

USAWC STRATEGY RESEARCH PROJECT

INDIA, AN EMERGING PLAYER IN THE NEW ORDER?

by

LIEUTENANT COLONEL PETER R. BAKER
United States Army

COL George Teague
Project Advisor

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

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ABSTRACT

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If India has the desire to become a leader among nations, does it possess the capabilities to assume a key leadership role in the new world order? The purpose of this paper is to examine India's current abilities and its potential. The first test is a comparison of India against a body of states that are recognized as world leaders – the permanent members of the United Nations Security Council. The examination continues with an assessment of India's strength through an analysis of its diplomatic clout, information dominance, military might and its economic vigor. This paper also reviews the United States relationship with India and concludes with recommendations for both the United States and for India.

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INDIA, AN EMERGING PLAYER IN THE NEW ORDER?

“India is modern state but an ancient civilization.”

— Stephen Philip Cohen

“... India [has the] potential to become one of the great democratic powers of the twenty-first century ...”

— President George W. Bush

As India emerges from the shadows of the Cold War can its leaders re-define India as a principal participant in the new world order, or will they lose this opportunity as they are distracted by border disputes, internal religious strife and ethnic tensions? India, with over one billion citizens, is the largest democracy in the world and in history, but its ability to influence world politics is much like a wave, cresting and subsiding as other states progress ahead of it. India's neighbor and fellow Asian giant, China, has been aggressively developing its economy, modernizing its military and looking outward. Can India counter China's growing influence and transpire as a new player in the world's political arena? The purpose of this paper is to answer these questions and whether India is truly emerging as a state with an ability to project its influence beyond the boundaries of neighbors. The instruments to measure whether India possesses the necessary means of power in sufficient capacity to yield its influence beyond its immediate neighbors are based on the four elements of national power – diplomacy, information, military, and economic (DIME).

A state's power is derived from a combination of all four of these elements; it cannot achieve global influence in today's complex world if it only develops one facet of power. If this was possible, then Luxembourg with a gross domestic product (GDP) per capita of \$47,725, Norway with a GDP per capita of \$39,103, and Switzerland with a GDP per capita of \$36,152 would be much more influential countries than they are. For an appreciation of these values, the US GDP per capita is \$36,184, and while its GDP is comparable to these three countries, it is the world's only superpower.¹ The GDP per capita is important to assess the vitality of the state's ability to engage in international relations, but there are other key factors that are also essential in determining whether a state has the means to be influential. Therefore, a premise of this paper is that for a state to have worldly influence it must have a balance among its four elements of power. These factors are discussed in detail to provide insight into India's ability to rise in international status.

While it is easy to measure a nation's economic health and even to make sound predictions on its future growth or decline, it is much more difficult to measure a nation's diplomatic clout and its informational dominance. However, one common dominator to these two elements of power is education, and a state must have an established educated class to support these sources of power. While it is difficult to measure and ascertain the effectiveness of these variables, nonetheless these two inimitable elements of a nation's power are important because they greatly shape how other states perceive them and interact with them. If economics and military status are the muscle of international politics, then diplomacy and informational skills are the tendons of international relations. When all four are properly developed and used in harmony, a state can reach its highest level of influence in global affairs.

Is India properly developing its elements of power, and can it achieve a higher global status? To determine this India is compared to the five nations that sit permanently on the United Nations Security Council: China, Russia, the United States, France and the United Kingdom. While some of these states' international power has eroded, they all are still recognized to have a voice in international matters. The purpose of this comparison is to provide a relative value of India's current international status. Numerous factors can measure a state's level of importance in the world order, but the one variable that is always in this equation is the state's economic condition. This critical factor strongly influences the other aspects of a state's power. For example, a strong economy can permit the establishment of a large, well-equipped military, or permit technological advancements that enhance informational power. This comparison goes beyond just an economic analysis and accounts for other factors that can influence the state's status and its potential. Population size, age and literacy rate will either complement the state's power or detract from it. Assessments of India's other elements of power are discussed as well as the relationships between India and United States. This examination will conclude with a summary of what India must do to increase its world prestige and suggestions for the United States regarding its relationship with India.

While there are many indicators of a state's economic health (CIA's World Factbook lists 40 statistics) and numerous sources, the chart below depicts seven variables that reflect the current status of the selected countries' economies. Listing all possible statistics would have made an analysis more complex with minimal benefit. The selected factors allow for a comparative analysis and are the basis for the recommendations that India must adopt to grow its influence beyond its regional borders.

