

EXECUTIVE SUMMARY

The paper discusses the origins of the drive to enhance Indian naval capability and presents the background to India's regional security policy. India's defence ties with the Soviet Union are charted and the question of the transfer of a nuclear-powered submarine to India is examined. It is argued that Moscow's purpose in introducing such a vessel into the region is two-fold. First, India's acquisition of a nuclear-powered submarine complicates US naval strategy in the region and forces Washington to respond in ways which may be politically damaging. Second, by leasing an advanced weapon system to India, Moscow retains its leverage over New Delhi and weakens the growth of closer US-Indian ties at a time when its influence over India is waning because of economic strains and technological shortcomings in the Soviet Union. Moscow's objective has more to do with its strategic competition with Washington than with its desire to build-up India's naval capability. This effort coincides with an improvement in US-Indian relations to the degree that there is a greater understanding in New Delhi about Washington's stabilizing role in the vital Persian Gulf region. It appears likely that Washington and New Delhi will arrive at a mutually acceptable balance of naval forces in the Indian Ocean and that both countries will recognize the legitimate security concerns each other has in the region.

The paper argues that India's naval expansion, which began as a response to perceived security threats to India arising out of strategic circumstances which no longer have any bearing on the regional security situation, is today motivated primarily by notions of prestige. India sees itself as a great power, and great powers have strong navies. Even if it has larger ambitions, India will be inhibited from developing a stronger naval position in the Indian Ocean by domestic economic pressures and its continued dependence on outside sources for advanced weapons systems. Moreover, India's naval force structure, with its absence of a significant power projection capability, does not pose a threat to other states in the Indian Ocean region.

Analysis of India's defence priorities in the Indian Ocean points to a long-term strategy of meeting a potential Chinese incursion into the Indian Ocean at the key choke point in the east -- the Strait of Malacca. An assessment of India's maritime force structure reveals that