

**STRATEGY
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INDIA

GLOBAL AMBITIONS LIMITED BY REGIONAL REACH

BY

**LIEUTENANT COLONEL ADRIENNE K. FRASER DARLING
United States Marine Corps**

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GLOBAL AMBITIONS LIMITED BY REGIONAL REACH

by

LtCol Adrienne K. Fraser Darling

Col Russell Olson
Project Advisor

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U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

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ABSTRACT

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India has the political traditions, economic capabilities, resource availability and developmental potential to become a powerful partner in helping the United States achieve its national strategy goals in South Asia and in the Pacific Rim area. However, significant internal pressures currently impede India's goal to move from a developing Third World country with regional influence to a true global power. This paper looks at internal and external factors to include: foreign relations with China, Pakistan and the U.S.; military roles, defense budgets and indigenous weapons programs; social and political structures; and economic growth indicators which are limiting India's potential. The study concludes that current political instability, weak strategic planning which is not aligned with a coherent and vital defense policy, and a population more interested in solving domestic problems have failed to create the necessary environment India needs to fulfill its current ambitions. India must more clearly define its national strategy, improve regional relationships (most notably with Pakistan), come to terms with its ambiguous nuclear program which has caused significant apprehension among its neighbors, and more fully open markets to foreign investment in order to succeed. The United States is keenly interested in maintaining economic growth and political stability in South Asia and in the Pacific Rim region. India would do well to capitalize on this interest to help it achieve its goals.

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INDIA: GLOBAL AMBITIONS LIMITED BY REGIONAL REACH

India - a fascinating but complex marriage of east and west; mystic and realist; rural and sophisticate. A mosaic of diverse cultures, religions, and languages. A society unique among nations, but riddled with contradictions. The world's largest democracy, yet for decades closely aligned to the former Soviet Union. Blessed with an abundance of natural resources, yet home to millions of the world's most impoverished citizens. Proud and headstrong, demanding global recognition but almost incapable of sustaining real domestic growth. A nation of marked contrasts with great potential and great failures. Can India attain its ambition of recognition as a global power on world political and economic stages or will it continue to struggle advancing in inches vice miles? Can it serve as an equal partner to the United States in the developing South Asia sphere or will India continue to remain yet another story of unrealized potential?

This paper will examine India's current military, political and economic structures; its regional and global ambitions; its ability to achieve these ambitions; and finally whether India can contribute to the United States' national interests in South Asia and on the Indian sub-continent.

INDIAN MILITARY

Britain, a dominant presence in India for over 200 years, imposed the English language, social division, political system, as well as its military structure on this vast sub-continent. During the nineteenth and twentieth centuries, British military commanders firmly grounded in their belief of the moral superiority of British civilization used all means possible to firmly establish themselves and expand their control over the Indian Territory. Commanders systematically isolated and attacked all opposition forces, to include extremist religious groups, mercenaries hired by regional princes, guerrilla forces, and wandering groups of thieves¹. Wherever possible, they made alliances with local Indian rulers as long as the end result expanded British military control.

In an effort to establish loyalty among indigenous recruits, the British recruited and paid these soldiers themselves rather than hiring them through local Indian contractors. They insisted that Indian soldiers wear English-style uniforms to visibly distinguish them from the mercenaries of Indian princes. Wisely, British leaders stressed the importance of and insisted that the Indian soldiers receive regular pay, something that could not be counted on from other "employers". This coupled with a promotion system linked to merit and length of service and a pension system insured the loyalty of the average recruit, many of whom eventually became careerists². By stressing military discipline

and the performance of military duties, and removing the soldier from his home village, the regiment (in the true British military tradition) was soon regarded as "home" and the Indian soldier responded accordingly³.

After the destruction of local military and quasi-military opposition forces was assured, the British then used these indigenous soldiers to attack civilian rebels and raiders who continued to fight British political and military dominance of the sub-continent. Thus began the history of the current practice of engaging Indian soldiers in the non-traditional military role of maintaining internal security.

