INTRODUCTION:

Since foreign policy of every nation is largely a reflection of its internal politics, study of domestic dimension becomes essential to comprehend the external dynamics of any nation. Indian traditional Marxists are not unaware of this basic truth. It should be admitted that in order to understand the nature of Indian state, they made sincere attempts to analyse and interpret the dynamics of India's foreign policy. But even after experiencing four decades of India's nonaligned policy, they could not arrive at a consensus about the real character of India's external relations. For them, the dynamics of India's foreign policy always remained hard nut to crack. In one sense, their differences in perceptions of India's status in the world was an important factor responsible for the breakup of the united communist party. Despite thirty years of their existence as separate communist parties, they could not bring any meaningful change in their perceptions. As in the 50's and 60's, the traditional communists still retain two opposite viewpoints with regard to India's place in the world imperialist system. Whereas the parties like Communist Party of India (CPI), All India Communist Party (AICP) and to a considerable extent even the Communist Party of India (Marxist) believe that India follows an independent and progressive foreign policy, different factions of the Naxalites sticking on to the resolution of the Madurai Congress of 1953,
argue that India still continues to be a semi-colony or a
neo-colony and that its non-aligning policy is basically a
mechanism to serve the interests of the imperialists and now
even the social imperialists.

How could those who call themselves communists arrive at
two opposite conclusions about one single reality? What are
the factors they examined to brand India's foreign policy as
progressive or reactionary? Study of the criteria which
the traditional Marxists adopted shows that those who hail
India's external policy as progressive policy base their
arguments on India's opposition to war, racism and colonialism;
its friendship with the socialist block; its open support to
the liberation struggle in Third World; its fight for New
Internal Economic Order (NIEO) and in leading role in the
Nonaligned Movement (NAM). 1 On the other hand, the two sections
which consider India to be a running dog of imperialism
cite India's continuing relationship with the imperialist
countries, its opposition to nationalisation of all foreign
assets, liberalisation of India's economic policy, increasing
burden of external debts and growing dependence on foreign
capital and technology. 2

Both the groups while making efforts to prove their
versions, glorify the factors which fit in their theory and
ignore or belittle other factors which seem to contradict
their conclusions. The reality is that while it is true that
India opposes imperialism, it is also equally true that at times
India compromises and collaborates with imperialism. India strengthens its friendship with the socialist countries but it never breaks relations with the Western powers. Similarly, though India expresses solidarity with the interests and aspirations of the Third World, it does not hesitate to take advantage of the weakness of other developing nations whenever its own interests so demand. Traditional Indian Marxist positions have not been quite persuasive in their analysis of the dialectical relationship between these seemingly antagonistic paradoxes. Being one sided in their approach, none of the above versions could correctly comprehend the contradictory facets of India's foreign policy. Hence arises the need for devising an alternative approach to the study of India's role in the world affairs. The present chapter is precisely an attempt in that direction.

**STRUCTURAL FORCES FAVOURING THE POLICY OF NON-ALIGNMENT**

India's nonaligned policy is generally attributed to India's culture, traditions, historical background and value orientations of Indian leaders and philosophers. The fact that more than 100 developing countries follow the policy of non-alignment shows the inadequacy of this type of interpretation. Unless there exist certain common interests, so many countries cannot group together merely at the instance of Nehru and others or some other charismatic personality. Hence to know the nature of India's foreign policy one has to search for the objective roots of India's non-alignment policy as such.
The origins of the nonaligned movement has its roots in the birth of a new contradiction in the world arena. During his period, Lenin identified four major contradictions viz., contradictions among the imperialist countries, contradictions between imperialism and colonies, contradictions between imperialism and socialism and within the imperialist countries between labour and capital. Lenin considered that these four major contradictions determine actual course of historic development in this era of imperialism and proletarian revolutions. But after the second world war, in addition to four major contradictions mentioned by Lenin, the post-war world brought into being another major contradiction viz., the contradiction between imperialism and the newly emergent nation states which now constitute the majority in the today's nonaligned world. As a result the basic path of nonaligned movement is, in the main, determined by the newly emergent nation states despite the fact that the NAM includes a few states which do not belong to this category. Hence in order to understand the dynamics of the non-aligned movement, it is necessary to comprehend the basic characteristics of these emergent nation states.