COMPARISON OF INDIA TO THE PERMANENT MEMBERS OF THE UN SECURITY COUNCIL ²

	<u>Population</u>	<u>Median Age (years)</u>	<u>Literacy Rate Percent</u>	<u>Industrial Production Growth 2002 Rate Percent</u>	<u>Electricity Consumption (billion kWh)</u>	<u>GDP 2002 Growth Rate Percent</u>	<u>Military Expenditures Percentage of 2002 GDP</u>
China	1,286,975,468	31.5	86.0	12.6	1,312	8.0	4.3
Russia	144,526,278	37.6	99.6	3.7	773	4.3	4.8
U.S.	290,342,554	35.8	97.0	- 0.4	3,602	2.4	3.2
France	60,180,529	8.3	99.0	- 0.3	415	1.2	2.6
UK	60,094,648	38.4	99.0	- 3.4	346	1.8	2.3
India	1,049,700,118	24.1	59.5	6.0	497	4.3	2.4

TABLE 1

POPULATION

There is strength in sheer numbers and that is one reason why the international community has always respected China. Comparing India's population to the states in Table 1, it dwarfs all others except for its Asian neighbor. The populations of France and the UK are extremely small by comparison - only about six percent the size of India. While Russia's population is twice the size of these European countries, it is still only 14 percent of India's population. In fact, the combined population of these three states and the United States is only 53 percent of India's population.

As a democratic nation, the citizens of India enjoy freedom of travel and many have immigrated. These expatriates are goodwill ambassadors that assist with the bonding of their homeland to their adopted lands. University students also have greatly assisted with the maturing of international relationships, especially between the United States and India. The U.S. Ambassador, Mr. Blackwill, highlighted both these key segments of the Indian population in an address to the Indian Chamber of Commerce in 2002, stating:

The Indian-American community in the United States has doubled in the past ten years, and is now about two million strong. India recently passed China to become the second largest country for legal migration to the United States, only behind our next-door neighbor Mexico. Each year more than 18,000 Indian students are issued visas to pursue their education in the United States, and there are 22% more Indians studying in the U.S. this year than last. With the total

number of Indian students now more than 66,000, this country has become the number one source of foreign students for American colleges and universities.³

The numbers of Indian immigrants and students in the United States is staggering. This certainly is a contributing factor with the emergence of the mutual interests of the two states. This is very evident in the software industry that exploded in India and is still growing. The president of the National Association of Software and Service Companies, Kiran Karnik, said,

"Despite slow economic growth in key markets and emerging concerns against outsourcing from India, the Indian software and services industry has sustained its growth trend and continues to post a strong double digit growth. The U.S. continued to be a preferred destination, despite IT slowdown in that market. North America accounted for 69 per cent of Indian software and service exports. This may be good news as Indian companies have developed the ability to tap the U.S. market." ⁴

It is reasonable to suspect the expansion of the software industry is also sparking the continued economic growth in India.

However, a large population is a two-edged sword. It can be the source of great national wealth, but it can also be a heavy burden to the national treasury to support the poor with basic necessities. India's poverty has fallen from 54.9 percent in 1973 to 26.1 percent for 1999.⁵ This decrease in poverty is reflective of a growing middle class. During the mid 1980s, the middle class was less than 10 percent of the population and has since doubled.⁶ This is a vast improvement but there is still a populace the size of the United States that is living in poverty in India. As its economy continues to grow India must close the great gap between the classes – it must provide more education to the poor in rural areas or its quest to global influence could be sidelined by class conflicts.

MEDIAN AGE

India's youth provide the longevity and opportunity for the state to attain global influence. In comparison to the countries listed in Table 1, the Indian population ranges from 7 to 14 years younger, thus providing a large work force that can potentially make a significant contribution to the accumulation of states wealth. Manjeet Kripalani best captured this potential when she wrote,

Some 47% of India's current 1 billion population is under the age of 20, and teenagers among them number about 160 million. Already, they wield \$2.8 billion worth of discretionary income, and their families spend an additional \$3.7 billion on them every year. By 2015, Indians under 20 will make up 55% of the population--and wield proportionately higher spending power. As this group, with

its more materialist, more globally informed opinions, comes into its own, sociologists predict India will gradually abandon the austere ways and restricted markets that have kept it an economic backwater. These youth will demand a more cosmopolitan society that is a full-fledged member of the global economy.⁷

As long as India can continue to expand its economy and produce more jobs, it will avoid rising unemployment as the young Indians mature. Conversely, the challenge to India's competitors in Table 1 is the aging of their work forces. These states will see a decrease in their countries' treasuries with the increase of retirement and medical expenses as their older workers retire. As this occurs, India's younger population should serve to enhance its economic standing in the world.

