



India's Foreign Policy Grows Up

Sumit Ganguly

The end of the Cold War and of the Soviet experiment shattered the long-cherished assumptions of India's foreign policy establishment and forced a radical realignment of its foreign policy. During much of the Cold War, India had professed a nonaligned foreign policy. Contrary to popular belief, this did not mean that it would steer a course equidistant from the two superpowers. Rather, it meant that New Delhi asserted the right to pursue its own interests, free from external domination. This policy enabled India to stand back from the ideological fray between the two superpowers and to play a global role disproportionate to its military might and economic prowess. India's ostensible strength lay in the power of moral suasion. It spoke for the recently decolonized world, most of which was composed of nonindustrialized countries. It sought to promote global disarmament, the peaceful resolution of disputes, and economic development.

Nonetheless, India did not pursue its policy of nonalignment in complete good faith. In practice, New Delhi rarely followed an independent foreign policy. The principal architect of India's foreign policy, Jawaharlal Nehru, who was prime minister from independence in 1947 until 1964, was far more prone to criticize the shortcomings of the United States and the Atlantic Alliance than the malfeasances of the Soviet bloc. Nehru's propensity to overlook the many shortcomings of the Soviet Union stemmed from his strong anticolonial sentiments. And the Soviets, in his view, were sympathetic to the aspirations of the Third World. He also had

profound misgivings about unbridled, American-style capitalism as an appropriate mode of economic development for the recently decolonized world.

His successors, while still professing nonalignment, openly collaborated with the Soviet Union on a range of global issues. They were reluctant to criticize the Soviet invasions of Czechoslovakia and Afghanistan, allowed Cuba to become a member of the nonaligned movement, even though it was firmly in Moscow's embrace, and were unwilling to admit that the Soviet military presence in Eastern Europe posed a real threat to the West.

As one of the principal exponents of the nonaligned movement, India portrayed itself as a champion of the world's poor and dispossessed. To this end, Indian leaders called for a global foreign aid regime designed to redistribute the world's wealth, an international trading order that favored the needs of the developing world, and the restructuring of such global institutions as the World Bank and the International Monetary Fund so as to give the weaker states a greater voice. These efforts produced little of substance. Moreover, India's self-imposed isolation from the global trading order (it pursued a strategy of import-substituting industrialization, which discouraged foreign investment) levied severe costs in terms of economic growth. During the 1980s, when Southeast Asia and even China raced ahead through their steady integration into the global economy, India remained an economic laggard, its rate of growth barely exceeding 3 percent annually—the "Hindu

rate of growth,” to borrow the Indian economist Raj Krishna’s evocative phrase. Thus, while India’s leaders sought to address economic inequities on a global scale, the anemic growth resulting from their domestic economic policies did little to alleviate rural and urban poverty at home.

On the rare occasion that India’s international efforts bore political success, the results had perverse economic consequences. For example, although India supported the efforts of the Organization of Petroleum Exporting Countries (OPEC) in the early 1970s to extract concessions from the industrialized North by dramatically raising the price of oil, this did little or nothing to assuage India’s acute energy needs. In fact, the ensuing global economic order proved to be even more inequitable for oil-poor developing states such as India, which wound up worse off than before.

Genuine Nonalignment

Ironically, it was not until the Cold War was over that India’s foreign policy became genuinely nonaligned. India was now able to devise a foreign policy free from the “mind-forged manacles” (in the poet William Blake’s memorable phrase) of Cold War thinking. Free of the Soviet embrace, Indian policymakers realized some fresh thinking was in order, and they soon concluded that continuing to berate the United States and the Western alliance over a range of real and imagined grievances would do little to advance India’s national interest. They also abandoned their mostly futile efforts to organize the uplift of the world’s poor and dispossessed. No longer would India champion the cause of global regimes designed to redistribute the world’s resources. Instead, New Delhi would focus on domestic economic development, the augmentation of India’s already substantial military capabilities, and the pursuit of great power status in the international system.

