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# RECENT TRENDS IN INDIAN FOREIGN POLICY

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Walter Andersen

President Clinton's five-day visit to India in March 2000 and Indian Prime Minister Vajpayee's reciprocal visit to the U.S. that September threw the spotlight on a much-improved bilateral relationship. Other indicators of the continuity in the improved relationship include the friendly hearing that the Vajpayee government gave the deputy secretary of the U.S. State Department, Richard Armitage, during his May 11, 2001, visit to New Delhi. During the visit, Armitage explained U.S. thinking on a missile defense system. He also delivered a letter from President Bush accepting Vajpayee's invitation to visit India.<sup>1</sup>

These official visits drew attention to a crucial reorientation of Indian foreign policy. During the reciprocal visits by the heads of state, the Indian side showcased Indian business and the economy and the importance of closer relations with countries that could help it economically. In his address to the U.S. Congress, Vajpayee stressed economic matters over security issues. For instance, he focused on increasing India's annual gross domestic product (GDP) growth rates, noting that this would require substantially increased foreign direct investment, including from the U.S. By contrast, he devoted comparatively little attention to security matters. The one exception was the nuclear issue, where he emphasized that India would be a responsible actor.

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1. An even more dramatic indication of the positive relations came as this issue was going to press with the Vajpayee government's September 13, 2001, decision to offer the U.S. all operational help it may need to strike against the perpetrators of the September 11 terrorist attacks.

He also reiterated his pledge to honor a unilateral moratorium on nuclear testing, which was incorporated into the leaders' joint statement issued at the end of the official visit.

The purpose of this article is to highlight the marked contrast in the recent orientation of Indian foreign policy. I will first trace the regional focus of India's foreign policy from the time of independence in 1947 until the early 1990s, when Delhi redirected its attention to the security of its immediate neighborhood, above all its long-standing dispute with Pakistan. The article then addresses the growing importance of economic matters in foreign policy. I conclude the article with an assessment of recent developments in and future prospects for Indian foreign policy.

## Continuity and Change in Indian Foreign Policy

In the west, India has fought three wars with Pakistan and faced several near-war situations. The primary source of the tensions has been the conflicting claims to the state of Kashmir. The first two Indo-Pakistan wars were fought over the state and it was a theater of action in the third. To the north, India's loss in the 1962 war with China over a long-disputed border gave New Delhi a sense of insecurity regarding its relations with Beijing. China's nuclear tests and its supplying of arms to Pakistan exacerbated Indian insecurity. To the southeast, India's closest relations were with Vietnam, a fact that underscored how thin India's ties were with the rest of Southeast Asia.

On the international stage, India pledged itself to non-alignment. It emphasized support for the developing world and non-engagement in either Cold War bloc. Beginning in the 1970s, India diluted its non-aligned stance by developing a special relationship with the USSR as a perceived counterweight to China. The USSR bestowed India with tacit diplomatic support over such issues as Kashmir and more importantly provided India with sophisticated weapons on reasonable terms of payment.

India's commitment to self-sufficiency and socialism further focused attention inward. Foreign direct investment was not encouraged; in 1990, for example, it only amounted to a few hundred million dollars. Multinationals were widely perceived as exploitative and players in a larger foreign effort to weaken India and make it dependent on the West. The expulsion of IBM and Coca-Cola in the late 1970s was viewed by the Indian government as a progressive step encouraging economic self-sufficiency. Perhaps this was a natural fear in a country that had been colonized by a commercial enterprise, i.e., the East India Company.

Over the past decade, India's international and domestic environment has seen significant changes. These developments have challenged two basic foreign policy premises that had governed national policy for almost a half cen-

ture. First, there had been an emphasis on the creation of a centrally directed economy designed to develop the industrial and technological capabilities needed to sustain both defense and development goals with minimum foreign investment and maximum self-reliance. Second, there had been a desire to maintain a nonaligned foreign policy that evolved into a close relationship of convenience with the USSR.

Now, economics is playing an increasingly important role in foreign policy. The key question is whether economics' new role represents a long-range trend. The case made here is that it does, mostly for two reasons—one international and the other domestic.

