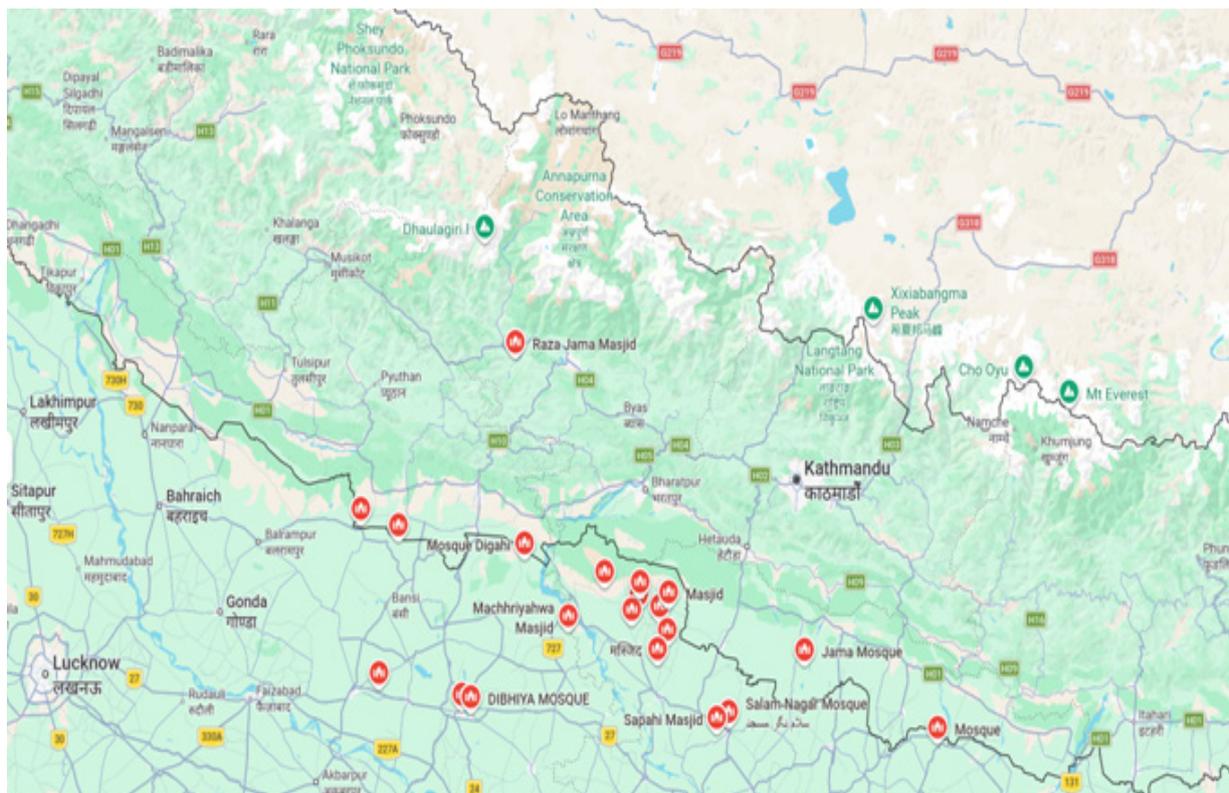
There has been a rapid rise in the number of mosques alongside the Indo-Nepal border.

Myanmar: The Rohingya Crisis and Extremist Exploitation

The Humanitarian Catastrophe and Security Implications

The Rohingya crisis is viewed as one of the worst humanitarian disasters in present-day Asia, which also has a great impact on the security of the whole region. The military operation in Myanmar's Rakhine State in 2017 forced more than 700,000 Rohingya Muslims to flee to Bangladesh, where they were accommodated in camps with other earlier refugees, a situation which brought the total number of refugees to over a million. These camps, situated mainly in Cox's Bazar district, are home to very poor and defenceless people, thus presenting the scenario that the international terrorist groups have been trying to take advantage of.

The security aspects of the crises are not one-dimensional but rather complex and interrelated. To begin with, uprooted people who are suffering a lot and are already isolated from society can easily fall prey to the extremists' propaganda that portrays their misery through the lens of the conflict. Moreover, challenges concerning the size of the camps and the humanitarian access can lead to the establishment of areas for militant recruitment, which would be outside the effective monitoring of the states. Consequently, the existence of such huge refugees near the Indian border with Bangladesh raises strategic concerns regarding the possible spillover of instability and the infiltration of militants into India.