Indian Army regiments were often linguistically, socially and geographically separated from one another. Each regiment recruited and trained its own recruits. As such, standard and uniform training was impossible to achieve⁴. Indian regiments and battalions performed impressively when operating independently, but while under British rule were allowed little opportunity to train or fight in large scale, coordinated military operations. This reluctance by the British to employ Indian as an entire Army led to piecemeal involvement during World War II. Some critics say this outlook is what at times has limited large scale Indian military involvement in international coalitions and peacekeeping operations.

As might be expected, after independence in 1947, the Indian military retained the British forms and structures they

inherited, to include the British legacy that the Army is the final line of defense for internal security. (So entrenched were the British in the Indian military and so slow to promote Indian officers, that it was a British Army general officer by the name of Bucher who after independence served as the Chief of Army Staff through the first war with Pakistan. It was not until 1949 that he was replaced with an Indian general officer.⁵)

Although supreme command of the Indian Armed Forces is vested in the President of India, the responsibility for national defense policy rests with the Cabinet. In 1947 there existed a Defense Committee of the Cabinet, which was presided over by the Prime Minister and included the three service chiefs. This guaranteed that the service chiefs would have some voice in the conduct of military affairs. However, in the 1960's this body was replaced by the Cabinet Committee on Political Affairs (CCPA), which eliminated the military permanently from senior political decision making committees.

In 1986, Rajiv Gandhi created a Policy Advisory Committee made up of junior ministers from the foreign, defense and home ministries, the cabinet secretary, the head of India's external intelligence gathering agency and the director of the Institute for Defense Studies and Analyses. However, like the CCPA, the three service chiefs were again not invited to participate.

Prime Minister Vishwanath Singh tried in 1990 to establish India's first National Security Council (NSC). It was to consist

of the Prime Minister and the foreign and defense ministers and to be assisted by an advisory Strategic Core Group. This group would be headed by the cabinet secretary, and would include the service chiefs and intelligence officials. Unfortunately, Singh's government collapsed after 11 months, so the group never really got started.

Finally, in 1993 Prime Minister PV Narashimha Rao announced that a NSC would be soon established. True to Indian tradition of deliberate action, no progress had been made by the time the Rao government collapsed in May of 1996.

DEFENSE POLICY

In no other democracy are the armed forces given so little a role in policy making as in India. The Ministry of Defense is dominated by civil servants who, in an effort to ensure civilian control of the military, have severely limited the opportunities for military decision making within the Ministry. Senior defense officers repeatedly complain that the government has neither serious doctrine nor a defense policy for dealing with regional threats that is deeper than a "knee-jerk" approach to defense and security-related issues. There is much validity to this claim when you consider that former Prime Minister Rao, while leading the government, held 15 different ministerial positions simultaneously, one of which was the Minister of Defense (MOD). In essence, MOD work is done by bureaucrats who have little

actual interface with and hence limited understanding of the military, its mission, and operational and materiel requirements.

Despite three wars with Pakistan and one with China since independence, the Indian military (primarily the Army) has been predominantly used not as a tool for ensuring national security but rather one for maintaining internal security. This role is necessary largely due to the fact that insurgent ethnic groups, religious conflict and political instability rack India. Despite the fact that internal security operations are the responsibility of India's police and paramilitary forces, Army units have increasingly become more involved because they are thought of as being: better organized; more experienced; better disciplined; and more impartial than the Indian police. This is validated by the disclosure that the Army was deployed 721 times between 1982 and 1989 for internal security purposes⁶.

The Army has been reluctantly drawn repeatedly into caste and communal eruptions, acts that have compromised the Army's impartiality, risked politicization of the military, deteriorated morale and negatively impacted recruitment efforts. Currently nine army divisions are engaged in normal border defense and internal security duties in Jammu and Kashmir (J-K) and two in the Northeast, where they are not fighting insurgents in Assam, Manipur and Nagaland⁷. These domestic peacekeeping missions and low-intensity conflicts have drained the forces and stressed equipment. Senior defense officers feel that their troops should

be training to resolve potential border and territorial disputes with both China and Pakistan rather than acting as riot police.

