

Grasping Greatness: Making India a Leading Power¹

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Since India's independence in 1947, its leaders have sought to grasp the greatness that the country seemed destined for. Jawaharlal Nehru, the first prime minister of the republic, enunciated these expectations in *The Discovery of India*—a book authored prior to the dismantling of the British Raj—when he exclaimed that India ‘cannot play a secondary role in the world . . . she will either count for a great deal or not count at all’.² For all these portents, however, Nehru was utterly realistic: He recognized that India, after centuries of internal strife and colonial domination, was not yet ‘a military power of first class importance’.³ Yet it was ‘a power that counts’, and ‘potentially we are

¹ This chapter is a highly revised version of an earlier publication, ‘India as a Leading Power’, Carnegie Endowment for International Peace, Washington, D.C., 2016, https://carnegieendowment.org/files/CP_268_Tellis_India_final1.pdf. The author is deeply grateful to Matthew Lillehaugen, Jamie Hinton, Megan Maxwell, Jonathan Kay, and Caroline Duckworth for their research assistance in the preparation of this chapter.

² Jawaharlal Nehru, *The Discovery of India* (New Delhi: Oxford University Press, 1989), 56.

³ Jawaharlal Nehru, ‘Nonviolence and the State’, 25 August 1940, in *Selected Works of Jawaharlal Nehru*, First Series, Volume 11, ed. Sarvepalli Gopal (New Delhi: Orient Longman, 1972), 126.

very much so'.⁴ Actualizing this promise, however, required material power, a reality that Nehru was very conscious of. Towards this end, he sought to regenerate India's national capabilities by, among other things, institutionalizing liberal democracy, accelerating economic growth through industrialization and promoting a scientific temper that would both foster 'rational and empirical ways of thought and life'⁵ and permit the mastery of advanced technology—all of which aimed to force modernity on a still traditional society.

Overwhelmed by unresolved development challenges—some of which were ironically a product of Nehru's own statist predilections—his immediate successors focused more intensely on domestic concerns rather than on asserting global leadership as Nehru had done by dint of both his personality and his representation of India's moral claims. By the early 1990s, nearly thirty years after his passing, India appeared to have finally found the formula that promised elevated economic growth, which would bring in its trail the hope of decisively defeating mass poverty, accelerating technological transformation and attracting significant foreign investments. The post-1991 era, accordingly, saw India positioned for the first time in many decades as an economic success, suggesting that it was at long last on the cusp of breaking out of the low-level equilibrium trap in which it had been locked for many decades after Independence. The twenty years following the Narasimha Rao–Manmohan Singh reforms were heady for India: The legacy of socialism was progressively dismantled (even if incompletely), leading to the highest levels of annual economic growth in India's history; the difficulties with the West caused by India's non-alignment weakened with the collapse of the Soviet Union and the encumbrances associated with India's anomalous status in the global nuclear proliferation order—which had made it a conspicuous target

⁴ Jawaharlal Nehru, 'India and the United States at the United Nations', 18 January 1947, in *Selected Works of Jawaharlal Nehru*, Second Series, Volume 1, ed. Sarvepalli Gopal (New Delhi: Oxford University Press, 1984), 472–5.

⁵ Bhikhu Parekh, 'Nehru and National Philosophy of India', *Economic and Political Weekly*, 26:1/2 (January 5–12, 1991), 35–48.

of multiple technology control regimes—were finally eliminated by the U.S.–India civil nuclear agreement of 18 July 2005.⁶

Altogether, India's fortunes had changed dramatically since the Nehru years. Becoming, as one slogan had it, 'the world's fastest growing free market democracy',⁷ New Delhi could hope for the first time to shape the world not simply by employing 'a certain moral tone'⁸—which was all Nehru had to play with—but through its growing material capabilities. This transformation was even more welcome because, in contrast to the successes of post-reform China, India demonstrated that high levels of economic growth could occur even in democratic developing nations that lay outside the West. Moreover, the Indian experience suggested that these states could also arguably enjoy the fruits of modernity without having to give up on their own indigenous traditions.

Consistent with these expectations, and less than a year after he first took office in May 2014, Prime Minister Narendra Modi challenged his senior diplomats 'to help India position itself in a leading role, rather than [as] just a balancing force, globally'. He reminded his assembled audience that the global environment presented India with a 'rare opportunity', in that 'when the world is keen to embrace India, . . . India [also] is moving forward with confidence'. Consequently, he argued that, given the new threats to global stability, 'India, which always stood for "Vishva-Bandhutva"—the brotherhood of the world—had a great responsibility in helping the world counter these challenges to peace.'⁹

⁶ Evan A. Feigenbaum, 'India's Rise, America's Interest', *Foreign Affairs*, 89:2 (March/April 2010), 76–91.

⁷ Nandan Nilekani and Andrew Heyward, 'Brand India Where Next? A Panel Discussion', *Journal of Applied Corporate Finance*, 20:1 (Winter 2008), 8–27.

⁸ 'Jawaharlal Nehru to B.N. Rau', 1 July 1950, in *Selected Works of Jawaharlal Nehru*, Second Series, Volume 14, ed. Sarvepalli Gopal (New Delhi: Oxford University Press, 1984), 312.

⁹ Press Information Bureau, 'PM to Heads of Indian Missions', Government of India, 7 February 2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=115241>, accessed on 22 June 2022.

Elaborating this core idea, the then Indian foreign secretary (now the minister for external affairs), Subrahmanyam Jaishankar, noted in a public lecture that Modi's dramatic international initiatives since taking office reflected 'an expression of [India's] greater self-confidence'. This aplomb, in its foreign policy dimension, is underscored by India's growing 'aspir[ation] to be a leading power, rather than just a balancing power'. In the context of 'the growing reality of a multi-polar world . . . [as well as] . . . a multi-polar Asia', this ambition implied not only 'the willingness to shoulder greater global responsibilities', which is 'reflected in [India's] role in peacekeeping and in keeping the maritime commons safe and secure', but is also 'affirmed by India's active participation in important global negotiations'.¹⁰

Modi's ambition for India to become a leading power in international politics, rather than remaining simply a balancing force, is thus a return to the Nehruvian ambition, albeit in more vaulting form. While Nehru conceived of India as 'the torch-bearer in the liberation movement of other Asiatic countries, which look to India for assistance and guidance',¹¹ Modi, coming from a different ideational tradition, visualizes India as the *vishvaguru*, or the teacher of nations. He deeply believes that Indian civilization 'contain[s] a whole spectrum of knowledge',¹² which can help the modern world cope with its contemporary crises. But Modi is also realistic enough to recognize—like Nehru before him—that material power enables

¹⁰ 'IISS Fullerton Lecture by Dr. S. Jaishankar, Foreign Secretary in Singapore', 20 July 2015, Ministry of External Affairs, Government of India, <https://www.mea.gov.in/Speeches-Statements.htm?dtl/25493/iiss+fullerton+lecture+by+dr+s+jaishankar+foreign+secretary+in+singapore>, accessed on 22 June 2022. For a later, and fuller, elaboration of this thesis, see Subrahmanyam Jaishankar, *The India Way: Strategies for an Uncertain World* (Noida: HarperCollins India, 2020).