### The International Dimensions of Changes to Indian Foreign Policy

Internationally, the end of the Cold War and the collapse of the USSR have had profound security implications for India. The cumulative impact has been to make India feel more secure and thus more willing to be innovative in its foreign policy. During the four decades after independence, India structured its foreign policy around security concerns related to threats from Pakistan and China. Since the end of the Cold War, relations with China have improved, surviving the brief chill of mid-1998 when Indian officials, including the defense minister, referred to alleged dangers from China to justify its 1998 nuclear tests. The improvement of Chinese relations with Russia that followed the ending of the Cold War removed a major impediment to better Sino-Indian ties.

In 1993, China almost certainly signaled a shift from its long-standing tilt to the Pakistani side on the Kashmir issue when Beijing adopted a neutral position, arguing that India and Pakistan needed to resolve the issue peacefully—and bilaterally. Leo Rose argues persuasively that Indian and Chinese relations have been improving steadily since the early 1990s, with a relatively short setback in 1998 because of the Indian argument that the threat from China was a motivating reason for the tests.<sup>2</sup> In addition, India and China put their own border differences on a backburner and took confidence-building steps aimed at reducing tensions along their long border.

In his January 9–17, 2001, visit to India, Li Peng, the chairman of China's National People's Congress, portrayed the relationship as if the cooling in relations after the nuclear test had not happened. Moreover, Indian officials appreciated being referred to as one of the poles of a multipolar world. However, despite this bonhomie, the substance of the Sino-Indian relationship is

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2. For an analysis of the evolving Indo-Chinese relationship, see Leo E. Rose, "India and China: Forging a New Relationship," in *The Asia-Pacific in the New Millennium*, ed. Shalendra Sharma (Berkeley: University of California, Institute of East Asian Studies, 2000), pp. 224–38.

thin. For the time being, there remains considerable suspicion in India about China's long-term strategic objectives.

The foreign policy focus of both is different: China's is to its east and India's south toward the Indian Ocean. The two powers, however, are potential competitors for influence in Southeast Asia, which is both a significant source of energy and a strategic gateway into the Indian Ocean. In addition, there is potential for economic competition over Indian Ocean littoral states, particularly with respect to the oil and gas resources that both India and China need to sustain their economic development strategies. Moreover, their border disputes, while now on a backburner, are far from being resolved.

Post-Cold War developments have made Pakistan in some significant ways less of a threat, despite the continuing tensions along Kashmir's Line of Control (LOC) with a nuclear-capable Pakistan. Pakistan, several times smaller than India in size, population, and wealth, is a significant threat only when it can draw on external ties that serve as a kind of force multiplier. Currently, Pakistan no longer possesses the special arms and military relationship with the U.S.—and other powers—that existed in the 1980s when it was viewed as a front-line state against Soviet aggression in Afghanistan. In addition, its strategic significance to China has declined with the breakup of the former Soviet Union and Beijing's improved relationship with Russia. Many Indians—and Pakistanis—also believe nuclear weapons are a deterrent against another full-scale war with Pakistan.

This perception of a relatively more secure environment has provided India room to reshape its foreign policy around economic considerations, namely, to enhance the country's access to foreign investments, high technology, and global markets. India's growing links to the international marketplace will strengthen this trend. There has been a new emphasis on gaining membership in such regional economic groupings as the Association of Southeast Asian Nations and the Asia-Pacific Economic Cooperation forum; moreover, India, along with South Africa, took a leading role in setting up the Indian Ocean Rim Association to foster trade among littoral states.

Another area in which change is being seen is the effort to improve relations with countries such as the U.S., the member nations of the European Union, Japan, and the Southeast Asian states that can offer India the trade, investments, and high technology the latter's government believes are necessary to generate more rapid economic growth. Prime Minister Vajpayee's schedule of visits since he returned to office in October 1999 underscores the importance of these states. He went to the U.S. in September 2000 and subsequently made highly publicized visits to Vietnam, Indonesia, Malaysia, and Iran. He has placed an even greater public emphasis on the "Look East" policy enunciated by his immediate predecessors. India hopes that the South-

east Asian states can again resume the role they had in the mid-1990s when this region was the fastest growing source of India's foreign investment and trade.