LITERACY RATE

Literacy rate is the total population 15 years and older that can read and write, and this is a critical factor in determining the strength of a state's power and its potential. This statistic indicates how well the state's populace can support the economic platform that the state uses to support other elements of power. An educated population allows the state to expand and diversify its economy, thereby increasing its international status.

The severest challenge India must overcome to continue its economic growth is to improve its literacy rate. While it has improved dramatically since 1947, when over 88 percent of the population was illiterate, the current rate, 60 percent, is still extremely low. India's literacy is significantly lower than that of the states listed in Table 1. China has the lowest literacy rate of the five, but at 86 percent it is still well above India's rate.

Contributing to the low rate of literacy is the lack of access to education, which is reinforced by India's tradition of dividing its population into several social groups known as castes. For centuries, the lower castes have been considered inferior people and kept at a distance from the rest of society. This segment of the population, estimated to be as much as 20 percent, are demanding equality, and the rigor of the traditional caste system is giving way to the changing economic landscape. J.S. Murthy described this evolution when he wrote,

The growing economic success of some in India has created a chasm separating the rich from the poor, who make up about 56 percent of the population. Economists describe "two Indias"--one rich and one poor. India's caste system can no longer fully contain the socioeconomic change that the country is undergoing. Different religions, occupations, and levels of education are no longer correlated with caste. A high-caste person cannot be born a chief executive, for example, but must work to become one. A person of low caste may now get a good education and become an executive, a college professor, or even a government leader. Indians who belong to the lower castes that were once

considered "untouchable" now choose to call themselves by the name *Dalit*, meaning "oppressed," and signaling that they are actively resisting injustice.⁸

For India to continue its development it must increase its literacy rate to meet the demands of this increasingly technical and complex world. India must have an educated population that has the ability to actively participate in its economic growth or risk rising tension between the classes and the slowing of its economic growth.

INDUSTRIAL PRODUCTION GROWTH

This value measures the annual percentage increase in industrial production to include manufacturing, mining, and construction enterprises. At six percent in 2002, this statistic reflects that India is building more infrastructure, creating more jobs and generating more wealth. As a democratic nation, this also indicates there are more opportunities for the populace and a chance for better distribution of this inflow of wealth. This allows citizens at the lower levels of the economic ladder to climb up to the middle class rungs.

In comparison to the states listed in Table 1, India is demonstrating a greater potential for prosperity. Three of the five most influential members of the UN, the United States, France and the United Kingdom, had a negative production growth rate in 2002 (-0.4, -0.3 and -3.4, respectively), and these are the three most developed countries. This equates to loss of jobs and a downturn of their economy. Even though China outperformed India, India's impressive growth rate of six percent ranked 43rd out of 164 countries listed in the *CIA World Fact Book*. This rate demonstrates India's relative growth and its potential to employ more people. However, as mentioned earlier, this work force must possess the technical skills that India's new economy demands.

ELECTRICITY CONSUMPTION

The United States consumes the most electricity in the world (3,602 kWh) with China a distance second (1,312 kWh). India is the fourth largest consumer of electricity in the world (497 kWh) but this is a low rate when compared to the size of its population. While India's population is 82 percent of China's population, it consumes 62 percent less electricity than China. This is not due to efficient use of power but rather to inferior and very limited power grids.

As reported by the US Energy Information Administration office, "As of 1995, almost 90 percent of the country was electrified, although much of the country continues to experience power disruptions."⁹ India's expansion of its industrial base has increased the demand for electricity, but its inability to produce enough electricity has resulted in commonly accepted

'brownouts' and 'blackouts'. These power interruptions may be part of the daily life of Indians, but this shortage of electricity may impede India's economic growth.

GDP GROWTH RATE

This is a very encouraging and an emerging trend indicative of India's development. Its GDP growth rate of 4.3 percent is two to three times that of the United States (2.4 percent), France (1.2 percent) and United Kingdom (1.8 percent). This growth rate has been steady for the last few years and is predicted to continue to rise. Stephen Cohen wrote, "Over the past five years, growth has hovered around 5 to 6 percent. In 1999, the Indian economy had among the world's fastest growth rates (6 percent). Indians talk confidently of reaching 7 to 8 percent." ¹⁰ The *CIA World Factbook* lists India as 64th of 213 entries for its GDP growth rate and its potential, and if it can sustain this growth rate India will quickly climb up the list. Compared with the permanent members of the UN Security Council, India's rate is equal to Russia's, and only China is out producing India.

