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Arundhati Ghose

EMERGING INDIA: STRATEGIC CHALLENGES AND OPPORTUNITIES

K. SUBRAHMANYAM MEMORIAL LECTURE



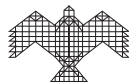
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Shri K. Subrahmanyam

19-1-1929 to 2-2-2011

Shri K. Subrahmanyam (1929- 2011), was the doyen of Indian strategic thinking and had a clear and farsighted vision on issues ranging from foreign policy to nuclear deterrence. An intellectual progenitor of the Indian nuclear weapons programme and the most influential strategic thinker of his own and the subsequent generation.

In a long and distinguished career that began with his entry into the Indian Administrative Service in 1951, Subrahmanyam straddled the fields of administration, defence policy, academic research and journalism with an unparalleled felicity. It was his early advocacy of India exercising the option to produce nuclear weapons that made governments and scholars around the world sit up and take notice of his views.

He was the Founder-Director of the Institute for Defence Studies and Analyses (IDSA), and served in that capacity from 1968 to 1975. He returned to IDSA in 1980 and nurtured it to become country's premier think tank with focused research on defence and foreign policy issues.

Subrahmanyam chaired several Government committees and commissions of enquiry, notable among them being the enquiry commission of the 1971 Indo-Pak war and the Kargil review committee in 1999. A major revamp of the Indian intelligence system took place based on the recommendations of the Kargil review committee.

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*Professor Ramamurthy, Dr. Santhanam, Ladies and
Gentlemen,*

To tell you the truth, I am overwhelmed at the honour of being chosen to be the speaker at the first K. Subrahmanyam Memorial lecture held by NIAS. Thank you.

There are at least two reasons why this visit to NIAS and Bangalore holds a very special significance for me, and why I extend to NIAS and its Director and faculty my very deep appreciation and thanks. Firstly, the recent loss of K. Subrahmanyam has been a loss not only to his

family, to the strategic community and to the nation, but also has been a personal loss to me. To me, Mr. Subrahmanyam was not only a mentor and a source of inspiration, but also a source of constant reference on the bewildering changes that are taking place in the world. To be invited to deliver the first K. Subrahmanyam memorial lecture is therefore a privilege and honour and a moving moment, for which I am most sincerely grateful. Secondly, I have been associated with NIAS ever since I returned to the country after the completion of my service abroad. I was given the honour of having been nominated an Associate Member in the late 1990s and had, at that time been a fairly frequent visitor to these beautiful premises. To be here again is a special occasion and I am delighted to be here as your guest once again. In fact, the last time I visited NIAS was about three years ago as a member of a Task Force led by Mr. Subrahmanyam, when Dr. Kasturirangan was the Director.

As I have said, Mr. Subrahmanyam's loss has dealt a grievous blow to the still evolving strategic community, both within and outside Government. As an optimist about India at a time when predictions of doom and gloom fill most of the popular discourse, his view was often against the tide; but then he was known not to be

influenced by the common stream, and he was, on many occasions, prescient. In fact, a book containing articles by him is felicitously titled “Shedding Shibboleths” a shibboleth being, as you know, an outmoded view held by a particular group of people.

He had a world view and of India’s place in it in these changing times. Belying his chronological age, his mind remained constantly innovative, adapting to these changes with ease, without losing the consistency of his long term vision of India’s interests. I still feel acutely the absence of Subbu as he was affectionately called by his friends and peers, as well as by those who were, in a sense, and I count myself as one of them, his followers. It is not that we agreed on all issues, but his elephantine memory and vast experience together with his logical approach to issues frequently silenced my arguments. His ability to instinctively be able to distinguish between the minor, peripheral and tactical and to be able to discern in the welter which is our world, the significant trends and their implications for India, made him probably the foremost strategic thinker of our times.

