



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Opportunities And Challenges For Indian Foreign Policy In Its Emergence As A Great Global Power:-

Dr Jagadeesh Bidarakoppa,

Associate professor of Political Science,
Govt First Grade Women's College,
Shivamogga

Clearly, India has the potential to be a global power. Does India have the vision and the will to be a global power? At the time of independence in 1947, the leaders of the Independence movement had targeted the year 2000 as the date for realizing their vision to be a great global power. This vision guided India's Five year Plans under the Mahalanobis model, when economic development followed socialistic pattern with a centralized public sector at the commanding heights of the economy. It is with the advent of the nineties that economic liberalization started taking roots. But for the vision of the political leadership, the domestic opposition to economic reforms would have ensured that the process collapses even before it could kick-start. There is now, a broad political consensus among the mainstream political parties that the process of economic reforms is irreversible. India's rise towards the great power status shall be based on the edifice of the economic reforms, which have been pursued relentlessly over the last decade.

Moreover, there may be functional or other relations among the different elements of foreign policy, which may change over time. In the foreign policies of the developing states, for example, political diplomacy may be a dependent variable in relation to economic diplomacy on account of the imperative of national economic development. India's foreign policy strategy of nonalignment was a leading example of the functional dependence of the political element of foreign policy on its economic element in a given situation. For a major objective of India's foreign policy strategy of nonalignment was the maximization of economic aid from the both the power blocs in the context of the cold war.

One of the most important objectives of foreign policy is to explore prospects for the development of a country through external relations, and to create greater opportunities for material, technological, and monetary interactions. This understanding is premised on the assumption that economic well-being ensures power, security, development and global respect for the country. This also means that no country can afford to ignore the economic rationale of external relations which act as a driving force in foreign policy making. In recent years, this aspect has become even more relevant due to the phenomenon of globalization and the resultant economic liberalization policies adopted by almost all countries in the world. If the Cold War phase was remarkable for the military power struggle and arms race between the ideologically divided

groups of countries, the post Cold War global order is defined by the integration of the global economy and the collective effort by almost all nations to extract maximum benefits from expanding economic opportunities.

This, in a way, has created problems for the conventional notions of sovereignty and security on one hand, while redefining the realm of state responsibility on the others, as non-state actors have emerged as major stakeholders in a closely integrated global economy that is driven by market forces. The economic aspect of foreign policy making has become even more pronounced as free trade agreements have become instrumental aspects of bilateral and multilateral relations. As a result, the foreign economic policy of an any government has become a vital parameter for evaluating its success in the realm of external relations. The foreign economic policy of a country consists of broad outlines concerning its role in the world economy, which are devised to enhance the position of the domestic economy within the broad global framework. The foreign economic policy of a country consists of broad outlines concerning its role in the world economy, which are devised to enhance the position of the domestic economy within the broad global framework. The foreign economic policy of a country consists of trade polities, legislations, and positions concerning its economic relationships with other states as well as global economic institutions that ultimately shape its response to the global macro system. Although in the age of globalization, the role of the stage in the sphere of economy has diminished drastically in comparison to that of the global market forces, nonetheless, foreign economic policy plays an instrumental role in determining a country's external as well as domestic economic security and growth opportunities.

The relative importance of the determinants of the foreign economic policy of a country varies in the context of changing trends in the world economy and prevailing ideological orientations. Nonetheless, the basic objective of a country's foreign economic policy remains the enhancement of economic security and prosperity of its people. The immediate strategies and objectives of a country's foreign economic policy might vary according to time and space, but the significance of economic determinants of foreign policy remains constant.

This paper seeks to establish the significance of India's foreign economic policy in the process of economic development, especially in the post-liberalization era. The first section addresses the crucial question of whether there ever existed any consistent foreign economic policy (with clearly and explicitly defined goals and strategies) in the pre-liberalization era and develops a simple analytical frame-work to evaluate the success of India's foreign economic policy within the framework of a relatively closed economy. The second section focuses on the post-liberalization foreign economic policy of India-its changing objectives, determinants and features. The changing institutional aspects of external economic policy-making have been explored by studying the shifts in economic policies after liberalization. This section also deals with the prospects of India's foreign economic policy in the context of recent developments in the global economy, specifically the opportunities for global trade under the World Trade organization specifically the opportunities for global trade under the World Trade Organization (WTO). The overall objective of the study is to explore the trajectory of the evolution of India's foreign economic policy in areas where the shift sin approach have been most pronounced, namely, in bilateral economic relations, although extremely significant, have been dealt with only marginally so as to accommodate the study within the scope of the present paper.

The Major Trends in India's Foreign Economic Policy Since 1991:-

An enormous amount of literature exists on the various factors that led to the adoption of the liberalization policy in India in 1991. However, it should be noted that the two main factors that led to the failure of the liberalization attempts made in 1980 were the inability to raise the export volumes to match the increase in imports resulting from the liberalization process and the absence of a prudent fiscal discipline machinery to avoid the foreign exchange crisis. Therefore, these factors were important concerns for the liberalization policy adopted in 1991.

The changes brought about by the liberalization policy in the area of foreign economic policy:

Needless to say, the liberalization policy had a major impact on India's foreign economic policy. The basic parameters that had defined India's approach towards private capital, trade policy, foreign investment norms, import-export conditionalities, external assistance and global economic institutions were all redefined. The most visible impact of the reform process could be seen in the area of industrial deregulations. Industrial licensing has been abolished for all industries (except for specified areas) and investment decisions no longer depend on governmental approval. Monopoly restrictive laws have been amended to allow governmental approval. Monopoly restrictive laws has been amended to allow more private participation an greater investment. In the area of trade liberalization, quantitative restrictions on import and export have been removed from almost all products, and efforts have been made to raise the country's trade volume. The few noteworthy trade promotion methods include the establishment of export promotion councils, special economic zones, agricultural export zones, and trade facilitation centres, and the reduction of transaction costs. Another method for promoting bilateral trade is becoming increasingly popular and important is through the free trade agreements that India has signed with an increasing number of countries. Besides, as an active member of the World Trade Organization, India has also emerged as an important advocate of the rights of the developing countries under global free trade arrangements.

One of the most important objectives of foreign policy is to explore prospects for the development of a country through external relations and to create greater opportunities for material, technological, and monetary interactions.

Recent Trades in Indian Foreign Policy :-

1.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. On the international stage, India pledged itself to non-alignment. It emphasized support for the developing world and non-engagement in either Cold War block. Beginning in the 1970s, India diluted its non-aligned stance by developing a special relationship with the USSR as a perceived counter weight to China. 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. 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 century.

2. The International Dimensions of Changes to India 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.

3. 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 line of economic self-interest. Still it is un clear what the domestic motivations were that buttressed this effort.

4. 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, his trend.

Conclusion:-

To conclude, India 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.

REFERENCES:

1. Abadlai Ghavam “Principles of foreign policy and international policy : Samt Published, Tehran, 2001, p-12.
2. Anjali Ghosh, “Indian foreign Policy.”
3. Halesti, K.J “Principles of international policy analysis” translated by Bahram Mostashimi, Ministry of foreign Affairs, 1994.
4. Hoshang Mogatader International politics and foreign policy, Mafhars published 1991, p.116.