Philadelphia has become an important center for future relations between India and the United States with the recent opening of an institute for the study of contemporary India at the University of Pennsylvania.

The institute, which has received funding from the Indian government, the Ford Foundation and the university, will be the first of its kind in America, according to its director, Francine R. Frankel.

It will not focus on Indian history and customs, she said, but rather on modern India and its substantial economic and military development, its high technology and its eagerness to expand all areas of contact with the United States.

"There is a lot of ignorance about India in the United States," Frankel said. "The time is right to change this, to help people look at India as an important country in the world - comparable to Russia and China.

"Our goal is to re-institutionalize the academic dialogue between the United States and India, something that both sides had allowed to wither badly."

Although the institute - formally named the Center for the Advanced Study of India - has been operating for several months, it got its symbolic opening Thursday during a visit from the Indian ambassador to the United States, Abid Hussain.

"Better relations between our two countries are being built and cemented in the universities," Hussain said. "India is very keen to expand contacts with American academia, and we have received majestic support at the University of Pennsylvania."

That support was rewarded with a $50,000 grant from the Indian Ministry of External Affairs earlier this year, an unprecedented gift from a government that has long been suspicious of American researchers. The Indian government has also promised annual grants to support research in India through the center.

India has the world's second-largest population - now approaching 900 million - and is expected to overtake China as the most populous nation within a decade. Although it is home to
more than 300 million people described by the World Bank as "extremely poor," it also has a growing middle class estimated at more than 100 million people.

A nuclear power with a navy, a domestic missile industry and one of the world's largest armies, India is a significant military force today. India and the United States are discussing limited military cooperation.

"Changes in the international geopolitical situation, the maturing of the Indian economy, and political changes in India all contribute to make it possible, even necessary, that all manner of contacts between the United States and India be improved," Hussain said.

The "geopolitical situation" the ambassador referred to is the collapse of the Soviet Union, India's ally for decades. With the United States generally allied with India's archenemy Pakistan, the American and Indian governments long viewed each other with suspicion and hostility.

But even before the Soviet collapse, the Indian government of Prime Minister P.V. Narasimha Rao had been dismantling much of India's traditionally socialist economy. Regulations discouraging foreign investment were changed, and foreign companies were wooed.

Much of this economic liberalization has been spearheaded by Rao's finance minister, Manmohan Singh, who, according to Hussain, personally pushed the $50,000 grant for the Penn center through the Indian parliament.

By all accounts, Frankel - a professor of political science at Penn who was a Fulbright Scholar to India in 1959 and a frequent visitor to the country - was the prime force behind creation of the center.

Many were eager to help. At the Wharton School of Business and Penn's School of Engineering and Applied Sciences, for instance, Frankel found Indian-born professors interested in collaborating on Indian studies. The university also has had a significant South Asia Regional Studies department since 1946, one of the oldest in the country.

Penn's new center will likely be the hub for evolving Indian-American academic ties, but other teaching positions in Indian history and affairs have recently been endowed at the University
of California at Berkeley and the University of Kentucky, where local Indian Americans helped raise money to support both programs.

The presence of a large and well-educated Indian American community - which Frankel hopes to tap for financial and other support - also makes the Penn project more viable, she said.

According to the 1990 census, there are 815,000 Indian Americans, 20,000 of whom live in the Philadelphia area. Studies have shown them to be among the most prosperous Asian-born Americans - second only to Japanese Americans.