Albeit limited in nature, India had used its military power to support foreign policy objectives. In the late 1980s, 60,000 Indian troops were involved in a failed effort at resolving a bloody civil war in Sri Lanka and in 1988 Indian paratrooper forces deployed to stop a coup in the tiny Indian Ocean archipelago state of Maldives. Additionally, India has made substantial contributions to United Nations peacekeeping missions in Cambodia, Somalia, Rwanda, Haiti, and Angola.

STRATEGIC PLANNING

Does India have a national military strategy that adequately identifies national interests whether they are regional or global in nature and identifies resources be they diplomatic, political, economic or military to protect these interests? If you critically look at current civil-military relations, the defense budget, the military modernization plan and India's nuclear program, you might conclude that it does not.

Since there is little interface between the Prime Minister and the Ministry of Defense and the service chiefs, many feel that true strategic planning wedded to a national military strategy simply does not exist in India. Analysts state that defense policy is an afterthought handled in a reactive, ad hoc manner, paid for by miscellaneous budget leftovers. Military proponents feel that internal security threats have dominated the

national consciousness, resulting in too little attention paid to aligning threat perception to defense needs. Indian military officials are concerned about China's rapidly modernizing military capability, her recent expansion into the Indian Ocean via the warming of relations with Burma, and the development of the maritime reconnaissance facility on Burma's Great Coco Island. Nonetheless, recent annual reports by the Defense and External Affairs Ministries have discarded references to China as an immediate threat. Despite encouraging bi-lateral discussions with China concerning borders and recent confidence building measures such as mutual withdrawal of troops, most military leaders caution that India should still be wary of its neighbor to the north. This is primarily due to China's nuclear capability and the perceived support China is giving Pakistan regarding development of nuclear and missile delivery programs. Most of the focus is on the Indian perception of the Pakistani "threat", which is centered around border disputes, nuclear weapons capabilities, mercenaries and Pakistan's subversive encouragement of terrorism.

DEFENSE PLANNING

During the 1980s in an effort to be seen as a regional superpower, India embarked on a determined campaign to acquire conventional weapons, again without an appropriate link to defense missions and military technological needs. Between 1983 and 1987, mainly as a reaction to U.S. military aid to Pakistan,

India increased its defense budget by 50 percent⁸. According to the United Nations Human Development Report, during the period from 1987 to 1992 India was the largest importer of conventional weapons in the world.⁹ With the collapse of the Soviet Union, which had supplied most of India's weapons charging nominal prices accepting payment by barter or in rupees on easy terms, India looked to other suppliers.

However, since 1992 defense spending has been stagnant or losing ground with any increases negated by the rise in inflation. The 1998 budget offers little hope for improvement. Finance Minister P. Chidambaram's budget results in a \$10 million drop in capital defense expenditures from 1997. Government defense expenditure has fallen from an all time high of 10.3 percent in 1988 to a current low of less than 2.44 percent of GDP.¹⁰ These funds are not enough to ensure India's military self-reliance, particularly in high technology areas. As a result, modernization and acquisitions have been drastically cut since these are some of the few areas where expenses can be controlled.

Acquisition plans for an advanced jet trainer, mobile artillery and a wide range of electronic sensors have been put on hold. All three services are suffering from a shortage of cash and spare parts. Reports abound that maintenance is being critically neglected; training has been greatly curtailed; and war reserves are down to minimum acceptable levels. Some

equipment shortages are so acute that senior MOD officials warn repeatedly that Indian defense would be vulnerable in a crisis.

INDIGENOUS WEAPONS

The collapse of the USSR had a major impact on India's weapon policy. For nearly two decades, the USSR had been the major source of advanced and affordable conventional military technology. Without the USSR, India found itself exposed and vulnerable.

As India's Soviet weaponry ages, India is hard pressed to obtain replacement parts from the over 3500 suppliers scattered around the former Soviet states.¹¹ This together with problematic indigenous weapons programs and defense spending cuts, has jeopardized India's reputation of military supremacy in South Asia.

