
The Rise of India and the India-Pakistan Conflict

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India is the world's largest democracy and has the fourth-largest economy in terms of purchasing power parity. It is a secular state and has the world's second-largest population. It is also a declared nuclear weapons state with the world's third-largest army and is among the top dozen states in the world in terms of overall defense expenditure. After opening its markets and implementing major structural reforms in its economy after the end of the Cold War, India emerged as one of the fastest-growing economies in the world. In tandem with its economic growth, India has been slowly but surely modernizing its conventional military capabilities as well as its nuclear and missile arsenals. This has led some long-time India-watchers to conclude that India is in the process of becoming a great power.

However, India has remained trapped in a conflict with Pakistan—its subcontinental neighbor and rival—ever since the two states were created after the partition of British India in 1947. The two countries have fought four wars since their independence (in 1947–1948, 1965, 1971, and 1999) and have endured many crises during the past 60 years that brought them close to war. In the crises of 1990 and 2001 to 2002, they nearly resorted to the use of nuclear weapons. Pakistan also helped transform the mostly indigenous insurgency in Indian-administered Kashmir that erupted in the late 1980s by providing aid to Islamist terrorist organizations, such as Lashkar-e-Taiba (LeT) and Jaish-e-Muhammad (JeM), which largely replaced the local insurgents. In recent months, Indian security analysts have blamed LeT and JeM for several high-profile terror attacks in Delhi (2005), Bombay (Mumbai) (2006), and elsewhere in India.

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Will the India-Pakistan conflict hinder India's rise as a great power? The conflict is unlikely to frustrate India's rise—even in the absence of a resolution of the dispute over Kashmir—as long as New Delhi is able to manage its relations with Islamabad to maintain a modicum of peace. Although Pakistan has consistently challenged India's preferred regional order, current economic, military, and political trends point to a transformation in South Asia that is largely compatible with India's strategic goals.

INDIA—NATIONAL SECURITY AND REGIONAL ORDER

India's conception of security flows from a particular understanding of the country's civilizational heritage, its geography, and its rightful destiny as perceived by the founding fathers of independent India, with Jawaharlal Nehru in the vanguard. The core of Indian strategic thinking is a vision of survival and security in which "*survival* means survival as a great power and *security* has come to describe the safety that enables India to develop, maintain, and prosper in its political eminence."¹ This vision is not based on matching up to Beijing or bullying Islamabad. Instead, it stems from New Delhi's perception of India's historic legacy, its current and future capabilities, its worldview, and the role that it wishes to carve for India in Asian and global affairs.

Although India's cultural and civilizational heritage is important in its self-perception as a potential great power, India inherited the political conceptions of security and survival from the British Raj. At the end of the British Empire in the subcontinent in 1947, the Dominion of India (which became a republic in 1950) came to be regarded as the successor state of British India. During British rule, however, only 60 percent of the territory of the subcontinent (consisting of eleven provinces) was under direct colonial rule. The remaining 40 percent, comprising a quarter of the subcontinent's population, consisted of 562 princely states tied to the British through an ingenious system of intricate alliances that allowed the British to dominate their foreign affairs, defense policies, and communications. Within this system, Britain stood as the "paramount power" in the subcontinent. Broadly speaking, the notion of paramountcy granted primacy to British strategic interests in the affairs of the subcontinent. British paramountcy went beyond mere military protection of the princely states but did not amount to full sovereignty over them.²

After independence, India retained the Indian individuals who staffed the Indian Civil Service, the administrative and bureaucratic arm of the British Raj. Many senior British military officers also continued to

serve in and advise independent India's armed forces in its initial years. Consequently, independent India inherited the broad notion of paramountcy and translated it into its aspirations for regional hegemony in the subcontinent. Interestingly, this notion of regional hegemony also coincides with the idea of a *cakravartin* (or the "world ruler" of the Indian subcontinent) as espoused by ancient India's most prominent strategic thinker, Kautilya, in the third century BC. "Precedence and paramountcy were what mattered" for the *cakravartin*, "not governance or integration" of the subcontinent into a single state.³