MILITARY EXPENDITURES PERCENTAGE

In comparison with the five other states listed in Table 1, India's fiscal commitment to its military, 2.4 percent, exceeds only that of the United Kingdom, 2.3 percent. India's current force is more than adequate to counter Pakistan's threats but it is not capable of countering China's massive military strength. For India to enhance its prestige in Asia and to become a viable counter to China it must increase its military expenditures. Cohen noted that although there was "... a recent 17 percent increase in defense spending it will still have a limited impact on India's power-projections capabilities..." ¹¹ If India can become a more viable regional military power its significance to democratic nations will be greatly amplified.

SUMMARY OF STATISTICAL ANALYSIS

This comparative examination is not intended to be comprehensive, but rather to allow an appreciation of some of the advantages and challenges that face India. The intent of the comparison is to provide a relative value as evaluated against the countries that compose the core of the UN Security Council. These states were chosen because arguably they represent the most influential states in today's world, and there is value in understanding how India's attributes measure against these states. The summary of the data presented above shows much promise and potential for India, but it also suggests that it must raise the literacy rate, increase production growth and apply more capital to its military to attain capabilities comparable to those of the Permanent Five.

Assessment of India's ability to become a global power is not confined to just a comparison of the aforementioned variables, but continues with an evaluation of India's four elements of power – diplomacy, information, military and economic might.

ASSESSMENT OF INDIA'S DIPLOMATIC CLOUT.

India is a very old society. It can trace its roots back over 2,000 years, and this has provided many opportunities for Indians to practice and perfect their statecraft. Cohen noted that India's political landscape is an, "... incomparably dense web of political parties, associations and local governments, all of which make India the world's largest 'producer' of politicians, elections and democratic political activities. It produces more in this regard than the rest of the world combined."¹²

This politicized society has been the basis for India's wane and wax relationship with the West since India's independence. After decades of India's non-aligned status during the Cold War and its inclination toward the Soviet Union, there has been a recent thaw in the relationship between India and the United States. The authors of the *New Priorities in South Asia* aptly noted that the politicians and the diplomats in 1988 would have been astonished when Atal Bihari Vajpayee, India's Prime Minister, "... called India and the United States 'natural allies'". Five years later, Vajpayee's comments no longer seem like diplomatic hyperbole."¹³

This thawing of relationships may also be increasing the chance of settling decades old border disputes with India's neighbors. David Rhode, of the *New York Times*, reports, "...a potential breakthrough in India's 56-year border dispute with Pakistan comes six months after Vajpayee's diplomats made headway in resolving a 45-year border dispute with China."¹⁴ This is an opportune time for India to seize the initiative and explore the feasibility of going beyond the bi-lateral talks that have failed in the past. India should consider empowering the United States as a third party to negotiate a peaceful resolution to the Kashmir conflict. This would leverage the current goodwill relationship between the United States and Pakistan and add to India's stature in Asia.

With these examples, it is evident that as India's political leaders mature they are finding diplomatic means to settle issues, and this greatly assists with propelling India to becoming a stronger power and perhaps creating a bi-polar Asia. Diplomacy is a strength of India that will greatly assist it as it climbs the international social order ladder.

ASSESSMENT OF INDIA'S INFORMATION DOMINANCE.

Information is becoming a more valued element of power as societies become increasingly more technical and economies become more interdependent. The power of the

information dimension is rooted in the state's ability to project its values, its culture and national norms. While this is accomplished through various mediums, the most noticeable is the entertainment industry. Music and movies are the most popular means for societies to export their values, but the state's tourism industry and visitation policies also expound its beliefs. More subtle, but equally influential, is the state's ability to provide unique services and commodities, such as: technical products (satellite imageries or actionable intelligence), news reports (CNN, national newspapers), consumer products (automobiles, clothing, and electronics), production methods (assembly lines) and business practices (banking, out-sourcing). When the information domain blends into the diplomacy realm, there is a synergy of effort. While the first phenomenon appeals to the populace the latter appeals to the state's leadership.

Although the entertainment business is only one aspect of a state's information power, it is the easiest to measure growth. Using this industry as a metric, India's information dominance is as booming as its economy. India's version of Hollywood, Bollywood, produces the largest number of movies in the world, and entertainment exports are predicted to reach \$4.6 billion in 2005.¹⁵ This is a ten-fold increase from 2000. India is becoming a more developed state that is increasingly projecting its image and values, and this could significantly enhance its global status.

ASSESSMENT OF INDIA'S MILITARY CAPACITY.

