

17.3 INDIA AS AN EMERGING POWER

With a population in excess of 1 billion and a growing influence in international relations, India is likely to leap into the category of an emerging global power. India's foreign policy in the 21st century is driven by the following factors:

1. **Economic growth:** For decades, India's GDP Growth Rate was between 2 to 3 per cent. However, with the policy of

economic liberalization in 1991, followed by India's entry in to a globalized world, India now has a growth rate of 9.5 per cent. Other factors that will contribute to our growth story in the future are: we have the second largest labour force in the world (440 million); our foreign exchange reserves amount to US\$284 billion (the fifth largest). With a savings rate of 28 per cent of GDP and investment rate of 26 per cent of GDP, only China and South Korea have a better record than India. In addition to its traditional friends in West Asia, Russia, European Union (EU), Latin America and the US, India has adopted a 'look east' policy to take advantage of the huge trade potential in East Asia and South East Asia. India's engagement with Association of South East Asian Nations (ASEAN) and South Asian Association of Regional Cooperation (SAARC) countries provide her a growing leverage with a wider market as well. What kind of foreign policy would enable us to eradicate poverty—grow at 8–10 per cent and transform India into a moderately well-off state where our people can realize their potential—is what our foreign policy makers must look at.

2. **Energy security:** In view of India importing 70 per cent of its oil and 50 per cent of its gas, the Indian public is recognizing the need for alternative sources of energy and being more attentive to environmental concerns. At the same time, India is open to the idea of Iran–Pakistan–India–pipeline as that would ensure a reliable access to energy resources. Also, under the US–India July 2005 civilian nuclear agreement, India's civilian reactors are poised for a big upswing and by many estimates, nuclear energy is going to account for nearly 15 per cent of India's energy needs by the year 2020.
3. **Nuclear capability:** With the 1998 Pokhran-II explosion, India has been declared a de facto nuclear weapon state, with estimated 150–200 nuclear arsenals at its disposal. While India's nuclear doctrine envisages a 'credible, minimum deterrent through land-, air- and sea-based capabilities, India has opted for a 'no first use' and 'voluntary moratorium on further tests'. Since the Kargil Conflict of 1999, both India and Pakistan have embarked upon a series of meaningful CBMs, military as well as non-military, aimed at de-escalating tension between the two countries.

4. **Resilience of India's democratic tradition:** In spite of huge a population, teeming poverty and the divergent demands of India's 20 language groups, 50,000 castes and 500,000 villages, India has overcome obstacles to the country's growth by maintaining secular and multicultural ethos, complimented by a free and vibrant media, independent judiciary, regularly scheduled elections and competing political parties. India's heritage of tolerance and pluralism are embedded in its splendid diversity and the propensity for social harmony, political accommodation and conflict management.
5. **India as a soft power:** As distinct from hard power, in which India has excelled in terms of nuclear deterrence, military modernization and robust economic growth, India's influence as a soft power has also increased manifold in shaping values, beliefs and attitudes of a wide cross-section of the world population.

Yet, challenges to India's claim to become an emerging power remains. Twenty-six per cent of India's population is below the poverty line even after 60 years of India's independence; 45 per cent of children under the age of five suffer from malnutrition; and 15 per cent men and 48 per cent women are illiterate. India ranks 119th out of 177 countries in the Human Development Index, a ranking which needs substantial improvement. India also faces several intra-state conflicts and the scourge of extremism, in the form of Naxalism, that needs to be addressed with a sound strategy.