The third notable change in Indian foreign policy is a relatively more generous approach to neighbors in South Asia. With the exception of Pakistan, this shift is motivated in part by a desire to encourage increased economic interaction that will benefit India, especially power generation—tapping Nepal's huge hydroelectric potential and the substantial gas reserves in Bangladesh. On the other hand, India has demonstrated little enthusiasm for reviving the only regional organization in South Asia, the South Asia Association for Regional Cooperation (SAARC). This lack of interest in SAARC may be prompted by a larger effort to get other countries to view India as a country whose interests extend beyond South Asia. Most of all, India does not want to be equated with Pakistan, preferring that other countries deal with it on its own merits and in a larger Asian context, rather than in a narrow bilateral India-Pakistan context.

### The Domestic Factors for the Changes in Foreign Policy

It is clear that the changed international conditions have enabled India to refashion its foreign policy on lines of economic self-interest. Still, it is unclear what the domestic motivations were that buttressed this effort. During the 1980s, there was considerable intellectual criticism of a socialist system that stymied growth at what was sarcastically referred to as the Hindu rate of growth (about 2.5%–3% GDP annual growth). With the increasing politicization of groups at the lower end of the socioeconomic spectrum, a succession of governments has been forced to respond to their demands for a better life and greater opportunities. Sluggish growth limits those responses to two unsatisfactory options: (1) taking away from those groups in privileged positions or (2) doing nothing. Both options would result in violent social protests, the former carried out by the privileged and the latter by upwardly mobile groups. In the early 1990s, the V. P. Singh government's announcement of a proposal for job and educational reservations on a massive scale for historically disadvantaged castes set off a storm of protest among high-caste students in Delhi and elsewhere.

The last several Indian governments have argued that the GDP annual growth rate must be sustained at about 7% and investments substantially increased, in part to avoid the zero-sum social problems of the early 1990s when economic growth rates were flat. In September 2000, Prime Minister Vajpayee delivered a speech to a joint sitting of the two houses of the U.S. Congress in which he stated that his government's objective was to reach an annual growth rate of 9%. Vajpayee envisioned that such a rapid rate of

economic growth would be achieved with steep hike in foreign investment.<sup>3</sup> So far, though, India is far short of achieving this goal, having grown only between 5%–6% in 2000.

Motivated by the goal of getting India to achieve a faster annual GDP growth rate, former prime minister Rajiv Gandhi also made an earlier effort at economic reform in the mid-1980s, but the bureaucracy and political establishments, content with the rewards of a centrally directed system, resisted his efforts. Taking an alternative perspective of the mid-1980s efforts, Rob Jenkins argues that Gandhi's attempts laid the necessary groundwork for the economic reform measures adopted by Prime Minister Narasimha Rao six years later.<sup>4</sup> However, it took a severe balance of payments crisis that threatened to bankrupt the country to motivate the government to take vigorous action in the early 1990s.

Rao, in the wake of the Congress Party's narrow electoral victory in 1991, moved quickly to reorient the country's economy and began to reshape a foreign policy that would bolster his chances of success at home. He named Manmohan Singh, a veteran bureaucrat who had become a supporter of market reforms, to lead the effort. As the new finance minister, he put together an economic package intended to jump-start the economy and alleviate the balance of payments problem. On Singh's advice, Rao devalued the rupee to make Indian products more competitive in international markets. He also moved to dismantle a stifling license system that encouraged inefficiency and corruption. In order to encourage the import of high technology, Rao lowered tariffs, then among the world's highest. Finally, Rao's administration diluted the doctrine of self-reliance by encouraging foreign investment, especially in infrastructure. This involved several foreign trips on his part to drum up support for investment in India.

Singh concluded that increasing power generation was critical if the Indian economy were to grow faster on a sustained basis. India now generates about 80,000 megawatts of power, too little even to satisfy current demand. It must double generating capacity every seven or eight years to sustain annual growth at the 7% level, requiring an estimated investment of \$10 billion a year for each of the next 10 years to achieve this goal. Inadequate public investment in power during the 1990s led to serious shortfalls in planned increases in power generation, resulting in only about one-half the target being met in the Eighth Five-Year Plan. In addition, inefficient state-run electricity distribution systems are a major disincentive to investment.

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3. "Prime Minister Vajpayee's address to the Joint Session of the United States Congress," September 14, 2000, available at the home page of Embassy of India in the U.S., <[http://www.indianembassy.org/inews/2000\\_inews/october\\_2000.pdf](http://www.indianembassy.org/inews/2000_inews/october_2000.pdf)>.

4. Rob Jenkins, *Democratic Politics and Economic Reform in India* (Cambridge, U.K.: Cambridge University Press, 2000), pp. 28–41.

