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Powers and Principles:
International Leadership in a Shrinking World

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India: The Ultimate Test of Free-Market Democracy

Barbara Crossette and George Perkovich

With a reaction by C. Raja Mohan

About the Contributors

Barbara Crossette was *The New York Times* chief correspondent in Southeast Asia and South Asia in 1984-1991 and later a diplomatic reporter in Washington and UN bureau chief. She is the author of *So Close to Heaven: The Vanishing Buddhist Kingdoms of the Himalayas* and *The Great Hill Stations of Asia* as well as a Foreign Policy Association study, *India: Old Civilization in a New World*. She won a George Polk award for her coverage of the assassination in 1991 of Rajiv Gandhi.

George Perkovich is Vice President for Studies and Director of the Nonproliferation Program at the Carnegie Endowment for International Peace. He is the author of *India's Nuclear Bomb*, which received the Herbert Feis Award from the American Historical Association and the A.K. Coomaraswamy Prize from the Association for Asian Studies. He is coauthor of the September 2008 *Adelphi Paper*, "Abolishing Nuclear Weapons."

C. Raja Mohan is Professor of South Asian Studies at the S. Rajaratnam School of International Studies, Nanyang Technical University, Singapore. He writes a column for the Indian Express, where he previously was strategic affairs editor, and served on India's National Security Advisory Board during 1998-2000.

About the Project

The aim of the Stanley Foundation's project on **Powers and Principles: International Leadership in a Shrinking World** is to identify plausible actions and trends for the next ten years by which the international community could become more unified. The foundation asked contributing authors to describe the paths by which nine powerful nations, a regional union of 27 states, and a multinational corporation could all emerge as constructive stakeholders in a strengthened rules-based international order. For each case, the writers discuss how their given country might deal with the internal and external challenges posed by international norms for the global economy, domestic governance and society, and global and regional security.

Each essay in the series represents an assessment of what is politically possible (and impossible), supported by a description of the associated pressures and incentives. Unlike other future-oriented projects, there were no calculations of probability; we were interested in a particular global future—an international community with broad respect and support for norms—and how it might take shape. Authors were expected to address the particular challenges, pressures both for change and continuity, as well as natural leadership roles pertinent to their actor's geostrategic position, economy, society, history, and political system and culture.

The project did not apply a checklist or rating system to the question of stakeholdership. A responsible stakeholder can be an upholder, critic, and shaper of the rules-based order all at the same time. But while stakeholdership is not a matter of accepting the entire set of norms, if a powerful nation opts out of too many rules, it will undermine rather than uphold the order. To provide a perspective from the inside and counterweight to each essay, a commentator from the given country (or other actor) has been enlisted to provide critical reactions to the coauthors' piece.

Among the countries that emerged from the anticolonial movements of the last century, India was unusual in possessing the outlines of a grand national strategy based on a democratic polity and economic self-reliance at home and an active international political role. National self-confidence and a fierce pride in Indian culture and history ran high after a relatively smooth transition to independence, marred, of course, by the Hindu-Muslim violence that followed the partition of British India. But then came disappointments, as the economy stalled and then declined, and India's hopes of becoming a global political player dimmed. Only now, as one of the fastest-rising nations in the developing world, India finally seems poised to achieve the prize that many Indians believe has been too long denied to them: a place at the table of power. The way in which India uses its newfound influence will be one of the most interesting stories of the 21st century. New generations, both in age and outlook, have the freedom, the cosmopolitan experience, and the training to transform India internally and make it a positive international force on many fronts.

For decades a nation with relatively little power—hard or soft—in international affairs, India is now nuclear armed, economically dynamic, technologically advancing, and increasingly influential in organizations such as The World Bank, the World Trade Organization (WTO), and the United Nations, where it persistently seeks a permanent seat on the Security Council. There has rarely been a better moment for the international community to engage India on issues ranging from nuclear nonproliferation to economic integration, the strengthening of democracy globally, the race against climate change, the reduction of world poverty, and the protection of universal human rights. India, with more than 1.1 billion people, will in a few decades become the world's most populous nation. India therefore cannot be ignored. The 21st century's major challenges cannot be met without the active and positive involvement of India (and, of course, China). Ever more self-assured in its outlook, India matters.

In a world that has often seen India as the dissident, there are now signs of a new Indian approach to international cooperation, both in its own South Asian region and among global stakeholders. In what may have been a bellwether moment, in December 2007 India stepped in to break a deadlock at a critical climate change conference in Bali, Indonesia, allowing nations to enter a new phase in planning how to limit greenhouse gases following the lapse of the Kyoto Protocol in 2012. Delegates in Bali had watched the United States defy to the bitter end the wishes of all others by demanding that all major polluters, not only industrial nations, be held accountable for reduced emissions under a new regime, removing the blanket exemption for developing countries. With the conference already in overtime and tempers frayed, India intervened on behalf of the Group of 77—which, despite its name, consists of 130 developing nations and China—to propose a sliding scale of responsibilities and capacities among poorer countries, with India and China, among the top ten polluters, prepared to make concrete pledges to reduce emissions. The United States, saying it had been heartened by the compromise, reversed course and agreed to join the consensus, and the conference was saved. Seven

months later, however, Prime Minister Manmohan Singh, laying out India's climate change policy, did not include the reduction of carbon emissions.¹

The degree to which India continues in a constructive spirit in international, environmental, nuclear, and economic regimes will depend on the balance between global commitments and domestic political demands that can be struck by the central and state governments in a diverse and democratic society.

The Road India Has Traveled

In the heady days following its independence from Britain in 1947, India enjoyed a certain international stature rooted in spiritual and moral leadership as the land of Mohandas Gandhi and the nonviolent Quit India movement. Jawaharlal Nehru, India's aristocratic first prime minister, was undeniably a global figure. By the mid-1950s, he had become a founder of the Non-Aligned Movement (NAM), which was formed to serve as a third force in a polarized world of East versus West. Nehru deftly maneuvered within the new United Nations, sending high-profile representatives there. He looked for opportunities to extend a hand across borders and continents to aid like-minded friends. In 1956, for example, the acerbic diplomat V. K. Krishna Menon was dispatched to Egypt to advise its government during the confrontation with Britain and France over the Suez Canal. Nehru clearly had a global vision.

But while India managed to exert some influence in its early decades through the mobilization of NAM, the country lacked the capacity to motivate or compel others to shape the international system to its own liking. Rather, Indian leaders had only enough power to say "no" to keep others from imposing their will on India. Moreover, during the tenure of Indira Gandhi, Nehru's daughter and political heir, the Indian National Congress slipped from its lofty status as a liberation movement to a political party steeped in petty corruption and misuse of power, pandering to "vote banks" and preoccupied by domestic political turbulence. India saw some of its international luster fade.

During the Cold War, Indira Gandhi, never the towering figure her father had been, appeared to cast her lot with the Soviet Union. This undermined her professed nonaligned stance and reflected her wariness of the West, particularly the United States, which she saw moving closer to Pakistan, to India's disadvantage.

Other causes of India's eclipse stemmed from a domestic economic policy of democratic socialism, reflecting the need of a political democracy to respond to the fears of a majority that had always been poor and agrarian. As the population more than tripled between 1947 and 2000, not enough jobs were created in industry or services to absorb the workers who would be displaced by any consolidation of profitable larger-scale agriculture. Consequently, except for pockets of prosperity such as Punjab during the "green revolution," farming remained low-tech, low-income, and heavily subsidized; in fact, the value of subsidies today is four times that of public investment in the

¹ "India Unveils Climate Change Plan," BBC News, June 30, 2008.

development of agriculture.² Agricultural growth, at about 2.7 percent annually, is still only a fraction of the national economic growth rate of between 8 percent and 9 percent, a source of concern to Indian and international development economists.

Protectionism not only of agriculture but also industry under the politically resonant banner of self-reliance—*swadeshi*—kept India from becoming much of a global economic player until the early 1990s. At that point, following the Soviet collapse and the loss of its preferential trade status with Moscow, India faced a foreign reserve crisis that compelled the government to undertake major policy changes. Led by then Finance Minister Manmohan Singh and under successor governments, India opened its economy and looked toward the West and Japan for trade and investment. Only in the past decade or so has India begun to muster the power to press its desires in the international community and not just in economic spheres.

The end of the Cold War system created a space for major regional powers to gain stature in the global order. China's rapid advances pose competitive challenges for India, but it also makes the United States, Japan, and European nations want to assist India in gaining the economic, military, and soft power to balance China. Major transnational challenges in the 21st century—foremost among them climate change and infectious diseases—cannot be managed without India's full cooperation, and India will not cooperate unless it plays a role in the policy-formulation process. As a result, India necessarily will gain influence.

Nuclear energy, for instance, is seen by many—realistically or not—as an important technology to limit the growth in greenhouse gas emissions. India, with the strong encouragement of the United States, France, and Russia, hopes to expand its nuclear electricity production. Yet, if the global expansion of nuclear industry is not guided by new rules, the risks of weapons proliferation will grow dangerously. India thus can either facilitate or wreck international efforts to strengthen nonproliferation rules. Likewise, if the global economy is to continue modernizing and expanding, rules will need to be negotiated to manage trade in services. WTO negotiations have not ventured into this territory yet, but when they do, India will be an exceptionally important player.

Nuclear India and Global Regimes

The international nuclear order is in the greatest state of flux since its inception forty years ago. India is one cause of this turbulence. At the same time, it can be a major contributor to the renovation needed to make the nuclear order viable over the next four decades.

In the 1960s the United States and the Soviet Union joined in building the framework of the international nonproliferation regime. The two superpowers competed in many domains, but by the mid-1960s neither wanted other states to acquire nuclear weapons.

² World Development Report, "World Bank Calls for Agricultural Renewal to Reduce Rural Poverty in Transforming Economies Like India," The World Bank, 2008. Available online at www.worldbank.org/wdr2008.

On the basis of this shared interest, the United States and the Soviet Union took the lead in negotiating the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). This treaty rested on three bargains. States that had not tested nuclear weapons agreed not to acquire such weapons. In return, the five states that had already tested and acquired nuclear weapons promised not to help others obtain them, pledged to assist others in enjoying the peaceful benefits of atomic energy, and committed to the eventual elimination of all nuclear weapons. In essence, the treaty recognized a de facto (if not permanent and legally mandated) dichotomous nuclear order in which there were five “haves” and a huge number of “have-nots” and sought to stabilize this order against further proliferation by promising that it was a transition to a much more equitable order in which no state would possess nuclear weapons and everyone would benefit from the peaceful use of nuclear energy.

India was one of the leading states in the negotiation of the NPT and led the call for equity under the treaty. In the end, India refused to sign it because New Delhi viewed the disarmament commitment by the five recognized nuclear weapon states as too weak and disingenuous, so India would therefore keep its own nuclear options open.