I first met Mr. Subrahmanyam-he objected strongly when someone inadvertently prefixed a ‘Dr.’ before his name-

fairly late, after my return from Geneva in 1997, though I had heard of his reputation and had followed his comments on nuclear issues through the years. Over the last several years, I found myself seeking his views on a variety of issues, almost on a regular basis. He often gave me books to read and pointed to other publications which had caught his attention; discussions were long and, as he gradually restricted his venturing out, over the telephone. From these many discussions, I today recall a thought he almost casually put on the table, as it were, that India was unique in that she was perhaps the only country that was industrializing as a full-fledged democracy and had to deal with the world as such. Most other countries, certainly the major powers, started their industrial revolutions in political circumstances that were more controlled than in a democratic polity. Without parsing that thought too finely, in my view, its focus is clearly on the undoubted fact that India is 'emerging'; a term that is more and more frequently used but remains ill-defined, requiring some examination.

India has been here before; she 'emerged' from colonial rule to independence and from what was popularly called the license raj to a different system where controls were eased and the private sector was given space to grow as

the country tried to adapt itself to the unstoppable demands of globalization. What seems to have caught global attention on this occasion is India's rapidly growing market, and the West, characteristically specific, has clubbed India with other emerging markets, when the rate of growth and the size, both actual and potential, of her market, seemed to merit putting India in a separate category of developing countries. In actual fact, India remains a developing country, with all the characteristics of one, but she is a developing country in transition, as it were, from a low income to a middle income one. In my view, emergent India is basically an India in transition and her strategic options are accordingly either constrained or open possibilities for previously closed courses of action.

Transitional periods are usually ones of some turmoil; the more rapid the changes, the greater the uncertainties. As China changed rapidly, she was able, to a large extent, to contain the turmoil and the pushes of growing expectations of her people because of her political system. India's change on the other hand is taking place within the constraints of a democratic polity; the media, an active civil society, and an equally active parliamentary opposition, make it that much more complex to find

certainty and clear directions in policy making and in the taking of bold and sometimes unpopular decisions, even while working for the broadest consensus in this country of a million points of view. The situation, therefore, as far as India is concerned is more fluid and perhaps less decisive than one would have hoped. Not that I am decrying democracy; temporary and short term uncertainty is a small price to pay for long term stability of both society and developmental efforts.

We are all aware of the internal challenges faced by India—poverty, with all its human consequences, poor governance, corruption, insurgencies and the mighty push and impatience of a population that is young and aspirational. It is not my intention to speak today of these problems, but to liken this internal turmoil to the fluidity that today characterizes international relations. It is in this world in transition that India has to look to her national and strategic interests. Notwithstanding her problems, India's economic growth is not only enabling her to deal relatively more comfortably with her internal challenges, but has made her participation, together with other similarly placed countries, indispensable in dealing with issues with global impact.

On the other hand, this transition, which is affecting India internally, economically, socially and politically, is taking place when the world itself is in a state of transition, when shifts of power, economic, political and military are taking place creating uncertainty and in some cases, apprehension, particularly in those countries that, since the end of World War II, have laid down the agendas and rules and controlled the institutions by which almost all areas of global interaction were governed. To quote an American scholar, "We are witnessing ...the shift of economic activity from the Atlantic to the Pacific Ocean. This transfer of economic power will trigger a shift of political power as well, and the prospect losing their leadership is alarming old elites." Though the concern is mainly about the rise of China, the following assessment could cover India (and Brazil and South Africa) as well. "The governance mechanisms of this new order have yet to be established, but it is abundantly clear that old institutions must be renewed, renovated or abandoned, with new ones to take their place. That process is already underway : think of the calls for reform of the United Nations Security Council, the reapportioning of voting rights in the IMF and World Bank, the decline of the G-7 and the emergence of the G-20...This alone is anxiety inducing." This alarm and anxiety and the need to reform

and renovate the old order, is one of the more subtle challenges that face India globally today. I shall revert to this later.