1. Almost all the countries are the erstwhile colonies or semi-colonies of one or the other imperialist powers. They were the direct or indirect victims of colonial exploitation and racial discrimination. Hence, in the main, all of them exhibit anti-imperialist and anti-racist character.
2. Except a few socialist countries such as Cuba, Vietnam and Yugoslavia, most of the nonaligned states opted for capitalist path of development. The dominant classes which attained state power in most of these countries are opposed to any radical transformation of their own societies. Though they may make friendship with the socialist block to oppose the imperialists, they consider communists and radicals as their enemies within their own countries.

3. All developing countries show greater eagerness to develop their economies within the structural constraints imposed by the national and international conditions. Since such herculean task is not possible in the conditions of uncertainties created by wars, they express their option for peace and disarmament.

4. Those countries are economically poor and technologically backward. Hence they depend on the advanced nations for aid and technology. Since such dependency perpetuates neo-imperialist exploitation, the developing countries struggle to come out of imperialist clutches to retain their political independence.

In other words, protection of political independence and promotion of their economic interests without any radical internal reforms constitute the sum and substance of the aspirations that these countries voice as nonaligned states. The necessity of reconciliation of political interests with
their economic necessities is the cornerstone of the foreign policies of the developing nations. In the international sphere, if there are only imperialist countries alongside these newly emergent nation states, then it becomes difficult to maintain political independence. Excessive dependence on imperialist powers for aid and technology would severely curtail the political sovereignty of the nations. Because of their economic weakness, the underdeveloped countries virtually become the neo-colonies of the metropolis. But the emergence of powerful anti-imperialist socialist block gave birth to new opportunities for the Third World. It is true that these developing nations owing to their own class character cannot opt for socialist path. But the contradictions between the capitalist block and the socialist block in the world arena give opportunities for the Third World to play one block against the other and to get maximum financial and technological help from both the blocks without the necessity of giving up their political independence.

However, it needs to be remembered that mere existence of certain opportunities does not lead to the conclusion that the same can be utilised equally by all developing nations. Though all the UDCs may try to take advantage of new correlation of forces in the international arena how far the available opportunities are effectively utilised by each state depends on
the character of the state, present stage of their economies, geographical and strategic significance of that area, political maturity of its leadership and diplomatic manoeuvres of the governing elites in the respective countries.

It is within the broad general framework that we propose to study the essence and dynamics of foreign policy of India, a non-aligned state.

**SPECIFICITY OF INDIA AS A NONALIGNED COUNTRY**

India shares many of the features common to other developing nations. Its colonial past, contradictions with the imperialist countries, opposition to internal transformation and the desire to protect its political independence and promote its economic development are enough to make India a non-aligned state. India suffers from many of the handicaps from which other Third World countries suffer. Naturally imperialism tries to take advantage of India's weak status to perpetuate its imperialist economic exploitation. Lack of sufficient capital and technology required for initiating industrialisation in India forces the government to seek assistance from the advanced capitalist nations. As a result, foreign multinationals find scope to get into the Indian market. In return for the capital invested and technology transferred multinationals demand their price in the form of royalties, technical fee and dividends. Considerable amount of foreign exchange is spent for such foreign remittances.
Between 1956 and 1981, foreign remittances to other countries increased fourfold. Much of the so-called foreign aid being in the form of loans, India is expected to return the money with interest. Interest cost on new official credit after remaining around 2.2 to 2.1% until 1980, rose to 6.2% in 1982 and came down to 4.8% in 1986.\textsuperscript{6} In the middle of 1981 the sum total of all remittances stood around Rs. 1718 crores.\textsuperscript{7}

In addition to foreign remittance problem, India suffers from severe trade deficit. Trade deficit which was Rs. 431.97 crores in 1973-74 increased to Rs. 5,997.6 crores in 1983-84. The overall balance of payments results in high budgetary deficit. India's budget deficit reached Rs. 11,750 crores in 1989-90.

To tide over these crises India is compelled to borrow more and more from the foreign sources. As a result the aggregate external debt outstanding as on 31st March, 1989 reached Rs. 68,831 crores.\textsuperscript{8} Since there are discrepancies in the figures given by governmental agencies, it becomes very difficult to arrive at accurate figures. Prof. Vyas of the Institute of Developmental Studies estimated that the total external debt crossed one lakh crores in the 80's. Along with the external debt, debt services also increased from Rs. 275 crores in 1966-67 to Rs. 2084.7 crores in 1987-88.\textsuperscript{8} A minimum of 800 crores will have to be borrowed from external sources to service the debt and to finance the imports. Thus, like many other Afro-Asian and Latin American countries, India is also a victim of neo-imperialism. Hence it is natural that India associates itself with other non-aligned countries.
It has to be noted that from the beginning India has been playing a key role in the nonaligned movement. India never remained a passive member of the group. India has played a leading role and succeeded in projecting itself as a leader of the NAM. What makes it possible for India to rise to the status of a leader among the nonaligned world is the existence of certain characteristics which are specific to India alone. The peculiar course of India's liberation movement, value orientations of the political leaders who participated in the anti-imperialist struggle, inheritance of powerful bureaucratic machinery capable of handling the complex situations and possession of vast territory with rich natural resources and huge scientific manpower—all these factors together differentiate India from many other Third World countries.