¹¹ Jawaharlal Nehru, 'India's Lead in Asian Liberation', 28 October 1945, in *Selected Works of Jawaharlal Nehru*, First Series, Volume 14, ed. Sarvepalli Gopal (New Delhi: Orient Longman, 1972), 459.

¹² Narendra Modi, *Convenient Action: Gujarat's Response to Challenges of Climate Change* (New Delhi: Macmillan Publishers India, 2011), 11–12.

states to shape their environment in far more effective ways than those that are constrained to use normative instruments alone. Nehru's India settled on the latter because it was weak; Modi's India, being much stronger, can now contemplate moulding the international system to serve its interests through the active use of its steadily growing power.

When this ambition is realized, it will mark the third and most decisive shift in independent India's foreign policy, one that could have significant consequences for the future international order. It will take concerted effort on India's part, however, to reach this pinnacle in the years ahead. The historical record thus far suggests that India, even when successful, skates perilously close to the edge. For instance, its first hopeful burst of elevated growth rates during the 1980s petered out in the 1991 economic crisis. Even more ironically, just as Modi was challenging India in 2015 to become a leading power on the international stage—on the presumption that it would enjoy sustained economic vitality—the dramatically increased economic growth engendered by its 1991 reforms had already sputtered thanks to the 2008 global financial crisis. This crisis brought India's structural transformations to a halt, and the country has still not fully recovered from the economic slowdown that came in its trail in the face of the COVID-19 pandemic's body blows.¹³

It, therefore, appears as if India periodically does well enough to evoke the hope that it has finally turned a corner with respect to attaining the sustained high levels of economic growth that could bring consequential development and status shifts within irrevocable

¹³ Arvind Subramanian and Josh Felman, 'India's Stalled Rise', *Foreign Affairs*, 101:1 (January/February 2022), 139–50. For an excellent, even if early, overview of the COVID-19 pandemic's effect on the Indian economy, see S. Mahendra Dev and Rajeswari Sengupta, 'Covid-19: Impact on the Indian Economy', Indira Gandhi Institute of Development Research, Mumbai, April 2020, <http://www.igidr.ac.in/pdf/publication/WP-2020-013.pdf>, accessed on 22 June 2022. For medium-term projections of the pandemic's impact, see Vikas Barbate, Rajesh N. Gade and Shirish S. Raibagkar, 'COVID-19 and Its Impact on the Indian Economy', *Vision—The Journal of Business Perspective*, 25:1 (2021), 23–35.

reach, only to be disappointed yet again to its own disadvantage and to the chagrin of its friends. If New Delhi is to break loose from this disheartening periodicity, it will have to accelerate the ongoing reform of its still inefficient economy, strengthen its state capacity considerably and elevate the levels of rationalization across state and society writ large so that India may be able to effectively produce those material instruments, including military capabilities, that increase its influence in international politics. This 75th anniversary of India's independence represents an opportune moment for reflecting on these tasks lying ahead: what India must do right if it is to become a leading power in the international system by 2047—one hundred years after India first awoke 'to life and freedom'¹⁴—as Jawaharlal Nehru had imagined it could.

From Balancing to Leading Power?

For the longest time since its modern founding, India's foreign policy was essentially defensive. Its early rhetoric was bold—championing, in Jawaharlal Nehru's words, a 'real internationalism'¹⁵ that promoted global peace and shared prosperity. Yet its material weaknesses ensured that its strategic aims in practice were focused principally on protecting its nascent democracy and development from the intense bipolar competition of the Cold War. Although the character of India's international engagement varied during these years, its broad orientation did not: remaining fundamentally conservative, India's non-alignment aimed mainly at preventing U.S.–Soviet hostility from undermining its security, autonomy and well-being at a time when the country was still relatively infirm. This non-alignment, although often viewed as synonymous with neutralism, was not intended to represent passivity or a retreat from international engagement. Nehru's own external activism repudiated

¹⁴ Jawaharlal Nehru, 'Tryst with Destiny,' Speech delivered to the Constituent Assembly of India on 14 August 1947, <https://thewire.in/history/india-at-75-jawaharlal-nehru-tryst-with-destiny-full-text>.

¹⁵ Nehru, Epilogue, *The Discovery of India*, 562.

these notions. But it was designed at the most fundamental level to protect India's freedom of action amid the deep bloc antagonisms of the time, cooperating with each of the competing great powers when appropriate to secure benefits for India while at the same time remaining clear of 'other people's feuds and imperialistic rivalries'.¹⁶

In retrospect, this effort turned out to be more successful than was initially imagined. For a nation that Winston Churchill had once declared was no more than an 'abstraction' and 'a geographical term', 'a political personality' that was 'no more a united nation than the Equator',¹⁷ India survived the Cold War with its nationhood not merely intact but flourishing. Confounding the widespread expectations at Independence that India's diversity would be its undoing, it proved instead that liberal democracy could be an effective glue despite its poverty, heterogeneity and external threats. Consequently, India made it through the tumultuous period of U.S.–Soviet rivalry with its territorial integrity broadly intact, its state- and nation-building activities largely fruitful and its political autonomy and international standing durably respected. Along the way, it exploited the competition between the United States and the Soviet Union to secure significant economic and technical assistance from both powers, leading to the creation of some impressive industrial capabilities at home.¹⁸ Nevertheless, India's obsession with 'self-reliance' unfortunately also ensured its relative decline—where economic weight was concerned—in Asia and beyond.¹⁹

¹⁶ Jawaharlal Nehru, 'Free India's Foreign Policy', 15–16 March 1946, in *Selected Works of Jawaharlal Nehru* First Series, Volume 15, ed. Sarvepalli Gopal (New Delhi: Orient Longman, 1972), 525. See also, Raju G.C. Thomas, 'Nonalignment and Indian security: Nehru's rationale and legacy', *Journal of Strategic Studies*, 2:2 (1979), 153–71.

¹⁷ Colin Coote, *Maxims and Reflections of the Rt. Hon. Winston S. Churchill* (Boston: Houghton Mifflin Company, 1949), 110.

¹⁸ For a succinct summary, see Manu Bhagwan, 'Introduction', in *India and the Cold War*, ed. Manu Bhagwan (Gurgaon: Penguin Viking, 2019), 1–15.

¹⁹ Sanjaya Baru, 'Strategic Consequences of India's Economic Performance', *Economic and Political Weekly* 37:26 (29 June–5 July 2002), 2583–92, and Arvind Virmani, 'India's Economic Growth: From

After 1991, when it was no longer compelled to avoid entangling alliances at all costs, India entered the second phase of its foreign policy evolution: the quest for 'strategic partnerships'.²⁰ Pursuing a variety of special affiliations with more than thirty different countries, India sought to expand specific forms of collaboration that would increase its power and accelerate its rise. The domestic economic reforms unleashed in the very year of the Soviet Union's collapse paved the way for consolidating India's path towards higher growth. From the abysmal 3.5 per cent annual growth witnessed until the 1980s, the 1991 reforms accelerated the improving 5.5 per cent growth rate to the 7 per cent demonstrated in the first decade of the new millennium, leading the U.S. Central Intelligence Agency to conclude that India was likely to become the most important 'swing state' in the international system.²¹ This assessment suggested that India's significance in global politics lay mainly in its being a balancing power. That is, even if it were not strong enough to subsist as an independent pole, its presence in any international coalition would strengthen that grouping significantly.