A much more direct challenge to India is instability in her immediate neighbourhood, characterized as it is mainly by nascent democracies with each of which India shares not only common borders, but common ethnicities. China is a special case and needs to be treated as such, as she poses probably one of the most complex challenges to a growing India, and has been steadily building closer relations with each of India's neighbours. In need of a stable and peaceful environment in which she can concentrate her energies on her own not inconsiderable problems, instability in the neighbourhood becomes a serious obstacle to India's achievement of her objectives. However, it needs to be noted that India has been able to establish equitable relations with Bhutan, Bangladesh and Sri Lanka; what is needed now is sustained and deeper engagement so that these countries too can not only become shareholders in the benefits of India's economic growth, but with which stronger political and strategic relations need to be built and fostered.

The more intractable problems lie with Nepal and of course, Pakistan. The current chaos in Nepal, a country which shares both borders and rivers with some of our most vulnerable states should be a matter of concern. In our efforts to deal with the political churning in Nepal, we seem to have lost much of the support of the people, if press reports are to be believed. For instance, it has been reported that most Nepalese rooted for the side against which India was playing cricket in the recent World Cup Championships. In a country where there are few sturdy institutions, India seems to be making way for closer Chinese interaction with the only one that appears stable, the army. The absence of a coherent policy towards a country as strategically located as Nepal, and where India has, in the past been able to exert some influence, is a failure for which India will have to pay dearly, unless urgent attention is paid to the demands of our vital interests there.

Pakistan receives, and has always received, more attention from our policy makers than perhaps all the other neighbours put together, perhaps because the active hostility towards India from that country appears to be the bedrock of its foreign policy. There are no ready solutions to this challenge of cross-border terrorism under

a nuclear overhang, nor to the turbulence that currently engulfs that country. The best that India can do at the moment is to seek to 'contain' the more egregious of its manifestations, with the support of the international community, a balance that is in itself an extremely difficult task calling for flexible and imaginative responses, while giving space for Pakistan to work out its self-made problems; whether Pakistan can be thus 'boxed in' will depend on its economic vulnerability and its military dependence on external powers. There would be some risk taking involved, but at some point the Pakistani nuclear bluff will have to be called. The main problem remains in Pakistan's search for political, diplomatic and military parity with India, an almost impossible task, with dire consequences not only for that country but for the region as a whole, and in search of this parity, she has sought alliances with major powers like the US and China, and in an effort to gain validity for its state of nationhood, with Saudi Arabia. The recent reports of Pakistani military personnel, retired and on active duty being recruited to assist the Bahraini forces, with those of Saudi Arabia, may, while justifying to itself and to the world its importance as a non-South Asian Muslim regional power, in fact have a disastrous effect on the sectarian crisis now claiming lives in Pakistan. While this makes any approach to

Pakistan more complicated, in a sense, but it also opens up opportunities for external persuasion as well.

The Pakistan problem is, of course, compounded by its use by China as a check on India's aspirations, on its economic growth and its rising stature in the world, notwithstanding the cooperation that is often seen between both countries that is between India and China, in multilateral forums. As K. Subrahmanyam had pointed out in one of his articles, Pakistan has today developed the same kind of relationship with China as has North Korea, and it is in China that a possible solution may lie. China's own vulnerabilities in Xinjiang and the growing Pakistan-centred demand for an Islamic caliphate in the region, particularly in Afghanistan, Pakistan's seeming inability to control the forces it has let loose and its desire to play a regional role in emulation of India, may contain elements of a strategy that could assist the international community in the 'containment' process. However, the opacity of China's actions and motivations remain a major obstacle.