Arakan Rohingya Salvation Army and Transnational Connections

The Arakan Rohingya Salvation Army was recognised in 2016 as a rebel group that aimed to protect the Rohingya from military persecution in Myanmar. The group that was to be called Harakah al-Yaqin initially was made up of Rohingya immigrants and the support of the Islamic communities in Saudi Arabia and Pakistan. Although the militant part of ARSA has been mostly against the Myanmar security forces in Rakhine State, the intelligence evaluations have shown that the militants have had troubling connections across borders.

The International Crisis Group's study has revealed that ARSA commanders were given military instruction in Pakistan and Bangladesh, thereby creating a link with the networks connected to the Pakistani militant groups. Mainly based in Muslim areas in Myanmar, ARSA has openly distanced itself from the likes of al-Qaeda and Islamic State and from any terrorist groups. Security and counter-terrorism analysts talk about how differentiating organisations can become complex, especially when the deported fighters turn to the already-existing militant networks for help. The organisation's social media activity aimed at propaganda and recruitment has been following the established patterns of the movements of other global Islamists.

The Arakan Rohingya Salvation Army (ARSA) has been fighting the military junta in Myanmar.

Policy Prioritisation: Comparative Risk & Exposure Matrix

Comparative Exposure Matrix: Bangladesh, Nepal, Myanmar

Criterion	Bangladesh	Nepal	Myanmar
Proximity to Indian Population Centres	**Very High – Direct adjacency to West Bengal, Assam, Tripura; dense cross-border communities**	**High – Open border with UP, Bihar, Uttarakhand; unrestricted civilian movement**	**Medium – Proximity mainly to sparsely populated Northeast**
Network Maturity	**High – Established jihadist lineages (JMB, AQIS-linked cells), tested recruitment & financing routes**	**Low–Medium – Early-stage networks, facilitative rather than operational**	**Medium – ARSA is localised but externally networked**
State Capacity (Partner Country)	**High (uneven) – Strong CT record under Awami League, but politically contingent**	**Low–Medium – Limited CT intelligence capacity, fragmented governance**	**Low – Military regime focused inward, limited cooperation bandwidth**
Likelihood of Spillover into India	**High – Repeated arrests, ideological diffusion into border states**	**Medium – Logistics, transit, document fraud risks**	**Low–Medium – Indirect via refugee flows and regional radicalisation**

Implications for Bangladesh and India

The activities of ARSA and the whole Rohingya crisis have direct and indirect security implications for India and Bangladesh, respectively. The security forces of Bangladesh have already been involved in operations against the suspected cells of ARSA in the refugee camps, and they have also arrested some individuals who were found involved in recruitment and arms trafficking. A very slow but steady radicalisation process in the camps has become a long-term security issue that would probably last till a whole generation of Rohingya youth, who would be deprived of education and economic opportunities, becomes the next to live in the refugee camps with the same condition.

The Indian government, however, sees the crisis as one bringing with it several issues. The country's intelligence agencies, for example, keep a watchful eye over the possible influx of the radicalised individuals into the northeastern states, Assam in particular, which is home to a few refugees from the Rohingya community. Besides, relations between India and Bangladesh might get worse as the latter asks for more support from India in the repatriation process and tries to cope with the security issues associated with the refugees. Finally, the approach of Myanmar towards the Rohingya problem will not just add to India's difficulties with Myanmar but also complicate the strategic alliance that the two countries have formed, which consists of security cooperation regarding the insurgent groups in India's northeast.

Regional Response Frameworks

The response by the international community to the Rohingya crisis has shown itself to be an insufficient one, with repatriation efforts being hindered by Myanmar's denial of returnees' safety and rights. Such a deadlock keeps humanitarian distress going and security vulnerabilities long-term. ASEAN and other regional organisations have been ineffective in opposing Myanmar as they are restricted by the principle of non-interference in the internal affairs of a member country.

India's strategy has been to prioritise support for Bangladesh in coping with the humanitarian burden while continuing to maintain its strategic relations with Myanmar. India has sent aid to the affected areas in Bangladesh and has also been a financier for the infrastructure development in the Rakhine state that is aimed at facilitating the return of refugees. Nevertheless, India's delicate balancing act among these two countries limits its ability to take a firm stand that could tackle issues causing extremism to feed on displaced people.