The British policy for defending the Indian empire was implicitly predicated on the belief that any hostile and well-armed subcontinental power posed an existential threat to the British Raj. Furthermore, the British believed that this threat could prove even more serious in the event that this hostile subcontinental power allied with an extra-regional power. In order to defend the core of their Indian empire, the British developed a security system of "concentric rings." In the inner ring, which was more or less coterminous with the subcontinent, the British adopted a policy of political absorption or strategic domination in order to achieve paramountcy. Thus the British annexed Sindh and Punjab in the 1840s and adopted a system of protectorate relationships with Nepal, Bhutan, and Sikkim. In the outer ring—Iran, Afghanistan, Southeast Asia, and Tibet—the British created a *cordon sanitaire* of buffer states along the periphery of the subcontinent to exclude other powers, particularly Russia and France.

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Independent India inherited this notion of security from the British Raj. This is aptly demonstrated in India's contemporary relations with its small South Asian neighbors—Nepal and Bhutan. Bhutan is a protectorate of India according to the Indo-Bhutan Treaty of Friendship signed in 1949. Similarly, the 1950 Treaty of Peace and Friendship between India and Nepal curbed Nepal's strategic autonomy and made India responsible for Nepal's defense and foreign policy. These treaties not only represented a continuation of British India's relations with the small Himalayan states, but were also designed to counter China's increasing influence in Tibet. In addition to these treaties, India peacefully annexed Sikkim in 1975. Furthermore, after the 1971 Bangladesh War, India articulated its own version of the Monroe

Doctrine—the so-called Indira Doctrine—that emphasized India’s regional dominance in the subcontinent and opposed the intervention of external powers in the affairs of the subcontinent (unless they were on India’s side).

While India inherited its security conception from the British, it rejected aspects of British security practice. India has neither the will nor the capability to play an imperial role in the subcontinent. India’s security

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practice emphasizes negotiations and diplomacy in countering threats to its security, and the use of military power is viewed by New Delhi as the last resort. Indeed, India is a largely risk-averse state that is extremely cautious about the external use of its military power. Furthermore, India is a status quo power on the question of territory today—India does not seek territorial aggrandizement.

In short, it is clear that India aspires to regional hegemony in South Asia through economic and strategic dominance in the subcontinent, preventing the intervention of external powers, especially those allied with hostile subcontinental powers. Ultimately, India also wishes to establish itself as a great power on an Asian and eventually global scale. These objectives—becoming a great power and establishing regional hegemony—are mutually reinforcing. However, the birth of an armed and hostile subcontinental rival—Pakistan—has thus far frustrated India’s aspirations for regional hegemony. Pakistan has consistently challenged India’s regional dominance—both directly, through armed confrontation, and indirectly, by allying itself with extra-regional powers.

PAKISTAN—INDIA’S REGIONAL CHALLENGER

The events surrounding the end of the British Raj in the subcontinent in 1947 had three important facets: partition, independence, and accession. The end of the British Raj led to the partition of the subcontinent between a Muslim Pakistan and a secular but predominantly Hindu India; the independence of the modern states of India and Pakistan; and the accession of the princely states to either India or Pakistan, taking into consideration the geography, demography, and the decision of the monarchs of these princely states. The tension-ridden Indo-Pakistani relationship is a product of these events.

At the roots of the India-Pakistan conflict are the alternative visions of the Indian and Pakistani states that led to the simultaneous independence and the partition of the subcontinent. On one hand, under the leadership of Mahatma Gandhi and Jawaharlal Nehru, the Indian nationalist movement agreed on the need for a secular and democratic post-independence India under the aegis of the Indian National Congress. This dispensation is reflected in India's constitution, which has been secular since it came into effect in 1950, even though the term "secularism" was formally inserted only in 1976. On the other hand, under the leadership of Muhammad Ali Jinnah, the Pakistani nationalist movement saw the people of the subcontinent divided into two nations, one Hindu and the other Muslim. On the basis of this "two-nation" theory, Pakistan was created as the homeland for the subcontinent's Muslims, and the Pakistani constitution defines the state as an Islamic republic. This meant that the success of a secular polity in India—which included a third of the subcontinent's Muslims at partition and includes nearly as many as Pakistan's Muslim population today—would challenge the very foundation of the Pakistani state as a homeland for the subcontinent's Muslims.