The NPT took effect in 1970, without India, Pakistan, and Israel among its signatories. Other developing countries also stayed out of the treaty and instead launched nuclear weapons programs that were either halted before they came to fruition (Argentina and Brazil) or were dropped after having produced nuclear weapons (South Africa). France did not join the treaty until 1992, in part because it believed that the disarmament commitment under the treaty went too far. China also joined only in 1992, while contributing before and after that to Pakistan’s nuclear weapons program, which was directed against India. In 1974 India announced the detonation of what it called a “peaceful nuclear explosion.” This prompted the United States to launch an international campaign to strengthen the nonproliferation regime by creating cartels of nuclear technology and material suppliers that would establish rules to limit exports to states prohibited by the NPT from having nuclear weapons.

The Dilemmas of Nuclear Testing

Contrary to the expectations of many foreign officials and experts, the Indian government did not authorize more nuclear tests by its military for another twenty-four years. There were many reasons for this restraint.³ Indian nuclear scientists and some military leaders urged prime ministers to approve proposed tests, but the politicians refused, largely in the belief that India had higher economic and political priorities and that international backlash against further nuclear tests would divert leadership energy from these priorities—and possibly incur heavy penalties.

By 1998, however, multiple interests converged in favor of nuclear weapons tests. A nationalist political party—the Bharatiya Janata Party (BJP)—led the government and wanted to flex its muscles at home and abroad. Only the strong get respect, the party

³ For a detailed account, see George Perkovich, *India’s Nuclear Bomb: The Impact on Global Proliferation*, University of California Press, 2001.

believed, and nuclear weapons could show India's strength. India's closest strategic rival, China, was now heralded as the next great world power. China had earned this respect not by moralism of the old Indian sort but by acting defiantly and assertively in its national interest. The world's hegemonic power, the United States, gave communist China more respect than it did democratic India, in part because China challenged the United States and flexed its muscles, while India feebly protested in moralistic speeches. It stood to reason, therefore, that India should be more like China and speak the language of power that US leaders respected. If India did not demonstrate to itself and its neighbors that it was capable of producing sophisticated nuclear weapons, according to this line of thought, it would not be strong enough to keep a growing China from trying to push it around.

India also had to test to stay ahead of a US-led international effort to establish nonproliferation norms and treaties that would substantially increase the associated political and economic costs. In 1995, to the surprise of Indian leaders, the state parties to the NPT had agreed to extend the treaty indefinitely, without a requirement for steps toward disarmament from the nuclear weapon states. The following year, the Comprehensive Test Ban Treaty (CTBT) was signed and pressure mounted for India to join it. (Ultimately, Chinese and US failure to ratify kept the treaty from entering into force.) In sum, any further delay by India in testing a weapon and proclaiming its capabilities would only make it politically much harder to do so later. As another factor, India's nuclear establishment—the influential and relatively unaccountable strategic enclave of scientists and engineers—was by then apoplectic over its political leadership's refusal to authorize tests more than two decades after the 1974 explosion. They argued that the generation that had designed and built India's early nuclear devices was retiring and that if tests were not authorized, India could be left without the technical expertise needed for a nuclear deterrent. Tests also would lure gifted young scientists and engineers into the nuclear enterprise.

These multiple Indian interests in nuclear testing are catalogued here because they offer a case study of how values and international events interacted with Indian politics and interest groups to produce behavior. For example, international norms crafted by big powers that then campaign to impose them on others can indeed be influential, but rather than dissuade India (and possibly other big developing countries) from consequential threshold steps, the pressure can actually spur them to accelerated action before a new norm or rule takes effect. Indeed, a good rule of thumb is that if a norm creates a hierarchy or multiple tiers in the international system, India generally will resist locking itself into a lower tier but will either hold out or force its way into the top tier.

India's Separate Nuclear Deal

Soon after the Indian and Pakistani nuclear tests, the George W. Bush administration came into office, bringing in key leaders—including John Bolton, Dick Cheney, Douglas Feith, and Steve Cambone—who were convinced that the rules-based nonproliferation regime would never prevent the most dangerous actors from seeking and perhaps acquiring nuclear weapons. Even worse, in their view, in order to win international acceptance of rules (which they considered inadequate in the first place), the United

States had to accept constraints on the quality and quantity of its own nuclear arsenal. Instead of wasting time and political capital negotiating incremental improvements in ineffectual global nonproliferation rules, the Bush administration developed a strategy predicated on regime change. Revising earlier bipartisan first principles, they did not view nuclear weapons as the problem; the problem was bad guys with nuclear weapons. Rather than try to eliminate the weapons, it made more sense to eliminate the bad guys. That way the good guys could keep their weapons; a world in which the good guys have nuclear weapons and the bad guys are gone is more than tolerable.

The strategy, reminiscent of nineteenth-century realpolitik, established a good frame for what became the US-India nuclear deal. In July 2005 President Bush hosted Indian Prime Minister Manmohan Singh and announced the intention to set aside all US and international restrictions on nuclear cooperation with India and, instead, to encourage full cooperation to help India develop its nuclear industry. The desire to remove what had, in effect, been sanctions on India for acquiring nuclear weapons reflected a larger US purpose. The Bush administration now sought to help India become a major power for intrinsic reasons but also for the instrumental purpose of balancing China's power in Asia. Some in the administration even welcomed the prospect of India increasing the size and quality of its nuclear arsenal and the quality of its ballistic missile delivery systems and platforms. Thus, the president's instructions for the interagency process on the deal insisted that nothing in the resulting agreement should constrain India's strategic capabilities in any way. This ruled out limitations on or an end to Indian production of fissile materials for nuclear weapons—a key objective of those concerned with upholding the global nonproliferation regime.

France and Russia emphatically support the US-led effort to exempt India from nonproliferation constraints. Their nuclear industries are naturally eager to export reactors, fuel, and related goods and services to India. These commercial interests are an additional source of the international nuclear order's state of flux; the very terms and expectations of exemplary stewardship seem to be under constant revision.

India has thus had a conflicted and sometimes conflictual relationship with the rules-based nuclear order, which itself is evolving. India began by genuinely loathing nuclear weapons and advocating nuclear disarmament but now proudly proclaims itself as a nuclear weapon power and demands the accompanying international status and rank (a crude form of hard power that Indian leaders once denounced as inhumane). India began with great determination to be self-sufficient in production of nuclear energy but sixty years later pleads for rule changes to allow it to receive extensive imports of nuclear fuel and reactors. These shifts, in one sense, reflect failure or at least the waning of idealism. India and other sources of moral or political suasion could not persuade the early nuclear weapon states to pursue nuclear disarmament; Indian technological skills and economic infrastructure could not self-sufficiently overcome some of the challenges of extracting large amounts of electricity from the nuclei of uranium and plutonium atoms. In another sense, India has moved from being a naive or self-righteous outside critic of other states' nuclear practices to being a conformist.

Terms of a New Nuclear Order

If a new nuclear order is currently under construction, its main contours are emerging, but there is also much doubt as to whether cooperation among key states will put the elements of the order into place or if noncooperation will allow more dangerous trends to prevail.

- It is assumed and/or advocated that large numbers of new nuclear power plants will be built, both in nations that do not currently have any and in those that do.
- This expansion of nuclear energy production, however, must/will feature proliferation-resistant technologies and more robust rules and procedures to prevent proliferation.
- The key nonproliferation imperative is to prevent uranium enrichment and plutonium separation capabilities from spreading to states that do not now have them, out of concern that these capabilities put their possessors too close to having nuclear weapons.
- Ideally, binding rules would be set to stop the spread of fuel-cycle technology, and in return there would be strong guarantees of international supply to make it more economically attractive to forego indigenous fuel-cycle operations.
- However, some nonnuclear weapon states adamantly resist any new rules that discriminate between nuclear “haves” and “have-nots.” They complain that the United States, Russia, Israel, and other possessors of nuclear weapons have failed to pursue nuclear disarmament seriously. The nonnuclear weapon states thus will block establishment of important new nonproliferation rules absent a genuine push toward nuclear disarmament and more equitable sharing of peaceful nuclear technology.
- Recognizing this resistance, the United States, the International Atomic Energy Agency (IAEA), and others are suggesting that instead of new rules, voluntary incentives should be developed to make reliance on international fuel supply the obvious choice for new possessors of nuclear power plants.

Clearly there is a circular problem impeding the construction of a more durable new nuclear order. To correct dangerous flaws in the old order, updated nonproliferation rules are needed, especially as the nuclear industry expands to new countries. No new rules, however, will be accepted unless the possessors of nuclear weapons take more serious steps to disarm. Yet, the United States, Israel, and other states with nuclear weapons will not move toward nuclear disarmament without clear indications that nonproliferation rules will be fully enforced and proliferation will be prevented. The US-India nuclear deal further confuses this fluid situation, as many states see the United States as loosening existing rules for India as its new favorite, while simultaneously tightening the rules for everyone else.

Despite the contested and uncertain state of the rules-based system into which India would be integrated, there are nonetheless clear standards of basic responsible nuclear stewardship—fundamental requirements irrespective of what nonproliferation rules are eventually agreed on. First and most simply, a responsible state would devote all the resources and high-level attention needed to implement state-of-the-art laws controlling exports of sensitive nuclear equipment, material, and know-how. UN Security Council

Resolution 1540 in April 2004 made such national controls mandatory on all states to block proliferation to nonstate entities; India and others should also extend their controls to prevent states, not merely nonstate actors, from acquiring nuclear weapons. This goes beyond enacting comprehensive laws; it requires training and motivating customs officials, border and port monitors, and private producers of relevant equipment and materiel. It also means cooperating with other countries' intelligence services and with the IAEA to pursue any leads that flag one's own state as a potential locus of proliferation activity.

Indian officials and champions of the US-India nuclear deal abroad have insisted that India has a sterling record in keeping its technology from leaking out. These advocates implicitly, and sometimes explicitly, suggest that nuclear cooperation should be the reward for this good behavior. This seeks to have it two ways: because India is virtuous, the United States should drop any barriers to doing nuclear business with it; if it doesn't, India might grow so frustrated it could do something less than virtuous. The truth probably lies somewhere in the middle. Indian leaders, including those of the nuclear establishment, have indeed been careful stewards and genuinely abhor the spread of nuclear weapons. Meanwhile, new inducements would probably help persuade these leaders to invest more energy, resources, and credibility in implementing export controls.