India's Diplomatic and Intelligence Response Architecture

Intelligence Cooperation Frameworks

To counteract the threats of transnational terrorism, India has set up multiple bilateral intelligence cooperation mechanisms with its neighbouring countries. The Research and Analysis Wing keeps communication lines open

with the agencies of Bangladesh, Nepal, and Myanmar, through which they are able to share information on suspected militants, planned attacks, and financial networks. The degree and effectiveness of these relationships fluctuate according to the political situation and the capacity of the partner agencies.

India's cooperation with Bangladesh has been the strongest, especially during the Awami League government. Joint operations have dismantled the militants' infrastructure, intelligence sharing has led to preemptive arrests, and border coordination has been improved, even if the continuing problems of terrain and local politics remain. The partnership has yielded security benefits regarding the removal of Indian insurgent leaders from Bangladesh and the operations against JMB networks being carried out together.

Nepal suffers from greater challenges in intelligence cooperation because of the restrictions imposed by the institutions and the politics involved. The interaction at the working level takes place, but the absence of formalised frameworks keeps the collaboration from being systematic, thus making it harder to work together. India's intelligence presence in Nepal is considerable, but it functions under the limitations imposed by the sensitivity of Nepali nationalists towards Indian influence, which is, unfortunately, the second hurdle. With the entry of Chinese intelligence cooperation in Nepal, the competitive dynamics have been created that make India's traditional security primacy more complicated.

In the case of Myanmar, intelligence cooperation has been mainly concerned with insurgents of India's northeast and not with Islamists, indicating Myanmar's domestic issues. Nonetheless, the talks are becoming more and more focused on ARSA and the threats of radicalisation in Rakhine State. The relationship remains transactional rather than strategic, constrained by Myanmar's military regime's international isolation and India's careful diplomatic positioning.

Diplomatic Engagement Strategies

India's diplomatic interaction with adjacent countries regarding counter-terrorism issues makes use of several forums and different bilateral methods. At the bilateral level, constant dialogues among National Security Advisers, foreign ministries, and security establishments tackle the issue of terrorism. Multilateral forums like the South Asian Association for Regional Cooperation, albeit limited by the India-Pakistan tensions, provide avenues for discussing coordination in counter-terrorism measures in the region, though SAARC's effectiveness has been hindered by India-Pakistan conflicts.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) stands as a different multilateral framework that does not include Pakistan but does include Myanmar, which could possibly serve as a site for better security cooperation. On the other hand, BIMSTEC's security collaboration is still much less advanced than its economic cooperation.

India's diplomatic strategy entails the principles of respect for sovereignty and non-interference while working on the creation of institutional cooperation mechanisms. This strategy is a consequence of earlier periods when perceived Indian interventionism brought about a nationalist backlash in the surrounding countries. Nonetheless, this restraint may limit effectiveness in cases where partners have no political will or capacity to deal with transnational threats effectively.

Border Management and Security Infrastructure

India has poured a lot of money into security along its borders, such as building fences, installing surveillance technology, and putting the Border Security Force on duty along its borders with Bangladesh and Myanmar. The fencing project on the Bangladesh border, though it faced difficulties, has been able to provide better security in the most vulnerable areas. The Myanmar border has not seen much infrastructure development due to difficult terrain and sensitivity over the area being developed.

Border management, above all, requires coordination between Indian and neighbouring security forces in addition to physical infrastructure. India and Bangladesh have signed border management agreements, which have set up the coordination centres and laid down the protocols for managing the illegal crossings and dealing with the security incidents. These mechanisms have been beneficial, but they need regular political backing and resource allocation to continue operating effectively.

Next-generation border security solutions are found in the use of various technologies like the installation of surveillance systems, biometric identification at the crossing points, and data analytics for the purpose of recognising suspicious patterns. The implementation of these technologies is, however, dependent on financial resources and diplomatic agreements concerning data sharing and privacy safeguards.

Counter-Radicalisation and Community Engagement

Managing transnational Islamism effectively does not only mean providing security sets but also investing into counter-radicalization programs that will fight ideologically the most. India is among the countries that have taken some steps, but their effectiveness remains a matter of debate. One of the programs targets vulnerable communities in the state of Kerala, which has witnessed its inhabitants fighting for the Islamic State, and it brings along clerics to counter-extremist readings of Islamic theology.