Although India unusually ranks in the top twelve states for overall military expenditures, it is still small when compared to the states above it. Cohen cites that India spent about \$14 billion in 2000 but this "... is a paltry sum compared with China's \$40 billion or Japan's \$37 billion, which is about the amount spent by most major European powers. Russia, the rump superpower, still spends \$54 billion ...the United States spends well over \$250 billion."¹⁶ India does have a standing military force of over 2 million with half in active duty status and the other half in paramilitary status. It is this force that LTG (retired) Brar referred to when he commented, "China is not able to conduct a land warfare against India because of India's army's strength in the Himalayas."¹⁷

Research supports LTG Brar's claim of the strength of the army, but also reveals that India's army is primarily designed to defend the country's frontiers.¹⁸ India's navy, the smallest branch of the military, has one aircraft carrier, 41 surface combatants, and 18 submarines. While, "the fleet is aging, and replacement of ships and aircraft has not been adequately funded

... it is still relatively strong among the Indian Ocean navies.”¹⁹ NetCent Communications reported that,

India's air force is the world's fourth largest with over 600 combat aircraft and more than 500 transports and helicopters. The air force takes pride in its ability to fly low and fast, as well as to operate in the extremes of temperature and altitude ranging from the Thar Desert to the Siachen Glacier. The air force has enhanced the capability of its fighter force with the addition of the multi-role Sukhoi 30, and it hopes to replace much of its Mig-21 fleet with the indigenous Light Combat Aircraft currently under development.”²⁰

Completing the force assessment, it is estimated that India has 75 nuclear devices and 80 surface-to-surface missiles with a range of 300 kilometers.²¹ Although India is a nuclear state and is deserving of the appropriate respect of a nuclear force, its conventional strength is aging and this greatly limits India's ability to project its strength on a strategic scale. Cohen best summarizes the quality of Indian force when he wrote the “... forces certainly compare favorably with those of Pakistan and China, although they would have a hard time coping with the naval or air units from a truly advanced military power.”²²

ASSESSMENT OF INDIA'S ECONOMIC STRENGTH.

The economy is the source of a state's ability to exert its influence globally and it is this power that provides the means to support the military, which provides credence to diplomacy. The state's economy must not only be viable, but it must continue to expand to fuel the state's power. The economy must also be diverse to weather various storms. If it is too heavily dependent on manufacturing and energy prices dramatically rise, for example, it will impede the state's economic power. Similarly, if it is too dependent on agricultural products and there are succeeding years of poor harvests, this will cause a downturn to the economy and will require the state to divert its energy inward.

Of the four elements of power, India is enjoying the growth and expansion of its economy the most. It is the world's second fastest growing economy after China. The stimulus to this sudden growth is a combination of opening its markets to foreign investors coupled with successive abundant crop harvests. Amy Waldman writes in the *New York Times*,

Just over a decade after the Indian economy began shaking off its statist shackles and opening to the outside world, it is booming. The surge is based on strong industry and agriculture, rising Indian and foreign investments and American-style consumer spending by a growing middle class, including the people under age 25 who make up half of the country's populations.²³

She further cites that, "India is now the world's fastest growing telecom market, with more than one million new mobile phones subscriptions sold each month [and Indians are] buying about 10,000 motorcycles a day." ²⁴ Ms Waldman also notes that banks are issuing more than 15 billion dollars a year in home loans, and that India's first mall opened in 1999, the second in 2000, and it is predicted to have almost 150 by the end of 2004! ²⁵ This is a huge potential market for foreigners to invest in and for India to strengthen its power. This growth also provides India an incredible opportunity to establish a trade bloc with its immediate Asian neighbors in order to expand the region's economy. It could even be envisioned that as India's political environment is more stable, its economic institutions more mature and the promise of even greater prosperity, the Indian leaders could create an 'European Union like' trade cooperative that would greatly enhance their global prestige.

CURRENT US POLICY FOR INDIA

The world's oldest democracy and the world's largest democracy are bound together by the shared belief in freedom and tolerance. These principles are the core to each nation's values and not only do they provide common ground, they also have for the past few years provided the opportunity to advance mutual interests. The U.S. Ambassador to India, Mr. Robert D. Blackwill, commented that it is the, "...common respect for individual freedom, the rule of law, the importance of civil society, and peaceful inter-state relations..." that the United States and India enjoy. ²⁶

Current US policy towards India reflects this mutual respect, willingness and optimism that have evolved in the last decade. India is viewed more as a partner with great potential rather than a potential adversary. Ambassador Blackwill cited this when he noted that President Bush, "...waived the 1998 sanctions, and drastically trimmed the long 'Entity List', which barred Americans from doing business with certain Indian companies from over 150 Entities to less than 20." ²⁷ In his 2002 address to an Indian audience at Kolkata, India, Mr. Blackwell best summarized the relationship between the United States and India. He said,

Twenty months ago, the American and Indian militaries conducted no joint operations. Today, they have completed six major training exercises. Twenty months ago, American and Indian policymakers did not address together the important issues of cooperative high technology trade, civil space activity, and civilian nuclear power. Today, all three of these subjects are under concentrated bilateral discussion, and the top of both governments is determined to make substantial progress.