The second factor underlying the Indo-Pakistani conflict is Pakistan's irredentist claim to Kashmir. The accession of the former princely state of Jammu and Kashmir posed a unique problem. With the lapse of British paramountcy, the princely states were now expected to choose one of the two nascent states, India or Pakistan. The princely state of Kashmir lay at the very north of the subcontinent and was contiguous with both India and Pakistan. Furthermore, it was a Muslim-majority state with a significant Hindu population in the Kashmir valley and Jammu, and included a sizeable Buddhist population in Ladakh.

Kashmir's Hindu monarch, Maharaja Hari Singh, prevaricated on the question of accession. Meanwhile, a tribal rebellion against the Maharaja's authority broke out in southwestern Kashmir in early October 1947. Sections of the Pakistani Army quickly moved in to aid the rebels with arms, transport, and men. The panicked Maharaja of Kashmir made urgent appeals to Nehru, now India's prime minister, for help. Nehru agreed to provide assistance if two preconditions were met: the Maharaja would have to accede to India, and this act would have to meet the imprimatur of Sheikh Mohammed Abdullah, who was then the leader of the largest secular party in the state, the Jammu and Kashmir National Conference. In the absence of a referendum, Abdullah's blessings conferred a degree of legitimacy to India's accession of Kashmir. From India's perspective, both

the Hindu Maharaja and the Muslim leader of the state's largest secular party agreed to accede to the Indian Union. Indian troops were airlifted to Kashmir immediately after these conditions were met—after Kashmir formally acceded to India on October 26, 1947. The Indian troops managed to stop the Pakistani advance in Kashmir, but by then Pakistan had captured about a third of the territory of the former princely state. The so-called line of control separating Indian- and Pakistani-administered Kashmir today approximates this division. Pakistan has subsequently continued to seek the incorporation of the Muslim-majority state of Kashmir into its own domain, while India, committed to its vision of a secular state, has consistently sought to prevent this.

The Pakistani national movement's demand for a separate homeland for the subcontinent's Muslims, in order to avoid Hindu domination in the emergent India, also informed the foreign and security policies of the newly independent Pakistani state. In spite of India's advantage in territory, population, economic and military power, and natural resources, the principle of parity with India became the cornerstone of Pakistan's strategic thinking. Pakistan has pursued a "counter-regional" strategy aimed at preventing India's dominance in the subcontinent by encouraging the involvement of foreign powers in the region.⁴ As a result of both structural logic and the notion of security inherited from the British Raj, this strategic alignment or partnership between a hostile armed subcontinental power (Pakistan) and extra-regional powers (primarily the United States and China) incited fears of encirclement and even loss of independence in India. For most of India's post-independence existence, its diplomacy and security policy has therefore remained fixated on its attempts to deal with Pakistan and its strategic alignments and partnerships with external powers.

These three factors—alternative visions of the state, Pakistan's claim to Kashmir, and Pakistan's principle of parity with India through external alliances—coupled with a misreading of the opponent's relative military strength and political will have led to several wars and military crises between India and Pakistan over the past 60 years. But none of the Indo-Pakistani wars have shifted the relationship decisively in India's favor. Even after the 1971 Bangladesh War that led to the division of Pakistan and the creation of Bangladesh out of its eastern wing, India was unable to translate its military victory in the east into a decisive political settlement with Pakistan. India's failure to shift the balance of power decisively in its favor is in part due to Pakistan's significant military capabilities, which compensate for its relatively smaller size. But Pakistan has also had access to qualitatively superior military hardware through its alliances with the

United States and partnership with China, which helped to narrow the gap between the Indian and Pakistani militaries.