On the other hand, some critics are of the view that, in terms of counter-radicalisation efforts, India is still far behind in comparison with security-related measures. There are concerns that such programs may lead to a negative labelling of Muslim communities or may simply be seen as government propaganda, which is a factor that limits their effectiveness. To achieve successful counter-radicalisation strategies, the presence of real community leadership, attention to just grievances, and provision of options other than extremist ones narratives are required—this is, in fact, a challenging task in the case of politically polarised environments.

Little to no regional cooperation exists concerning counter-radicalisation. Similar to ASEAN, which shares innovations regarding V.E. interventions through developed best-practice frameworks, South Asian countries have not been cooperating in this realm at all. The creation of regional programs taking into consideration cultural contexts, yet allowing the adoption of effective methods, is definitely an important but still poorly developed aspect of the whole counter-Islamism strategy.

Quantitative Indicators

Selective Quantitative Indicators (Indicative, Official Ranges)

(All figures based on Indian MHA disclosures, open-source intelligence reporting, and regional security assessments; ranges used where official precision is unavailable.)

Arrests & Extremist-Linked Cases (India):

2014–2023: ~550–700 arrests nationwide linked to Islamist extremist modules with cross-border connections.

Border States (WB, Assam, Kerala, UP): ~60–65% of cases involved foreign ideological or logistical linkages, primarily Bangladesh-based.

Bangladesh-Specific:

Post-2016 Dhaka attack: Over 2,000 suspected militants arrested by Bangladeshi authorities (2016–2022).

India-linked investigations indicate dozens of dormant cells, not continuously

operational but ideologically aligned.

Nepal-Specific:

2014–2020: At least 30–40 documented cases of Indian Mujahideen / IS-affiliated operatives using Nepal as transit or safe haven.

Arrest numbers remain low, but detection capacity—not threat absence—is the binding constraint.

Myanmar / Rohingya Vector:

Bangladeshi authorities report 100+ arrests inside Cox's Bazar camps since 2019 for militancy, arms trafficking, or recruitment.

Indian agencies track low double-digit Rohingya-linked investigations, mostly preventive rather than post-incident.

Remittances as Financial Context (Not Attribution):

Bangladesh: ~$22–24 billion annually, Gulf-origin dominant.

Nepal: ~$8–9 billion annually, ~25–30% from Gulf states.

Security agencies stress that only a very small fraction of these flows is suspect, but the scale complicates monitoring.

Strategic Challenges and Operational Constraints

Sovereignty Sensitivities and Diplomatic Constraints

India's reactions to cross-border Islamist networks show a clash between the need for security and the consideration of the rights of the neighbouring countries. On the one hand, aggressive intelligence activities and security partnerships can create a nationalist reaction, especially in the case of Nepal, where the historical issues related to Indian influence are still very sensitive. The need to respect the sovereignty of the neighbouring countries limits India's choices in the fight against terror to some of the approaches that are available for other powers.

The challenge of sovereignty becomes even more difficult when the governments of the neighbouring countries are either not strong enough or lack the political will to combat the extremist networks residing on their soil. India has to be very careful in this regard, as any unilateral military operations in the neighbouring countries would lead to very serious diplomatic consequences, which can be seen from the reactions that have been elicited by past instances of cross-border operations. Such situations require India to influence and support the other countries rather than to dominate them, which is a slower and less certain process than direct coercion.

Domestic Political Dynamics and Muslim Community Relations

The Indian government's actions against Islamist extremism take place in a domestic political situation where Hindu

nationalist politics and the rights of the Muslim minority conflict. Perceptions of government policies aimed at Muslims may lead to the creation of grievances that extremist groups would use in their narratives. The whole process includes the difficulty of campaigning against terrorism with strong action but without securitising whole groups of people, thus requiring effective policy development and execution.

Moreover, the international community's understanding of India's treatment of its Muslim minority affects the security cooperation in the region. If neighbouring states see Indian policies as being discriminatory or oppressive to Muslims, their willingness to work together in the area of terrorism control may decrease. The balancing act of managing domestic politics while holding on to international alliances is a complicated challenge.

Resource Limitations and Institutional Capacity

Despite the extensive security structure in India, it is still the lack of resources that to a great extent limits the responses to the transnational Islamist groups. The intelligence agencies are overwhelmed with their priorities, which are spread over a wide area and include Pakistan-supported terrorism, Chinese espionage, and domestic security threats. It is, therefore, a big challenge to make the right decisions about allocating resources for the understanding and challenging of networks in Bangladesh, Nepal, and Myanmar.

