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## THE DYNAMICS OF INDIA'S RISE: NATIONAL IMPERATIVES AND INTERNATIONAL ASPIRATIONS

*The Dynamics of India's Rise: National Imperatives  
and International Aspirations*

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# **THE DYNAMICS OF INDIA'S RISE: NATIONAL IMPERATIVES AND INTERNATIONAL ASPIRATIONS**

**BY  
MANOJ JOSHI**

Ten years ago it appeared that India was destined to rival China. Economic growth was moving towards 10 per cent, India had a growing population of young and rates of saving and investment at 30 per cent of GDP that would provide finance to create the infrastructure in terms of roads, schools and factories that would enrich the country further. But today, with growth at 4.5 per cent and inflation at 9, industrial production declining and public finances in a mess, there is a big question mark over the country.

Clearly, the Indian people, having had a glimpse of what growth can do, now want more and have therefore given a decisive verdict to the BJP to come up with a government that will restore high growth, improve the management of the economy and governance in the country.

## **Background**

In the 67 years of its independence, India has overcome a number of challenges which provide insights into its abilities to manage its future as well. The first one was of maintaining its territorial integrity.

The second was internal consolidation which required the merger of some 560 Princely States into the Indian Union. Challenges of separatism—in the North-east, Punjab and Jammu & Kashmir—have been largely contained. Though serious challenges remain on the score of internal social, ethnic and religious divisions.

One of the bigger challenges that of economic development. One great achievement in the 1960s was to overcome the threat of hunger and boost food production to the point where India no longer needs to import food grains. However, this has not quite defeated the challenge of malnutrition.

However, given the size of the country, its potential, and the needs of its citizens, India's performance has not been up to the mark. India's poor economic performance has been accentuated by the rise of China. The \$9 trillion Chinese economy dwarfs the \$2 trillion Indian economy on almost every count. China was a \$2 trillion economy in 2002. From the economic point of view you can safely say India is a decade behind China. But there is another comparison that does not bode too good for India-- social indicators—child mortality, education, energy use per capita, access to public healthcare.  
<http://www.livemint.com/Opinion/9b5DO3aWhYDONGdGV5lwl/How-far-ahead-is-China.html>

Though India may have lost the race to China, it will grow sufficiently impressively to be a major power in the region, if not the kind of world power that China is aspiring to become.

What are the continuing Indian imperatives?

### **Democracy**

For India democracy is not just an outcome of the ideological predilections of our founding fathers, which was of course there. But it is the instrument through which gigantic India, with bewildering diversity is able to maintain political unity. In that sense, the imperative remains strong, because the creation of the “Indian man” is still a project of the future. As of now, India remains divided by caste, religion, region and language.

### **Economic growth**

Perhaps the most important task for India is to ensure that it remains completely focused on economic growth that would eliminate mass poverty and persistent underdevelopment. India took the wrong road in the past adopting a policy of “self reliance” or autarky. Since 1991, however, it has sought to open up its economy and move away from the statist approach it had earlier attempted.

### **Peaceful periphery**

An obvious corollary of imperatives that focus on internal peace and economic growth is a peaceful periphery. But not just a peaceful one, but one that is favourable to India and its objectives. This is the imperative that impelled India on the path of non-alignment in the 1950s and 1960s.

### **Looking to the future**

The aspirations of the average Indians today remain unchanged from the very time of independence: to live in conditions of peace and stability and progress economically and make a better life for their children.

In the near term, Indian aspirations are to fix their economic situation and get on to the path of high economic growth.

But in policy terms, Indian aspirations range from playing the anchor role in the South Asian region as the foremost economy of the region, to that of being a regional player which can exert influence in its neighbouring regions, if not world affairs.

But where in the past India sought room to maneuver between powerful external forces, the issue now is whether India can generate sufficient comprehensive national power that will enable it to reshape the world in a manner that would advance Indian interests. To that end it needs to make a beginning in its own region.

## Integration

Shaping the geopolitical developments in the Indian subcontinent is therefore a primary imperative for any Indian policy, as well as an important pre-condition to India's larger role as a regional power abutting West, South-east and East Asia.

If Pakistan is a median state in relation to South Asian links to Central Asia, India is one when it comes to the links between Central and West Asia and South-east Asia. There is, in any case, an autonomous set of possibilities for developing linkages through opportunities outlined in the BIMSTEC agreement, and the more recent China-India-Bangladesh-Myanmar efforts to promote the BICM corridor.