In addition, a more significant feature has been the development of homogenous national bourgeoisie conscious of its own interests and weaknesses. Indigenous capitalism was fairly developed in India even before it attained political independence. Taking advantage of the British weakness, Indian industrial capitalism developed at a very rapid stage during the inter-war period. War preparations of the Britishers during the World War II gave impetus to further development of Indian banks and Indian industry. Cartels developed both in banking and industry and many individual traders and businessmen made their fortunes in many African and South East Asian countries. Once the economic weakness which inhibited them from joining the national movement in its early years was gradually
overcome the Indian capitalist class began to participate in the nationalist movement actively and slowly extended its hegemony over the Indian Nationalist Congress which was till then an umbrella organisation of all patriotic forces. As such, at the time of independence, India had practical advantage of having a powerful homogenous national bourgeois class whose industrial and technological developments were almost un paralleled in the histories of the Third World countries.

However, the practical advantage to Indian capitalism came from its political leadership. Having subscribed to the bourgeois humanist values, Indian nationalist intelligentsia which came mainly from the professional groups, became an asset to the development of Indian capitalism in the post-independence period. India had the advantage of having foresighted leaders like Nehru who could effectively foresee the problems and prospects of the potentialities of the nation to play the tactics of non-alignment so as to promote its own national interests. The national bourgeoisie wholeheartedly supported Nehru since his ideology, his desire to industrialise the nation, his policy of peace, his intention to maintain good relationship with both capitalist as well as the socialist countries and his innate belief in the liberating role of India in the Third World were in conformity with the political and economic interests of the national bourgeoisie which became
the ruling class in India after the dawn of independence.

**DYNAMICS OF INDIA'S NONALIGNMENT:**

From the time of Nehru, almost all steps that Indian government took in the name of nonalignment directly or indirectly served the interests of the Indian capitalist class. To know how this role was performed during and after Nehru's regime, a brief analysis of India's relationship with the advanced capitalist countries, socialist states and the Third World becomes necessary:

**India and the Advanced Capitalist Countries**

Nature of India's relationship with the advanced capitalist countries is determined by the dual character of Indian national bourgeoisie. Experience of colonial exploitation and political subordination naturally make India suspicious of the imperialist moves. India's intention to maintain political independence and its fear of imperialist subjugation have driven India to take anti-imperialist and anti-imperialist stand in all international forums. Yet, notwithstanding this opposition, India tries to maintain good relations with all imperialist countries. Such a stand is necessitated by the fact that India itself is a capitalist state integrated in the world capitalist system. Being a weak capitalist nation it knows that it cannot industrialise the country without foreign trade, foreign capital and technology. Indian political leadership is intelligent enough to realise that it is not diplomatically advantageous to depend wholly on one or the
other countries. Hence India has been taking help from all available sources. It is evident from the fact that out of 9076 collaboration proposals approved between 1957 and 1987 India had 1949 collaborations with the UK; 1790 with the USA; 1618 with West Germany; 790 with Japan; 527 with Switzerland; 453 with France and 352 with Italy. Total external assistance utilised up to March 1987 stands around 29,529 crores. The assistance came from different capitalist countries and also from international organisations like the World Bank and the International Monetary Fund (IMF).

However, India is not unaware of the negative impact of associating with foreign imperialism. Though India has to pay considerable price for seeking their assistance, the ruling classes in India do not allow themselves to be cowed down passively to all kinds of imperialist pressures. In addition to joining hands with other developing countries in their fight to democratise the existing international economic order dominated by the imperialist powers, Indian Government has initiated domestic economic policy line which aims to regulate and at the same time take maximum advantage of India's collaboration with the Western imperialists. Though the Indian government did not nationalise all the foreign assets, it indeed succeeded in restricting the operation of foreign firms in many ways. Government rules stipulated that normally the foreign equity should not be more than 40% and that the majority of the directors should be of Indian origin. As on 30th June, 1987, 368 out of a total
of 398 complied with the FERA directives to dilute foreign equity to a specified level.\textsuperscript{13} Nationalisation of oil Companies and coal and other mines considerably reduced the power of multinationals in the Key sectors. Their operation is now mainly confined to the consumer industries such as tea, tobacco, cigaretes, jute, leather, electrical products, chemical and pharmaceuticals. Even here, by establishing public sector undertakings or by encouraging native businessmen, foreign absolute monopoly over the consumer industry is considerably weakened.\textsuperscript{14} As a result foreign controlled company shares in sales and assets of the organised sector declined to 25\% in 1980-81.\textsuperscript{15}