In my view, close and cooperative relations between America and India will endure over the long run most importantly because of the convergence of their

democratic values and vital national interest. With respect to overlapping vital national interests, let me now briefly share with you my "Big Three" for the next decade and beyond. They are to promote peace and freedom in Asia, combat international terrorism, and slow the spread of Weapons of Mass Destruction.

In this context, Asia is poised to become the new strategic center of gravity in international politics. With this historically momentous shift, for the first time since the modern era began with the signing of the Treaty of Westphalia in 1648, the single largest concentration of international economic power will be found not in Europe - not in the Americas -- but in Asia.²⁸

Ten months prior to the Ambassador's speech, US Deputy Treasury Secretary Kenneth Dam visited India and spoke to the Confederation of Indian Industry. He urged the Indian government to adopt the following four key policies in order to spur growth:

1. Maintain macroeconomic stability.
2. Invest heavily in health and education.
3. Establish strong institutions for governance, with minimal corruption, enforceable contracts and a lean and competent civil service.
4. Create conditions favorable to private enterprise: strong infrastructure, minimal red tape, and very little government intervention.²⁹

The United States recognizes India's economic potential and also encourages them to continue their reforms. It is through this process that the United States can propel its interests of promoting peace and democracy throughout Asia.

RECOMMENDATIONS FOR INDIA

During a roundtable discussion at Dickinson College a comment was made that China is succeeding with its reforms because of the government and that India is succeeding with its reforms in spite of the government.³⁰ It is in this light that the following paragraphs offer some suggestions for India if it desires to advance beyond its current status and become a state capable of challenging China for supremacy in Asia or at least countering the growing Chinese influence.

DIPLOMACY

India can immediately enhance its prestige by supporting UN Resolution 1172. This requires India to immediately stop nuclear tests and sign the Treaty on the Non-Proliferation of Nuclear Weapons and the Comprehensive Nuclear-Test-Ban Treaty. India has already demonstrated its nuclear power with tests in 1998 and additional tests will only diminish its international stature. After India's Prime Minister agrees to UN Resolution 1172 he should

capitalize on this diplomatic victory and pursue a feasible solution for the border dispute with Pakistan.

India must also amend its caste system to reflect the developed world they have entered. All Indians should have free access to education and the ability to pursue a profession of their choosing. This movement is already taking shape and the government should ensure there is no hindrance to it. If these actions are taken it would be an immense achievement for all of India and it would greatly enhance its regional and international stature.

INFORMATION

The foundation of a state's ability to use the information realm as a source of power is based upon the strength of its education programs. In this light, India must dramatically improve access to education for all Indians. While India does enjoy a wealth of brainpower amongst the educated, only slightly more than 50 percent of children between the ages of six and fourteen actually attend school.³¹ Post secondary school is less impressive. While India does have 9 million students enrolled in its 250 universities and 9000 colleges, this only represents six percent of the eligible age group.

As India reforms its educational institution it will become less reliant on other nations not only for its educational needs, but also for technological research and development. The best example of this emerging independence is the design and production of their Light Combat Aircraft. India should also increase its exports of entertainment products, specifically movies and music. This will have the dual effect of creating more wealth and enhancing its image globally.

MILITARY

As India has reformed its economy, it must also embrace a new vision for its military. It must increase its GDP expenditure for its military so it can strategically deploy its force and become a more viable partner in the Global War on Terrorism. This requires India to modernize its force and build a larger navy. It must also seek missions that draw upon its military experience in fighting terrorists. India has the opportunity to make significant contributions to the world community by participating in peace-making, peace-enforcing and stability operations. India must continue its increased participation in international military exercises. In 2002, India participated in three army exercises with the US Army and has agreed to take part in five exercises in 2005. For India's military to be an extension of diplomacy, or to complement it, its armed forces must have a larger share of the GDP.

ECONOMIC

India must maintain a healthy and growing economy, with a 5 – 8 percent growth rate per year, in order to compete for international leadership. Nicholas Stern, World Bank Chief Economist, in a May 2003 keynote address at the Annual Bank Conference in India stated, "... the importance of public infrastructure and market access – power, water, sanitation, roads and transport – can hardly be emphasized enough."³² He further cited the criticality of road connectivity, power to rural areas and water control to get the goods to the market and to introduce new technologies.³³ India's frail, underdeveloped and outdated infrastructure is impeding its advancement, and it must not only improve access to the rural areas but also continue to assist with building industrial and technology parks. A *Keystone Spirit* paper referred to Bangalore's Electronic City Software Technology Park as the model and the solution to leapfrog over India's existing infrastructure that is collapsing under the increased demands.³⁴ The park boasts over 100 companies and its own on-site power supply. Projects such as this will allow India to catch up with the production rate of other leading industrialized states.