The countries partnering with India already suffer from even more severe resource constraints. Bangladesh's security forces are efficient, but still, they lack access to and are unable to use the advanced counter-terrorism technologies and intelligence abilities that are available to the world's superpowers. Nepal's institutions, having very limited capability, are still developing their capacity. Besides, Myanmar's focus on internal disputes and being internationally isolated are the factors that limit the cooperation opportunities. Transnational networks will be effectively tackled only through a sustained capacity-building effort that is really expensive and requires political will.

The Afghanistan Factor and Regional Instability

The takeover of Afghanistan by the Taliban in 2021 has brought about new uncertainties in the security situation of South Asia. Even though Afghanistan is not an immediate geographical neighbour, its position as an ideological and operational hub for the Islamic movements still influences the whole region. The interactions of the Taliban with the other militant groups, among them the Pakistani ones and the al-Qaeda elements, open up a possibility for the resurgence of instability in the region.

India has to deal with a complicated neighbourhood security situation due to Afghanistan. First, the Taliban's victory might not only embolden the Islamic radicalism in the neighbouring countries but also in India as well. Second, Afghanistan, once again under the Taliban control, could provide militant groups with Pakistan's backing,

training and safe havens. Third, the humanitarian crisis and the refugee flows from Afghanistan may create areas of vulnerability where extremist networks can operate.

Recommendations: A Three-Pillar Strategic Model

A Three-Pillar Model for Countering Cross-Border Islamism

Pillar I: Regional Institutional Architecture

Objective: Move from personality-driven cooperation to durable security frameworks.

► Establish a BIMSTEC Counter-Terrorism Coordination Cell focused on Islamist networks (excluding Pakistan constraint).

► Formalise intelligence liaison protocols with Nepal comparable to India–Bangladesh mechanisms.

► Institutionalise joint threat assessments rather than ad-hoc intelligence sharing.

Pillar II: Financial & Technological Disruption

Objective: Raise the cost of transnational operations without militarisation.

► Create a South Asian Terror Finance Monitoring Platform linking FIUs with Gulf regulators.

► Joint monitoring of charitable flows, informal hawala, and crypto-adjacent remittances.

► Expand use of pattern-recognition analytics for cross-border movement, not blanket surveillance.

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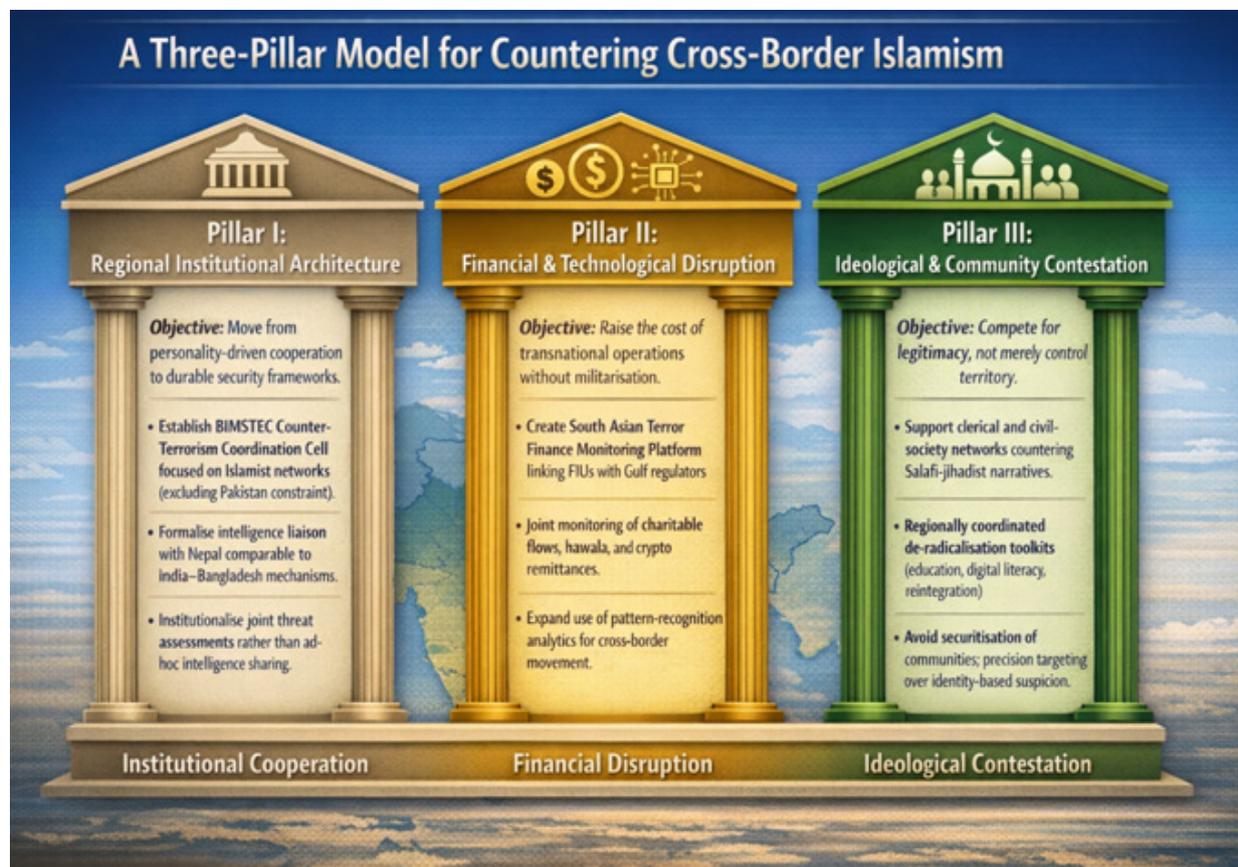- Formalise intelligence liaison with Nepal comparable to India–Bangladesh mechanisms.
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- Create South Asian Terror Finance Monitoring Platform linking FIUs with Gulf regulators
- Joint monitoring of charitable flows, hawala, and crypto remittances.
- Expand use of pattern-recognition analytics for cross-border movement.