Inspite of the fact that foreign collaborations increased over the years and that India still continues to depend on foreign capital, one should not come to the hasty conclusion that India is perpetuating dependency relations. Facts show that total foreign exchange outflow, if seen as a part of the total value of production in such collaborations appear to be very negligible.\textsuperscript{16} Here it should be pointed out that foreign collaborations are not always imposed from above. It is essentially their ability to make profits, which make all businessmen - both big and medium - to vie with one another to collaborate with foreigners. A FICCI's survey of 36 Indo-US joint ventures showed that in the five years 1978-79 to 1982-83, gross fixed assets of the companies increased at a compound annual rate of 19.7 percent.\textsuperscript{17}
The RBI's study and ICICI survey also proved that the foreign collaborations are profitable to both the parties.

In the beginning, foreign capital was sought to overcome foreign exchange crises and to fill exchange gaps entailed by developmental projects. But in the recent years, foreign capital is allowed mainly because of its ability to introduce the latest technology in Indian industry. The fact becomes clear when one sees that the technical collaborations involves participation of foreign capital. For example, out of 540 British collaborations approved between 1930 and 1984, 334 are only technical collaborations. Similarly, out of 251 Indo-Japanese collaborations approved during the same period, 222 are technical collaborations. The same trend is visible even in the cases of French and American collaborations. To be able to compete in the world market, India has to have latest technology. Since India lags behind the West in scientific and technological progress and since it cannot keep pace with the modern technological development, dependence on foreign technology becomes essential for many more years. But this foreign technology is used only to create a stable industrial base which is very essential for indigenous capitalist class. Normally technical collaborations led to transfer of technology and they in turn have favourable impact on production and exports. Apart from exceptions cases which involve political intervention, in normal cases
collaborations are not allowed in areas where necessary technology is available at home itself. All proposals for technical collaborations are to be approved by the Centre for scientific and Industrial Research (CSIR). Such technical collaborations last for five to eight years. Within the stipulated time, the Indian parties are expected to absorb the new technology. There are studies which show that technological absorption in many of the manufacturing industries is quite satisfactory notwithstanding the fact that there are cases when technological collaborations continued for about 20 years. Here it should also be mentioned that in addition to making efforts to absorb foreign technology, Indian government is spending a considerable part of budget for promoting indigenous research and innovations in the Universities, Indian Institutes of Technology (IITs), laboratories and many other research institutes.

Similarly, in the field of trade also, Indian state did all that it could do to promote its business interests by minimising the imperialist exploitation to the extent the objective conditions permit in the given conditions. Though foreign collaborations face export restrictions, over the period they have become less restrictive in practice. India is now no more a country exporting merely the primary products such as cotton textiles, tea, tobacco and jute. India could effectively diversify its products. Engineering goods form considerable part of India's total exports. Britain is now
no more India's principal trade partner. By effectively utilising the forums such as Commonwealth, India could locate new partners within the capitalist block. In order to avoid one-sided dependence on capitalist countries, India developed trade relations with the socialist countries, and other developing nations. With the help of UNCTAD and other UN forums it could get some concessions from the West. Inspite of all such defensive mechanisms, India is fully aware of the fact that in this unequal international economic system, the advanced capitalist countries continue to have an edge over the Third world. Being aware of its unequal status, India joins other developing countries in their fight for New International Economic order.

India and the Socialist countries:

Though at the time of independence itself, Nehru expressed India's desire to maintain good relations with the socialist block, the relationship between India and the Soviet Union was not cordial in the initial years. If Stalin's misconception of the nature of Indian State is one factor, India's own problem with the Communist radicalism within the country was another factor. Notwithstanding the Socialist rhetoric of Nehru, India's reactionary and anticommunist attitude was revealed in the suppression of Telengana and Telega uprisings and in recruitment of Gorkha troops by the British on India's soil for the suppression of the Indo-Chinese liberation struggles. However, India's disappointment with the cool
attitude of the USA in assisting India's planned economic development forced India to look for the Russian assistance. The positive role that India played in Korean and Indo-Chinese crises, changed perceptions of the new leadership in Moscow and their belief in progressiveness of Nehru's policies gave anti-imperialist and propeace colour to India's Foreign Policy. India took advantage of this progressive image to promote its relationship with Russia and China. With Russian economic aid and political support, Nehru laid the foundation for the State Capitalism in India.