India should also leverage its current economic strength by forming a regional trading bloc, similar to the North American Free Trade Agreement. This could provide India with more negotiating vigor during trade talks, and the bloc could be the forum to further strengthen regional democracies and introduce democracy to non-democratic states in the region.

There is much promise and potential for India, but there are also some challenges that it must confront immediately to continue its rise to global power. India's most immediate needs are to address its extreme poverty, both in numbers and severity, and provide education to its large undereducated class. As part of this education, India must advocate family planning and it should be a national priority. The population has tripled in the last 50 years and will exceed that of China in another 50 years at its current rate of growth. A population of a billion people stresses the social fabric of a society regardless of economic progress and this could create tensions between social classes.

Tensions can easily erupt when a segment of the populace perceives they are excluded from the progress and prosperity. The possibility of social unrest within India is very high due to its very diverse population. Indians belong to one of four major religions (Hinduism, Muslim, Buddhism and Christianity) and they speak over 20 languages. There are over 50,000 social orders (castes) among its 500,000 villages. India is severely challenged to unite its population of over one billion people. As recently as February 2002, tensions between Hindus and Muslims gave away to riots that resulted with the death of over 700 Indians (unofficial estimates rose to 2,000).³⁵ To ensure India's economy continues to rise and support its ambition of greater

stature it must diminish the potential of fracturing its diverse society. India's education reforms must include all of its citizens and support the dismantling of the outdated caste system.

RECOMMENDATIONS FOR THE UNITED STATES

The United States should build on the growing amiable relationship it has with India and continue to foster a strategic partnership based on mutual interest and not regress to a relationship based on charitable dependence. The United States can demonstrate good faith in this developing partnership by offering India the advance technology that it desires. These technologies are known as the 'trinity' by Indian leaders. It consists of: dual-use products (civilian and military), increased collaboration in space exploration (nonmilitary), and nuclear technology (civilian use).³⁶

The United States should conditionally make available the elements of the trinity when India has either shown marked improvement or at least a demonstrated it is attempting to achieve specific objectives. These objectives are for India to reduce poverty, increase its literacy rate, reform its education so it encompasses all Indians, resolve its dispute with Pakistan, assist with the deterrence of the spread of Weapons of Mass Destruction, and halt its production of nuclear warheads. These achievements would not only add to India's strength as a state but also greatly support the US objectives of controlling the spread of Weapons of Mass Destruction, limiting the production of nuclear weapons and promoting regional stability.

CONCLUSION

A nation's status in the world community ascends and descends based on its ability to exert its influence in global affairs. The state's ability to influence international affairs is derived from its national strength, which is amassed from the four elements of power – Diplomacy, Information, Military and Economy. As the world's largest democratic society supported by a growing economy, a well-established defense structure and a strong middle class (250 to 300 million, the size of the U.S. population!),³⁷ India is on the threshold of assuming a leadership role in affairs of the world. This is also a great opportunity for India to be the source of energy to spread the concepts of democracy to her neighboring states in Asia and along the Indian Ocean.

Ambassador Blackwill understands that this is an opportunity for the United States to strengthen its alliance with an emerging power but not without commitment. He said, "... [this] requires the United States to particularly strengthen political, economic, and military-to-military relations with those Asian states that share our democratic values and national interests. That

spells India.”³⁸ Further, this union with India will also serve the United States well as a counterbalance to China’s growing influence within Asia.

Stephen Cohen best assessed India’s potential when he wrote, “Like China and Japan, India is acquiring the capability to influence developments throughout much of Asia and other regions of the world. It is not yet a dominant military or economic power, although its capabilities in these spheres are rising. Rather, it is a state with great cultural and civilization influence and an increasingly skilled political and strategic leadership that is learning to exploit India’s strengths.”³⁹

WORD COUNT = 6,419

ENDNOTES

¹ CountryWatch; ; available from, <<http://www.countrywatch.com>>; Internet Accessed 07 January 2004. All figures are 2002 data.

² CIA -The World Factbook for: India, Russia, China, United States, United Kingdom and France ; available from, <<http://www.cia.gov/cia/publications/factbook/print/in.html>>; Internet; accessed 07 January 2004. Literacy data is the 2003 estimate except for the UK, which is a 2000 estimate.

³ Robert D. Blackwill, "The Quality and Durability of the U.S.-India Relationship," November 27, 2002; available from, <<http://www.fas.org/terrorism/at/docs/2002/Blackwill-IndiaRelationship-27nov02.htm>>; Internet; accessed 27 October 2003.