Pillar III: Ideological & Community Contestation

Objective: Compete for legitimacy, not merely control territory.

- Support clerical and civil-society networks countering Salafi-jihadist narratives.
- Regionally coordinated de-radicalisation toolkits (education, digital literacy, reintegration)
- Avoid securitisation of communities; precision targeting over identity-based suspicion.

Institutional Cooperation   Financial Disruption   Ideological Contestation

Pillar III: Ideological & Community-Level Contestation

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► Avoid securitisation of communities; precision targeting over identity-based suspicion.

Reassessing India's Strategic Approach: Recommendations for Enhanced Engagement

Institutionalising Regional Counter-Terrorism Architecture

India ought to place top priority on the introduction of formal regional co-operation mechanisms against terrorism that would be developed beyond the bilateral arrangements. A South Asian Counter-Terrorism Coordination Centre, possibly located in BIMSTEC or within a new framework, could support the systematic sharing of intelligence, joint exercises of training, and coordinated actions against the imminent threats. The certification of such a reduction would not be reliant on the individual political relationships, and thus, trust-building would take place through the creation of sustainable cooperation structures.

In the outline of this regional setting, there would be working groups on the monitoring of the financing of terrorism, countering radicalisation, securing borders, and dealing with cyber threats as well. Meetings of ministerial level at regular intervals would serve to ensure political commitment, while coordination at the level of operations dealing with the challenges of various practical cooperation would continue. The financial and technical support directed to the development of the institutional capacity in the partner countries should always go hand in hand with the institutional development.

Enhancing Financial Intelligence Cooperation

To effectively disrupt financial networks that support transnational Islamist organisations, regional cooperation in terrorist financing has to be significantly improved. India should take the lead in establishing a South Asian Financial Intelligence Network by building up existing bilateral ties with Bangladesh and systematically extending the outreach to Nepal and other financially integrated neighbours. The new network would enable the sharing of information on dubious transactions, coordination with Gulf nations on supervising charitable organisations, and collaborative investigations into the sources of funding.

The use of technology brings with it the possibility of better financial intelligence. The joint creation of data analytics platforms, blockchain technology to track cryptocurrency flows, and financial intelligence databases could boost the region's capability tremendously to detect and break the cycle of funding for terrorists. But this type of collaboration

is dependent on trust and a guarantee of data protection and sovereignty.

Strategic Communication and Counter-Narrative Programs

Dealing with transnational Islamist ideologies calls for the establishment of sophisticated counter-narrative programs that will be able to challenge the extremist interpretations while being able to respect the Islamic traditions. It is suggested that India be a backing partner for the regional campaigns that would unite the Muslim scholars, civil society organisations, and governments with the goal of developing the authoritative counter-narratives. The programs need to be authentic in their Islamic scholarship and community leadership rather than being viewed as government propaganda.