The rise of China is perhaps the core cause of much of the change in power equations that has filled the West with anxiety and admiration, and its neighbours with

discomfort, as it begins to flex its muscles. The challenge of a rising China is one of the most difficult ones that face India, today and in the foreseeable future. As already noted, the opacity of Chinese decisions give rise to this discomfort, when its conciliatory words often appear contradicted by its actions. Yet it is a large prosperous and ambitious country on our borders, with which economic and commercial relations are growing; this should have brought stability to the relations in which background issues relating to the border could have been negotiated. There are, however, two factors which make this difficult- in addition to the opacity already referred to; its overwhelming desire for parity with the United States and its concentration on its own interests without regard to international rules or the interests of other countries. This makes for a volatile mix, particularly as China itself is facing a period of transition. It is not at all clear whether China will follow the logical route of her development by further liberalizing politically, in which case the outcomes are unpredictable, or the PLA regains its influence to push for hard-line stances within the Party, and the fears of China's neighbours may become well-founded.

It should not be forgotten that China's distrust of India initially arose with the asylum given by India to the Dalai

Lama; its sensitivity regarding its sovereignty over Tibet has been described as one of its 'core' interests, just after Taiwan. In addition, today, China appears to view India's apparent growing closeness with the US, and with other democracies in the region as an effort to contain it—therefore the constant complaints of 'Cold War' attitudes on the part of the US. There is no doubt that China would like to be accepted as the hegemon in Asia, at least as a first step, and India might stand in the way, if Western predictions of India's potential to 'balance' China, materialize. In the initial years of the last decade, an attempt was made by China to make India 'choose' between partnership with her or with the US, and there was a degree of wooing. India, however, went ahead with the Indo-US civil nuclear agreement, and the Chinese must have watched in disbelief as the US, the leading and most vociferous proponent of non-proliferation and the instigator of sanctions against India from 1974, not only changed its domestic laws but expended considerable political capital to 'exceptionalize' India from the barriers to global civil nuclear trade in the Nuclear Suppliers Group. China's decision to respond to this by reviving its nuclear commerce with Pakistan is an indication of the suspicion with which it has viewed the growing Indo-US co-operation, particularly in the

defence sector. Yet, US-China relations are possibly closer than US-India relations, joined as both these countries are at the hip, economically and commercially. India has so far made no choices; on the other hand, she has cooperated with China, specifically in the area of climate change, through the forum of BASIC, through BRIC and even RIC on other economic issues and even in the G-20. China's unpredictability is reserved for bilateral relations, whether relating to unexplained belligerent acts on the border and the military development of Tibet or looking for parity with the US in the Indian Ocean, if not eventual dominance as the US proceeds to cut costs by reducing the size of its Navy. The conflict of interests is, therefore, not mainly between China and India so much as between China and the US, which is determined to remain the dominant, if not the sole, super power in the world, including in Asia. India will, at some point, have to make difficult choices.

It is here that India will have to show both flexibility and agility in her relations with both countries, even as she builds up her capabilities both internally and externally. At the moment, India is seen by those who wish to be polite, as restrained and cautious, by others as timid and unwilling to use such power as she has developed to 'take

a stand'. There is, of course, no reason why she should take any stand, provided her own specific interests are protected. Like China, India's positions in multilateral forums may not be reflected in her bilateral relations, and vice versa. I shall revert to this somewhat later.

While the challenges to India from Pakistan and China and the Sino-Pak nexus are by and large negative, her growing relationship with the US is a challenge of an entirely different kind. India does not seem to, and should not, accept the common view that the US is in decline as a power, today. The US still remains the most technologically, economically advanced and militarily powerful country in the world. Its influence may have been affected in parts of the world following the economic crisis, but it is still the country whose support is essential in the resolution of global challenges. After decades of adversarial relations, today, a degree of normalization is taking place, with less hostility on both sides. There is an effort to identify areas of convergence where they occur without permitting disagreements to halt progress in cooperation in other areas. For both countries the experience is in uncharted territory; India had got unused to dealing with a democratic super power in any but adversarial terms; the US has allies and countries

which depended on it for their security and for aid. Dealing with a large democratic developing yet emerging country with which it has friendly relations but which tends to chart its own course, would take some getting used to. Both being democracies, there are limits to which one can push the other in the pursuit of their own interests. Precisely for this reason, there would appear to be more in common between India and the US in terms of strategic objectives.