Pakistan's alliance relationship with the United States, which until 1990 was rooted largely in the logic of the Cold War, was an important factor enabling Islamabad to counter India's superior military and economic capabilities. Pakistan's alliance with America began with the 1954 mutual defense agreement and continued with Pakistan's membership in Southeast Asian Treaty Organization (SEATO) and the Central Treaty Organization (CENTO). The United States also provided massive economic and military aid in response to the 1979 Soviet invasion of Afghanistan. At the same time, driven primarily by its desire to contain India in South Asia, China has been a significant provider of conventional military, missile, and nuclear assistance to Pakistan.

After India's first nuclear test in 1974, Pakistan embarked on its own nuclear weapons program. By 1990, both states had become nuclear-capable, and both finally demonstrated their capabilities by conducting multiple nuclear tests in 1998. By acquiring nuclear capabilities, Pakistan compensated for India's conventional military superiority. Emboldened by its nuclear parity with India, Pakistan began supporting secessionist groups in India. Pakistani aid transformed the indigenous ethnoreligious insurgency that erupted in the Kashmir valley in the late 1980s, as Islamist terrorist organizations like LeT and JeM largely replaced the local insurgents. In addition to this "proxy war" against India, the Pakistani military also engaged in a limited conventional war against India in the Kargil region of Kashmir in 1999 to alter the territorial status quo (represented by the line of control demarcating Indian- and Pakistani-administered Kashmir). Pakistan's strategy centers on the use of unconventional and asymmetric conflict to bring India to the negotiating table. At the same time, Pakistan's possession of nuclear weapons limits India's military responses by foreclosing the option of a full-scale conventional war.

Nevertheless, India and Pakistan came close to conventional war in the 2001 to 2002 period after members of the LeT and JeM attacked the Indian parliament building in New Delhi on December 13, 2001, while both houses of the legislature were in session. India responded to these audacious attacks with its largest-ever troop mobilization along the entire international border between India and Pakistan, followed by a massive exercise of coercive diplomacy. Pakistan responded with its own military mobilization along the border. The two rivals faced one another in a military stand-off lasting ten months that ended only under international pressure and after Pakistan agreed to ban both LeT and JeM. As a result of the

Indo-Pakistani conflict, India continues to maintain a large troop presence in Jammu and Kashmir (about 250,000 regular soldiers and over 100,000 paramilitary troops).

India's strategic profile has thus far been diminished by its ongoing conflict with Pakistan, which has kept Islamabad at the center of India's defense and diplomacy. For example, the pace of India's engagement with Southeast Asia as well as the development of India's relations with Muslim states in the Middle East and Central Asia have been slowed by India's efforts to deal with Pakistan. However, the past decade or so has witnessed the

..... beginnings of a regional strategic transformation in South Asia that favors India's preferred regional order. India's fast-growing economy, stable democratic institutions, and the slow but steady growth of its military power are all providing New Delhi with the resources it needs to maintain stability in its relations with Pakistan while also allowing it to engage the wider world. Indeed,

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..... there are already new directions in India's foreign policy that are a sign of its growing strategic prominence. These include India's willingness to work with the United States on a civil nuclear deal, its vote at the International Atomic Energy Agency to refer Iran to the United Nations Security Council, and its efforts to accelerate its engagement with East Asia, as demonstrated by its attendance of the first East Asia Summit in December 2005.

GEOPOLITICAL TRANSFORMATION IN SOUTH ASIA

The economic, military, and political disparities between India and Pakistan are increasingly stark, indicating that a transformation in the geopolitics of the subcontinent is underway.⁵ All traditional indicators of power point toward India's increasing preponderance in the subcontinent, a major step toward the emergence of India as a regional hegemon and a great power.