Soon India realised the practical significance of Russian friendship. Hence it utilised all its energies to impress upon Russia of India's progressive character. India's diplomatic abilities are displayed clearly during the Sino-Indian border dispute of 1962, when it could make Russia a neutral observer; not a supporter of its brother - China. Indirectly India contributed to the intensification of Sino-Russian differences which ultimately led to the split in international communist movement. Russians antagonism with China was very neatly utilised by India's leaders even in 1971 war with Pakistan. Threat of tilting towards the USA was used time and again to get more and more aid from the Soviet Union. Absence of political strings in Russia's economic dealings and their readiness to trade with India in rupee assures India of the much needed economic and political security.
Along with the USSR, India developed relations with other CMEA countries. The readiness of the CMEA countries including even Russia to work with both private and public sectors is very much to the liking of the India's capitalist class. Between 1957 and 1983 India's government entered 348 agreements with the CMEA countries. Technological assistance was provided to many projects like BHEL, BHUP, Instrumentation Ltd., etc. India secured assistance from Bulgaria on food technology, from Hungary in Telecommunications, from Poland in oil, from the GDR and Czechoslovakia in a variety of engineering technologies and from the USSR in many fields such as steel, oil, non-ferrous metals and advanced Scientific fields like Computers, Space, Nuclear technology and electronics.23 The Soviets helped India in setting up 58 undertakings including giants like Bilarai, Bokaro Steel Plants, the heavy engineering plants in Ranchi and mining and allied machinery factory at Durgapur. Though a section of the Indian Capitalists complain that the Soviet Technology is not on par with the Western technology, all of them endorse LK-Gujral's view that Soviet technology is "suitable for us price-wise, credit-wise and quantity-wise"24. The capitalist class itself feels that the Soviet Union is a very deligent transferor of technology holding back nothing and parting with whatever it knows.

In addition to their help in industrialisation programmes, India is getting benefited by the balanced trade it has with
the CMEA countries. Since 1953, India's trade with the CMEA countries rose from a mere Rs. 3 crores to over Rs. 4,000 crores in 1980s. Trade with the CMEA accounts for 21% of India's total volume of trade. The CMEA countries were the first customers of India's manufactured goods. Within the CMEA, Russia is India's biggest trade partner. From a mere Rs. 1.3 crores in 1953 India's trade with Russia increased to Rs. 2,945 crores in 1986-87. By 1992, the trade volume is expected to be around Rs. 10,000 crores. Russia sees its economic relationship with India as a mechanism for making political gains. Gaining profits is not its main aim. Being aware of USSR's interests, India fully takes advantage of its relations with Russia and other CMEA countries. Its comfortable relations with the CMEA countries is used as a lever against the West for more and more concessions. India made use of its relations with the East to woo the imperialist nations which were previously reluctant to become partners in India's industrialisation programmes.

The political price that India had to pay for the Soviet assistance was minimal. It took the form of India's direct or indirect support to Russia's role in Hungary, Czechoslovakia, Kampuchea and Afghanistan. More than that India did not sacrifice its basic political interests. It is revealed from the fact that India rejected Russian stand on the Non Proliferation Treaty and the Asian
Security System: India's pragmatic attitude towards the socialist block is better revealed when India which at one time pointed China as its arch enemy could suddenly change its attitude when it began to smell opportunities for promoting business in the post-Mao's China. With intention to take advantage of modernisation programmes initiated by the Deng's China, India took initiative to normalise its relationship with China opposing the then Russian leadership and its powerful lobby inside India. All these incidents show that India is more keen on promoting its own interests and that it will not accept any kind of political imposition for the economic and military help it sought from the socialist block.

India and the Third World:

Dialectics of India's relationship with the Third World is governed by two apparently contradictory features viz., 1) Common characteristics that India shares with the rest of the Third World and 2) the specific position that it obtained owing to its economic and technological superiority in the developing world. That India, like many other developing countries, experienced the horrors of political subjugation, economic exploitation and racial discrimination force India to join hands with the underdeveloped countries in their fight against imperialism, racism, war and economic inequalities in the international economic order. India played a leading role
in the NAM, Commonwealth and the UN agencies in articulating the demand of the Underdeveloped countries for a New International Economic Order (NIEO).