During the presidencies of George W. Bush and Barack Obama, this realization drove the United States to consciously assist the growth of Indian power. On the assumption that New Delhi and Washington shared a common interest in preventing Chinese hegemony in Asia, the United States sought to bolster

Socialist Rate of Growth to Bharatiya Rate of Growth', Working Paper, No. 122 (2004), Indian Council for Research on International Economic Relations (ICRIER), New Delhi.

²⁰ For a useful summary of the meaning of 'strategic partnerships', see Andriy Tyushka and Lucyna Czechowska, 'Strategic partnerships, international politics and IR theory', in Lucyna Czechowska, Andriy Tyushka, Agata Domachowska, Karolina Gawron-Tabor and Joanna Piechowiak-Lamparska (eds), *States, International Organizations and Strategic Partnerships* (Northampton, MA: Edward Elgar, 2019), 8–43.

²¹ Ashley J. Tellis, *India as a New Global Power: An Action Agenda for the United States* (Washington, D.C.: Carnegie Endowment for International Peace, 2005), 30.

India as a counterweight to China. Washington fully appreciated that New Delhi would pursue an independent foreign policy but expected nonetheless that a powerful India, cooperating with the United States and with other U.S. partners such as Japan and Australia, would prevent the Indo-Pacific region from being utterly dominated by China. Surprisingly, even Donald Trump's administration, for all its 'America First' rhetoric, pursued the same course defined by President Bush where India was concerned. Consciously motivated by the intensifying strategic competition with China, Trump's national security team strongly supported India during its military crises with Pakistan and China, thus in effect 'persisting with the liberality that characterize[d] the United States' [pre-existing] policy toward its pivotal Asian partners such as India'.²² President Joseph Biden too appears set to maintain a similar trajectory, despite his overwhelming focus on domestic issues thus far.

This broad continuity in U.S. policy recently has been shaped by larger structural imperatives: At a time when the U.S.–China rivalry promises to become the defining feature of international politics, it makes sense for Washington to assist New Delhi's rise to the extent possible. Even if India, through its own exertions and supplemented by American support, were to eventually become a true pole in international politics, most U.S. policymakers do not believe that their bet on India would have been fundamentally misplaced: Shared democratic values would then position India as a valuable partner for the United States (just as Europe and Japan are today), while its growing national capacities would help create those objective constraints that check the misuse of Chinese power in Asia in the interim.²³ Although these judgements are grounded substantially on

²² Ashley J. Tellis, 'Avoiding the Labors of Sisyphus: Strengthening U.S.-India Relations in a Trump Administration', *Asia Policy* 23 (January 2017), 47.

²³ This logic has been detailed in Ashley J. Tellis, 'What Should We Expect from India as a Strategic Partner?' in *Gauging U.S.-India Strategic Cooperation*, ed. Henry Sokolski (Carlisle: Strategic Studies Institute, 2007), 231–58, and in Ashley J. Tellis, *Unity in Difference: Overcoming the U.S.-*

the assumption that India's liberal democracy will survive robustly over the long term, even the rising fears on this count currently have not produced any significant reversal in the direction of U.S. policy towards India, although a heightened trepidation in Washington is clearly apparent.²⁴

In any event, Modi's clarion call for India to assume a leading rather than merely a balancing role embodies bold aspirations. S. Jaishankar amplified these aims succinctly when he stated, 'As far as India's prospects are concerned, the quest towards becoming a leading power rests first and foremost on our success in expanding the economy. In that pursuit, the role of diplomacy in attracting foreign capital, technology and best practices is significant.'²⁵ Furthermore, 'the very concept of . . . [India's] neighborhood has expanded as [it] look[s] out at the world with great ambition An aspiring leading power, at a minimum, needs to expand its global footprint.'²⁶ Indian activism, accordingly, would have to leave its mark on both a larger geography and in diverse issue-areas. Through such contributions, 'insofar as larger international politics is concerned', India would not merely welcome but actually underwrite 'the growing reality of a multipolar world' as well as that 'of a multipolar Asia'.²⁷ In other words, India, by its choices at home and its actions abroad, would seek to reconfigure the distribution of capabilities at both the global and the continental

India Divide (Washington, D.C.: Carnegie Endowment for International Peace, 2015).

²⁴ Milan Vaishnav, 'The Challenge of India's Democratic Backsliding', *Democracy: A Journal of Ideas*, 62 (2021), <https://democracyjournal.org/magazine/62-special-issue/the-challenge-of-indias-democratic-backsliding/>, accessed on 22 June 2022.

²⁵ 'Indian Foreign Secretary Subrahmanyam Jaishankar's Remarks', New Delhi, 6 April 2016, <https://carnegieindia.org/2016/04/06/indian-foreign-secretary-subrahmanyam-jaishankar-s-remarks-pub-63260>, accessed on 22 June 2022.

²⁶ *Ibid.*

²⁷ 'IISS Fullerton Lecture by Dr. S. Jaishankar, Foreign Secretary in Singapore'.

levels in ways that reflect its presence as an authentic great power. Although these yearnings are conveyed by the modest locution 'leading power', Modi's vision, strictly speaking, envisages India becoming a traditional great power. This conclusion is inescapable if the desire for multipolarity at the global level has any consequential meaning.

Contrasting the terms 'leading powers' versus 'great powers' clarifies the point abundantly. From a realist perspective, great powers in international politics are genuine poles: Their number defines the configuration of the global system, and their preferences regulate its institutions and determine the ways in which its constituent entities relate to one another. Great powers, accordingly, are system makers.²⁸ Leading powers, in contrast, are not genuine poles. Being largely synonymous with 'middle powers', they exist within the architectonic frameworks defined by the great powers, and while they do influence specific issues, they cannot determine outcomes pertaining to the fundamental questions of order against the core inclinations of the great powers. Leading powers, therefore, can at best be system shapers.²⁹ Minor powers, in even greater contrast, are unambiguously system takers. They cannot impose their desires on others, and they can secure their national aims only through aid from other states and institutions or at the sufferance of stronger powers.³⁰

Clearly, Modi seeks to transform India from being merely an influential entity into one whose weight and preferences are defining for international politics. While this desire is laudable, it appears that India's climb to true great power status will take time. Although most contemporary projections of global growth out

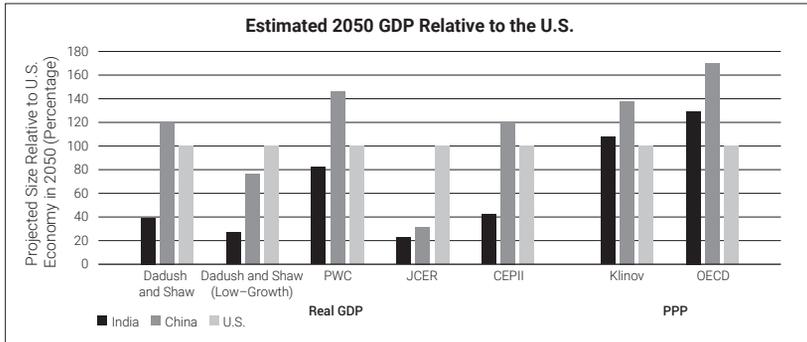
²⁸ Kenneth N. Waltz, *Theory of International Politics* (Reading: Addison-Wesley Publishing Co., 1979).