⁴ ZDNet India, "Software Exports Growth On Track," February 03, 2004, October 20, 2003; available from, <http://www.zdnetindia.com/news/national/stories/97358.htm>>; Internet; accessed 23 February 2004.

⁵ Ministry of Finance, "Government of India Economic Survey 2000 – 2001,"193; available from, <<http://indiabudget.nic.in/es2000-01/chap1003.pdf>>; Internet; accessed 23 February 2004.

⁶ Gurcharan Das, "India's Growing Middle Class," November 05, 2001; available from, <<http://www.theglobalist.com/DBWeb/StoryId.aspx?StoryId=2195>>; Internet; accessed 23 February 2004.

⁷ Manjeet Kripalani, "India's Youth," October 11, 1999; available from, <http://www.businessweek.com/1999/99_41/b3650015.htm>; Internet; accessed 23 February 2004.

⁸ J.S. Murthy, "Restorative Justice and India's Caste System," July – August, 1999; available from, <<http://gbgm-umc.org/nwo/99ja/india.html>>; Internet; accessed 23 February 2004

⁹ Energy Information Administration; available from, <<http://www.eia.doe.gov/emeu/cabs/india/indiach2.htm>>; Internet; accessed 23 February 2004

¹⁰ Stephen Philip Cohen, *India Emerging Power* (Washington, D.C.: Brookings Institution Press, 2001), 102.

¹¹ Ibid.,30.

¹² Ibid.,28.

¹³ Frank G. Wisner II et al., *New Priorities in South Asia: U.S. Policy Toward India, Pakistan and Afghanistan*, (New York, N.Y. Council on Foreign Relations 2003), 22. ; available from, <<http://www.cfr.org/pdf/India-Southasia.pdf>>; Internet; accessed 03 December 2003.

¹⁴ David Rhode, "India's doubts about Pakistan easing," *The New York Times*, Sunday Patriot-News, January 11, 2004 pg A18.

¹⁵ Narayanan Madhavan, "India's 'Bollywood' set for big boom," April 16, 2000; available from <http://groups.google.com/group/business_of_india's_entertainment>; Internet; accessed 23 February 2004.

¹⁶ Cohen, 28.

¹⁷ LTG (retired) Brar is a retired Indian Army corps commander. He made these comment during a presentation at Dickson College, Carlisle, PA. January 26, 2004.

¹⁸ NetCent Communications, "India Backgrounds: Defense," 2004; available from <<http://www.ncbuy.com/reference/country/backgrounds.html?code=in&sec=backdefense>>; Internet; accessed 29 March 2004.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Strategic Forecasting, "India Ponders New Russian Air Defense System; Plan May Rile Beijing," 2001; available from, <<http://www.military.com/Content/MoreContent/1,12044,SL22june01,00.html?cat=NEWSEDITION3>>; Internet; accessed 29 March 2004

²² Ibid, 31.

²³ Amy Waldman, "Sizzling Economy Revitalizes India," *The New York Times*, October 20, 2003; available from, <http://www.nytimes.com/2003/10/20/international/asia/330INDI.html>>; Internet; accessed 20 October 2003.

²⁴ Ibid.

²⁵ Ibid.

²⁶ Blackwill, "The Quality and Durability of the U.S.-India Relationship,"

²⁷ Ibid.

²⁸ Ibid.

²⁹ Kenneth Dams, "Urges India to Continue Reforms," 07 February 2002; available from, <<http://usinfo.state.gov/topical/pol/terror/02020703.htm>>; Internet; accessed 05 February 2004.

³⁰ Brar.

³¹ AllRefer, "India, Primary and Secondary Education," 1995; available from, <<http://reference.allrefer.com/country-guide-study/india/india45.html>>; Internet; accessed 01 March 2004.

³² Nicholas Stern, "Opportunities for India a Changing World," May 22, 2003; available from, <http://econ.worldbank.org/files/27054_stern_speech_52203.pdf>; Internet; accessed 27 October 2003.

³³ Ibid.

³⁴ The *Keystone Spirit*, "Key Competitors India," July 31, 2001; available from, http://sites.state.pa.us?PA_Exec?DCED/tech21/bg-india.htm; Internet; accessed 27 October 2003.

³⁵ N.J. Demerath III, "The Pitfall of Pluralism", *Harvard International Review*, Winter 2004:16.

³⁶ Frank G. Wiser II et al., 23.

³⁷ Waldman, "Sizzling Economy Revitalizes India."

³⁸ Blackwill, "The Quality and Durability of the U.S.-India Relationship,"

³⁹ Cohen, 2.

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