Yet the reorientation of the country’s foreign and security policy priorities would

prove neither easy nor swift. The Indian political leadership proved far more adept at coming to terms with the changed international order than those charged with implementing its directives. Certain habits of mind, deeply ingrained in the organizational culture of the Indian foreign policy bureaucracy, could not be easily discarded. The members of this entrenched bureaucracy had a difficult time accepting the changes that accompanied the collapse of the Soviet Union, and they accommodated themselves fitfully and with great reluctance to a new political dispensation at home and abroad. They were extremely skeptical about making overtures to the United States and harbored fond hopes of a renewed and robust relationship with Russia.

Additionally, some individuals and groups remained unwilling to adjust their attitudes and worldviews to the emergent global order. Certain key members of the once-dominant Congress Party and India’s inveterate Communists remained hostile to the idea of a U.S.-dominated world order. They found some important allies among India’s “attentive public,” who had long shared their reflexive anti-American and pro-Soviet ideological proclivities. Political commentators ranging from prominent university professors to well-known columnists expressed deep misgivings about overweening American power and lamented the abandonment of nonalignment and India’s willingness to take up all North-South issues. Their sandbagging hindered the leadership’s attempts to alter India’s foreign policy.

Opposition also came from well-organized segments of India’s highly protected industrial sector. Both labor and management expressed dismay over the government’s willingness to dismantle key elements of the command economy, such as an unwieldy public sector and the extensive regulations on investment and plant expansion, as it sought to integrate India into the global economy. During the 1990s, much of this opposition was whittled down. Even so,

deep-pocketed industrial associations and powerful labor unions still stand in the way of a tighter embrace of market-oriented policies. They have managed to slow the pace of privatization, the lowering of external tariffs, and the elimination of subsidies to inefficient industries. Moreover, the exigencies of maintaining parliamentary unity within a fractious, multiparty governing coalition have hobbled even the most imaginative efforts of Arun Shourie, the able minister in charge of privatization.

Despite these domestic constraints, India's political leaders had no choice but to confront the inexorable realities of the post-Cold War world. The demise of the Soviet Union deprived India of the support of a veto-wielding power in the U.N. Security Council, ended a highly favorable arms-transfer relationship that had enabled New Delhi to maintain a modern military, and removed a virtual guarantee against Chinese nuclear blackmail.

The Soviet collapse also undermined India's autarkic approach to economic development, which, in turn, had serious consequences with respect to its foreign policy options. Not only was the Soviet model of forced-draft industrialization, long-range planning, and massive state regulation of industry discredited, but almost simultaneously, in 1991, India faced an unprecedented financial crisis.¹ The high cost of purchasing oil on the global spot market, the expenses incurred in repatriating thousands of workers from the Persian Gulf states before the onset of the first Gulf War, the loss of their remittances, and loan payments to multilateral banks drained India's exchequer. The Indian Finance Ministry estimated that the Gulf crisis alone cost India \$2.5 billion. India's economic planners had two choices: they could seek additional multilateral loans as a stopgap measure, or they could embark on a new financial and economic course. The forceful finance minister, the Oxford-trained economist Manmohan Singh, and the prime minister, Narasimha

Rao, chose the latter strategy. Despite considerable domestic opposition, and in concert with the World Bank and the International Monetary Fund, they embarked on a radical long-term structural adjustment program. They slashed what were then some of the highest tariffs in the world, reduced domestic regulations on industry, reduced subsidies to agriculture and to such ancillary industries as fertilizer manufacturing, and took on the politically sensitive task of shrinking the behemoth public sector. Nonetheless, the success of the structural adjustment program has been limited and fitful at best.

Changing Course

India's leaders also began to dispense with their anti-American ranting on matters ranging from global disarmament to climate change to international trade negotiations, and New Delhi started to play a more constructive role in such global multilateral institutions as the World Trade Organization. They also dropped their rhetoric on behalf of the Third World at the United Nations and in other multilateral fora.² And in another dramatic shift, India, acting on a desire to ingratiate itself with Israel and the United States, played a constructive role in overturning the obnoxious U.N. resolution that equated Zionism with racism.