Beyond ensuring that a nation's own entities do not actively contribute to proliferation, a responsible steward must operate its nuclear facilities—civilian and military—according to the highest standards of safety and security. This is easier said than done. The operative norms of safety that are in place for human health and the environment and capabilities to ensure compliance tend to be part and parcel of the overall technological and administrative picture for the given state. India is still a poor country with insufficient infrastructure and inadequate regulation of workplace safety and environmental protection. India's nuclear industry is admirable in many ways but does not operate with capabilities and standards comparable to those of, for example, France. The leadership of the Indian nuclear establishment has tended to avoid international cooperation (and scrutiny) partly out of sensitivity to being judged as backward by peers from France, the United States, Japan, and other countries. Indeed, one tacit reason why Prime Minister Manmohan Singh wants to open India to international cooperation and contracting is to foster interactions and competition that will expose the shortcomings of the indigenous nuclear establishment and require it to improve or be displaced by international partners that can produce electricity more efficiently, safely, and securely. The broader point here is that all nuclear establishments should seek—or be pressed to seek—to operate at state-of-the-art standards.

A third measure of responsible stewardship is to lower the salience of nuclear weapons in international politics and national security policies. Parties to the NPT recently have established this as a political obligation, even though governments including the United States, Russia, and France arguably fail to uphold it. At the very least, then, the standard should be to keep from *boosting* the value of nuclear weapons for security—as happens through nuclear saber-rattling, using nuclear weapons as a currency for domestic political gain or to flex muscles for international stature, and announcing national security doctrines that highlight the role of nuclear weapons. On this count, Indian leaders have

been conscientious. While public debate over nuclear posture and policy is appropriate and necessary in a democracy, Indian leaders since the 1998 tests have been careful to refrain from demagoguery. Nor have Indian leaders rattled their nuclear sabers. Instead, they tend in a rather exemplary way to portray these devices not as useable weapons but as political-psychological warnings to possible enemies not to commit suicide because, as a last resort, Indian leaders would be willing to destroy those who would destroy India. India insists that it would not use nuclear weapons first, which is another measure of self-restraint. By maintaining its nuclear weapons under civilian control physically separate from their delivery vehicles, which are under military control, the Indian system further emphasizes the exceptional political character of these weapons. By contrast, the United States and Russia even today maintain thousands of nuclear weapons on high alert, deployed with their delivery systems and poised for launch within minutes.

India as a Pillar of Nonproliferation

Going beyond followership, what would Indian leadership in the global nuclear realm entail? Perhaps most important would be actions and words to downgrade the perceived value of nuclear weapons. India already contributes by not maintaining nuclear weapons in a launch-ready mode. It could do even more by declaring that because the world already has too many nuclear weapons and too much nuclear weapons material, India is prepared to join the United States, Russia, China, France, the United Kingdom, Pakistan, and Israel in a mutual cessation of their production of highly enriched uranium and separated plutonium outside of IAEA safeguards. India's pledge to join a global moratorium on nuclear weapon fuel production would be more meaningful than India's support of negotiations over a fissile material production cut off treaty. Treaty discussions have been snarled for more than a decade over issues that pose no obstacle to the relevant states halting their own production of more fissile material well in advance of a formal treaty.

More likely, India could lower the perceived value of nuclear weapons by reinvigorating its traditional diplomatic advocacy of nuclear disarmament. Indeed, Prime Minister Manmohan Singh pointed in this direction in a June 2008 speech calling for other nuclear-armed states to join India in a time bound series of steps leading to the elimination of all nuclear arsenals.⁴ Yes, it is somewhat hypocritical for a state to muscle its way into the nuclear weapons club and then turn around and urge nuclear disarmament. But India can honestly say that it always preferred nuclear disarmament to proliferation, yet its calls went unheeded by its neighbors and the superpowers. Nuclear disarmament could make strategic sense for India. In a world without nuclear weapons, India's capacity to deter Pakistani intervention in its internal affairs would be more secure than it is when Pakistan possesses nuclear weapons. Also, India has the conventional military capacity to defend its border with a nuclear-disarmed China.

Indian leadership in advocating the devaluation and phased abolition of nuclear weapons could incur the wrath of the US and French governments—privately expressed, of

⁴“India Seeks Convention to Destroy Nuclear Weapons Within Timeframe,” Indo-Asian News Service, June 9, 2008.

course—but this only proves that the impetus to strengthen a rules-based international system will not always come from the United States or Europe.

Looking far down the road, India's role in shaping the future nuclear order could affect its prospects of obtaining permanent membership in the UN Security Council. India deeply wants such a seat and has many valid arguments to back up its claim. Given the Security Council's role as the ultimate enforcement authority of the NPT, though, how would it work to have a nonparty to the NPT as a co-chief enforcer?

To be sure, the current permanent five nations also possess nuclear weapons so the current system already reflects a double standard. If India abides by its pledge in the deal with the United States to fulfill all the obligations that the traditional nuclear weapon states do, then the double standard should be no more problematic for India than for the United States, Russia, China, France, and the United Kingdom. This would require India to sign the CTBT, as the others have, and accept the general commitment to disarmament undertaken by the treaty's nuclear weapon states parties.

Unfortunately for India, these have not been the prevailing terms of the debate over Security Council reform. A large segment of international opinion in fact wants to break the one-to-one correspondence between veto-wielding Security Council members and the club of nuclear powers and indeed keep any nuclear weapon states from becoming permanent members. This issue would only grow in prominence once real progress toward Security Council reform began to materialize. Optimally, global nuclear disarmament would free India from this problem: if all possessors of nuclear weapons eliminate these arsenals, India could join the NPT as a nonnuclear weapon state. In the nearer term, Indian leaders could consider how leadership in defining and advocating a process of nuclear disarmament to be joined by all the other possessors might improve its prospects.

Meanwhile, the severe challenge posed by Iran to the old nuclear order highlights the central requirements of a new order. The magnitude of changes necessary in rules governing nuclear technology depends on whether Iran continues to get away with defying enforcement of the old rules it has flouted. If Iran can be persuaded to suspend its fuel-cycle activities long enough to resolve the outstanding questions and build international confidence in the peaceful purposes of future nuclear activities, then rules restricting access to uranium enrichment and plutonium separation capabilities need not be as exclusive as those that will be needed if Iran continues expanding uranium enrichment without convincing the world community of its benign intentions. Given the stakes involved, India's posture in the effort to bring Iran into compliance with nonproliferation and UN Security Council rules may speak volumes about its international stewardship in general.

India has steadfastly defended Iran's "right" to benefit from atomic energy, while at the same time insisting that Iran comply with all its NPT obligations to use atomic energy exclusively for peaceful purposes. As evidence of Iran's noncompliance with its IAEA safeguards obligations mounted and Iran failed to provide the full transparency demanded by the IAEA, India defended the IAEA's position.

India historically had played a leading role in negotiating the IAEA statute and setting up the agency, and Indian officials express a strong interest in protecting the agency's role. But when US leaders conditioned support for the then-proposed US-India nuclear cooperation agreement on Indian support in an IAEA board decision to refer Iran to the UN Security Council, elements in the Indian polity bristled at this attempt at coercion. For its part, Iran capitalized on this discord to press for India to defend Tehran's position. In the end, India joined with many other IAEA members in reporting Iran to the Security Council, but the public US pressure actually made the decision more difficult than it otherwise would have been.

India clearly does not want Iran to acquire nuclear weapons. Such a development would contribute to insecurity in the region and complicate India's relations with the Gulf Arab states. Any prospects of conflict could threaten the safety of Indian nationals in these states and require contingency plans for Indian action to protect and evacuate them. Like other nuclear weapon states, India would see Iran's acquisition of nuclear weapons as a devaluation of the nuclear currency India has obtained. Iran's proximity would force Indian strategic planners—more than those in other nuclear weapon states—to look at the impact of an Iranian arsenal on its military operations within range of Iranian missiles. Moreover, to the extent that the United States and other states, particularly the Gulf Arabs, sought to contain and deter Iran via closer countervailing security arrangements, India could be asked to contribute in ways that it would rather avoid.

Absent brazen Iranian aggression, India will neither support nor participate in military action to stop Iran's nuclear activities. Nor should India be expected to support sanctions on Iranian energy exports. While India would not affirmatively "accept" Iran's illegal acquisition of nuclear weapons, it would see war with Iran or an energy embargo as more threatening. Nor would India support efforts to force a change in the Iranian regime—a reflection of its longstanding position that holds the principle of noninterference in internal affairs sacrosanct. India's own struggle for independence and its deep anticolonial sensibility cause it to favor self-determination over coercive democracy promotion.

These perspectives and interests have led India to support only diplomatic efforts to change Iran's behavior, most prominently to persuade Iran to comply with all IAEA demands for transparency and cooperation to resolve outstanding doubts that all its nuclear activities are exclusively for peaceful purposes. Indian officials carry no brief for Iran, but they can relate to its perspective as an independent civilizational and regional power. They argue that patient, quiet diplomacy and provision of face-saving options are the only way to persuade Iran to comply with international demands.

India's own nuclear energy aspirations also affect its perspective toward Iran. The proposed US-India nuclear deal represents an unprecedented opening of India's nuclear sector to the outside world. Even though the terms of the deal are highly favorable to India, the Indian nuclear establishment and polity have resisted the loss of autonomy they think it entails. To the extent that Russia, the European Union, and others press Iran to accept the multinationalization of its fuel-cycle operations, India will not lend its support. The

Indian nuclear establishment and others—not only the Left parties that oppose the US-India deal—would be chary of creating a new norm against national fuel-cycle operations.

A Role for India in Global Security

India is bound to play an increasingly important role in the international security system. Whereas the nuclear nonproliferation regime is a well-established, detailed, rules-based milieu, international security more broadly is largely anarchic. While India is a not insignificant player in this domain, its role here is much less significant than in the nuclear arena. To the extent there are rules or norms in international security, the first is “don’t start wars or commit aggression.” Here India has been exemplary, especially given its size. Pakistan has initiated each of its four wars with India: 1948, 1965, 1971, and 1999. The Sino-Indian clash of 1962 could be ascribed to both countries, though India’s culpability had more to do with incompetence and hubris than with aggression. The list could go on, but the point is that while India can be a difficult neighbor, it is not an aggressive power.

As China and India gain in global power and influence, the world will have a greater stake in them avoiding a clash with each other. This may seem a strange formulation because India and China should, of course, focus on their own interests and manage competition peacefully for their own reasons. Yet, for a cooperative, rules-based international order to develop, the two most populous countries in the world must not be preoccupied with or engaged in armed conflict of any significant scale. Managing Sino-Indian relations and military competition is only complicated by Pakistan’s involvement in an emerging triangular security dilemma. Pakistan has threatened India’s security more directly, frequently, and intensively than China has, so India must simultaneously develop capabilities to meet long-term Chinese strategic threats and also develop and deploy military capabilities to deter Pakistan. As the Pakistani military traditionally assesses the Indian threat, it assumes that India is building up in order to dominate Pakistan, discounting the extent to which India’s preparations are related to China. Making matters more difficult, China has been a Pakistani ally and provided vital help to Pakistan’s nuclear and missile programs.