TABLE 1:
*Indicators of Power in India and Pakistan*⁶

	INDIA	PAKISTAN
Area (sq km)	2,973,190	778,720
Population	1,095,251,995 [^]	165,803,560 [^]
GDP (PPP)	\$3,611 billion*	\$393.4 billion*
GDP (exchange rate)	\$719.8 billion*	\$89.55 billion*
GDP (PPP per capita)	\$3,300*	\$ 2,400*
GDP (real growth rate)	7.6%*	6.9%*
Projected Real GDP Growth (average percent year on year)	6.2% (2005-2010) 5.7% (2010-2015)	5.6% (2005-2010) 5.0% (2010-2015)
Military Expenditure	\$19.04 billion*	\$4.26 billion*
Military Expenditure as percent of GDP (range)	2.1%-2.3% (1994-2002)	4.5%-5.3% (1994-2002)
Total Armed Forces	1,325,000 (Active)	619,000 (Active)
Army	Manpower: 1,100,000 Main Battle Tanks: 3,978	Manpower: 550,000 Main Battle Tanks: 2,461+
Navy	Manpower: 55,000 Submarines: 16 Principal Surface Combatants: 54 Aircraft Carrier: 1	Manpower: 24,000 Submarines: 7 Principal Surface Combatants: 7 Aircraft Carrier: 0
Air Force	Manpower: 170,000 Combat Aircraft: 852 Armed Helicopters: 60	Manpower: 45,000 Combat Aircraft: 333 Armed Helicopters: 0
Paramilitary	1,721,586 (Active)	302,000 (Active)

[^] 2005 estimate

* 2006 estimate

Economic Transformation

The Indian economy has emerged as one of the fastest-growing economies in the world in recent years. It registered an average growth rate of 5.5 percent per year in the period 1980 to 1991, and a slightly higher average annual growth rate of 6 percent in the following decade.⁷ In 2004 and 2005, the Indian economy grew at the still higher rate of 8.5 percent.⁸ As a result, India was the twelfth-largest global economy in 2005 when measured by GDP at market rates, and the fourth-largest global economy

when measured by GDP adjusted for purchasing power parity.⁹

Since the introduction of economic reforms in 1991, India has dramatically reduced tariffs and opened its economy to international trade and investment. India has also substantially increased its foreign exchange reserves and has begun to open its domestic markets. The impressive growth of India's economy over the past few years has occurred despite high oil prices and the relative weakness of the coalition government in New Delhi.

India has the potential to sustain this higher rate of growth, but it must overcome significant challenges in order to do so. Perhaps the most significant constraint India faces is inadequate infrastructure—roads, ports, airports, and power supply. The privatization of India's public sector firms, the reform of its labor laws, and investment in the health and education sectors also pose numerous challenges.

Nevertheless, the future looks bright for India, which already has a large and growing middle class estimated at 100 million to 300 million. There seems to be a consensus in India that economic liberalization is the way forward. Since 1991, political parties of every hue have assumed power in New Delhi, but they have all maintained the commitment to economic reforms. However, the pace (as opposed to the direction) of economic liberalization remains a politically sensitive issue in India.

Pakistan's economy, which is buoyed by substantial expatriate remittances and U.S. aid, registered an economic growth rate of 6.4 percent in 2004 and 7.8 percent in 2005.¹⁰ While the inflow of finances from overseas has been crucial, Pakistan's own policies have also played an important role. Islamabad has made substantial improvements in handling its balance of payments and has also initiated investment and tax reforms. This said, Pakistan's conflict with India, its pursuit of parity with New Delhi, and the central role of the army in the Pakistani state have fostered a political economy of defense that favors high military expenditure rather than investment in education, healthcare, and other social and developmental sectors. As a result, the Pakistani economy remains beset with numerous structural problems: the absence of significant land reforms, high domestic and external debt, limited manufacturing capacity and export potential, endemic corruption, limited tax collection, inadequate investments in healthcare and education, and the rise of business foundations linked to the military.