Other important policy changes followed. Throughout the Cold War, in an attempt to court Arab public opinion and fearful of a domestic public backlash from its substantial Muslim minority, India had refused to maintain full diplomatic relations with Israel. Prime Minister Rao reversed this decades-old policy in a single stroke and with only mild domestic opposition. By so doing, he hoped to gain an invaluable ally in the Middle East, to acquire high-tech weaponry, and to send a message to the Arab Middle East that India could no longer be taken for granted. New Delhi also made a concerted effort to improve relations with China, with which it had fought a dis-

astrous border war in 1962, by expanding cultural exchanges, trade, and foreign investment, and through a series of confidence-building measures along the disputed border. Finally, in the early 1990s, India embarked on its "Look East" policy, designed to gain access to the markets and capital of the rapidly growing states of Southeast Asia and as a means of countering the growth of Chinese political and military influence in the region. During the Cold War years, Indian policymakers had largely shunned these states, characterizing them as squalid, authoritarian regimes abjectly reliant on American security assistance. Today, India, though not a formal member of the Association of Southeast Asian Nations (ASEAN), has become a "full dialogue partner" of that organization and is also a member of the ASEAN Regional Forum. And it participates in bilateral military exercises with Vietnam and Malaysia, among other Southeast Asian states.

A New Deftness

The new pragmatism that began to inform Indian foreign policy calculations with the Soviet collapse has not led to an uncritical acceptance of American global dominance. The French concern about the American "hyperpower" struck a resonant chord in India. As a result, New Delhi has actively sought to cultivate a robust political and security relationship with France, which includes military-to-military contacts, high-level bilateral exchanges involving senior policymakers, and weapons deals (including the purchase of Mirage 2000 advanced aircraft and, possibly, a French submarine).³

India clearly remains uneasy over America's overwhelming military power. That said, it has demonstrated a new deftness in dealing with Washington. In the buildup to the first Gulf War in 1991, most Indian policymakers across the political spectrum roundly condemned the American-led coalition's attack on Iraq. The refueling of American aircraft in Bombay on their way to the

Gulf became a deeply contentious political issue. Last spring, however, when much of the world, including prominent American allies were either condemning or expressing grave reservations about the war, India's reaction was a far cry from the shrill denunciations of the abuses of American power that were heard in 1991. This time around, the Bharatiya Janata Party-led coalition government criticized the American decision to resort to war, but in the most restrained terms. And this past October, when New Delhi turned down Washington's request for Indian troops for Iraq, it did so without moral posturing.⁴ Instead, the Indian government declined on the grounds that domestic national security needs precluded such a commitment of troops for peacekeeping duties. Moreover, the policymaking elite arrived at this position only after vigorous public and parliamentary debate.

There are other indications of a newfound nimbleness on New Delhi's part in dealing with the United States. For example, when America's European allies were expressing deep reservations over the Bush administration's plans to withdraw from the 1972 Anti-Ballistic Missile Treaty so as to be able to pursue the development of a national missile defense system, Indian policymakers, much to the surprise of the Europeans and even the Bush administration, cautiously endorsed the step. India couched its support in moral terms: the quest for missile defense, New Delhi said, meant a shift away from the chilling world of nuclear deterrence premised on mutually assured destruction. This was obfuscation, of course. India wants to acquire similar technology in order to guard against China's increasing nuclear reach and to establish escalation dominance (the ability to trump an adversary's military capabilities at all levels of conflict) over nuclear-armed Pakistan, its longstanding adversary. But the United States remains ambivalent, at best, about making missile defense technologies avail-

able to India. As a result, New Delhi has turned to Israel as an alternative supplier, thereby further bolstering the nascent Indo-Israeli relationship.

The Indian response to the September 11 attacks on the United States is also instructive. New Delhi's condemnation of the attacks was hardly unexpected, as their sheer viciousness necessarily engendered sympathy. But in an extraordinary move, India offered the United States full intelligence cooperation and even access to Indian military bases. Such gestures would have been simply unimaginable a mere decade earlier. Policymakers in the United States expressed considerable satisfaction with the Indian response. However, much to India's dismay, Washington sought the cooperation of Pakistan in its war against the Taliban and al-Qaeda in Afghanistan. As in the 1980s, when Islamabad had assumed a critical role in the campaign to force the Soviets out of Afghanistan, the exigencies of geography again redounded to Pakistan's advantage. The irony of this situation—it was the Pakistani military that had helped spawn the Taliban—was not lost on India.