The three parties have recently managed their multidirectional relations well. India has been courted by both the United States and China. The United States wants India as a strategic partner in part to balance China’s growing power. China would prefer that India “date” but not “marry” the United States. Indian leaders have recognized the benefits of maintaining good relations with both the United States and China—giving neither a sense of exclusive commitment, while welcoming the overtures of each. This reflects the core imperative of India’s national and strategic identity: autonomy. In this way, India and China continue to improve their diplomatic and economic relations, even as they compete decorously in building military capabilities. Pakistani and Indian leaders at the highest levels profess to understand, now that they have nuclear weapons, that war is no longer a rational alternative, and they must find a way to make peace. Behind-the-scenes diplomacy to formalize a resolution of the Kashmir issue has been stalled by political turbulence in Pakistan and India, but each side recently has shown a determination to avoid crisis.

To the extent that a desired international order will be less militarized than recent decades

have been, India can be an exemplar among major powers. Historically, India has spent a lower percentage of its GDP on the military than have most major powers, with its leaders striving to keep the level below 3 percent of GDP. India’s rise to global power—explicitly sought from the mid-1990s onward—has included a conscious buildup of military strength, yet defense spending as a percentage of GDP has actually dropped in the past few years (see table below).

Nonetheless, the BJP and an emergent national security elite, buoyed by the perceived gain in status and self-confidence following the 1998 nuclear tests, have concluded that the militarily strong nations in this world gain not only security but political respect and international prestige. As India’s economy has enjoyed unprecedented rates of growth, India has become a major purchaser of advanced military technology. India is the leading purchaser of arms from Russia; it has a major defense partnership with Israel; and it is considering major defense purchases from the United States, with the encouragement of the US government and defense contractors. This trend does not mean India is more likely to threaten its neighbors or commit aggression. It simply means that India will behave more like the United States, China, and Russia in valuing and acquiring military power.

India's Military Expenditure as Percentage of GDP, 1990-2007

| Year | Military Exp. (% of GDP) | Military Exp. (billion USD) |
|------|--------------------------|-----------------------------|
| 2007 | 2.4 | 28.5 |
| 2006 | 2.5 | 23.9 |
| 2005 | 2.8 | 22.2 |
| 2004 | 2.6 | 19.2 |
| 2003 | 2.8 | 18.7 |
| 2002 | 2.9 | 18.2 |
| 2001 | 3 | 18.3 |
| 2000 | 3.1 | 17.7 |
| 1999 | 3.1 | 17.1 |
| 1998 | 2.8 | 14.8 |
| 1997 | 2.7 | 14.1 |
| 1996 | 2.6 | 12.8 |
| 1995 | 2.7 | 12.6 |
| 1994 | 2.8 | 12.1 |
| 1993 | 2.9 | 12.1 |
| 1992 | 2.8 | 10.7 |
| 1991 | 3 | 11.2 |
| 1990 | 3.2 | 12 |

India has no compunction about joining the United States in speaking of a “war on terror,” unlike others who think “war” is the wrong conceptual framework and way of speaking of the challenge of terrorism. India had experienced terrorism long before 9/11 and suffered the deadly attack on its national parliament shortly thereafter. India is willing to cooperate with the United States and other states in sharing intelligence and otherwise resisting and targeting terrorism. India’s main complaint—which complicates

United States, United Kingdom, and other NATO states' foreign and antiterrorism policies—concerns Pakistan's role as the principal source of terrorist threats and a failure by the United States, the United Kingdom, and others to press Pakistani authorities hard enough to eradicate terrorist networks and to stop nurturing them as an instrument of Pakistani competition with India.

Insofar as a key source of the overall terrorist threat is Muslim disaffection exploited by antimodern political movements, India can contribute to global order and progress by proving that Muslims can prosper in societies where they are a minority, like India. The formation of Pakistan during the bloody partition of British India, and the intercommunal tensions that preceded it, are reminders of the charged nature of this issue. This history has continued with contemporary communal massacres and pogroms, generally led by Hindus against Muslims—as in Ayodhya in 1992 and Gujarat in 2002—which have helped perpetuate the cycle of brutal vengeance. Even more alarming over the long term are the growing disparities in educational and economic achievements of India's Muslims and Hindus. The Sachar Report, named after the chairman of the government-sponsored panel that wrote it, painted a bleak picture of Muslim life in India. While the panel found that India had done well as a secular nation in providing religious freedom and had made great strides against poverty, “not all religious communities and social groups...have shared equally the benefits of the growth process. Among these, the Muslims, the largest minority community in the country, constituting 13.4 percent of the population, are seriously lagging behind in terms of most of the human development indicators.”

Among other findings that point to low development in many Muslim communities, the report said that Muslims suffer from the highest rates of stunted growth and the second-highest rate of underweight children. Their literacy rate in 2001 was 59.1 percent compared with the national average of 65.1 percent. The report also found that as many as 25 percent of Muslim children in the 6- to 14-year-old age group have either never been to school or have dropped out, a figure higher than that of any other disadvantaged group. Although Muslims have gained prominence as craftspeople, athletes, and entertainers, as a whole their poverty rates are close to those of the lowest Hindu castes and outcaste communities; they make up only 4 percent of students at top universities and hold only 5 percent of government jobs.⁵ All of these factors, along with serious political errors by the government in Delhi, contributed significantly to the Kashmiri uprising.

Moreover, many of India's 150 million Muslims see an ambivalence, or cynicism, in the way that they are treated—they are courted and appeased by politicians seeking votes (India was the first country to ban Salman Rushdie's novel *The Satanic Verses*) then marginalized, distrusted, and harassed by law enforcement officers. “In general,” the Sachar Report concluded, “Muslims complained that they are constantly looked upon with a great degree of suspicion not only by certain sections of society but also by public institutions and governance structures. This has a depressing effect on their psyche.” Against this background, a respected United Nations rights monitor and leading Pakistani

⁵ Carin Zissis, “India's Muslim Population,” Council on Foreign Relations, June 22, 2007. Available online at www.cfr.org.

human rights lawyer, Asma Jahangir, said at the conclusion of a visit to India in early 2008 that the country could face more deadly violence between sectarian communities if much more is not done to deter religious hatred and prevent politicians from exploiting tensions.⁶

Many nations and societies struggle to reverse growing inequalities between minority and majority populations; in Europe, especially, the condition of Muslim minorities has become an acute, if poorly redressed, concern. This challenge is one in which India and other leading states with diverse populations could benefit from candid exchanges among scholars, journalists, communal leaders, parliamentarians, and other officials. This is an extremely sensitive issue—especially when representatives of the majority population are doing most of the talking—but ways must be found to reach a deeper understanding of the problem.

A rules-based international order must have ways to stop conflict and make peace. Indeed, this was the founding principle of the United Nations. India, of course, is not a permanent member of the Security Council, so its role in UN *peacemaking* has been slight and ad hoc. Relatively few conflicts in recent decades have been clear cases of state-on-state aggression (as when Iraq invaded Iran in 1980 and Kuwait in 1990). Most have murkier origins in intrastate struggles, and India's passionate insistence on noninterference in the internal affairs of nations thus makes it a reluctant peacemaker. The principle of noninterference cherished by India (and China and most other postcolonial countries) collides with newer precepts such as the "responsibility to protect," which members of the United Nations endorsed at a 2005 summit. This nascent norm grows from the recognition that the internationally accepted injunction against genocide and other abuses of civilian populations is not self-enforcing, and that when governments do not act to protect their own people, the world at large has the right, and perhaps the obligation, to act. India's emphasis on noninterference in internal affairs will make it resistant to international action in such cases.

Peacekeeping, in contrast, is a different matter entirely. India has long been a major contributor of military leadership and troops to UN peacekeeping operations. Indian leaders and public are proud of this role. Indeed, they sometimes rankle at the lack of commensurate recognition from the international system's leading powers. More concretely, Indian officials will insist on being involved in the broader policy decisions for the situations in which their peacekeepers are deployed. Indian officials privately resent, for example, that US and French leaders decided policies related to Lebanon, where Indian peacekeepers are deployed, without consulting Indian leaders. New Delhi will not long settle for being a mere passenger on the aircraft of global peacekeeping; it will want to be in the cockpit where strategic decisions are made.

⁶ "India at Risk of Renewed Communal Violence, UN Human Rights Expert Warns," <www.un.org/apps/news/>, accessed on March 20, 2008.

India as an Engine of Global Growth

Economists and development experts frequently recall that on the eve of the Industrial Revolution in Europe, India was the world's second-largest economy, with 20 percent of global output. Two centuries later, by the late 1970s, its share of the global economic pie was down to a miserable 3 percent. Now, not even a half century later, India has rebounded. Some forecasts of its future global role are truly stunning. A recent report from the Goldman Sachs Global Economics Group⁷ has predicted that India has the ability to sustain annual economic growth rates of around 8 percent until 2020 and will surpass the United States in gross domestic product by 2050. That would restore India to its former place as the world's second-largest economy, though Goldman Sachs and others warn this growth will have to translate into better lives for most Indians.⁸

Several important factors have combined to make India a potentially powerful player in the international economy. The first to gain the attention of many outsiders was India's enormous and still-growing middle class, usually counted in the hundreds of millions, though exact figures are a matter of dispute. The new spending power of so many Indians, coupled with the gradual reduction of trade and investment barriers since the early 1990s, has been an irresistible lure to exporters wanting to sell to India and to companies eager to establish operations in the country.

As Indians abroad—in Silicon Valley, on Wall Street, and in commercial centers across America—began to demonstrate their impressive skills, Western technology companies became aware that there was a reservoir of talent back in their homeland, having been cultivated in the Indian Institutes of Technology and the Indian Institutes of Management as well as in American and European universities. Soon enough, the outsourcing rush was on. Tens of billions of dollars in business have poured into India, not only in offshore call centers but also in software writing, other high-tech work, and lately in research and development. Moreover, successful Indians in the United States send a greater volume of remittances back home than members of any other immigrant group. The World Bank says that Indians sent home \$27 billion from the United States in 2007, compared to \$25.7 billion by Chinese and \$25 billion by Mexicans.⁹

Within India, domestic industry has expanded and worker productivity is rising, and an important bridge has been crossed. India is now part of a globalized economy; it has every self-interested reason to lend its weight to making globalization work to the benefit of all, most importantly to the poor.

Indian companies are becoming multinational. Among the significant recent takeovers of foreign companies by Indians are Mittal Steel's acquisition of Luxembourg-based Arcelor to create ArcelorMittal, Tata Steel's purchase of the Anglo-Dutch Corus Group, and Tata Motors' winning bid for the Jaguar and Land Rover divisions of the Ford Motor

⁷ *BRICs and Beyond*, Goldman Sachs Global Economics Group, November 2007. Available online at www2.goldmansachs.com/ideas/brics/BRICs-and-Beyond.html.

⁸ "India's Report Card Fails to Make the Grade," *Financial Times*, June 18, 2008.

⁹ Dilip Ratha and Zhimei Xu, *Migration and Remittances Factbook 2008*, The World Bank, 2008.