²⁹ Carsten Holbraad, *Middle Powers in International Politics* (London: Macmillan, 1984).

³⁰ Robert Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968), and Robert O. Keohane, 'Lilliputians' Dilemmas: Small States in International Politics', *International Organization* 23:2 (1969), 291–310.

to 2050 suggest that India will become a true pole by then, those studies that focus on comparisons of real gross domestic product (GDP) also conclude that it will remain the weakest of the principal entities—the United States, China and India—dominating the international system at that time. These studies, which are often disparate across different variables, are summarized in Figure 1. Except for two sources, V.G. Klinov and the Organization for Economic Co-operation and Development (OECD), both of which measure relative size in purchasing power parity dollars rather than real GDP, India appears to be the smallest of the great powers populating the international system in 2050.³¹

³¹ The GDP projections, illustrated in Figure 1, are listed in Table 2 in the appendix to this chapter. They are drawn from Jean Fouré, Agnès Bénassy-Quéré and Lionel Fontagné, ‘The Great Shift: Macroeconomic Projections for the World Economy at the 2050 Horizon’, Working Paper, Centre D’Etudes Prospectives et D’Informations Internationales, 2012, http://www.cepii.fr/PDF_PUB/wp/2012/wp2012-03.pdf, accessed on 22 June 2022; Uri Dadush and William Shaw, *Juggernaut: How Emerging Markets Are Reshaping Globalization*, Carnegie Endowment, 2011, https://carnegieendowment.org/files/juggernaut_final.pdf, accessed on 22 June 2022; PricewaterhouseCoopers, ‘The Long View: How Will the Global Economic Order Change by 2050?’, 2017, <https://www.pwc.com/gx/en/world-2050/assets/pwc-world-in-2050-summary-report-feb-2017.pdf>, accessed on 22 June 2022; V.G. Klinov, ‘The Long-Term Growth Outlook for the Global Economy: A Review of Predictive Estimates’, Studies on Russian Economic Development, <https://doi.org/10.1134/S1075700708040126>, accessed on 22 June 2022; Japan Center for Economic Research, ‘Vision 2050: Maintain Position as a First-Tier Nation’, 2014, https://www.jcer.or.jp/jcer_download_log.php?post_id=29736&file_post_id=30050, accessed on 22 June 2022; and OECD, ‘Long-term baseline projections, No. 103’, OECD Economic Outlook: Statistics and Projections (database), 2018, <https://doi.org/10.1787/68465614-en>, accessed on 22 June 2022. One other study, Arvind Virmani, ‘A Tripolar Century: USA, China and India’, ICRIER Working Paper Number 160, March 2005, <https://icrier.org/pdf/wp160.pdf>, (accessed on 22 June 2022) was not used in this paper, mainly because it contains complete data only for China, India, Japan and the United Kingdom in 2050.

Figure 1: Relative Size of the U.S., Chinese, and Indian GDP in 2050

One of the more detailed analyses, undertaken by Jean Fouré, Agnès Bénassy-Quéré and Lionel Fontagné (which assesses the performance of various contributing factors to national growth over time), has suggested that India, representing only 7 per cent of the global product in 2050, will remain well behind China at 20 per cent and the United States and the European Union at 17 per cent each, though it will be somewhat ahead of Japan at 5 per cent and comfortably lead Russia and Brazil at 3 and 2 per cent, respectively. Assuming current U.S. alliances survive until then, the Western democracies and Japan will still reign supreme with 39 per cent of the global product, almost double that of China's, and similarly close to double China's and Russia's gross domestic products (GDPs) combined.³²

By the findings of this study, it is in the Indo-Pacific region that India can make the most dramatic difference to the continental balance. If India partners with the United States and Japan, the resulting 29 per cent of the global product will easily exceed China's 20 per cent in contrast to only the marginal advantage that the two democracies will enjoy if India sits out. Against China and Russia together (a total of 23 per cent), India's contribution will become even more valuable because it will erase

³² Fouré, Bénassy-Quéré and Fontagné, 'The Great Shift', 53.

the slight inferiority that will otherwise mark the collective U.S.–Japanese product.

The GDP projections by Uri Dadush and William Shaw, by PricewaterhouseCoopers, the OECD and researcher V.G. Klinov, all also predict that the combined economic weight of the United States, Australia and Japan will lag that of China and Russia by 2050, but in each case the projected size of the Indian economy is more than enough to cover the gap.³³ Only the projections from the Japan Center for Economic Research, and under the low-growth scenario of Dadush and Shaw’s models, suggest that the United States and its Pacific allies will enjoy a continued economic advantage over China and Russia in 2050 without India’s help (See Figure 2).

³³ Incidentally, this projection effectively makes an Indian alliance with the United States the ‘go figure’ move for New Delhi because it would bestow upon India enormous influence in every Western coalition in Asia—as opposed to an alliance with China, or if it were to bound to a China–Russia tie-up, where its added value would be marginal.

Such projections help to characterize India's value in the larger geopolitical context, and their underlying insight is sobering. Although India will likely be transformed into a genuine pole by 2050, it could still remain fundamentally a balancing power—a swing state—rather than a colossus capable of either holding its own against a major rival such as China or defining the international system to its advantage in the face of possible opposition. The most pessimistic studies, by Dadush and Shaw and by Fouré et al., suggest that India will only be able to muster about one-third of the Chinese GDP in 2050. These studies, as well as one by the Japan Center for Economic Research, also predict that the Indian economy will be less than half the size of America's in 2050, consigning India to an important but ultimately auxiliary role on the world stage (see Figure 1).

The comparisons between China and India's economic strength are particularly significant in this context, in part because their bilateral ties have deteriorated significantly since the armed clashes in the Galwan Valley in June 2020. Based on current trends, China will persist as the single most significant constraint on India's exercise of power. Consequently, its relative strength will condition India's capacity to behave as a leading power in the decades ahead until the mid-century. Assuming that there will be some regression to the mean in GDP growth in both countries, the average decadal growth rates based on the estimates found in the PricewaterhouseCoopers and the OECD studies suggest the following values summarized in Table 1:³⁴

³⁴ The PricewaterhouseCoopers study estimates an average of 2.9 per cent growth for China through 2050, while the OECD study provides a similar estimate of 2.6 per cent—the difference results in a relatively modest 4 trillion-dollar total gap in 2050. These figures are averaged to generate a 'typical' figure of 2.75 per cent annual growth in Figure 3, with the average growth rate through 2050 summarized in Table 1 derived from their decade-wise estimates.