Physical infrastructure shortages extend beyond just electrical power. India needs to invest an additional several billion dollars a year to expand and modernize its harbors, roads, rail systems, and telecommunications. Global infrastructure experts meeting on November 30, 1998, in New Delhi concluded that over the next several years India would have to invest about \$20 billion each in ports and telecommunications and another \$30 billion in roads, in addition to investment in power generation, if India were to be made into an attractive place for foreign investment.<sup>5</sup> The domestic economy is unlikely to produce the required funds; as such, India will need external investors. On this score, the government recently announced a massive program to improve India's crumbling road system. Only about 8% of the creaky Indian national highway system has four lanes. India is still not close to the desired levels of investment in any of these physical infrastructure areas and needs to revise domestic policy—in some cases significantly—to make investment financially attractive.

Despite the continuing challenges, the immediate results of this new economic orientation have generally been positive. India's annual GDP growth rate has climbed to between 6%–7% over the past several years, about double the average of the first four decades of independence though still below the goals targeted by the Vajpayee government. India's economic reforms have also produced improved macroeconomic indicators. From 1991 and the present, India's foreign reserve holdings expanded from a crisis level of just a few billion dollars to over \$40 billion. Foreign investment, while still a long way from East Asian levels, nonetheless went from a paltry few hundred million dollars a year in the early 1990s to several billion. Similarly, India's trade volume has expanded.

Indian business is experiencing a massive restructuring as inefficient enterprises collapse and others reorganize in this new competitive environment. This has led to calls for renewed protectionist measures, but the Vajpayee government has so far beaten back the powerful protectionist lobby within his own party. In addition, there has been a burst of small-scale entrepreneurial activity. The question no longer is whether economic reforms are a good thing, but what the pace of such reform should be.

Perhaps the most remarkable facet of the economic reform process is that it has been sustained for a decade by a series of governments that span the ideological spectrum, particularly surviving two significant changes in government, once in 1996 and again in 1998. The implementation of deeper economic reforms has been a challenge to the Indian government. Prime Minister Vajpayee had to face down the advocates of *swadeshi* (self-reliance) on the far right of his own party as well as parties on the political left in order

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5. Agence France Presse (New Delhi), November 30, 1998.

to guide legislation through parliament to open insurance to the private sector, including provisions for substantial private foreign involvement in it.

The government, however, has yet to move significantly on a range of reforms needed to improve the country's current economic performance. These reforms include cutting back on massive subsidies and reforming labor laws that inhibit investment both by Indians and foreigners. Further reforms are needed in order to introduce some rationality in India's power distribution system, including privatization, to encourage private investment in this key sector. The proposed 2001–02 budget received generally high marks from business because it addressed these politically tough issues. The question now is whether the government will remain determined to implement them in the face of strong opposition, some of it from groups close to the ruling Bharatiya Janata Party (BJP).

### The Impact of Nuclear Proliferation

The perception of a more secure environment in the post-Cold War period gave India an opening to reshape its foreign policy. The transformation in the country's economic outlook has taken place against its apparent contradictory move to conduct nuclear tests. If security threats seemed less pressing in mid-1998, why did the Indian government order the nuclear tests? The initial Indian justification had a Cold War ring: it placed the blame on China and the potential for Chinese blackmail, even though relations with China had been improving for several years.

There are other explanations, which, in my view, are more convincing as to why India tested. A test had taken place in 1974 but that was clearly not sufficient to establish the necessary database for a sophisticated weapons program. The timing of the tests may have been influenced by a provision of the 1996 Comprehensive Test Ban Treaty that stipulated the calling of a review conference in September 1999 if the required number of countries, including, in particular, India, had not signed and ratified the treaty. Some Indians, concerned about pressure on India to sign before the conference, have argued that India needed to test before this option was cut off. India may have seen time running out to determine if its weapons design would work. Still another contributing factor may have been the Indian alarm caused by Pakistan's April 6, 1998, Ghauri missile launch.