Company. These are just the beginning. Large international banks, investment houses, and accounting firms are expanding within India. The Indian government is putting its officials and world-class diplomats to work worldwide to build goodwill for India in the competition with China and other industrial nations for raw materials and new markets for exports. Africa and Latin America in particular are playing host to a newly energized Indian presence. India's long track record of diplomatic support for developing nations in NAM and the Group of 77 will give it an advantage here.

India is also one of a set of emerging or reemerging nations with the potential to forge a new global economic order acceptable to rich and poor nations—that makes globalization work for all—though the associated consensus-building will require Indian representatives in international forums to make compromises. Both India and China are seen as inevitable candidates for membership in the Group of Eight leading world economic powers. The participation of these two Asian giants would inevitably alter the dynamics of what would then be the G-10. India is already part of the Group of 20, a forum of finance ministers and central bank governors formed in 1999 to broaden consultation on and stewardship of the global economy. Most of these rising nations have already moved away from being traditional closed economies and are becoming steadily more like the open economies of the industrial world—with which they are increasingly integrated.

This integration, however, poses challenges for developing nations, perhaps for India most of all because of its enormous uneducated, unskilled, impoverished population. Among the rising economies, India falls behind South Africa, all of Latin America, and most of Asia (including Bangladesh) in the percentage of skilled labor as a share of the total labor force.

In January 2008, as the final make-or-break phase of the Doha Round of global trade talks neared, Sandra Polaski of the Carnegie Endowment calculated what India had to gain or lose in the next stage of negotiations with richer nations in Europe and North America.¹⁰ She concluded that India would have more to gain from a global trade pact under the Doha Round than through free-trade agreements with China, the United States, or the European Union. Even given this comparison, the gain from Doha, involving the lowering of Indian agricultural tariffs, would still be very small, adding only about 0.25 percent to the Indian economy and creating perhaps no more than 4 million new jobs in a country with more than 40 million people out of work. Against these modest gains, India will have to weigh other significant factors. For a country whose enormous rural population earns its livelihood from commodity crops, “[a] decrease of even 25 percent in the world price of rice, which has happened repeatedly, would negatively impact all but the top 10 percent of Indian households, with the poorest households losing the most,” Polaski wrote. A lowering of income from agricultural tariffs would, Polaski points out, diminish the overall tariff income that accounts for 11 percent of the government's total revenues. Even in a global market, it is not clear whether the Indian agricultural sector is

¹⁰ Sandra Polaski et al., “India's Trade Policy Choices,” Carnegie Endowment, Washington, DC, January 2008.

aligned with the international economy as a whole. It is not certain that Indian agriculture can realize a sustained benefit from high global prices. Simulating domestic demand while keeping open the options of using tariffs to shield farmers from deeper poverty might, Polaski argues, make more sense than getting locked into a rigid, rules-based global trade order. India adopted this course by banning many food exports as global prices rose sharply in 2008.

In the longer run, prominent factors in India's growth reflect its evolution as a globalizing economy and its steady integration into a free global market, where it finds benefits. An International Monetary Fund Report in February 2008¹¹ attributed India's recent robust economic performance to a strong investment climate—with capital inflows reaching \$45 billion in 2006-2007—as well as to rising corporate profits and a boost in business confidence. Indians are part of the global mix and can no longer retreat from the world at will. When the effects of the American mortgage crisis began to reverberate in Europe and East Asia in early 2008, some financial experts in Mumbai were saying flatly that India was immune to these distant problems. Yet uncertainty about world trends contributed to a 23 percent loss in the benchmark Bombay Stock Exchange Index in the first quarter of 2008.

Growth and Human Development

Behind India's growth still lurk human development factors demanding urgent attention: low literacy, high malnutrition, and serious social and economic discrimination against women. The Indian private sector and nongovernmental organizations (NGOs) offer potential capacity to help decentralize human services and thereby insulate them from corrupt or indifferent local politicians. Global partners of all kinds, along with international development organizations, are also already at work on human development issues. Private philanthropies such as the Bill and Melinda Gates Foundation and numerous Indian charities and research organizations such as the Sir Ratan Tata Trust; the Infosys Foundation; the Azim Premji Foundation, created by the chairman of Wipro; and the LNM Group Foundation, endowed by the steel magnate Lakshmi Mittal, are investing in health and education programs; it is in their interest to build a better labor force.

In its tenth five-year development plan, for 2003 to 2007, India set ambitious targets that would meet or exceed the United Nation's Millennium Development Goals. The government hoped to raise overall literacy from 65 percent to 75 percent and establish universal primary education. There were also targets for reversing environmental degradation and widespread pollution of natural water systems, along with programs to teach awareness and prevention of HIV-AIDS. After most of these targets went unmet, the 2008-2012 plan shifts responsibility to the states, recognizing that state and local governments usually bear the blame for unfulfilled policy directives or misused budgetary resources.

¹¹ "IMF Executive Board Concludes 2007 Article IV Consultation with India," International Monetary Fund, Public Information Notice No. 08/09, February 4, 2008.

Indian governments at the state and national levels will both have to reprioritize budget spending, including on family planning, which is far too weak for a country that is supporting four times the population of the United States on one-third of the land area. India is already experiencing severe stresses on its natural environment, including falling water tables in the agricultural areas and the rapid loss of forest cover and habitat for wild plants and animals. Implementation of programs is often very poor or riddled with corruption, and government subsidies often exacerbate waste. In early 2008 The World Bank acknowledged that it had uncovered the diversion of up to \$600 million in funds allocated for the Indian health sector due to corruption.¹² This in a country with significant levels of HIV-AIDS; endemic diseases such as polio, malaria, tuberculosis, and leprosy; tropical fevers such as kala-azar and dengue; and a range of respiratory and diarrheal infections that are killing small children. Infant and maternal mortality rates also remain high.

India and Peer to Peer Development

Countless Indian NGOs are at work on projects to improve the lives of the poor, albeit often on a modest scale that is dwarfed by the magnitude of the challenges. Given more resources, these groups have the know-how to tackle problems, not only more in India but also throughout the developing world. India already assists other, poorer countries with economic development. A new Indian organization similar to, but larger than, the US Peace Corps or UN Volunteers would be a major force in reducing poverty and spreading education and the use of new technologies worldwide. India clearly has the expertise. An Indian scientist, Rajendra Pachauri, director-general of the Indian Energy and Resources Institute, led the United Nations Intergovernmental Panel on Climate Change, which shared the 2007 Nobel Peace Prize with the former US vice president, Al Gore, for groundbreaking work on threats to the global environment. In his Nobel acceptance speech, Pachauri cited an ancient Indian admonition that “the whole universe is one family” in his blueprint for the future.¹³ A few months later, another Indian, Jagadish Shukla, who now teaches at George Mason University in the United States, won the International Meteorological Organization Prize for his work in environmental science and hydrology. India also has a strong technical base to be able to lead in fields such as solar power and other alternative sources of energy.

Maneuvering in a Diverse Democracy

India’s democratic governance will shape its approaches to global rulemaking in ways that are frequently not appreciated in wealthier or more homogeneous states. Indian decision makers have to be sensitive to Indian voters in unimaginably diverse circumstances. Wealthy new economic elites in the major cities of a few states—Mumbai, Bangalore, Chennai—have a more international vision and set of interests than do landless laborers in Bihar or Uttar Pradesh and their notoriously corrupt (and often criminal) political leaders. Lower, generally poorer castes now play a huge role in Indian politics, particularly in state governments, with priorities that are not

¹² “World Bank Disgrace,” *The Wall Street Journal*, January 14, 2008, p. A12.

¹³ R.K. Pachauri, The Nobel Lecture, Oslo, Norway, December 10, 2007. Available online at <http://nobelprize.org>.

frequently heard at the World Economic Forum in Davos. The definition and articulation of India's interest in shaping the international system will be complex and at times seem irrational from the outside. Internal negotiation and competition often make mixed signals and fitful movements unavoidable. The multiple pressures on politicians in India thus make it more difficult to predict and deal with than most other nations.

India's recent economic growth and the emblematic appearance of its tycoons on global lists of the superwealthy give an aura of inevitability to its rise to world power. But the symbols at the elite level that are earning India a seat at the "high table"—wealthy and brilliant corporate leaders, booming information technology and medical sectors, and lauded writers and film makers—are more than balanced by another India. This India cheers for the gains and acclaim of its "high table" compatriots, but it measures success less by the prosperity of those at the top of the economic pyramid than by the well-being of the hundreds of millions at the bottom. Economic growth and global influence are great, but how equitably are the benefits and costs of growth distributed, and how are global gains shared with Indians living in the village?

Neither is rural India's persistent deprivation inevitable or incurable; failures of leadership have allowed the problem to fester. Political decisions to subsidize water, for example, have put a strain on aquifers, and subsidized power supplies have similarly led to waste and inefficiency. Indian agricultural exports have risen as the domestic market has grown, but at a time of soaring global food prices, the dominance of small-scale farming in India has kept it at a disadvantage against food-exporting nations such as Argentina, Australia, Brazil, Canada, and the United States. There is no shortage of suggestions from Indian experts and international development organizations for easing the double rural burden of uncompetitive agriculture and poor infrastructure. The World Bank, which has \$2.6 billion invested in rural India, recommends (as do many Indian experts) stepped-up investment in agricultural technology and nonfarm entrepreneurship.¹⁴ More broadly, the bank calls for "systemic reform" of public sector service providers, more accountability, the decentralization of services, and an expanded role for nongovernmental actors.

For the foreseeable future, however, the tension between the top and the bottom of the Indian pyramid will constrain Indian decision makers. Moreover, there are and will always be Indian politicians, on the left and right, who question how cooperative India really should be in building global consensus on a range of issues, fearing an associated cost in sovereignty or cultural and economic losses. In a democratic system where political coalitions have become the norm, such skepticism must be taken into account, along with the voices of the rural poor, who vote in enormous numbers. Among some political leaders there is also a tendency to carry on old demands for a new economic order, putting economic rights ahead of civil and human rights in the development efforts of international organizations. At a meeting of NAM ministers in Malaysia in 2006, Anand Sharma, a minister of state for external affairs, reiterated this approach when he called on his colleagues to resist a new "East-West collusion" in the international

¹⁴ "India Country Overview 2007," The World Bank, <www.worldbank.org.in>.

economic realm and to press ahead instead with reforming the Bretton Woods institutions and the WTO in line with the views of the global South. Stating a clear distaste for the instruments of the Washington Consensus, he said “this should be the first step of the United Nations recovering its central place in the economic agenda which it had in the 1970s.”¹⁵

For their part, international financial and development organizations suggest that India, still with the largest number of people living in extreme poverty and contributing to 40 percent of the world’s poor, faces an urgent need to reinvigorate its own human development policies—health and education in particular—raising them to a level befitting a more developed country. Among other things, India needs to ensure that the “youth bulge” of the next few decades becomes the “demographic dividend” that Prime Minister Manmohan Singh and others have anticipated—i.e. the productive work force needed for further growth as an industrialized nation.