Attempts by India to ensure military self-reliance and self-sufficiency by supporting its indigenous arms industry have proven to be overly exuberant and faltering. The Arjun Main Battle Tank was in development for over 20 years before the first pre-production prototype was produced. The Indian Defense Research and Development Organization (DRDO), conceded that the quality of the idler wheels, bogie wheels, track links, nuts, bolts and rubber seals used in the 20 to 30 Arjun "models" actually constructed was extremely poor. An Austrian firm was finally hired to act as a project consultant because DRDO

personnel and their Indian contractors were unable to make a breakthrough alone¹².

The Indian developed INSAS 5.56 mm range rifle was so seriously behind production and delivery schedules that MOD had to import over 100,000 AK-47 assault rifles from former Eastern bloc countries to meet the Army's immediate needs¹³. Having spent more than \$510 million to produce two prototypes of the Light Combat Aircraft (LCA), the government finally conceded that it could not produce the fighter aircraft without foreign help.

The Integrated Guided Missile Development Program (IGMDP), responsible for the introduction of the Prithvi and Agni long range ballistic missile systems, was launched almost fifteen years ago. Despite optimistic reports, the rockets are not entirely self-sufficient with five to ten percent of their components imported.¹⁴ The program is still plagued with some accuracy and range problems. Production timeline failures continue. Even with major input from Germany, the indigenous Advanced Light Helicopter (ALH) is years behind schedule.

It seems only projects with lower technical requirements and lower profiles have done better, such as the Pinaka Multiple Barrel Rocket Launcher and GPS receivers. It is apparent that India could not only develop but also failed to transfer the technology necessary to successfully produce high technology weapons systems.

NUCLEAR PROGRAM

Obtaining weapons of mass destruction fills the vacuums left by the USSR and the limitations of the India's indigenous weapons production. Nuclear weapons also slow the race to achieve regional superiority through the stock piling of massive amounts of conventional weapons. Additionally, since the fall of the USSR, the value of being (as India saw itself) the leader of the non-aligned Third World has diminished considerable.

Knowing that China has nuclear weapons and feeling that both Pakistan and Iraq and possibly Iran have some level of nuclear capability has made India even more determined to keep developing that technology. However, to avoid international censure, India remains as ambiguous as possible about the extent of its advancement. This very ambiguity is what has caused Pakistan to continue nuclear development and has added significantly to the instability of the region.

Recently, however, there has been progress between India and Pakistan on this issue. Both have agreed not to target specific locations - a major breakthrough. Neither India nor Pakistan could afford the political risks associated with actually employing nuclear weapons, but take comfort in the view that deterrence is based on the knowledge that each possesses the capability.

ECONOMIC

For years, India has been fighting for recognition as the undisputed leader of the South Asian subcontinent and the Indian Ocean region. India desires to be recognized as a great power and strategic competitor with China. This begs the question of whether or not India has the "right stuff" to take what New Delhi sees as its rightful place in the sun. Being a global power and having global power potential are not one and the same.

India is a nation with: a population of between 936 to 950 million people of which about 328 million earn less than \$25.00 per month; 500 major and minor political parties representing multiple diverse groups and issues; and over 1,600 languages and dialects of which 21 are classified as "official" regional languages. Almost half the adults are illiterate¹⁵. These factors alone would on any given day make India a challenge to govern. Now add religious, ethnic and political violence; rioting and acts of terror; an almost intractable caste system which inflicts a divisive and destructive impact on Indian society; a growing economy that is quickly widening the gap between the upper, middle and lower classes; and pervasive information technology that is constantly proclaiming the good life which is beyond the reach of the majority. You now have today's modern India.

Recent economic reform has successfully pushed India out of 45 years of economic stagnation. For decades, India had an

almost closed economy. Its currency was inconvertible; tariffs were as high as 300 percent; the government had monopolies over electric power, telecommunications and aviation; and by law only 34 percent of a corporation could be in the hands of foreign ownership¹⁶.