A second reason why India conducted the tests may be the BJP's long-standing demand that India must adopt a set of policies that give it greater international standing—what some have referred to as its “Great India” policy. Great powers have nuclear weapons and so must India. The great power thrust has been part of the Indian effort to become a permanent member of the U.N. Security Council. It has also been used to justify Indian support for economic globalization; globalization is necessary for rapid economic



growth, and great powers must be sufficiently wealthy to act as magnets of influence.<sup>6</sup>

Since the nuclear tests, the question debated in India is not whether to retain a declared nuclear potential but how large a capability is necessary to provide a deterrent. So far, the government has not defined the requirements publicly, except to say that the deterrent would be the “minimal” number of weapons needed to enable a credible response to any nuclear attack on India. In fact, the precise phrasing used by Indian Prime Minister Vajpayee to describe what nuclear forces are required by India was a “minimal credible deterrent,” a phrase first used in late 1998.<sup>7</sup>

India's emerging foreign policy dilemma is how to maintain a declared nuclear weapons capability without seriously undermining relations with the industrialized world, which possesses the capital, high technology, and markets necessary for the continued expansion of the economy. Recognizing that a defiant approach would alienate the countries India is trying to cultivate, New Delhi has adopted a conciliatory stance. It declared a moratorium on further nuclear tests until the Comprehensive Test Ban Treaty (CTBT) enters into force, a commitment that Prime Minister Vajpayee has reiterated several times. The Joint Statement issued at the end of his September 2000 visit to the U.S. says, “subject to its supreme national interests, India will continue its voluntary moratorium until the CTBT comes into effect.”<sup>8</sup> India has yet to sign or ratify the treaty.

## Problems and Prospects

India is faced with the challenge of fashioning a foreign policy that meets the demands of the post-Cold War world and new political realities in India itself. It is argued here that domestic political and social demands for sustained higher GDP growth rates have forced India to join the march to globalization, which has increasingly shaped its foreign policy. There are several factors that could slow, perhaps even upset, this trend. One is the continuing tension with Pakistan over Kashmir, which could absorb India's diplomatic capital as well as scare off investment. Fifty years of distrust are

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6. Other analyses of reasons for the nuclear testing decision in Prem Shankar Jha, “Why India Went Nuclear,” *World Affairs* (July–September 1998), pp. 30–96; Bharat Karnad, “Going Thermonuclear: Why, with What Forces, at What Cost,” *Journal of the United Service Institution of India* (July–September 1998), pp. 310–37; and Jaswant Singh, *Defending India* (New Delhi: Macmillan India, 1999).

7. For an analysis of Vajpayee's public defense of India's nuclear posture, see C. Raja Mohan, “PM Rejects Demands to Limit Nuclear Capabilities,” *Hindu* (Chennai), December 16, 1998, p. 1.

8. “Joint India–U.S. Statement on the Occasion of the Official Visit of Prime Minister Atal Bihari Vajpayee,” September 15, 2000, at the home page of Embassy of India in the U.S., <[http://www.indianembassy.org/indusrel/pm\\_us\\_2000/joint\\_statement\\_september\\_15\\_2000.html](http://www.indianembassy.org/indusrel/pm_us_2000/joint_statement_september_15_2000.html)>.

difficult to overcome and coalition governments in India may seek to defer taking hard decisions that risk being denounced as appeasement.

As long as hard decisions are avoided, the danger remains that tensions along the LOC in Kashmir might escalate to open confrontation. This happened in May 1999, when each side began precautionary moves to improve its defense posture in case the tensions along the LOC should spin out of control again. India may place too much reliance on nuclear weapons as a deterrent against a full-scale conflict that would involve nuclear weapons, while Pakistan's military leadership seems to view them as a shield behind which it can engage in provocative actions that might otherwise lead to war. The two sides have yet to work out red lines aimed at alerting the other side to unacceptable behavior, and the fighting along the LOC between Indian and Pakistani troops in the spring and summer of 1999 underscores the capacity of each to misread the other.<sup>9</sup>

Prime Minister Vajpayee seems committed to reducing the tensions caused by the Kashmir issue by getting India and Pakistan to engage diplomatically on this and other issues. This was a key part of his February 1999 bus trip to Lahore. Pakistan's Kargil intervention two months later was a major setback and put everything on hold. At the end of the year 2000, India declared a cease-fire against anti-Indian militants operating in Kashmir, which was renewed on January 26, 2001, for an additional month and then on February 22 for still another three months. The cease-fire was not renewed in May, presumably because it had not succeeded in bringing militants to the negotiating table or significantly reducing the level of violence. However, Vajpayee coupled this announcement with an offer to Pakistan's chief executive Pervez Musharraf to resume a dialogue in the spirit of the Lahore talks two years earlier. Musharraf accepted the invitation and arrived in India in July. The summit failed to arrive at any substantive agreements, but they kept open the possibility of further bilateral talks.