In short, Pakistan's economic future remains uncertain while India is likely to emerge as an economic power with global impact in the coming decades. Pakistan's high growth rates (lower than but comparable to India's in recent years) overstate the structural health of the Pakistani economy

and raise doubts about its long-term sustainability. Furthermore, India's slightly higher rates will only accrue over time and will further consolidate its economic dominance.

India's growing economic clout is likely to be translated into diplomatic and military clout that will give it substantial leverage vis-à-vis Pakistan. For example, India's improving ties with America—driven in part by their growing economic links—led the United States to come down resoundingly on India's side during the 1999 Kargil crisis, and as a consequence China has moved from a pro-Pakistan position on Kashmir to a more neutral stance. This is not to argue that India's economic dominance is sufficient to guarantee its strategic domination in the subcontinent, but that it is an important element of India's emerging regional hegemony in South Asia.

Military Transformation

India, with its much larger and faster-growing economy, spends a smaller percentage of its GDP on its military expenditure than Pakistan. In absolute terms, however, India spent nearly four times more than Pakistan on its military in 2005. Furthermore, as a result of its faster economic growth, India is modernizing its conventional forces qualitatively as well as quantitatively.

India's prime minister, Manmohan Singh, has raised the possibility of increasing India's defense expenditure to 3 percent of GDP—up from an average of about 2.5 percent over the past decade—if its economy becomes capable of maintaining an annual growth rate of 8 percent or more. But even if this does not occur, Pakistan will find it increasingly difficult to match India's growing conventional superiority. India is pursuing qualitative improvements in its weapons technology through partnerships with Russia, Israel, and even the United States. At the same time, India is modernizing its military doctrine by adopting a network-centric approach that favors joint and special operations. India is also attempting to shift its conservative institutional culture in order to promote operational creativity and initiative. Many of these changes within the Indian armed forces are likely to receive a further boost as military-to-military relations between India and the United States strengthen. In contrast, Pakistan is likely to witness only

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incremental upgrades of its military hardware, rather than qualitative or doctrinal improvements. If these trends continue, India could achieve clear military superiority by 2020.¹¹

It could be argued that India is unlikely to emerge as a regional hegemon in South Asia because both India and Pakistan possess nuclear weapons. However, as the theory of offensive realism suggests, in the absence of nuclear superiority—and nuclear superiority is likely to remain absent in South Asia for the next twenty to fifty years—the nuclear balance does not determine relative power. Consequently, states in such a system will care deeply about the balance of conventional military forces, which in turn rests on their relative economic performance. Both of these factors are increasingly tilting in India's favor.

Political Transformation

Current domestic political developments in India and Pakistan favor India as well. India's founding fathers adopted a secular and democratic constitution, and the country has witnessed numerous free and fair elections with regular and peaceful transfers of power. Indira Gandhi's brief flirtation with dictatorship in the 1970s led to her massive defeat in the subsequent elections and only further entrenched India's democratic traditions. The Indian state has been able to maintain civilian dominance of its polity throughout its independent history and has never been threatened by a challenge from the military.

Perhaps the most worrying trend in Indian politics is the rise of Hindu nationalism that seeks to redefine the idea of the Indian nation with a vision centered on a corrupted and narrowly defined version of Hinduism. The limited electoral base of the Hindu nationalist political parties, however, suggests that the basic liberal and democratic nature of India's polity is likely to prevail. The impact of Hindu nationalist politics will also be limited by the need to govern by coalition. Moreover, the rise of regional parties in India will shift the balance of power away from the center and in favor of the states. These developments bode well for India's federal democratic structure—even if they slow the decision-making process in New Delhi.