India's leaders, though obviously unhappy with the renewed U.S.–Pakistan nexus, in contrast with the past have not been in a state of constant pique. Instead, New Delhi has sought to expand cooperation with the United States on a number of other fronts, especially in the area of military-to-military contact. After keeping the U.S. military at arm's length throughout the Cold War (that is, shielding its own military from any significant contacts with its American counterpart), India now sees military cooperation as a means of enhancing the training, readiness, and skills of its own troops.⁵ Since May 2002, the two countries have held a series of joint military exercises both in the United States and in and around India. Indian and American paratroopers participated in a joint exercise in the Indian city of Agra in May 2002. Last September, Indian army troops and U.S. special forces

held a joint exercise in Ladakh, an Indian-controlled portion of the disputed state of Jammu and Kashmir. (The terrain where it was conducted is markedly similar to that in Afghanistan, which is why the American troops went there, but no doubt India also wished to send a not-so-subtle signal to Pakistan.) This past October, India's Southern Command and elements of the United States Seventh Fleet participated in a naval exercise in the Arabian Sea. The two navies have also been jointly patrolling the Straits of Malacca since their respective intelligence agencies warned of an al-Qaeda plot to attack trade in these vital sea lanes.⁶ New Delhi hopes that these expanded contacts with the U.S. military will allow India to obtain dual-use technology in the areas of energy, aerospace, and nuclear safety—what American negotiators refer to as the “trinity.”

The future of Indo-U.S. relations will hinge in large measure on Washington's willingness to supply India with this technology. Washington will have to come to terms with India's nuclear weapons and ballistic missile programs, which do not fundamentally impinge on American security interests. Despite polemical commentary in the United States that uncritically paints India's nuclear programs as the product of a desire for status and prestige, they are primarily an outgrowth of India's regional security concerns with respect to China and, to a lesser degree, Pakistan. India, for its part, must find a way to assuage American worries that any dual-use technology supplied to India might end up elsewhere.

Constraints and Possibilities

As India attempts to realign its foreign policy in the context of a greatly altered global order, it faces some serious structural constraints on its freedom of action. One of the principal constraints is its endemic poverty. India can be justifiably proud of its progress in combating chronic hunger and malnutrition. However, according to official statis-

tics, more than a quarter of its population still lives in poverty. Unless New Delhi can mount a significant effort to address this problem, neither its military prowess nor its status as a nuclear weapons state will grant it a leading role in world affairs. If India's economy is not sufficiently robust or its population adequately educated and housed, the country will be battered by global economic downturns and resource shortages. Consequently, it must continue to dismantle the labyrinthine regulatory structure that continues to limit its economic growth. This is not to advocate an uncritical embrace of market principles. New Delhi should not retreat from its commitment to provide universal health care and primary education, to protect the environment, and to build infrastructure.

A second constraint is India's long-troubled relationship with Pakistan. Unless India and Pakistan can resolve their differences and end their seemingly intractable dispute, India's influence will remain mostly confined to South Asia and its immediate environs. This is because much of the energy and attention of key policymakers is sapped by the continuing confrontation with Pakistan.

To dispatch the Pakistani albatross, India will have to address the critical problem of Kashmir. The origins of the problem are complex and can be traced to the colonial history of the subcontinent. After Partition, India claimed this Muslim-majority state in order to demonstrate its secular credentials. Pakistan wanted the state to underwrite its claim as the homeland of the Muslims of South Asia. As the ideological moorings of both states have frayed, they now claim Kashmir on the basis of statecraft. Since 1989, the Indian-controlled portion of the state has been the site of an ethno-religious insurgency with indigenous roots. Various Pakistani regimes, both civilian and military, have provided considerable aid to the insurgents. The Pakistani military and its Inter Services Intelligence Directorate have

trained, armed, and provided vital sanctuaries to the insurgents for over a decade. Pakistan's involvement has thereby expanded the scope and prolonged the duration of the insurgency.

Neither India nor Pakistan has been willing to make any territorial concessions with respect to Kashmir. India can ill afford to cede ground for fear of encouraging other secessionist movements elsewhere in the country. Pakistan has been equally intransigent, its unwillingness to abandon this cause stemming from a desire to take revenge for India's substantial role in the civil war of 1971, which contributed to the breakup of Pakistan and the creation of Bangladesh out of East Pakistan.