Democracy and the Question of Universal Values

While the number of nations calling themselves democracies has risen exponentially since the end of the Cold War, many wear the label in name only. India, in contrast, has a long history of commitment to true democratic governance, marred only by Indira Gandhi’s suspension of civil rights in the 1975-1977 Emergency. Yet the Indian government does not believe that democracy can or should be imposed by or fostered in a country by outside powers, but can only be generated internally. This is of a piece with its prioritization of state sovereignty and national self-determination above all, and its resistance to interference in internal affairs. Therefore India does not use its power and influence to try to promote democracy where it does not now exist. The US experience in Iraq only reaffirms the Indian view.

There are those who argue that individual human rights can be distinguished from democratic governance. Here India’s record clearly could use improvement—though it could be worse, as China’s and Russia’s are, among fellow major powers. Protection of human rights certainly cannot be squared with the Indian state’s failure to prevent or contain the massacre of Muslims in Gujarat in 2002. Indeed, the state government was deeply complicit in the organized killing, and the central government, including multiple political parties, did little credit to human rights in its post facto handling of the atrocities. The Indian constitution, rule of law, and political rights that allow NGOs and a free press to operate provide a framework for protecting human rights, even though violations are disturbingly frequent.

Because India is a democracy with freedom of expression and participation in the making of policies—unlike China and Russia—more is often expected of it. India is party to numerous international conventions but does not always act on them, at home or abroad, a pattern for which it should be held more accountable. The Indian state is more intent on pursuing realpolitik interests in its neighborhood, including competing with Chinese

¹⁵ Anand Sharma, Minister of State for External Affairs of India, General Debate of the Ministerial Meeting of the Coordinating Bureau of the Non-Aligned Movement, Putrajaya, Malaysia, May 29, 2006. Available online at http://www.in.int/india/india_nam.pdf.

influence in Burma, to take an example. If all of the major powers, including China, were actively pressing for human rights in Burma, would India do likewise? Of course. But given that nondemocratic China expresses little interest in human rights in Burma and seeks to extend its influence on India's eastern flank, Indian leaders place greater priority on India's economic and geostrategic position than on the human rights of the Burmese people.

More important than India's role advocating human rights in other countries is its record in the protection of religious minorities—especially in Kashmir but also in the Indian Northeast—and in the lingering discrimination based on caste. Since the mid-1980s, the Indian-administered part of Kashmir, still an internationally disputed territory, has been a cauldron of bitter resentment toward New Delhi among Kashmiri Muslims, leading to an armed uprising that Pakistan was eager to fuel. India has not always given human rights groups unfettered access to the Kashmir Valley, the center of Kashmiri Muslim culture. Since the late 1990s, the International Committee of the Red Cross (ICRC) has been permitted to meet Kashmiri detainees and observe their conditions, which it has asked India to improve. Kashmiri families continue to press the Delhi government and the ICRC to investigate thousands of disappearances and cases in which Indian security forces have been accused of killing people in what Indian human rights groups call “faked encounters.” A 2006 report from Human Rights Watch documented a “culture of impunity” in Kashmir under which torture was found to be common.¹⁶

Because India is a democracy, much of the information on shortcomings of government, human rights abuses, or development failures reaches the world via the reporting and writing of Indians. When the Indian media, particularly television, was freed from government monopoly in the 1990s, it quickly became a significant force for change. With the combination of Asia's most freewheeling NGOs and think tanks, world-class high-technology centers, and the recently unleashed economic power of the private sector, there should be no lack of momentum to propel India through the decades ahead. A challenge to world powers is to urge India to close the gap between the expertise and vision of its citizenry and the performance of its politicians.

There is a paradox that India will struggle to balance as it ascends into the rarefied climes of the global powers. However global in its economic throw weight and active in its engagement in international institutions, India has not been a truly cosmopolitan society. Although it has a degree of ethnic diversity, it is not multicultural in the sense that Europe, the United States, Canada, and Brazil combine European, African, Middle Eastern, and East Asian populations. Many Indian families have their first taste of multiculturalism and diversity only when they move abroad, and the experience is often jarring, as testified in the books that emerge from the Indian diaspora. There are no large foreign-born communities in India beyond those of expatriates in international business

¹⁶ “‘Everyone Lives in Fear’: Patterns of Impunity in Jammu and Kashmir,” Human Rights Watch, September 2006. Available online at www.hrw.org.

and diplomacy, and virtually no immigrants beyond other South Asians. The number of foreign tourists traveling in India pales in comparison to the numbers attracted by China or even much smaller countries in Asia, such as Thailand and, lately, Vietnam.

Scholarly exchanges with India have occasionally been made difficult by the Indian side. The US Department of State, in its human rights report for 2007, noted that the Indian government “continued to apply restrictions to the travel and activities of visiting experts and scholars.” Yet Indians—intellectuals, professionals, and private sector leaders—thrive on freewheeling give and take. Engaging them as widely as possible in international debate in years to come may help them open official thinking at home. The attempt to control intellectual exchanges risks playing into the hands of Hindu extremists who are eager to keep Western ideas and practices out of India.

Official India has not been receptive to international criticism. It sometimes bars international human rights monitors and goes into diplomatic overdrive to keep Indian practices such as caste discrimination off the agenda of UN human rights meetings. As India’s star rises in global affairs, it is likely to find—as the United States and, more recently, China have—increasing attention focused on its record. Scrutiny is part of the territory of being a major power.

A different future is already in sight. New generations of Indians are travelers, at home around the real world and in every corner of the cyberworld. Students, business leaders, designers, writers, musicians, and movie stars are more cosmopolitan than any of their predecessors since independence. They have brought India into the world’s imagination in amazing new ways. Among the newly cosmopolitan are many who are also acutely aware of the need to help India live up to its potential and to invigorate politics, not by looking back but by looking forward and outward.

In the 21st century, there will be more new democracies, continuing a trend that began in the last century with the end of colonialism and accelerated after the Cold War and the collapse of European communism. There will also be many more people—98 percent of them born into the poorest nations—and the strains on democratic governments will be great, stemming from the competition for resources and decent livelihoods and sometimes leading to conflict. Many nations will be tempted to ditch democracy. In this not-so-distant future, the world will need an India that can show how a powerful, still poor, yet democratic country can be made to work to the benefit of all. No rich industrial nation or one-party state, however efficient, can provide a more relevant model for the century in the making.

C. Raja Mohan's Reaction

A Future Unlike the Past

In their insightful assessment of India, George Perkovich and Barbara Crossette rightly underline the enormity of the unfolding transformation that pervades India's national life—from economy to foreign policy and from social mores to attitudes about the outside world. One consequence of this extraordinary change is that India's future behavior on the world stage cannot be predicted on the basis of the traditional precepts of its external relations. Yet, as the home to one of the world's oldest continuous civilizations, India is bound to retain some enduring elements of its worldview.

To complicate matters, some of the more recent trends in India's national decision making indicate both the potential for radical change and the weight of inherited ideological baggage. Many new recent diplomatic initiatives—especially toward Pakistan, China, and the United States—suggest that India's foreign policy is no longer simply reactive. That these initiatives remain to be converted into breakthroughs points to the dead weight from the past. Any sound judgment on India's future role as a major power will have to differentiate parts of its national genetic code from intellectual baggage that might seem fundamental but is in fact dispensable in light of changed circumstances.

One theme of modern Indian nationalism is the belief that holds "India's importance to be singular and self-evident, an entitlement that does not need to be earned, proved or demonstrated."¹⁷ The Indian elites of the early 20th century who rediscovered their country's rich cultural heritage were convinced of their nation's "exceptionalism." The point was stressed by India's first prime minister, Jawaharlal Nehru, who was instrumental in shaping the country's international perspective in the two decades preceding independence: fate had marked India out for big things, and it was entirely natural for New Delhi to take a leadership role in world affairs. Writing well before independence, Nehru was convinced that India would eventually emerge as one of the world's six powers along with the United States, a potentially united Europe, Russia, Japan, and China.

This burning ambition to be a great power playing a shaping role¹⁸ must be differentiated from the variety of other ideas widely viewed as essential to India's mental makeup—such as nonalignment, an anti-Western orientation, and Third World solidarity. In fact, India's adoption of these ideas and postures was the product of specific historical circumstances. A major error that is often made in the analysis of India's foreign policy behavior is to treat these themes as unchangeable parts of a belief system.

¹⁷ Rodney W. Jones, "India's Strategic Culture," Prepared for Defense Threat Reduction Agency, SAIC, Washington, DC, October 31, 2006, p. 7; available at [http://www.dtra.mil/documents/asco/publications/comparitive_strategic_cultures_curriculum/case%20studies/India%20\(Jones\)%20final%2031%20Oct.pdf](http://www.dtra.mil/documents/asco/publications/comparitive_strategic_cultures_curriculum/case%20studies/India%20(Jones)%20final%2031%20Oct.pdf).

¹⁸ Baldev Raj Nayar and T.V. Paul, *India in the World Order: Searching for Major-Power Status* (Cambridge, UK: Cambridge University Press, 2003).

Indian Liberalism and Realism

A second theme in the Indian worldview is an unending but powerful tension between the allure of idealism and the imperatives of pragmatism. As products of a nationalist movement that won its independence from the British by arguing from the first principles of Enlightenment, the Indian political classes took to liberal internationalism like a duck to water. The spirit of universalism that so pervaded the Indian nationalist movement was manifest in its solidarity campaigns with other anticolonial movements, the rejection of power politics, and a strong commitment to the notion of global collective security.

After independence, the Indian Constitution, as part of its directive principles, underlined this important dimension. Article 51 of the constitution asks the state to (a) promote international peace and security, (b) maintain just and honorable relations between nations, (c) foster respect for international law and treaty obligations in the dealings of organized people with one another, and (d) encourage settlement of international disputes by arbitration.

This Indian commitment to liberal internationalism, seen by many as the defining feature of modern Indian foreign policy, however, is balanced by a less noticed but equally vigorous realist streak. Contrast Nehru's proclaimed idealism with his government's willful unification of nearly 545 princely states; reinvention of the British protectorate system for Nepal, Bhutan, and Sikkim; forcible liberation of Goa from Portuguese colonialism (in defiance of his own prescription of peaceful settlement of disputes); expansive territorial claims on the frontiers of China; and determination to keep Jammu and Kashmir in India.

Nehru's daughter and India's third prime minister, Indira Gandhi, was more clearly identified as a realist. Her use of force to liberate Bangladesh, integration of Sikkim into India, and a generally muscular policy toward the neighbors are seen as examples. Yet it was during her tenure that nonalignment acquired its ideological character, and the anti-Western orientation congealed as part of a leftward drift that saw the incorporation of the word *socialism* into the preamble of the constitution and an alliance with the Soviet Union abroad.