However, it is not as though it is India who would have to bring her policies and approaches in line with her much more powerful partner on every occasion, but that she, India, will have to expend much more effort to persuade the US to accept the logic of India's approaches, for example, on issues where India's knowledge and experience is perhaps greater than that of the US, such as in Iran and Afghanistan. India's vote in the UN Security Council on the use of force in Libya could be seen as the beginning of such an effort, though it is not at all clear that she tried to 'persuade' the US, who was under severe pressure from her allies, the UK and France, to her point of view. It is always wiser, of course, to choose the occasions when a new approach is to be tried, and this was perhaps not one of them. While the opportunities

for cooperation with the US on strategic matters may be patchy at the moment, it is a work in progress. The fact that culturally India and the US do not share the same strategic instincts would ensure that the strategic partnership would not become an alliance, but would remain a friendly partnership. In my view, India will have to defend her strategic interests on her own; a country her size cannot and need not solely depend on outside powers to protect her interests, though she may have to, given the current limitations of her power, work in coalitions of like-minded countries, including, on occasion, with the US.

India's emergence has opened up for her possibilities of closer and more substantive political, economic and even military relationships with other countries-South Africa, Brazil, Russia, Indonesia and ASEAN as a whole, Japan, Australia, Israel and Africa and with the EU and its major member countries. It is noteworthy that the recognition of India's changed profile internationally seems to have shifted her foreign policy priorities from interactions with groups- the G77, G-15 and NAM- to individual countries with interests and problems not dissimilar to her own, even while her interest in ensuring access to much needed resources, such as energy sources, petroleum or uranium,

markets for her products and her search for high technology including in the defence sector, would seem to determine where her strategic interests lie today. Her interests in the troubled Gulf States have been fairly clearly enunciated—as sources of energy and as hosts to large numbers of Indian nationals whose remittances home are vital for the local economies of their home states. Such clear enunciations have been and continue to be rare, though it is clear that the articulation of interests leads other countries to accept and respect the actions of India—the visit to the subcontinent, including to India, of the Foreign Minister of Bahrain, and the visit of the Saudi National Security Advisor in the last few weeks should indicate a recognition of India's legitimate interests in the stability of the region.

(Almost equal in importance to India's security as oil, is the access to high technology both for our economic development as well as our strategic interests. As a country poor in natural resources, it is inevitable that India would have to rely on her human resources and to build a knowledge economy to achieve her overall development objectives and to enable India to compete in a world where her footprint, so far, has been very light. This was clearly in the Prime Minister's mind when he

placed such a high priority on the Indo-US Civil nuclear deal, and the breaking of barriers to access by our scientists, engineers and industry to the best technology available globally, which had been denied India for decades. This might require the careful cultivation of partnerships globally including through the Indian diaspora.)

As I said at the outset of my presentation, the most subtle challenge that faces India is at the multilateral level. India has benefitted from the current system of global governance, though the system has kept real power in the hands of countries which had built it more than sixty years ago. With the incredible rise of China as an economic power at a time when the Western world was facing one of its most severe economic crises, its growing military strength and its more recent 'assertiveness' has caused concern, as pointed out before, in the old established countries, as power was seen to be shifting away from them. In this scenario, the emergence of other large developing countries, including India, with respectable rates of economic growth, and, at the multilateral levels, with similar approaches as China towards the building a new international order, has caused the commentators of the West to conflate the ideas

of China and India, as though the experiences, achievements and objectives of both these countries were also similar. While China has not been shy of spelling out its 'core' interests and flexing its muscles, on occasion all but ignoring international rules, India's approach has always been incremental; change was supported, but not through radical reform. From the restructuring of the UN Security Council, to the de facto inclusion of India in the core group of negotiating countries in the WTO, to demands for reforms in the IMF and World Bank and to the weight of these emerging economies in the G-20 which has become in reality a successor to the G-7/8 group of most economically advanced countries, the outlines of the new order seem apparent.