India must find a way to contain the remnants of the insurgency, which has waned considerably since its outbreak in 1989. Late last year, with the promise of negotiations with one of the key disaffected parties, the secessionist All-Parties Hurriyat Conference, New Delhi had some hope of making progress toward this end. Relations with Pakistan also began to show a hint of improvement in late November 2003, when the two sides agreed for the first time since 1971 to a cease-fire along the Line of Control in Kashmir. Further signs of a thaw in relations came during the recent regional summit.

Movement on the Kashmir issue, however, remains acutely dependent on the willingness of Pakistani president Pervez Musharraf's government to end its support of the Kashmiri insurgents. India must also find ways to move beyond an ad hoc strategy to win the hearts and minds of its disaffected Kashmiri population. And, just as importantly, India must forthrightly confront its uneven, and occasionally highly discriminatory, treatment of its substantial Muslim minority. Until it does so, Muslim Pakistan will not miss an occasion to make trouble for its neighbor. (There is evidence that Pakistani intelligence officials have been attempting to recruit young Muslim

men in the western Indian state of Gujarat, the scene of a brutal pogrom against Muslims in February 2002.)

Finally, there is the constraint posed by the Nehruvian palimpsest. Many individuals within India's foreign policy and security establishments remain seemingly impervious to the significance of the vastly altered international order. They continue to harbor hopes that a grand coalition of Third World states, in conjunction with Russia and possibly China, can balance American power. Could the emergence of such a domestic coalition lead to a dramatic and retrograde shift in Indian foreign policy? The likelihood of such a coalition emerging is small, even were the Congress Party to return to power. The dramatic changes in the international arena would make an attempt to refashion a nonaligned coalition all but hopeless. More to the point, such an arrangement would be inimical to India's pursuit of its national goals. India can hardly achieve great power status in conjunction with a motley and fractious coalition based upon little more than anti-Americanism.

India must carefully assess its own national objectives and pursue them with vigor. Among other things, this will require a less reactive foreign policy. New Delhi should take the lead in offering viable solutions to problems facing the subcontinent, rather than merely responding to or opposing the initiatives of others. The outlines of a new foreign policy consensus are already apparent. India's leaders have come to the harsh realization that force has continuing utility in international politics, that political rhetoric and posturing are no substitute for rapid economic growth, and that grand ideological coalitions ill-serve India's material interests.

Accordingly, we can expect India's leaders to adopt far more pragmatic policies in

areas as disparate as arms control and global climate change. (In the past, India either proposed unrealistic schemes—mostly for scoring propaganda points, or in pursuit of some illusory notion of Third World solidarity.) These policies will not necessarily be in accord with American interests, but the adoption of more flexible negotiating stances on these issues will also open up the prospect of meaningful compromises. Having shed most of its ideological burden, and adopted more pragmatic policies at home and abroad, India is in a position to move into the ranks of the major powers. In order to do so, it must continue its steady embrace of market-oriented policies, expand its ties to the United States, and pursue negotiating strategies in international fora that will enhance its national interests rather than those of some rag-tag global coalition. ●

Notes

1. For a discussion of the roots of this crisis and the policy changes that it engendered, see Baldev Raj Nayar, "Globalization and India's National Autonomy," *Journal of Commonwealth and Comparative Politics*, vol. 41, no. 2 (2003), pp.1–34.

2. For a discussion of the newfound Indian pragmatism reflecting India's enhanced material capabilities, see Larry Rohter, "New Global Trade Lineup: Haves, Have-Nots, Have-Somes," *New York Times*, November 2, 2003.

3. Jean-Luc Racine, "The Indo-French Strategic Dialogue: Bilateralism and Strategic Perceptions," in *India as an Emerging Power*, ed. Sumit Ganguly (London: Frank Cass and Company, 2003).

4. Josy Joseph, "Vajpayee Promises to Relook at Troops for Iraq," *India Abroad*, September 26, 2003.

5. Josy Joseph, "India, US Special Forces in Joint Exercise," *India Abroad*, September 19, 2003.

6. George Iype, "India, US Hold Naval Exercise Off Malabar Coast," *India Abroad*, October 17, 2003.