Fortunately for India's economic growth, between 1991 and 1995 the government under Prime Minister Rao abolished many of these stifling regulations and much of the red tape. Foreign investments poured in and economic progress was almost immediate, with growth rates since 1994 of almost 7 percent per year¹⁷. India now has a growing middle class of well over 100 million people. It has diversified its industrial base with large-scale production of coal, steel, cement, chemicals, heavy machinery and textiles. Additionally, its highly trained and educated workforce has attracted foreign investment and has made it one of the world's largest exporters of computer software. Economic growth is now in the heart of national politics and policies.

GOVERNMENT

Having dominated domestic politics for virtually the entire second half of this century, the Congress Party was defeated in April 1996 following a no confidence vote. However, no one political party obtained a sufficient majority to lead the new government. The BJP (Hindu Nationalist Party) having won the largest number of seats was asked to lead a coalition government, thus ousting Prime Minister Rao. This shaky alliance, led by

Prime Minister Atal Bihari Vajpayee collapsed after only two weeks in power. Vajpayee resigned rather than face a vote of confidence in Parliament, which he was sure to lose. In June, a fragile coalition of 13 regional, centrist and communist political parties, known as the United Front led by Prime Minister HD Deve Gowda, replaced the BJP. However, in April 1997 the Congress Party withdrew its support for Gowda's government forcing the third change in government in less than a year. On 21 April, Inder Kumar Gujral was sworn in as Prime Minister with supporters hoping that his United Front coalition could stabilize India's shaky political scene. However, Gujral's coalition faltered last November. The results of a February-March 1998 election produced a multi-party coalition led by the BJP with Atal Bihari Vajpayee again being named Prime Minister.

Despite the fact that the BJP has grown rapidly in the past decade and that in the recent election the BJP won the largest bloc in the Parliament, it does not have a clear majority. The BJP is still not strong enough to win power on its own, depending heavily on coalition support to remain in control. Many moderates fear violent reactions to the BJP's nationalist platform. The BJP is still seen by many as an extremist Hindu nationalist organization, basically anti-secular in nature, that will neglect minority rights and foster communal violence. The BJP leadership is making every effort to appear more moderate and conciliatory towards Muslim leaders, pledging to obtain national

consensus on major issues and offering alliances with smaller political fractions in order to maintain control of the government. Prime Minister Vajpayee's government won its first vote of confidence in late March, but it is still too early to access its long term viability.

REGIONAL POWER

Despite India's desire to achieve military and political predominance in South Asia, there are many factors both internal and external which threaten this role. No country can peacefully exist without first establishing and encouraging continued cooperation with neighboring nations. To be seen as a real regional power, India must build bridges of understanding, confidence and trust with its neighbors, as well as other world powers. For India to be taken seriously as a regional leader, it must come to terms with Pakistan, China and additionally strengthen its relationship with the United States.

First, India's current rocky relationship with Pakistan is thwarting its ambitions. The Kashmir issue feeds some of the most contentious issues between Islamabad and New Delhi. These include the nuclear capability and delivery systems build up and conventional arms race; perceptions of hostile troop movements as each side attempts to secure their respective claims; and accusations that Pakistan is exporting terrorism in the form of weapons and mercenaries to destabilize the region.

Does the actual threat Pakistan poses to India's national security justify an extended arms race with nuclear capability serving as the ultimate deterrent? Pakistan has indicated a willingness to participate in non-proliferation measures as long as India does also. New Delhi, however, has steadfastly refused to sign the Non-Proliferation Treaty (NPT) or the Comprehensive Test Ban Treaty (CTBT). Some feel India's uncompromising position on the nuclear issue has more to do with its desire to be seen as a great power and strategic competitor with China vice the reality of Pakistan's nuclear threat.

Over the past several years India and Pakistan have attempted bi-lateral talks on Jammu and Kashmir. However, years of suspicion and ill-will have clouded any real progress. India must accept Pakistan's attempts at reconciliation as being made in good faith and match Pakistan step for step. Only then will India be seen as honestly attempting to achieve regional stability and only then can India assume a leadership role.