Over the last six decades, India's strategic posture has shown a continuous admixture of realism and idealism. That this is rooted in India's worldview can be seen from the contrast between the amoral realism of Kautilya's *Arthashastra* and the extraordinary emphasis on normative universalism under Emperor Ashoka just a couple of generations later.¹⁹

A third enduring element of India's polity is the capacity to innovate and develop unique national solutions. India has shown a remarkable tendency to defy conventional wisdom, as demonstrated by its choice of nonviolence and noncooperation as strategies to win independence, adoption of universal suffrage, creation of linguistic states, development

¹⁹ Benoy Kumar Sarkar, "Hindu Theory of International Relations," *American Political Science Review*, Vol. 13, No. 3, August 1919, pp. 400-414.

of nonalignment as a foreign policy strategy, and its unique path to nuclear weapons development. Although the creative dimensions of India's policy seemed to fade after Nehru, the new vibrancy within Indian civil society and an increasingly globalist orientation of its elite now point toward the possibility that India might once again surprise the world. Perkovich and Crossette's skepticism about India's ability to contribute to the management of world affairs seems prudent in the context of India's past policies, but it is not necessarily an accurate reading of New Delhi's future direction. The authors are correct in affirming that most of the world's problems cannot be solved without an effective contribution from India. They also recognize that important recent changes have been the narrowing gap between India's global ambitions and its lack of strategic resources. The high growth rates of recent years, which signal a structural change in the Indian economy, offer it the hard power capabilities to emerge as a great power.

But equally important has been the emergence of a fundamentally altered international environment much more favorable to India. Unlike during the Cold War when the international system severely constrained India's freedom of action, now, as Prime Minister Manmohan Singh often says, the world wants India to do well.

Indeed, India's most significant challenges lie at home.²⁰ The newly favorable international environment is evidenced most dramatically by the willingness of all the major powers of the world to change the nuclear rules to accept India's nuclear weapons program and renew civilian nuclear cooperation with New Delhi. Yet, the domestic difficulties India has had in implementing a deal that was loaded in its favor reinforces one of the basic propositions of Perkovich and Crossette: that the pace and direction of India's engagement with a variety of international regimes "will depend on the balance between global commitments and domestic political demands that can be struck by the central and state governments in a diverse democratic society."

The rest of this paper will examine how India might navigate the three consequential areas for India's future behavior identified by the authors—nuclear nonproliferation, global security, and international economic order. I conclude with a discussion of the authors' assessment of the interplay between India's diversity and democracy.

Nuclear Weapons: From Conformism to Leadership

In their brief but accurate overview of India's nuclear history, Perkovich and Crossette capture its essential features—restraint and responsibility—in terms of its own nuclear program and its attitudes toward global proliferation. The authors also rightly emphasize the transformation of India from a notable dissident on nuclear affairs for many decades to an adherent of the traditional tenets of nuclear orthodoxy.

This important shift must be explored a little further to determine whether or not India will be able to assume a leadership role on nonproliferation issues. So long as India had remained ambivalent about the relevance of nuclear weapons for its national security, it

²⁰ C. Raja Mohan, "Poised for Power: The Domestic Roots of India's Slow Rise," *Strategic Asia 2007-08: Domestic Political Change and Grand Strategy*, ed. Ashley Tellis and Michael Wills (Seattle: The National Bureau of Asian Research, 2007), pp. 177-207.

was stuck in the blind alley of championing “all or nothing” solutions to the problem. Its normative emphasis on complete nuclear disarmament and nondiscriminatory nonproliferation regimes were of little or no relevance in the real world. Other nuclear weapon powers were not ready for it, and India itself was neither prepared to accept a nonnuclear status nor to abide by regimes that restricted its nuclear options.

Only when it ended its nuclear ambiguity in 1998 by declaring itself a nuclear weapon power did India find the domestic political space to negotiate partial and less than comprehensive “arms control” measures. India’s nuclear diplomacy since 1998 has seen a series of incremental shifts, with India willing to accept some restraints (in the form of a test moratorium) and negotiate a Fissile Material Cut-off Treaty, move from a declaratory commitment to prevent outward proliferation to an operational framework for export controls, abandon its rejection of any regional arms control with Pakistan and undertake a series of nuclear and conventional confidence-building measures, support the principle of keeping new countries from obtaining enrichment and reprocessing technologies, and vote with the international community against Iran twice at the International Atomic Energy Agency during the years 2005-2006.²¹

New Delhi’s engagement on nuclear matters with Washington since 1998, culminating in the civil nuclear initiative of July 2005, demonstrates that as India becomes reassured that its own nuclear weapons program will not be a target of the global nuclear order, it will eventually accept significant restraints. It is possible to argue, as the authors do, that India could have accepted more obligations than it did. Nor is there any doubt that the entrenched fears of the Indian atomic energy establishment about external manipulation and the Indian political class’s accumulated distrust of the United States impelled New Delhi to overnegotiate and minimize any constraints on it. At the same time, it is important to recognize that the US bureaucracy, too, found it hard to sustain the original framework of the July 18, 2005 understanding between Bush and Singh, and Congress complicated it by injecting a whole range of conditionalities. This prompted charges in India that the United States was moving the “goal posts” of the nuclear agreement, thus reinforcing traditional suspicions of the United States.

What is most noteworthy, though, was the determination of the foreign office to battle this old-think in New Delhi and Mumbai. Even more important was the willingness of the Manmohan Singh government to put its political future on the line by persisting with the nuclear deal and the transformation of relations with Washington amid constant accusations of having abandoned the traditional pillars of Indian foreign policy.²²

These massive internal bureaucratic and political battles over the nuclear deal confirm that India is in the midst of significant change. They also suggest that once the nuclear initiative is implemented, and India is fully integrated into the world

²¹ C. Raja Mohan, “India’s Nuclear Exceptionalism,” *Nuclear Proliferation and International Security*, ed. Morten Bremer Maerli and Sverre Lodgaard (London: Routledge, 2007), pp. 113-151.

²² Somini Sengupta, “A Test of Friendship for the Indian Leader,” *The New York Times*, July 24, 2006, and “Closer Ties With the United States Could Cost India’s Prime Minister His Government,” *The New York Times*, July 20, 2008.

order, the domestic opposition to India's participation in the global nonproliferation regime will steadily diminish. Whether the issue is better safety standards on the civilian nuclear program, reducing the global salience of nuclear weapons, expanding controls over the quality and quantity of the existing nuclear arsenals, or opposing proliferation, an India at greater ease with the United States and the international system can be expected to be a strong partner in the management of the global nuclear order. This orientation is reflected in India's enthusiastic response to the Shultz-Kissinger initiative on nuclear disarmament in 2008.²³

There has been considerable anxiety in the United States about India's presumed relationship with Iran and whether New Delhi can take the lead in persuading Tehran to give up its nuclear ambitions. From its own vantage point, India's hesitation is completely understandable. First, given the United States' own deep internal split over policy toward Iran, it would have been unwise for India to have offered strong support for a policy that could well undergo significant changes in the near future. The difficult domestic politics of India's large Muslim constituency also make Indian leaders want to avoid being seen as camp followers of the United States in the Middle East. So looking at the future, India cannot assume an international leadership role by merely tailing the US policy at its every twist and turn.

It is equally important to recognize that, for all the domestic posturing in New Delhi and US fears of an Indo-Iranian strategic partnership, Tehran is by no means the central element of India's Gulf policy.²⁴ India's rising profile in the Persian Gulf is centered on cooperation with Saudi Arabia and the smaller Arab kingdoms. India's future role in the Persian Gulf, now facing the challenge of a resurgent Iran, will be rooted in New Delhi's contributions to the construction of a new regional security order that will lend both deterrence and reassurance to the weaker Arab Gulf States. Such a role will also be in tune with the Muslim sentiments within India.

Global Security: From Autonomy to Responsibility

Strategic autonomy is widely considered the central tenet of independent India's foreign policy. Yet despite the long tradition and passionate emotion attached to the notion of autonomy, one could legitimately ask whether the emphasis on autonomy is a self-evident truth of Indian foreign policy or merely a byproduct of India's relative weakness in the global arena. The emphasis on strategic autonomy was natural for India when it emerged from colonial rule in the middle of the last century. Yet the nation's founding fathers had a vision for India's decisive future role in world affairs. As a weak postcolonial state, India had a strong desire to prevent other powers from limiting its room for maneuver. Six decades later, as India inches toward becoming the world's

²³ Prime Minister Manmohan Singh, "Towards a World Free of Nuclear Weapons," speech given to mark the 20th anniversary of Prime Minister Rajiv Gandhi's initiative on global nuclear disarmament, New Delhi, June 9, 2008; available at <http://www.pmindia.nic.in/speech/content4print.asp?id=688>.

²⁴ C. Christine Fair, "Indo-Iranian Ties: Thicker Than Oil," *Middle East Review of International Affairs*, Vol. 11, No. 1, March 2007, pp. 41-58; C. Raja Mohan, "The Charade on Iran," *Indian Express*, May 11, 2007; and Harsh V. Pant, "India-Iran Ties: The Myth of a 'Strategic' Partnership," *India in Transition*, February 11, 2008; available at http://casi.ssc.upenn.edu/print_pages/pdf/print_Pant.pdf.

third-largest economy and presides over a large and powerful armed force, the notion of autonomy is likely to fade as a central tenet of India's foreign policy.

The concerns of Perkovich and Crossette can be boiled down to one question: How soon and effective might India's transition from autonomy to responsibility be?²⁵ Many in India have begun to recognize that becoming a great power entails sharing the costs of managing the international order rather than merely avoiding the discipline of its current rules.

One area where this change is manifest is in India's neighborhood policy, as the authors have pointed out. After decades of emphasis on "bilateralism" with its smaller neighbors of South Asia and a deep suspicion of regionalism and attempts to keep other powers out of its region in the name of a Monroe Doctrine, India has taken a different tack, promoting economic regionalism (through unilateral concessions, if necessary), resolving bilateral political disputes, and working with other powers to resolve regional conflicts.²⁶ On China too, New Delhi has overcome many of its post-1962 traumas and embarked on a wide-ranging cooperation with Beijing. In the coming years India—fully conscious of the dangers of a hostile relationship with China— will construct its own unique policy of simultaneously engaging and balancing Beijing.