However, what is said so far is only one side of the picture. On the other side, one can find India, dictated by its own economic and political interests, playing a hegemonic role. India's state capitalism that got consolidated during Nehru's regime gradually reached the stage of monopoly capitalism. Merger and coalescence of industrial and bank monopolies that took place in the wake of bank nationalisation gave birth to finance capital. The internal market being limited, Indian finance capital is now searching for markets in the Third World. It was actually the economic crisis of the mid-sixties which compelled the Indian capitalists and the government to create legal and institutional mechanisms to promote India's joint ventures abroad. Along with commercial banks, specialised banks such as IDBI, BOI, and EXIM Bank are directly involved in financing the operations of the Indian private and public sectors operating in different parts of the World. Now about 150 joint ventures are working in 32 countries. In the private sector, the majority of the Joint Ventures belong to the big industrial houses. In 1981 Birla's 18 joint ventures accounted for 15% of India's overseas investments. Thapars who have 9 joint ventures
account for 13% of the total investments. Others viz., Tatas, JK Group and Modi's respectively have 11%, 4.5% and 4% shares in India-held foreign equity. These joint ventures are located in different parts of the world. In 1982, there were about 64 collaborations in South East Asia, 23 in Africa, 15 in West Africa, 11 in South Asia and about 23 in the developed countries.

In addition to private sector, many Indian public sector undertakings are operating in many Afro-Asian Countries. About 45 countries of the world are BHEL's customers. Hindustan Machine Tools (HMT) exports products, projects and services to over 70 countries. EPL now has 14 projects of value Rs.563 crores in various foreign countries. General Insurance industry operates through branches and agencies in 18 countries, and in another 13 countries through subsidiaries and associates. RITES executed projects in 27 countries. IRCON worked in Iraq, Saudi Arabia, Jordan, Nepal, Iran and many other countries. At present it has projects in 9 countries.

Indian took advantage of the gulf boom in the 70's to secure many turnkey projects, especially in the field of constructions. Abid Hussain Committee expected that the value of construction contracts would be around Rs.20,000 crores by 1990. So far India secured more than Rs.3000 crores world foreign exchange from construction projects. In addition to project exports and turnkey projects, India
is exporting consultancy services to many countries in the Third World. Apart from the public sector units already mentioned, NIDC, EIL, MECON & NPCOS are also working as consultancy firms. In the private sector, Tatas, Birlas and Kirloskars have their own consultancy agencies abroad. In addition to promoting exports, these firms earn consultancy fee directly. It was estimated that by 1990 India will have the capacity to earn Rs. 200 crores from consultancy services alone.32

Apart from earning dividends for equity shares, the Indian joint ventures are expected to promote additional exports from India. In 1982, total value of earnings received and repatriated amounted to Rs. 20.5 crores. Value of additional goods or services that the joint ventures could export in the year 1982 was Rs. 113.68 crores. In 1986-87, they earned 11.57 crores as dividends, Rs. 34.75 crores as other repatriations and Rs. 161.63 crores in the form of additional exports.33 These figures given by Ministry of Commerce refer only to private joint ventures. Detailed figures of the income earned by the Public sector joint ventures are not readily available. Study of different official documents show that the RITES earned foreign exchange worth Rs. 15.55 crores in 1986-87. Its profits increased from Rs. 4.54 crores in 1983-84 to Rs. 5.55 crores in 1987-88. IRCON whose turnover remained Rs. 198 crores in 1984-85 has projects worth 1 82 crores at its
hands. EIL's income from the overseas operations in 1980-81 was around US $ 40 lakhs. Value of consultancy services released abroad by NIDC during the year 1979-80 was Rs. 8 millions. Between 1982-83 and 1986-87, foreign exchange earnings of MECOON amounted to Rs. 166.9 crores. These stray facts give an impression that the sum total of the foreign earnings of the public sector joint ventures would be much more than the private sector joint ventures.