India's 'typical' growth is calculated using a similar average of the values found in the PricewaterhouseCoopers and OECD reports. In this case, their estimates were even closer: 4.7 per cent and 4.8 per cent, respectively. These two assessments lie at the low end of the GDP projections for India, but they

are both more recent and more authoritative than many of the alternatives. Thus, for example, Citibank claims that India could chalk up 8 per cent growth between 2010 and 2050, which would make India the world's largest economy by the end of that period (See Willem Buiter and Ebrahim Rahbari, *Global Growth Generators: Moving beyond 'Emerging Markets' and 'BRIC'* [New York: Citigroup Global Markets, 2011], 42). The record thus far, however, does not corroborate this optimism. Another report by PricewaterhouseCoopers estimates Indian economic growth through 2035 under varying scenarios ranging from a baseline case of 5.5 per cent growth to a somewhat unrealistic estimate of heightened 9 per cent growth under a perfectly reformed Indian economy (See *Future of India: The Winning Leap* [London: PricewaterhouseCoopers, 2014], <https://www.pwc.com/sg/en/publications/assets/future-of-india-the-winning-leap.pdf>, 15, accessed on 25 June 2022). These estimates generally skew high partly because they have a shorter time horizon but also because they are advocating the case for increased economic reform. Bloomberg Economics has a similar range of estimates for growth through 2030, but their approach is less rigorous (See Abhishek Gupta, 'India insight: \$10 trillion GDP by 2030? Not quite, but almost', Bloomberg Professional Services, 2 October 2019, <https://www.bloomberg.com/professional/blog/india-insight-10-trillion-gdp-by-2030-not-quite-but-almost/>, accessed on 25 June 2022).

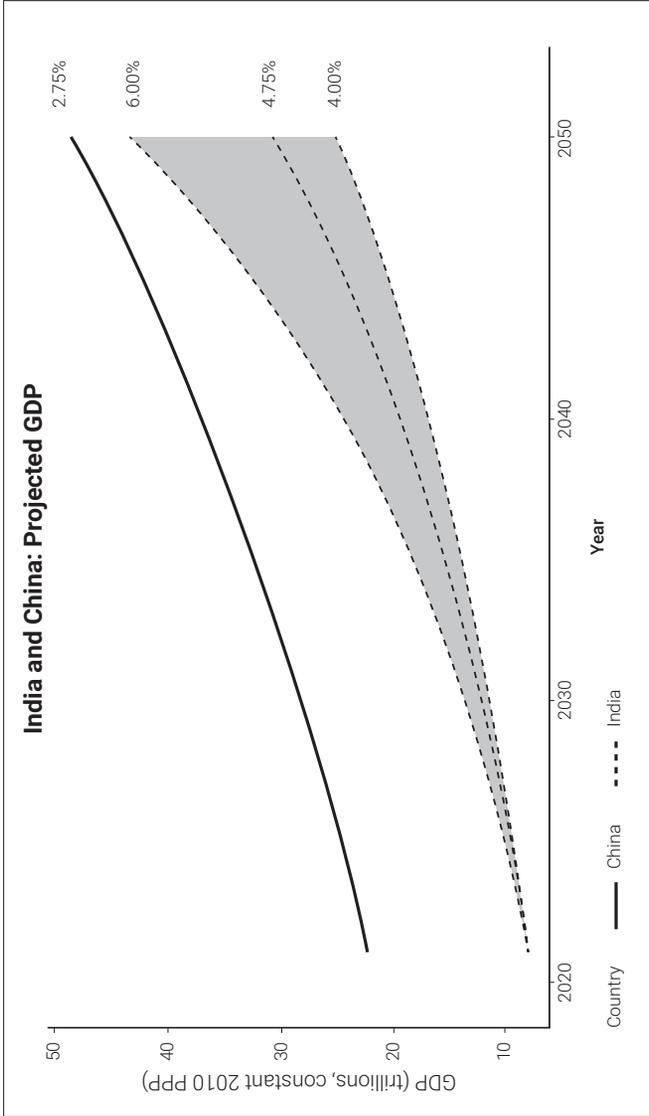
Based on these assessments, Figure 3 uses 4 per cent growth, only slightly less than the OECD and PricewaterhouseCoopers estimates, as the 'low-growth' scenario for India. The 6 per cent growth rate forms the 'optimistic scenario', a number given by the Carnegie Endowment report for growth between 2010 and 2050 and, more recently, the U.S. Energy Information Administration's International Energy Outlook for growth between 2018 and 2040 (See Uri Dadush and Bennett Stancil, *The World Order in 2050* (Washington, D.C.: Carnegie Endowment for International Peace, 2010), 10, and 'Energy implications of faster growth in India with different economic compositions', U.S. Energy Information Administration, July 2018, https://www.eia.gov/outlooks/ieo/india/pdf/india_detailed.pdf, 3, accessed on 25 June 2022). The 4.75 per cent growth figure for India in Figure 3 represents the 'typical' case based on the average long-run growth estimates for India until 2050 found in the PricewaterhouseCoopers and OECD assessments. I am deeply grateful to Jonathan Kay for compiling the data that form the basis for the comparison in Figure 3.

Table 1: Comparison of Decadal GDP Growth in China and India to 2050

OECD Decade-wise Growth Estimates in Per cent		
	China	India
2021–2030	4	6.12
2031–2040	2.42	4.64
2041–2050	1.55	3.74
PricewaterhouseCoopers Decade-wise Growth Estimates in Per cent		
	China	India
2021–2030	3.5	5
2031–2040	2.64	4.8
2041–2050	2.6	4.4

When the relevant averages derived from the best analytical sources (detailed in Footnote #34) are plotted graphically, as in Figure 3, the projections suggest that even if India grows at the highest plausible long-run growth rate—6 per cent—it comes closer to, but still does not match, China’s projected GDP in 2050. This outcome is reached even though the growth values for India are biased upwards in comparison to the more realistic trend growth rates assumed for China.