Now, regional collaboration or cooperation should make it easy for the sharing of best practices, joint training for the religious educators, and coordinated messaging campaigns that target online radicalisation. Social media platforms are very important in the areas where the ideological contest is taking place, and this will require, on the one hand, the government monitoring of extremist content, and on the other hand, the support for the credible voices that are offering alternative narratives.

Comprehensive Border Management Strategy

Physical infrastructure is a necessity, but still not enough; comprehensive border management needs to include diplomatic agreements for information exchange, coordinated patrolling and joint investigations of cross-border crime
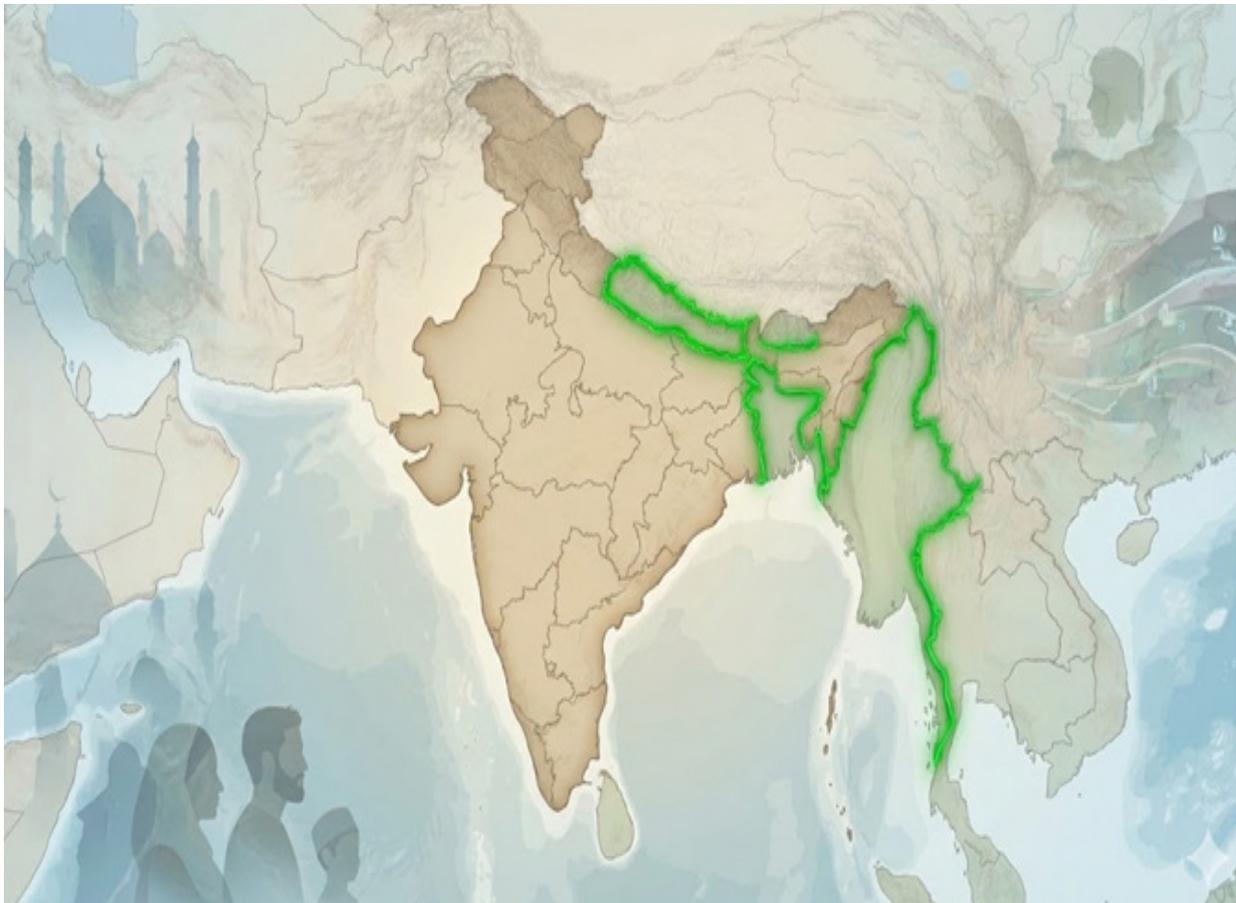
and terrorism. India should sign Border Management Cooperation Agreements with Bangladesh and Myanmar based on successful negotiations with Bhutan, but tailored to the difficulties of each border.