From these figures it is evident that India's joint ventures in some respects behave like the Western Multi-nationals; and that their aim is to make maximum profits out of their business operations. However, India is so mature that it uses sophisticated methods to make its business operations acceptable to the host countries. Through its economic aid and technical training projects India attempts to create favourable image for itself in the Third World. Total aid authorised up to end of March 1987 amounts to Rs. 1,675 crores, of which 61% constitute grants and the remaining are loans. The major beneficiaries of India's aid are Bhutan (Rs. 656 crores) Nepal (Rs. 321 crores), Bangladesh (Rs. 282 crores) and Vietnam (Rs. 4 crores); other beneficiaries of the aid are Mozambique, Mauritius and Sri Lanka. India provides technical training to thousands of Foreign nationals through ITET, ESCAP and Colombo Plan. All these steps could help to an extent in creating an impression in favour of India.
India's leading role in the NAM, its apparent contradictions with imperialism and adoptability of India's technology to the Third World conditions—all these also make India's joint ventures acceptable to the host countries. Understanding the sentiments of the people of the Third World, Indian government insists that Indian businessmen should not meddle with internal politics of these countries. Government rules stipulate that except in conditions where host governments permit, Indian equity should be limited to less than 50%. In addition to such favourable image, the growing competence of Indian firms also help in getting into the Third World market. Some of the Indian firms are so competitive that at times, they could bag prestigious contracts competing even the Western multinationals. Recognising the growing strength of Indian capitalists the old imperialistic powers themselves are showing interest in collaborating with India in exploring the Third World Markets.

CONCLUSION

Having examined dialectically the different facets of India's nonaligned policy, one is forced to reject the crude interpretations of the traditional Marxists in India. Dependence on foreign capital and technology, the burgeoning debt crises and liberalisation of internal economic policies are not the indicators of the comprador character of the Indian ruling classes. Every country that
gets exploited by imperialism cannot be branded as semicolon or neocolony. Long back Lenin pointed out that imperialism has the capacity to exploit even those countries which have political independence. In the post-war era imperialism could arm itself with sophisticated tools to continue its economic exploitation without the necessity of making other countries its colonies. If anyone argues that India is not independent just because it is still exploited by the imperialists, then it should be concluded that all the countries in the Third World are semicolons. Such a conclusion would negate the historic significance of anti-colonial struggles in the post-war world. Even a country like China which at one time believed that all the countries in the Third World resemble pre-revolutionary China was forced to accept after the 10th Congress of the Communist Party of China that the developing nations are politically independent. Hence China began to support nonaligned movement.

If one admits the possibility of political independence of the Third World countries, it should also be accepted that there are also possibilities of national bourgeoisie coming to power at least in some of the developing nations. In India, it may be stated that the bourgeoisie led the
naticlist movement. Indian communists could never pose any serious threat to the bourgeois hegemony either before or after independence. After the Second World War, Britain became so weak that it lost its ability to continue its political rule in India. In the wake of the birth of a powerful socialist block, it is impossible even for a country like the USA to turn India into a puppet. At best what the imperialists could do was to protect and if possible promote their economic interests in India. As such there is no strong reason that could compel the Indian bourgeoisie to become comprador as in the case of pre-revolutionary China. As far the question of economic dependence is concerned, it is seen that dependence on foreign capital and technology was compelled by its own weaker status in the world imperialist system. Since countries like India became independent at a time when the world capitalism had already reached the stage of imperialism and had become moribund and reactionary, it is not possible for the new entrants in the world capitalist system to escape totally from the economic discrimination of the West. Their dependence on imperialism shows the weakness of the newly liberated nations; not necessarily the comprador character of the ruling classes. Indian bourgeoisie can be called comprador only when one can prove that Indian ruling bourgeoisie continuously worked as the agents of imperialism and that it did not
utilize all the available opportunities to develop indigenous capitalism to the extent the given national and international context permit. Development of public sector in the key industries, building up of tariff wall around the country to protect indigenous industry, development of indigenous banks to divert internal savings for financing the private and public sectors and regulation of the foreign enterprises within the legal framework—all these efforts show that Indian ruling classes do not entertain any desire to open all the gates of the country for the imperialists to come and plunder. It is true that compromises such as devaluation of Indian currency or liberalisation of industrial and trade policies are often made to tide the internal economic crises. Attempts to attribute the causes of such phenomena only to the compulsions from the West often amounts to undermining the intensity of the crises involved in capitalist path of development, especially in the Third World. It is wrong to expect the bourgeoisie of the newly liberated nations to behave like the Western bourgeoisie i.e., historically the bourgeoisie who achieved state power in the late phase of capitalism cannot be as progressive as its counterparts in the West used to be. Now it is natural that when the entire capitalist world is in the process of intense general crisis its intensity is felt more in the weak capitalist nations. In such conditions, countries like India are forced to yield to certain pressures from the imperialist powers. Yet the fact that India voted against
the West many a times in the UNO and other forums and that along with other developing countries it is fighting for democratisation of the existing international economic order reveal that India is exercising its own judgement in deciding what is good for its development. If Indian bourgeoisie is comprador it could not have initiated such policies.