Figure 3: Comparing China and India's GDP to 2050



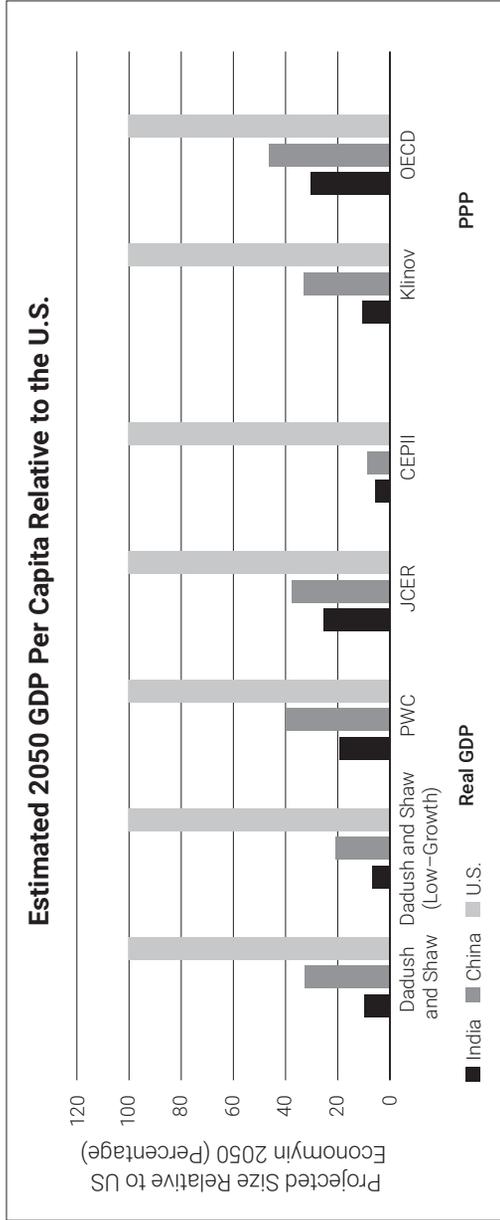
Many close observers would in fact argue that India will find it difficult, if not impossible, to sustain an average growth rate of about 6 per cent between now and 2050 and, if so, the gap between the Chinese and Indian economies will in fact be much larger than that depicted by the comparison between Beijing's 'typical' growth and India's 'best-case' growth scenarios. The implications for both India's ambitions to become a leading power and to preserve its 'strategic autonomy' are daunting. The closer the Indian economy matches China's economy in strength, the greater India's strategic latitude will be. But if India only grows at a rate between 4 and 4.75 per cent on average over the next three decades, it will—irrespective of what happens to its domestic development—find itself overshadowed by a far more powerful neighbour and even more dependent on external partners for its security, no matter what its claims about strategic autonomy might be.

To be sure, all long-term economic projections are fragile for various reasons. And the impediments imposed by the COVID-19 pandemic only complicate the assessments further. Yet even the pandemic, for all its secular consequences, does not portend any fundamental disruptions in the broader trends—based on current evidence—where cross-country comparisons are at issue. And where the latter are concerned, the indications thus far suggest that China is doing better than India across many diverse measures.³⁵ As a consequence, the forecasts benchmarked in real GDP represent a reasonably persuasive comparison of national economic fortunes over the long term, with any differences between their predictions and the actual outcomes likely to be more of degree than of fundamental mis-characterization.

³⁵ Rakesh Kochhar, 'In the pandemic, India's middle class shrinks and poverty spreads while China sees smaller changes', Pew Research Center, 18 March 2021, <https://www.pewresearch.org/fact-tank/2021/03/18/in-the-pandemic-indias-middle-class-shrinks-and-poverty-spreads-while-china-sees-smaller-changes/>, accessed on 25 June 2022.

The immensity of the challenges facing New Delhi do not imply that Modi's vision of India as a leading power ought to be jettisoned. Far from it. Rather, this ambition should be pursued even more vigorously to vitalize the prospect of India becoming a true pole by 2050 with material power exceeding what the current prognoses suggest—an outcome that will require New Delhi to purposefully expand its own national capabilities in ways that other great powers have done before. In any event, it is worth remembering that even when India secures the polar status prognosticated by the various current assessments, this achievement only refers to its aggregate economic size, not to its per capita income. In fact, India, despite becoming the world's third largest economy by 2050, will still lag its cohort where average living standards and economic well-being are concerned (Figure 4).

Figure 4: Relative Size of the U.S., Chinese and Indian GDP Per Capita in 2050



For the foreseeable future, therefore, India seems destined to remain, in Arvind Subramanian's inimitable characterization, a 'precocious'³⁶ power: significant in economic mass, but weak in terms of distributed prosperity. Because increasing per capita income matters as much for the citizen as it does for the state, elevating India's economic growth over the long term is critical. Modi certainly harbours this ambition, if his most recent 'bee-hag'—the business school term for 'Big Hairy Audacious Goal'—of doubling the Indian economy to \$5 trillion by the end of his second term in 2024 is any indication.³⁷ But the proof of the pudding is still baking and is yet far from the eating.³⁸

Debating the Quest for Greatness

Although Narendra Modi's desire to make India a leading power has a distinguished lineage that goes back to its independence, the pursuit of great power status still remains controversial within the country. In part, this contention is perhaps because India has always had an ambivalence about power.³⁹ Furthermore, it is also shaped by the reality that the nation is still too poor and too beset by unfulfilled development demands to worry excessively about great-power status, which to many Indians seems like a will-o'-the-wisp. Irrespective of the reasoning, there appears today in Indian discussions four distinctive positions on whether India should pursue greatness in contemporary power politics.

The first position on the spectrum has been staked out by Ramachandra Guha, who, noting the multitude of challenges

³⁶ Arvind Subramanian, 'The Precocious Experiment', in McKinsey & Company, Inc., *Reimagining India: Unlocking the Potential of Asia's Next Superpower* (New York: McKinsey & Company, Inc., 2013).

³⁷ Aroon Purie, 'From the Editor-in-Chief', *India Today*, 22 July 2019.

³⁸ On the challenges to Modi's ambition to make India a \$5 trillion economy by 2024, see Barbate, Gade and Raibagkar, 'COVID-19 and Its Impact on the Indian Economy', 23–35.

³⁹ Harsh V. Pant, 'Indian Strategic Culture', in *Handbook of India's International Relations*, ed. David Scott (London: Routledge, 2011), 19ff.

confronting India—the internal threats from both the left and the right, the weakening of the once liberal central government and the sheer mass of economic challenges that remain unresolved—concluded that ‘India will not become a superpower’ any time soon. Reinforcing this judgment, he adds, more interestingly, his ‘subjective desires [as] a citizen—which is that India should not even attempt to become a superpower’. Guha’s addendum is more stimulating than his conclusion because it speaks to a concern that is prevalent among many Gandhians and liberals in India—namely, that the pursuit of superpower status would force a ‘wholesale structural transformation’⁴⁰ that would destroy India’s unique diversity and ultimately its ambition to build a genuinely humane society.

A second position that has affinities to Guha but is nonetheless distinct from it has been articulated by Sunil Khilnani, who, recognizing that even a liberal India subsists in a world of competitive states, admits using Rabindranath Tagore’s fable that ‘The only real gift is the gift of strength . . . all other offerings are in vain’.⁴¹ Yet Khilnani, being conscious of the fact that India lacks ‘hard’ power and will do so for some time to come, seeks to offer the country an alternative. Drawing on a vision similar to Guha’s, he argues that India’s greatness (at least in the foreseeable future) would derive from its ‘exemplary’⁴² achievements: If realized, successful economic development under conditions of democratic freedom and the protection of diversity would represent an ‘alternative universality’ that would ‘leave an extraordinary footprint on the world and define future possibilities for human kind’.⁴³ In Khilnani’s vision, India

⁴⁰ Ramchandra Guha, ‘Will India Become a Superpower?’, *LSE Ideas*, Special Report, March 2012, 15.