The focus of technology deployment should be on surveillance and analytical capabilities as opposed to physical barriers. The comprehensive management of borders through biometric identification, monitoring of cross-border movements and data analysis to detect suspicious patterns can not only improve security but also encourage legitimate trade and travel.

Multilateral Diplomacy and International Partnership

India's strategy should combine direct engagement with neighbours and multilateral diplomacy. Creating stronger ties with countries that are experiencing the same problems, like the ASEAN nations that are fighting Islamist extremism, will not only help but also allow the sharing of the best solutions. International collaboration with Western counter-terrorism agencies, especially in the areas of financial intelligence and technical capabilities, should be done at the same time as keeping India's strategic autonomy intact.

Interaction with countries from the Middle East, especially those from the Gulf, is a major diplomatic concern in the first place. These countries are not only among the major outlets for the remittances of South Asian workers, but also the primary financial sources of the Islamic institutions. The approach of diplomatic conversations that motivate these states to monitor their charity sectors so that they do not, unintentionally, aid the extremist networks is beneficial both for Indian and regional security interests.

Implications for India's Grand Strategy

Act East Policy: Instability in Myanmar and Bangladesh directly affects India's eastern connectivity corridors. Counter-terrorism is therefore not peripheral but fundamental to economic integration in the Bay of Bengal region.

Neighbourhood First Policy: The findings underline that neighbourhood engagement must move beyond aid and diplomacy to co-production of security outcomes, especially with smaller states like Nepal.

Indo-Pacific Security Thinking: Transnational Islamism represents a non-traditional security threat that interacts with maritime routes, diaspora finance, and digital ecosystems—placing it squarely within India's Indo-Pacific calculus rather than outside it.

Strategic Insight: India's regional influence will increasingly be judged not by deterrence alone, but by its ability to stabilise ideological and governance vacuums in its near abroad.

Conclusion: Toward a Comprehensive Regional Security Framework

Islamism across borders in India's neighbourhood forms a composite challenge that can only be met with multifaceted responses that not only include but also go beyond the conventional security approach. The transnational nature of today's Islamist networks, characterised by their decentralised hierarchies, highly sophisticated financing, and their exploitation of gaps in governance as well as their ideological unity despite fragmentation, among others, requires similar sophisticated and comprehensive strategies.

India's security policy should shift from merely looking at bilateral relations as threats to seeing regional security as an interlinked system. If tensions arise in Bangladesh, they can spread to Northeast India; if there are weak spots in Nepal, these can be turned into safe harbours for networks targeting several states; the refugee issue from Myanmar can cause both humanitarian and security concerns affecting the whole area. So, to tackle these issues, the regional governments need to come together and cooperate as one.

The victory throughout the process will demand constant diplomatic activity that will be respectful of the country's sovereignty while being professional and creative; political transitions will not stop intelligence sharing, rather they will be an operational strength; financial intelligence operations will target the funding networks by means of coordination at both the regional and international levels; counter-radicalization programs will have to be the ones that the communities under threat can genuinely relate to; and border management will be based on the combination of infrastructure, technology, and communication procedures.

India's transnational Islamist networks issue is a huge but not unbeatable challenge. The country already has considerable resources, good diplomatic relations, and a great concern for the world situation in this regard. The neighbouring nations, although they suffer from a lack of resources and political complications, mostly see the threats the same way as India does. Thus, if proper communication and cooperation frameworks are built on existing ones while removing the obstacles identified, it will be possible to respond regionally in a more effective manner.

Nevertheless, the policy environment is complicated and requires a very careful approach. The process of securitisation could potentially drive Muslim communities away and, thus, increase the number of people who support the extremist narratives' cause. The respect for the sovereignty of nations, as well as political matters in the neighbouring countries, means that some of the more aggressive methods cannot be employed. The division of the population into those who support and those who oppose the government makes both domestic and international responses more difficult. These limitations mean that it is necessary to adopt measures that are very strong in terms of security

but, at the same time, very careful in avoiding non-productive impacts.

The next ten years will probably witness the continued transformation of the transnational Islamist networks as the latter will be able to adapt by changing their tactics and resources to security pressures, using new technologies, and looking to events in Afghanistan, the Middle East, and the world at large for their cues. The area of India might still be very important for these networks due to its population size, its location close to war zones, and its connectivity. If the Indian government decides to work together with its neighbours in the development of effective frameworks for their mutual benefit, then not only will regional security be positively impacted, but also stability for years to come will be assured.

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