For the first time in the half-century dispute, India and Pakistan are beginning to think out of the box, though the basic premises are still far apart. India argues that Kashmir is an integral part of the Indian Union and Pakistan claims that it is not. The really hard part will come when the various sides begin to talk substantively, but at least they seem to be inching toward a process of talking. Vajpayee and Musharraf will need to stay personally engaged to prevent the momentum from stalling. Powerful interests in each country advocate a tough confrontational stance toward the other and they

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9. For a comprehensive analysis of the dangers caused by the lack of agreements regarding red lines between India and Pakistan, see Michael Quinlin, "How Robust Is India-Pakistan Deterrence?" *Survival* (Winter 2000-1), pp. 141-54.

will use the still continuing disturbances in Kashmir to argue against the dialogue.

Challenges at home will play an equally important role in the new foreign policy thrust. Present trends suggest continued political support for market reforms. Ashutosh Varshney argues convincingly that economic reforms that do not enter mass politics (e.g., exchange rate reforms) are much easier to push through politically than reforms that affect large numbers of people, like the reform of labor laws.<sup>10</sup> For reasons explained above, Indian democracy is empowering those at the bottom of the socioeconomic ladder; the political need to keep the economy growing at a sustained rate to satisfy their demands will be a very important factor in this effort. Politicians know that the alternative is an unacceptable level of social violence.

Second, India needs a relatively stable government to give some consistency to the policy changes necessary for increased globalization from both an economic and foreign policy perspective. The series of unstable coalitions in the recent past was unable to make decisive moves. While the present government, elected to office in September 1999, is also a coalition, it is more stable than its predecessors and may serve out its full five-year term. The governing National Democratic Alliance (NDA), while containing some 20 partners, has proved resilient. It stayed together during the usually fractious horse-trading over parliamentary candidates prior to the 1999 national elections. It also unanimously backed a common-policy statement and stayed together in the always-delicate cabinet-selection process. Prime Minister Vajpayee, who many polls show to be the most popular politician in the country, has used his influence to get his party to drop support for controversial Hindu nationalist proposals, such as the construction of a Hindu temple at a site considered sacred by many Hindus but also claimed as hallowed ground by Muslims. The NDA coalition would almost certainly have collapsed long ago had the BJP stuck by these issues.

While the present government has proved rather cohesive since it came to power in late 1999, there are two significant continuing challenges that could threaten it. The first is the tension between Hindu nationalism and secularism. Important state elections are approaching and the BJP faithful are demanding that the party again demonstrate its support for the construction of a controversial Hindu temple on a site Muslims say is legitimately theirs. Some senior BJP politicians argue that the party needs to be openly supportive of this demand to motivate the cadre, though pushing this too hard risks

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10. Ashutosh Varshney, "India in the Era of Economic Reforms," in *India in the Era of Economic Reform*, eds. Jeffrey Sachs, Ashutosh Varshney, and Nirupan Bajpai (New Delhi: Oxford University Press, 2000), pp. 222–60.

losing the backing of key coalition allies who rely on substantial Muslim electoral support.

The tension between economic reform and populist temptations also may prove to be a threat. Two programs announced by the government on the prime minister's birthday, December 25, 2000, demonstrated this populist impulse. One was a program of cereal distribution to the poorest 5% and the other was a rural road scheme. While the political compulsions for market reform are prompted to a large extent by the effort to meet the demands of the historically disadvantaged castes—primarily the Hindu peasantry, which constitutes some one-half of the population—these groups can themselves create major obstacles that could rip the coalition apart. They demand substantial subsidies for power, fertilizers, and farm support prices. Satisfying these demands are a powerful drag on the economy and the Vajpayee government has taken tentative steps to whittle away at them. But the issue threatens to explode if he misjudges the politically acceptable rate of change.

To conclude, Indian foreign policy increasingly seems structured to achieve the following objectives: (1) closer ties to countries—and multilateral associations—that can help it achieve higher rates of economic growth; and (2) being able to conduct its foreign policy as a major Asian power and not just a regional South Asia state. In achieving these objectives, India needs to convince other countries that it will deal with them on its own merits and not necessarily in the context of the Indo-Pakistani relationship.