⁴¹ Sunil Khilnani, ‘Hard, Soft and Bridging Power’, *India Today*, 29 March, 2004, <https://www.indiatoday.in/magazine/cover-story/story/20040329-yashwant-sinha-sunil-khilnani-on-india-power-capabilities-790219-2004-03-29>.

⁴² Sunil Khilnani, ‘India as a Bridging Power’, in *India as a New Global Leader*, The Foreign Policy Center, 2005, 13.

⁴³ Sunil Khilnani, Rajiv Kumar, Pratap Bhanu Mehta, Prakash Menon, Nandan Nilekani, Srinath Raghavan, Shyam Saran and Siddharth

cannot not pursue great power status defined in this way, because this aspiration is inherent in the nation-building goals it set for itself at Independence. Until this ambition is actualized, however, India's greatness would consist primarily of serving as a 'bridging state', as an intermediary that plays 'a decisive role in a world where asymmetries of power are taking new and complex forms'.⁴⁴

A third approach has been enunciated by Shashi Tharoor, who has defined India's greatness in terms of its 'soft power'.⁴⁵ Like both Guha and Khilnani, Tharoor too recognizes that India is embedded in competitive international politics and is therefore compelled by its inner logic to seek positional advantage. Guha, however, exhorts his country to reject that logic in favour of concentrating within in order to bring its national experiment to successful fruition; Khilnani, also desiring India's domestic success—meaning successful development amid liberal democracy—however, urges India to remain outward looking and, reflecting the Nehruvian inheritance, advocates that India play a reconciling role in the face of global chasms while its material power is still infirm. Tharoor also recognizes the weaknesses in India's tangible capabilities but suggests that India is already capable of shaping the international system through its civilizational attributes, which he describes as those 'aspects and products of our society and culture that the world finds attractive', which contribute towards the elevation of India's 'intangible standing' and which 'in turn predisposes other countries towards being receptive to what [India] want[s]'.⁴⁶ Whether it is the assimilative aspects of Indian civilization or India's successes in a globalized world—Ayurveda,

Varadarajan, *Nonalignment 2.0: A Foreign and Strategic Policy for India in the Twenty First Century* (New Delhi: Centre for Policy Research, 2012), 69, 7.

⁴⁴ Khilnani, 'Hard, Soft and Bridging Power'.

⁴⁵ 'Shashi Tharoor speaks on India's Soft Power', All India Management Association, 3rd National Leadership Conclave 2017, <http://aimablog.com/softpower/04/>, accessed on 25 June 2022.

⁴⁶ 'Shashi Tharoor speaks on India's Soft Power'.

Bollywood, software or yoga—India has made striking international contributions already and these define its imprint as a great power.

In contrast to the preceding positions, which are rooted fundamentally in political liberalism, an acknowledgment of India's material weaknesses and—at least in the case of Khilnani and Tharoor—a desire nonetheless to play a meaningful role in the international system, the views of Bharat Karnad derive from an unabashed adherence to *Machtpolitik*. Summarized simply, *Machtpolitik* refers to the view that international politics is little other than a relentless competition for power and, consequently, a state's ability to use physical force (or the threat thereof) to attain its objectives against opposition by others remains the ultimate measure of its greatness. In his prolific, often polemical, writings,⁴⁷ Karnad routinely castigates the Indian state for believing 'that great power status is an entitlement that India does not have to work for and earn the hard way', namely, 'by blood, sweat, sacrifice and by courting risks'. India is already strong enough to be—and behave like—a true great power in the conventional sense, argues Karnad. But the pusillanimity of the Indian elite gets in the way: They have failed to appreciate their own country's technological achievements and, consequently, have not built the 'decisive military wherewithal capable of delivering punishment at great distances, stak[ed] out a[n Indian] sphere of influence, and ensur[ed] that other countries, howsoever powerful, respect [India]'⁴⁸ as a true great power. Irrespective of the veracity of these charges, Karnad is adamant that the test of India's greatness will not be its exemplary character or its soft power but only its material capabilities as manifested through its

⁴⁷ Many of Bharat Karnad's shorter pieces can be found at <https://bharatkarnad.com/>. His book-length treatments, which amplify the view summarized in this paragraph, include *Why India is Not a Great Power (Yet)* (New Delhi: Oxford University Press, 2015) and *Staggering Forward: Narendra Modi and India's Global Ambition* (New Delhi: Penguin India, 2018).

⁴⁸ Bharat Karnad, 'India First', *Seminar Magazine* 519, November 2002, <http://www.india-seminar.com/2002/519/519%20bharat%20karnad.htm>, accessed on 25 June 2022.

economic strength, advanced technology and military prowess. In the dog-eat-dog world of international politics, India's demonstration of its eminence therefore requires utilizing the domestic capacities it already possesses (or can acquire) to build up its coercive power and, thereafter, to ruthlessly employ these resources to get its way internationally such that it compels recognition by others of its true great-power status.

Modi's vision of India as a leading power fits somewhere between Tharoor's and Karnad's conception of greatness. Modi is realistic enough to recognize that India is embedded in a state system where material power matters and where military strength is the ultima ratio that adjudicates whether states can get their way in the face of potential resistance to their ambitions. Consequently, India must be strong in a comprehensive sense, and his vision of India becoming a leading power—rather than just a balancing force—derives substantially from his expectation that India is growing more powerful and that as its power increases further, it deserves to enjoy the privileges that accrue to all system makers. His Hindu nationalist upbringing only makes this yearning more urgent: He sees India as an ancient, but brutalized, civilization that must be regenerated through, as Swami Vivekananda put it, 'vigor in the blood, strength in the nerves, iron muscles and nerves of steel, not softening nambypamby ideas'.⁴⁹

Yet strength for Modi is not something valuable only because it enables India to perpetually dominate its adversaries in a war of all against all—as Karnad's world view ineluctably affirms. Rather, in line with the larger Hindu nationalist tradition, Modi believes that Indian power can be used to influence others in realizing V.D. Savarkar's vision of a 'universal state embracing all mankind',⁵⁰

⁴⁹ Swami Vivekananda, *Rousing Call to Hindu Nation*, ed. Eknath Ranade (Calcutta: Swastik Prakashan, 1963), 124, <https://archive.org/details/SwamiVivekanandasRousingCallToHinduNation/page/n123>, accessed on 25 June 2022.

