

# The NATIONAL STRATEGY FORUM REVIEW

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## The Importance of Being India

By Frank Schell

A principal ally of the United States, the Republic of India is likely to become more assertive in world affairs in coming years as it redefines itself as a first tier economy with an affluent middle class, acquisitive multinational companies, a modernizing military, and new western sponsorship.

The U.S. needs an Asian ally as an offset to the economic and military ascent of the People's Republic of China. India, a vibrant democracy and nuclear power, can fill this role in some measure. At this time, India's relations with China are generally good, with increasing two way trade with its leading import partner and third largest export partner (CIA *World Fact Book*, January 2011). Projecting its sphere of influence, India has defined its maritime interests to extend from the Strait of Malacca to the Persian Gulf. Its armed forces are modernizing all three branches and rank in the world's top five in terms of scale. They pressure China to deploy military resources in two locations in Tibet: next to Ladakh, a region of Jammu and Kashmir in the northern most part of India, and at the McMahon line to the east, adjacent to the Indian state of Arunachal, which also borders Myanmar (formerly known as Burma) and Bhutan.

India's reach also extends well into Afghanistan and the Pakistani southwest province of Balochistan, in view of affinities dating to the British and Mughal empires, the Delhi sultanate, and to ancient times. Moderate Indian behavior and rhetoric, as well as engagement with Pakistan over the Kashmir dispute, will challenge the *raison d'être* of the Pakistan Army to be so focused on what it sees as the Indian threat. This will gradually need to change if democratic institutions in Pakistan such as the presidency, parliament, and judiciary are to gain strength and credibility. The sharing of intelligence between the U.S. and India is an example of cooperation in the fight against terrorism, although this can be viewed with suspicion in Pakistan and can have negative consequences for U.S. relations with that country.

India may also prove useful in tightening the sanctions against Iran. Recently, the [Wall Street Journal](#) reported that the Reserve Bank of India, the nation's central bank, prohibited Indian firms from using the Asian Clearing Union, a trade clearinghouse based in Tehran. It is believed that payments effected between central banks can prevent transparency with respect to the identity of buyers and sellers, obscuring the role of blacklisted entities such as the Iranian Revolutionary Guard. The central bank also required that settlements with Iranian suppliers

must be in currencies other than the U.S. dollar and the Euro, making trade with Iran more complicated. Iran is reportedly India's second largest supplier of crude oil, representing 14% of its demand for that commodity.

The U.S. and India will continue to have serious differences regarding Indian protectionism and the collapse of the Doha trade talks, India's unwillingness to sign the Nuclear Non-Proliferation Treaty, and its insistence on a per capita basis for carbon dioxide emissions. Moreover, the hardware of the Indian military is still 70% Russian in origin, including the air superiority Sukhoi-30MKI fighter, the T-90 battle tank, the BrahMos cruise missile, an aircraft carrier, and stealth frigates.<sup>1</sup> Further, the U.S.-India nuclear agreement, which offers U.S. companies the opportunity to construct civilian reactors and supply uranium fuel, will be offset by continued Indian efforts to engage with Russia as a supplier — and act as a hedge in case the U.S. becomes an unreliable partner.

India's economic rise in the past two decades, accomplished as a pluralistic democracy with disparate religions, ethnicities and languages, gives it a certain moral authority in addressing the West and developing countries not seen since the 1950s when it was a member of the so-called non-aligned bloc, while nevertheless a Soviet client state. With approximately 155 million Muslims in its nearly 1.2 billion population, India is vulnerable to Islamist radicalism. An example of a successful secular state able to embrace many faiths, India will seek to maintain good relations with the Muslim world and will not allow itself to be an instrument of the U.S.

The U.S. tends to see India through the prism of its foreign relations in the region, although the country's internal challenges posed by the Naxalite movement, a rural Maoist style uprising with antecedents in West Bengal in the 1960s in, are quite severe. India merits U.S. support in addressing the underlying causes of this potent force, which include economic isolation and the inability to integrate low caste and tribal populations into the mainstream. Naxalites are estimated to be represented in at least 30% of India's districts.

The characteristics and symbols of the Indian state that the U.S. finds attractive — parliamentary democracy, free markets, the English language, and a western legal structure — do not guarantee that India will be a predictable partner in its relations with us. As we support that country's economic rise and enhanced relations with the U.S., we must recognize that India will act pragmatically in concert with its own self-interest. This will sometimes support and sometimes frustrate U.S. policies.

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<sup>1</sup> Sieff, Martin . *Shifting Superpowers*. Washington, D.C.: Cato Institute 2009. Pages 166 and 183.