Although recently there have been a series of confidence building measures taken in the northeastern border between China and India, such as pulling back troops, agreements on the line of control and a proposal to trade disputed territories, India is still wary of China. New Delhi views China's nuclear weapons capability as a threat and uses it to support its argument not to limit its own nuclear options. Additionally, India sees any Chinese support to Pakistan as a maneuver which will isolate

India and leave it at great risk. If India's attempts at a military build up are to protect itself against Pakistan and keep pace with Chinese modernization, India will never be viewed as honestly interested only in peaceful coexistence with its South Asian neighbors.

It is evident that New Delhi views nuclear weapons as a symbol of international power and prestige. As long as that holds true, India will not disavow its nuclear program. India's failure to come to terms both globally and regionally with the nuclear question have established its reputation internationally as a potentially destabilizing factor in the region and will deny India the regional leadership it so desperately covets. True peace cannot be obtained by extending one hand in friendship yet holding a loaded gun in the other.

LIMITING INTERNAL ISSUES

India's current internal environment is too unstable to provide the necessary domestic support India needs to succeed in obtaining its global ambitions. To expand globally, India needs a larger more outward looking middle class. Although growing, it is still too small and fractionalized to endorse a government more interested in foreign affairs than in increasing prosperity at home. Despite a growing economy, a December 1995 Gallup poll showing that 37 percent of Indians stated that their standard of living remained the same while 25 percent said that their condition had actually declined¹⁸.

The majority of the Indian population is struggling and wants government revenues spent on social programs in which they, the poor, benefit, vice expanding the military and spending millions on modernizing and acquiring more weapons systems. Many are not happy with the government's inability to develop a safety net for the unemployed and the millions of poor who reside in rural areas, as well as in the inner cities or of the disparities of income between the eastern and western states¹⁹. Economic, industrial and technological backwardness, as well as environmental deterioration, continued population growth and increased awareness of social inequities all challenge India's internal security.

As seen by the amount of waste found in the latest attempts to field their own weapons, the Indians have a long way to go before they can successfully harness the available technology at an acceptable cost to the public. The fragility of the current coalition governments further supports the feeling that there will be no major military expansion in the near future.

True, India has some ambitious military programs such as the recent purchase by the Indian Navy of a new fast attack patrol boat and last year's launch of a stealth combat aircraft program, but major program expenditures are not realistic in terms of available funding and popular support.

India has all too infrequently used its military as a diplomatic tool to show global reach. Indian military

involvement has been limited to support of UN peacekeeping missions. During the Gulf War, India only gave the U.S. very late and minor support by allowing U.S. military aircraft to refuel within Indian borders. However, as soon as this authorization became public knowledge, the government backed away and rescinded permission.

As discussed earlier, Indian society is more comfortable using its military as militia and in border protection roles. India may have global ambitions, but as of yet it has not demonstrated the global reach, regional impartiality and internal stability necessary to command respect and lead on the world stage.

This leads to how India views the United States. After independence, India preferred to be considered a non-aligned nation, open to all options. This included assistance from the USSR. In the 1970's, keen to counter growing communist expansion, the U.S. viewed India's relationship with the USSR as anti-American so the U.S. wooed Pakistan. Fear of being left behind caused India to rush to the USSR requesting that the USSR match the aid the U.S. was granting Pakistan. This "dance" only served to reinforce existing suspicions between the U.S. and India.

Years of assuming that the United States was supporting Pakistan economically and militarily for the sole purpose of undercutting India, resulted in U.S.-Indian relations marked more by coolness rather than warmth. It is fair to say that India's

economic development would be further along today, if India had received U.S. technical, developmental, and financial support earlier. Now that the USSR has fallen, both the U.S. and India would do well to reevaluate their respective positions and see how they can now work together to achieve mutual goals.