It is fashionable to talk of the subcontinent as South Asia, but it would be more fruitful to view it as the Indian subcontinent. Economic stability and growth in India has inevitable consequences for this region because, notwithstanding the partition of 1947, this is one economic region.

It is said that South Asia is one of the larger sub-regions of Asia that have not known adequate economic, leave along political integration. It is a fact, however, that geography and history have ensured that India, the largest subcontinental state has near-open borders with Nepal and Bangladesh.

The South Asian Association for Regional Cooperation (SAARC) had, in 2004, set 2014 as the target year to establish a South Asian Free Trade Area (SAFTA). But as we know this has not yet happened. The idea was that this would eventually lead to a Customs Union, Common Market and eventually an Economic Union. So far only trade and services have been identified for cooperation in South Asia in any case. Investment remains outside the framework. Despite huge opportunities available in the trade and services areas, its implementation remains poor.

The SAFTA agreement came into force in 2006, however, its full implementation has been blocked by various states. Pakistan, for example has refused to give India the MFN status as yet. The two countries were supposed to move to a free trade regime by April 1, 2013, but that has not happened. There was talk of India getting the MFN earlier this year, but this did not happen and now we hear that this may come through after the new government takes office in New Delhi.

Fear of India's size have been a major factor in preventing the full integration and New Delhi has not been able to convince its neighbours about the benefits of a SAFTA. But in addition, there have been political difficulties between states, principally India and Pakistan. In addition, there is a lack of adequate infrastructure to support an opening up of trade in the region.

India's size may be an important factor, but so is Pakistan's location. Opening up Indo-Pakistan trade could lead to the economic ties with Afghanistan and onwards to Central Asia and Iran. <http://www.cprindia.org/blog/foreign-policy/3576-saarc-india-needs-lead-way>

## **Security issues**

But merely an economic integration of South Asian economies will not produce the desired results for India. For a larger role in world affairs, India need to overcome its serious security problems. These relate to its internal divisions and problems, as well as its South Asian neighbours and China.

India fought off a Pakistani attempt to occupy the state of Jammu & Kashmir in 1947, but its management of its border with China proved to be more difficult. Besides losing what it considered was its territory in Ladakh, it lost the 1962 war with China. However, having occupied what it claimed in the east, Beijing withdrew. Despite efforts to resolve them, these two border disputes remain and influence India's outlook to its northern and western neighbour.

### *Pakistan*

India's relations with Pakistan have remained fraught since partition. Till 1965 Kashmir appeared to be the *cassus belli*, but since then the relations have become more complicated. In some measure this is the outcome of the 1971 war which saw the creation of Bangladesh. Pakistan has nurtured a sense of grievance which has resulted in its attempts to use covert action and even terrorism to keep India in check. In addition, it has developed nuclear weapons to counter India's conventional superiority.

Yet since the mid-1990s, the two countries have also sought to engage each other and work out confidence building measures that have involved dialogue, as well as agreements on a range of issues.

### *China*

The 1962 defeat at the hands of China has been a heavy burden for New Delhi. One of the key factors in the relationship of the two countries is the fact that this border remains undemarcated. The two sides have made several efforts to resolve their border dispute through dialogue. Between 1981-87 there were eight rounds of senior level talks, in the 1988-2002 period, there were 14 rounds of Joint Working Group discussions. All this resulted in key CBMs—the 1993 and 1996 agreements, as well as the military CBMs in the 2000s, the most recent being the Border Defence Cooperation Agreement signed in October 2013.

The border discussion is now carried out by the Special Representatives of the two sides who have had 17 rounds of discussions and have come up with one major agreement in 2005 on the Political Parameters and Agreed Guidelines of a border settlement.

In the February 2014 meeting, the Chinese side has suggested a Maritime Dialogue between the two countries, even while inviting India to participate in the Maritime Silk Route concept floated by Xi Jinping.

### **Energy resources**

One of the major problems India faces is the lack of certain strategic resources, notably for its energy supplies. It imports some 70 per cent of its petroleum and a substantial amount of coal.

### **Maritime issues**

As Indian interests expand, it becomes more conscious of its maritime heritage which was evident in the past during the Chola era. Given its political geography, India remains an island with the bulk of its overseas trade moving on ships.

Further, its crucial dependence on petroleum imports has so far depended on the security provided by the US as the global hegemon.

India's unresolved problems with China could well spill over to the maritime domain, especially since there are signs that Beijing is seeking to enhance and consolidate its position in the Indian Ocean.