However, it does not seem that India has identified what she wants changed in which regime, nor has she indicated that she has a comprehensive view of what architecture would best suit her needs and interests. In the past, she has been seen as a 'naysayer', whether in the context of the non-proliferation regime or the WTO, and she has tended to avoid being bound by international rules that she was unable to change through negotiations. This was most evident in the negotiations relating both to the NPT and the CTBT. Unfortunately, we tend to deal with these

different regimes in silos, as it were; with different ministries dealing with separate subjects and the political advantages that could accrue to India by having a more interlinked approach is frequently lost. Global governance is not an area where any expertise exists today in the country; yet the positions we take on issues of non-proliferation, climate change, in the Doha round, on labour standards, on human rights and humanitarian law, on the global commons such as outer space and the oceans, where rules are still evolving and may impact on India's interests, need to be within an overall strategic framework, with a clear view of the shapes these regimes must take if our overall interests are to be protected. Today, India has some power to get her interests taken into account. Earlier, as a Western commentator on India's nuclear programme has said with regard to India's role in the NPT negotiations, at that time, India may have had logic and a UN mandate to back the position she took in the negotiations, she did not have power on her side. Today, India is experiencing, perhaps for the first time since her independence, an unaccustomed, though fledgling, ability to influence the international discourse on issues which she perceives to be in her interest.

I would like to conclude what I am afraid has become a rather lengthy presentation, by raising some questions regarding India's will to power to which there are today no clear answers. Recently, at a talk in Delhi, a noted French political commentator, after describing the potential of India's newly acquired power on the global stage, raised the question with his Indian audience, whether India had the will to power. There was no reply to the query. Of course, India has to have such power-to influence, cajole and persuade, if not to subtly coerce- if she identifies that her core interests are at stake. With that power, fledgling though it might be, her objectives need to be articulated and she must be ready to exercise that power. At one level, India has; in a variety of forums she has declared that her security interests cover the area from the Straits of Hormuz to the Straits of Malacca, and her recent efforts to strengthen her naval power, with particular relevance to the Indian Ocean, indicate at least a change of style, if not of actual policy. There appears to be a greater confidence in some public articulation of India's strategic interests; however, these are rare occasions, possibly awaiting the growth of a greater degree of assurance in her international relations.

I would therefore interpret the word 'emerging' as relating not only to India's economy, but to her fledgling power in global affairs, fledgling because she may yet not fulfill people's expectations and her potential may remain stifled. There are many major challenges India faces, both internally, regionally and globally, even one of which might derail or at least, stall, her onward trajectory. Yet, I have argued, in these challenges lie opportunities for India, if she will seek them out, to achieve the objectives she has set for herself, for a life of dignity and security for her people in an environment of global stability and prosperity.



Ambassador Arundhati Ghose had a distinguished career spanning nearly forty years in the Indian Foreign Service, which she joined in 1963. She has served in India's Missions in Austria, the Netherlands, Belgium (Brussels-for the then EC) Bangladesh and New York (in the Permanent Mission to the UN). She was Ambassador to the Republic of Korea, Egypt, Permanent Representative to UNESCO in Paris and the UN Offices in Geneva and Ambassador to the Conference on Disarmament, Geneva. Ambassador Ghose served as a member and Chairman of the UN Secretary General's Disarmament Advisory Board upto 2001 and was also a member of the UN Committee on Economic and Cultural Rights till 2005. She was a member of the Union Public Service Commission (UPSC) till 2004. Currently she is Distinguished Fellow at the Institute for Peace and Conflict Studies, New Delhi and Global India Foundation, Kolkata. She is a member of Institute of Defence Studies and Analysis and United Services Institution, New Delhi. She is a member of the Editorial Board of India's National Security Annual Review and Faultlines, both published from New Delhi. In 2007, she was nominated by the Ministry of External Affairs as member of Task Force on Non-proliferation and Disarmament.

This book is based on the K Subrahmanyam Memorial Lecture given by Ambassador Arundhati Ghose in April 2011.