On the new and larger questions of global security, Perkovich and Crossette articulate the recent Western liberal disenchantment with India's obsession with the principles of absolute sovereignty and nonintervention. Given India's own record of military interventions in other countries, including Bangladesh (1971) and Sri Lanka (1987-1990), and its significant military contribution to United Nations Peacekeeping Operations (PKO), it would be inaccurate to suggest that nonintervention is a high principle in India's worldview. To be sure, the emphasis on "nonintervention" has been an integral part of India's rhetorical toolkit at the Non-Aligned Movement and at the United Nations. It has also been central to India's rejection of third-party intervention and mediation in its conflicts with its neighbors. This tradition must be understood, however, as part of India's determination to consolidate its own sovereignty as a newly independent nation and a recognition that national freedom was, in essence, about an autonomous foreign policy. For India the real issue was not about the principle of "intervention" but its implications for its own territorial consolidation and national integration. It was this determination to protect itself from being the target of international intervention that drove India's positions in the post-Cold War international security debates. India, however, had no hesitation in using force in its own presumed sphere of influence, the Subcontinent, against genocide in East Pakistan and in favor of minority rights and federalism in Sri Lanka.

²⁵ Xenia Dormandy, "Is India, or Will It Be, a Responsible International Stakeholder," *The Washington Quarterly*, Vol. 30, No. 3, Summer 2007, pp. 99-115, and C. Raja Mohan, "India's Great Power Burdens," *Seminar*, No. 581, January 2008.

²⁶ Charu Lata Hogg, *India and Its Neighbours: Do Economic Interests Have the Potential to Build Peace?* (London: Chatham House, 2007), and Christian Wagner, "From Hard Power to Soft Power? Ideas, Interaction, Institutions, and Images in India's South Asia Policy," *Heidelberg Papers in South Asia and Comparative Politics*, No. 26, March 2005.

The political will to use force in pursuit of regional foreign policy ends, and the eagerness to contribute to international security by contributing to PKO far from its shores, reflect an important tradition in Indian foreign policy. India's military role in regional and international security, however, has rarely received the attention in India's internal public policy discourse that it deserves. The Indian use of force beyond its borders has been an important legacy of the British Raj. Although the initial focus of the armed forces under colonial rule was on domestic constabulary functions and the defense of the frontiers, the British also used it in an expeditionary mode within and beyond the region for colonial missions. Until seven decades ago, the Indian army was at the very heart of the British imperial defense system in Asia and the Indian Ocean regions.

That India as well as Pakistan and Bangladesh became the biggest contributors of international peacekeeping forces during the Cold War and beyond underscored the Subcontinent's "military surplus." India in particular contributed quite substantially to the international PKO under the aegis of the United Nations from its very inception in the early years of the Cold War. As peacekeeping and peace enforcement operations proliferated after the Cold War, India has refused to participate in any military operations that lacked the United Nations seal of approval.²⁷ This again was not a high principle, but a prudent posture to avoid provoking unwanted international controversies.

Once the United States recognized and sought India's potential contributions to peace and stability around the world, New Delhi began to ease the near theological emphasis on a UN mandate. In a demonstration of its political support for the US intervention in Afghanistan, India agreed to escort US naval ships through the Malacca Straits. In 2003 the Indian government vigorously debated the US request to send troops to Iraq. While fear of a domestic political backlash prompted New Delhi to demur, it was significant for the idea even to have received serious consideration. As the tsunami disaster hit the eastern Indian Ocean at the end of 2004, India quickly decided to join with the navies of the United States, Japan, and Australia in providing relief and rehabilitation. In June 2005 India signed a ten-year defense framework agreement with the United States that involved a broad range of bilateral cooperation in addition to participation in multinational military operations. New Delhi came under sharp criticism from the communist partners of the government and foreign policy traditionalists for agreeing to join US-led military coalitions outside the United Nations.

In sum, the Indian debate on using force beyond borders remains an unfinished one, but it has broken out of the restrictive confines of the past. An India that reemerges as a great power, with significantly expanded capabilities, is bound to reconsider even further the terms and conditions under which it will use force beyond its primary area of concern.

As the Indian security establishment debates which international security tasks it might undertake, the policy shift is likely to be gradual, given the deep risk aversion of the

²⁷ Kabilan Krishnasamy, "The Paradox of India's Peacekeeping," *Contemporary South Asia*, Vol. 12, No. 2, 2003, pp. 263-280, and Christine C. Fair, "U.S.-Indian Army-to-Army Relations: Prospects for Future Coalition Operations," *Asian Security*, Vol.1, No. 2, April 2005, pp. 157-173.

political establishment and ideological opposition on the left. A number of factors will affect this transition. First is the readiness of great powers to accommodate India to the management of international security. The problem here goes well beyond the mere expansion of the UN Security Council or the G-8. It is about constructing a new concert of great powers that is in tune with the changing international distribution of power. Second, despite the current popularity of the “liberal wars,” the debate on when, where, and how to use force has hardly been clinched. For all the enthusiasm for such notions as responsibility to protect, the military capacity and political will available to the international system is finite and limited. Post-Iraq, there is considerable popular skepticism even within the United States about using force abroad. One way or another, the world will eventually have to develop a less ambitious and more effective set of guidelines for using force abroad that does not attempt to right every wrong in the world. Third, as India’s own power position in the world improves, there will be ever greater demands on its growing military surplus. India’s own interests—economic and security—clearly demand more vigorous Indian foreign and military policies in regions far beyond its shores.

Within India, the navy has already begun to take a more global view of the nation’s security interests and the air force is following in its footsteps. As the Indian army’s burdens of internal security and territorial defense ease in the coming decades, it is bound to rediscover the expeditionary legacy of the British Raj. As in the United States, the internal advocates for a larger external security role will be counterbalanced, rightly, by those demanding greater caution if not isolation. More fundamentally, as it becomes stronger, India will have fewer incentives to remain “rent-a-force” for the UN or other great powers. An India with a greater say in setting the terms of use of force and in executing it could, however, be a major contributor to international peace and security.

Global Economy: From a Free Rider to a Stakeholder

Perkovich and Crossette highlight the gap between India’s expanding economic power in the current wave of globalization and its ability to take a leadership role in making the global economy work for everyone. The Indian negotiating strategy and tactics at the World Trade Organization have come under some valid criticism.²⁸ Here again it is important to assess the nature of the transition that is unfolding in India. As it becomes integrated with the world economy for the first time since independence, the internal balance between protectionists and free traders is clearly shifting. Indian industry, battered under the protectionist era, has been loath to cede its market space to outsiders absent what it would consider to be a level playing field. The Department of Commerce, which has the lead role in international trade negotiations has often been accused of being under the thumb of the corporate sector. In the last few years, however, a split has emerged within the Indian capitalist class. Some segments now have a large stake in

²⁸ Amrita Narlikar, “Peculiar Chauvinism or Strategic Calculation: Explaining the Negotiating Strategy of India,” *International Affairs*, Vol. 82, No. 1, January 2006, pp. 59-76.

opening up markets elsewhere rather than keeping the domestic one closed to outsiders. As the weight of this sector grows, India's negotiating positions on market access are bound to evolve.

If the ideology of liberal trade has had a limited following in the Indian industry, it had none at all in rural India, where the majority of the population continues to reside. With the dominance of the rural voters in the electoral process, few political factions have been willing to support free trade. This too is beginning to change. For one thing, small but dynamic sections of the Indian farming community are starting to produce for the global market rather than only for the domestic market.

Meanwhile, an important tension—that of balancing the interests of the rural food producers in receiving good prices and those of the urban populace in keeping food affordable—may be resolving itself. India's traditional approach of subsidizing both at great cost is clearly unsustainable. Other factors are also spurring change. Rapid urbanization is bound to compel the political class to find a new balance. In any case, an imperative of economic development has historically been to shift labor from agriculture to industry and services. The mounting shortage of skills in the urban sectors should also accelerate this shift.

One key to this will be cooperation with the United States in improving agricultural productivity. Four decades ago the “green revolution,” undertaken with American assistance, helped stabilize India. A similar revolution, but much larger in scope, is needed to facilitate not just the transformation of India but the creation of conditions favorable for accelerated globalization.

From a broader perspective, India's large poor population is not the only challenge to the further liberalization of global trade. Amidst the rise of China and India, opponents of globalization have acquired a new strength within the West. As many key constituencies in the developed world begin to see themselves as losers under globalization, the pressure on political classes to step back from free trade is bound to intensify. This trend line is visible even in the United States, which has long been the main economic and political impetus for globalization. The integration of China and India into the global economy, then, requires some conceptual leaps in reorganizing the world trading regime.

The same is even truer of the new challenges of global warming and energy security. The answers might lie less in diplomatic negotiations about who cuts what and when, than in technological breakthroughs that alter the very structure of energy production and distribution.

Meanwhile the shift in interests within India toward the global economy has been fundamental. After decades as a marginal player in international trade, and campaigning for such impossible goals as a “new international economic order,” India has become an important player in the world trade negotiations as well as a key promoter of regional free trade in the Subcontinent and across Asia.

Toward a Global India

The best way to understand India's future role is to look at the comparative experience in another large, diverse, and democratic nation—the United States. The American experience of the last century is a good guide to divining India's direction. For one, there will inevitably be a lag between acquiring great power capabilities and the international policies to go with them. The first decades of the 20th century saw massive internal struggles and failed domestic negotiations in defining an American foreign policy that was commensurate with its real weight in world affairs. A similar complex negotiation is underway in India today, and its recent results show slow and painful progress toward assuming greater international responsibilities.

Second, the problem of “two nations” within one is not unique to India. Uneven development has always and everywhere been part of the history of modern capitalism. As late as the sixth decade of the 20th century, the United States had to embark on the Great Society program to reduce internal inequalities. The resources for that program could not have been generated without the creation of an affluent society in the 1950s. In China, too, Deng Xiaoping was right in coming up with the bold idea of “letting some people get rich first.” As India becomes more affluent, it will have resources to address the massive internal disparities. It is not mere charity from the top, but rather the dynamics of mass democracy that will in fact force things in that direction.

Third, the tension in Indian foreign policy between idealism and realpolitik, too, is not very different from that in the United States. Both nations have been obsessed with the notion of sovereignty and the democratic refusal to open domestic matters to outside interference. Both nations have had to use significant force at home to unify their nations. Having constructed an exceptional nation, defined by extraordinary diversity, India—like the United States—will take its own time and demand its own space to balance the imperatives of realism and the higher calling of universalism. It is unlikely to accept tests of “stakeholdership” from outsiders, but will be constantly under pressure to prove its international standing to its own citizens. Given the complexity of the internal negotiation within India, it makes sense to focus on what India finally does rather than what its leaders say it might do.

Perkovich and Crossette are correct in underlining the consequential nature of the India project. The political trend lines since India began to reconnect with the world have been essentially positive. After decades of pessimism, a new optimism now guides a changing nation's thinking about itself and the world. Although the many problems that confront it at home are massive, a globalizing India is better equipped than ever before to address them. Externally, India must be expected to contribute more significantly to the construction of global regimes. But do expect India to negotiate hard, very hard, on terms of its engagement with preexisting global structures, and look for it eventually to take the initiative in building new ones.

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209 Iowa Avenue | Muscatine, IA 52761 USA

563-264-1500 | 563-264-0864 fax | info@stanleyfoundation.org