However to acknowledge the Indian bourgeoisie as national does not necessarily endorse the other view that Indian foreign policy hence, is progressive. Anti-imperialism, disarmament, fight for peace and New International Economic order are not the goals of nonalignment. There are only means or conditions necessary for promoting the political and economic interests of the Third World countries in the given historical epoch. The fact that what guides India's foreign policy is not only the idealism of its leaders but also pure pragmatic interests of the ruling classes, becomes apparent when one looks at the other side of India's Third World policy. India tried to use its progressive image and predominant position in the Third World to enhance its bargaining power with the socialist and imperialist blocks. But if at any time its own interests so demanded, India never hesitated to give up the self-proclaimed ideals of non-alignment. A man like Nehru, who argued for the right of every nation to determine its own policies could unhesitatingly impose protectorate status on Sikim; later
absorbed Sikkim into India and took upon itself the self-imposed responsibility of looking after defence and foreign relations of Bhutan.

Some of the Indian peace lovers in the government who appeal time and again for the world disarmament, continuously arm the nation with the most sophisticated weapons. A country that dreams of world without nuclear arms and criticises China's and Pakistan's nuclear experiments rejects the recommendations of its neighbouring countries for declaring South Asia as a Nuclear arms free zone. India boasts of its panch sheel and chants the principles of non-interference and peaceful co-existence but she considers it its natural right to interfere in the internal affairs of Sri Lanka and Nepal. In the recent years, India began to act in such a way that a section of the bourgeoisie press itself began to criticise the big-brotherly attitude of India in the South Asia.

A deeper study reveals that India is not merely a hegemonic power interested in dominating the politics of South Asia. Actually from the mid-sixties onwards India's economic development started showing the tendencies of imperialism. Bank nationalisation by facilitating the merger and coalescence of industrial and bank monopolies, gave birth to finance capital. Within Indian banking, development banks such as IDBI, BOGC and EXIM banks emerged as reservoirs of India's finance capital. These banks
play key role in promoting the overseas projects in many ways. Perhaps no industrial venture, no consultancy agency or construction company can succeed in its overseas projects without depending on these state owned financial institutions. In the recent years these banks have become decisive actors in promoting the exports of commodities, capital goods and project services. As such it is not mere presence of Indian joint ventures abroad but their dependence on government and Indian financial resources which actually prove the imperialist character of state and economy in India. Though the traditional leftists take note of export of capital from India, they always belittle its significance on the ground that the dividends and royalties that these joint ventures bring to the country is still insignificant. Even if one accepts that the phenomenon is very recent and not yet the dominant feature of the Indian economy, it is clear that India itself has begun to show the imperialist tendencies notwithstanding the fact that it still continues to be exploited by the old imperialists.
NOTES

1. For a summary of CPI and CPI(M)'s view on India's foreign policy, see, Majundar, Asis Kumar, Indian Foreign Policy and 'Marxist' Opposition Parties in Parliament, Naya Prakash, Calcutta, 1986.


7. Indian Express, August 5, 1989

8. RBI, Economic Survey 1988


10. Chandra, Bipan, Nationalism and Colonialism in Modern India, New Delhi, 1981, pp. 144-190 and also Desai, A.R., Social Background of Indian Nationalism, Popular Prakashan, 1976, pp. 200-208

11. Indian Investment Centre (IIC), Indo-British Economic Co-operation: Business Opportunities & Prospects, Delhi, 1985, p. 42


16. According to RBI Survey it is only about one percent. See RBI, *Foreign Collaboration in Indian Industry*, 1977-81, Bombay, 1985, p. 54

17. IIC, *Foreign Investments in India: opportunities and Incentives of Technology transfers and Collaborations*, New Delhi, 1986, p. 7

18. IIC, *Indo-British Cooperation*, op. cit., p. 15


25. Ibid., p. 54
32. Ibid., pp. 19-20.
40. *Illustrated Weekly*, June 11-17, 1987; Journalists like Kuldeep Nair were very critical of India's role in Sri Lanka and Nepal.

41. See, Srikanth, H., "Indian Joint Ventures Abroad: Beginnings of Indian Economic Imperialism" *Indian Social Science Congress*, December 1989.