CONCLUSION

India is a land of infinite possibility, and U.S. policy makers want Americans to share in those opportunities. A growing economy and burgeoning middle class make India a potentially very lucrative market for American investment interests. As the pattern for future global economic growth points increasingly to the southern Pacific and with China's future intentions still not clear, it would be in America's best interests to have India, the world's largest democracy, as a partner in the region. In an attempt to open serious dialogue with India, the U.S. has recently attempted to decoupled the relationship in terms of providing economic and military support from India's nuclear program. Additionally, Washington is trying to establish a connection with India that is not directly tied to its friendship with Islamabad. Having a relationship with either Pakistan or India should not be a mutually exclusive proposition. Both countries can be solid U.S. allies and help facilitate achievement of U.S. aims in this region. To assure their mutual cooperation, the U.S. must make every attempt to not appear partial to either nation.

While America is warming to the idea of improved relations, India is still cagey. This is evidenced by the recent cancellation of the military Defense Policy Group talks (due to a perceived slight in protocol) scheduled in Washington, D.C. for November 1997. (On a positive note, Joint Technical Group talks did take place in late January 1998 in Washington D.C.)

The basic fact is that true leaders lead. A leader sees an opportunity and takes advantage of it. Unfortunately, India has not yet reached that level of international political awareness focusing rather on imaginary woes vice concrete action. Despite these delays and seemingly endless posturing on the part of India, the Clinton administration is pushing ahead with its desire to build a new and closer relationship with India. State Department officials are now attempting to arrange a presidential visit and round of talks during the summer of 1998 in New Delhi.

Although India is receiving more attention on the world stage, much to India's frustration it is still not considered a major player by other world powers. With the current state of internal affairs in India, India needs more time to strengthen its economy, improve regional relationships and better define its national strategy before it can realize its global ambitions. India definitely has the potential to succeed but whether it will be at the "Hindu" rate of progress or one more adapted to a world traveling at light speed into the next millennium remains to be seen.

In this case, however, time is not critical. Economic growth and democratic stability are the primary U.S. concerns in South Asia and the Pacific Rim region. Most countries have embraced democracy in some form or other and despite recent fiscal setbacks, have adopted open markets and capitalism. China, however, remains the unanswered question. What exactly are her ambitions?

The current market reforms directed by Beijing have led to little political liberalization. As the financial and real estate markets in Hong Kong turn downwards, dissension may become more vocal. Political and economic leaders are closely watching Chinese moves in Hong Kong for some indication of whether newer tolerance levels or repression will emerge. Militarily, China does not yet pose a significant threat to U.S. interests, but remains an enigma that bears close watching.

As a counterbalance, the United States needs to bolster every existing democratic state and nurture every emerging democratic inclination with all available resources. India as South Asia's largest and most stable democracy could be a significant contributor since U.S. future interests in this area are closely tied to India's success as a regional stabilizer and as a democratic economic and military partner. India has the potential to develop into a force that could command world attention. A force the U.S. would be better served to call "friend" vice "foe". The U.S. must invest its resources wisely

and patiently in India today to have the ability to influence and shape tomorrow.

Word count: 5,169

ENDNOTES

- ¹ Stephen P. Rosen, Societies and Military Power: India and its Armies ((New York: Cornell University Press, 1996), 188.
- ² Ibid., 176.
- ³ Ibid., 179.
- ⁴ Ibid., 196.
- ⁵ Ibid., 198.
- ⁶ Ibid., 263.
- ⁷ Shekhar Gupta, India Redefines its Role (London: Oxford University Press, 1995), 35.
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- ⁹ Ibid.
- ¹⁰ Gupta, 38.
- ¹¹ Damon Bristow, India's New Armament Strategy: A Return to Self-Sufficiency? (London: Royal United Services Institute for Defense Studies, 1995), 30.
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- ¹³ Ibid., 117.
- ¹⁴ Bristow, 40.
- ¹⁵ "Survey: India's Economy," The Economist (February 22-28 1997): 64.
- ¹⁶ Jeffrey E. Garten, The Big Ten: The Big Emerging Markets and How They Will Change Our Lives. New York: St. Martin's Press, 1996), 7.
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- ¹⁸ Rathnam Indurthy. "Can Political Instability Be Eliminated in India?" USA TODAY, September 1997, 36.
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