By comparison, political developments in Pakistan remain troublesome. For almost half of its independent history, the Pakistani state has been under military rule. Pakistan's rivalry with India has led to the militarization of the Pakistani state, with the army continuing to exercise considerable power even when the country is ruled by a civilian government. With the

notable exception of a free and outspoken press, the dominance of the army in Pakistan has resulted in the complete breakdown of institutions that support democracy. Furthermore, Pakistan has still not resolved the issue of its identity. Pakistan was created as a putative homeland of the Muslims of South Asia, and Jinnah's successors saw Pakistan as an Islamic state (although not a theocracy). But what it means to be an Islamic state continues to be debated within Pakistan. There are various other ethnic and sectarian tensions within Pakistan, including the Sunni-Shia divide and resentment against Punjabi domination of society. For these reasons, Pakistan is a state "still in the making" more than fifty years after its independence.¹²

Finally, socio-political trends in Pakistani society since the Soviet invasion of Afghanistan have led to the rise of Islamist groups that not only promote terrorism in Kashmir and Afghanistan, but now threaten the Pakistani state itself. Compounding this is the rise of anti-Western and anti-American sentiment in Pakistani society. Tensions in Baluchistan and along the Pakistan-Afghanistan border, combined with pressure from the United States to perform in the war on terror, are likely to entrench the military's already dominant role in Pakistan's politics. These trends do not bode well for the future of Pakistani democracy, even if the facade of democratic procedure is maintained.

CONCLUSION

India, with its stable democratic polity, is in the process of undergoing an economic and military transformation that will shift the balance of power in the subcontinent decisively in its favor over the next two decades. Thus far, the India-Pakistan conflict, including the dispute over Kashmir, has not significantly hindered India's steady rise to prominence over the past decade or so. This does not imply that poor relations with Islamabad or the mismanagement of Kashmir will have no consequences for New Delhi. Poor relations with Pakistan impose significant political opportunity costs on India, and a major crisis with Pakistan could dampen foreign investment in the Indian economy. (However, it is easy to exaggerate this risk. Domestic instability in China, its recurrent tensions with Japan and even military crises in the Taiwan Strait did not deter foreign investors from entering the Chinese market. Similarly, India should be able to withstand periodic political storms.)

The economic, political, and military disparities between India and Pakistan, coupled with India's economic rise, have also given a new direction to India's foreign policy. In particular, India's relationship with the

United States has been transformed dramatically since the end of the Cold War. An often contentious and even turbulent Indo-U.S. relationship has become a significant partnership with geopolitical dimensions. The end of the Cold War, the attractiveness of India's growing and increasingly open economy, the willingness of New Delhi to engage in military-to-military relations with Washington, and the presence of a successful Indian-

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American community in the United States have all helped bring about this positive transformation.

New Delhi witnessed the first significant outcome of improved ties with the United States when Washington took India's position during the 1999 Kargil War with Pakistan and unequivocally conveyed to Islamabad that borders could not be redrawn in blood. Then, in 2002, noting New Delhi's growing economic and military capabilities as well as its growing security convergence with Washington, the U.S. National Security Strategy recognized India as a potential great power. The U.S. State Department openly announced its new partnership with India in 2005, stating its intention "to help India become a major world power in the twenty-first century." Significantly, the State Department added, "We understand fully the implications, including military implications, of that statement."¹³

India's relationship with its main Asian competitor, China, is far more nuanced today. While remaining wary of China's dramatic rise, India is engaging China economically, and the two states are also seriously exploring a possible solution to their long-standing border dispute. Noting India's economic rise and its growing relations with the United States, China has moved away from its former pro-Pakistan position on Kashmir and has adopted a more neutral stance. The possibility of Sino-Pakistani strategic and military cooperation, however, remains open.

These are positive developments in view of New Delhi's grand strategic objectives. Judged by its political, economic, and military capabilities, India is on the way to emerging as the dominant power in South Asia within the next two decades or so. Moreover, its adroit diplomacy and engagement with extra-regional powers—primarily the United States and China—are both furthering its own cause in the subcontinent and constraining the negative consequences of relationships between its subcontinental rival Pakistan and the extra-regional powers. To be sure, New Delhi must successfully transform its economy and military, while also managing

its overall relationship with Pakistan to ensure stability. Nevertheless, in the absence of an India-Pakistan war, the future favors India, whether or not the Kashmir dispute is resolved. ■

ENDNOTES

- 1 Ashley J Tellis, *Stability in South Asia* (Santa Monica: RAND, 1997), 9.
- 2 Claude Markowitz, *A History of Modern India 1480–1950* (London: Anthem Press, 2002), 551 (note). Translated by Nisha George and Maggy Hendry.
- 3 John Keay, *India: A History* (London: HarperCollins Publishers, 2001), 140.
- 4 Baldev Raj Nayar and T V Paul, *India in the World Order: Searching for Major-Power Status* (New Delhi: Cambridge University Press, 2004), 86.
- 5 See Ashley J Tellis, “South Asia,” in Richard J Ellings and Aaron L Friedberg, eds., *Strategic Asia 2001–02: Power and Purpose* (Seattle: National Bureau of Asian Research, 2001), <www.nbr.org/publications/strategic_asia/pdf/sa01_0s-asia.pdf> (accessed December 15, 2006).
- 6 This table compares only India and Pakistan, as Pakistan is the only state that has consistently contested India’s regional dominance. The figures for area, population, GDP (PPP and exchange rate), GDP per capita, GDP growth rate, and military expenditure are from Central Intelligence Agency, *The World Factbook*, 2006, <www.cia.gov/cia/publications/factbook/geos/in.html> and <www.cia.gov/cia/publications/factbook/geos/pk.html> (accessed September 23, 2006). Figures for projected real GDP growth rate are from Jim O’Neill, Dominic Wilson, Roopa Purushothaman, and Anna Stupnytska, “How Solid are the BRICs?” *Global Economics Paper 134*, (Goldman Sachs, 2005), <www2.goldmansachs.com/hkchina/insight/research/pdf/BRICs_3_12-1-05.pdf> (accessed December 15, 2006). Figures for military expenditure as percent of GDP are from Stockholm International Peace Research Institute, *Yearbook 2004* (Oxford: Oxford University Press, 2004), 312, 353, 359. Figures for total armed forces, army, navy, air force, and paramilitary are from International Institute for Strategic Studies, *The Military Balance 2006* (London: Routledge, 2006), 230-241.
- 7 Arvind Virmani, *India’s Economic Growth: From Socialist Rate of Growth to Bhartiya Rate of Growth*, 2004, <www.icrier.org/pdf/wp122.pdf> (accessed October 26, 2006).
- 8 *India Data Profile*, (World Development Indicators Database, 2006), <<http://devdata.worldbank.org/external/CPProfile.asp?PTYPE=CP&CCODE=IND>> (accessed October 26, 2006).
- 9 See *Total GDP 2005* and *PPP GDP 2005*, (World Development Indicators Database, 2006), <<http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf>> and <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP_PPP.pdf> (accessed October 26, 2006).
- 10 *Pakistan Data Profile*, (World Development Indicators Database, 2006), <<http://devdata.worldbank.org/external/CPProfile.asp?PTYPE=CP&CCODE=PAK>> (accessed November 12, 2006).
- 11 See John H Gill, “India and Pakistan—A Shift in the Military Calculus?” in Ashley J Tellis and Michael Wills, eds., *Strategic Asia 2005-06: Military Modernization in an Era of Uncertainty* (Seattle: National Bureau of Asian Research, 2005), 237.
- 12 See Robert LaPorte, Jr., “Pakistan: A Nation Still in the Making,” in Selig S Harrison, Paul H Kreisberg and Dennis Kux, eds., *India and Pakistan: The First Fifty Years* (New York: Woodrow Wilson Center Press and Cambridge University Press, 1999), 45-62.
- 13 Office of the Spokesman, United States Department of State, *Background Briefing by Administration Officials on US-South Asia Relations*, 2005, <www.state.gov/r/pa/prs/ps/2005/43853.htm> (accessed September 26, 2006).