⁵⁰ V.D. Savarkar, 'Letters from Andamans', 6 July 1920, <http://library.bjp.org/jspui/bitstream/123456789/289/1/Letters%20from%20Andamans.pdf>, accessed on 25 June 2022.

wherein national diversities, far from disappearing, are effectively reconciled through shared recognition, regard and respect. Achieving this aim undoubtedly requires India to attract others through its soft power—of which Hinduism is an integral part—but that power’s appeal is only intensified when the ‘Hindu nation shall prove [itself] again as unconquerable and [as] conquering a race’⁵¹ as it once was when at the zenith of its glory. Modi’s India thus requires both power and allure for its global success. Both contribute to India’s vitalization, but because Modi does not view the international system as pervasively conflictual—as Karnad does—he seeks to use India’s growing strength to build an international order that will make room for a great-power India. Playing an activist international role consistent with India’s capabilities and interests, including by contributing towards the provision of global public goods, is thus consistent with the Hindu nationalist conviction that ‘any arrangement evolved for achieving world welfare can be fruitful only to the extent the men behind it are inspired by real love for mankind which will enable them to mould their individual and national conduct in tune with the welfare of humanity’.⁵²

Given where Modi is located along the spectrum that defines India’s visions of what it takes to become a great power, neither the resolute acquisition and use of military capabilities nor the persuasion embodied by exemplary or soft power suffices to make India great by his lights. Any of these notions, employed exclusively, would be deceiving. India undoubtedly seeks to possess a powerful military and to attract admirers internationally—as all great powers have done in the past—but its capacity to do so—and to realize Modi’s vision in the process—will depend fundamentally on its ability to robustly achieve multidimensional success: sustaining high levels of economic growth, building effective state capacity and

⁵¹ V.D. Savarkar, ‘1940 Madura Speech to Hindu Mahasabha’, in Sikata Banerjee, *Make Me a Man! Masculinity, Hinduism, and Nationalism in India* (Albany: SUNY Press, 2012), 57.

⁵² Madhav S. Golwalkar, *Bunch of Thoughts* (Bangalore: Vikrama Prakashan, 1966), 4.

strengthening its liberal democracy. As the last seventy-odd years have demonstrated, the mere preservation of an impressive system of self-rule is insufficient for procuring great power capabilities if it is not accompanied by an Indian capacity to increase the mass standard of living, to raise technological proficiency, to sustain a competent state, to preserve a normative order that celebrates diversity, to inculcate an ever-increasing rationalism in state and societal behaviours and institutions and ultimately to project military power beyond its homeland more or less durably.

Whether Modi's current policies will get India there, however, is the real question. This book represents an analytical examination of what remains to be done if India is to realize Modi's dream of becoming a leading power within the next few decades. It brings together a group of India's finest thinkers—economists, political scientists and scholars of international relations—to explore different aspects of this quest in contributions that are at once analytical and prescriptive even if there are differences in viewpoints across the book. The volume is divided into three sections. The first part examines the economic foundations that underlie India's quest for greatness—looking closely at what needs to be done to boost trend growth and capital formation, improve the quality of the labour force, increase innovation and productivity and enhance trade openness in order to sustain high growth. The second part of the book focuses on state capacity since, as a vast body of research demonstrates, the quality of a country's institutions has an enormous impact on its ability to grow at the high rates required to make it a great power. This section of the book examines three specific issues in particular: whether the Indian state is set up to maximize national power, how key institutions, such as the cabinet, can be reformed to improve effective decision-making and whether India possesses the ideational inheritance to rapidly accumulate power in a competitive international system. The third part of the book examines different international dimensions and consequences of India's quest to become a leading power. Here the chapters assess which foreign ties India should prioritize for purposes of building its national power, what kind of military capability India must develop if it is to provide

security in the wider Indo-Pacific spaces and what defence reforms India ought to pursue to improve its military effectiveness if it is to become a leading power. The final chapter of the book addresses the critical issue of India's engagement with the world, taking into account its history and its ambitions as the international system itself continues to grapple with the reality of U.S. dominance amid an escalating U.S.–China rivalry.

Buttressing the Economic Foundations

The historical record suggests that becoming a great power hinges on the ability to master the cycles of innovation to produce at least sustained, if not supernormal, growth for long periods of time and, thereafter, to use the fruits of that prosperity to produce effective military capabilities that can neutralize immediate and far-flung challengers.⁵³ Even if pushing the technological frontier outwards is difficult, emulating the innovators and exploiting (or improving) a country's own comparative advantages can enlarge the opportunities for broad-based domestic growth. An analysis published at the turn of the century argued that if India could sustain 'a growth rate [of] consistently 7 percent or higher', it would represent 'an economic performance that inexorably transforms India into a great power, positions it as an effective pole in the Asian geopolitical balance, and compels international attention to itself as a strategic entity with continent-wide significance'.⁵⁴

Although India managed to exceed this growth rate between 2003 and 2008, whether it can transform this peak performance into a sustainable rate of expansion for at least another two or three decades is an open question. One of the world's leading development

⁵³ This argument and the evidence are masterfully explicated in George Modelski and William R. Thompson, *Leading Sectors and World Powers: The Coevolution of Global Politics and Economics* (Columbia: University of South Carolina Press, 1996).

⁵⁴ Ashley J. Tellis, 'South Asia', in Richard J. Ellings and Aaron L. Friedberg (eds), *Strategic Asia 2001-02: Power and Purpose* (Seattle, WA: National Bureau of Asian Research, 2001), 241.

economists, Dani Rodrik, for example, has argued that India's past peak growth rate is unsustainable. Pointing to India's premature deindustrialization, he stated, 'I think India can grow at 4, 5 percent per year on a sustainable basis. I don't think it's going to be 8 or 9 percent.'⁵⁵ There are many reasons for such scepticism, some justifiable and others less so, but what makes the doubts credible in the final analysis is the still great Indian hesitation about pursuing bold economic reforms. The 1991 crisis forced the liberalization of product prices and the elimination of industrial controls and opened India, however incompletely, to international trade once again. Those reforms set into motion the conditions for higher growth, as demonstrated in the following decade.

Since then, the 'strong consensus for weak reforms'⁵⁶ in India has prevented a comprehensive transformation that would include liberalizing factor markets, increasing trade openness and restructuring the role of the state in economic life. Modi's economic record thus far only confirms this judgment.⁵⁷ Even worse, the Indian polity has come to view the high levels of growth witnessed in the first decade of the new century as its birthright, something it takes for granted will accrue even in the absence of difficult reform—in sharp contrast to China, which was able to chalk up close to four decades of double-digit growth precisely because it persisted with ever more difficult economic reforms along the way. The great success of India's electoral democracy only appears to have made things worse in this regard because it induces Indian politicians to focus on the easier distribution of handouts rather than on the hard decisions necessary to sustain the country's growth rates at a

⁵⁵ Tyler Cowen, 'A Conversation with Dani Rodrik', Medium, posted by Mercatus Center, 21 October 2015, <https://medium.com/conversations-with-tyler/a-conversation-with-dani-rodrik-e02cf8784b9d>, accessed on 25 June 2022.

⁵⁶ Anil Padmanabhan, 'We should have done what we have in half the time: Montek Singh Ahluwalia', *Mint*, 5 February 2016, <https://www.livemint.com/Politics/ID0wWgOVEPLiFwms2yJvuM/We-should-have-done-what-we-have-in-half-the-time.html>, accessed on 25 June 2022.

⁵⁷ Subramanian and Felman, 'India's Stalled Rise', 139–50.

time when the global economy has become more inhospitable to developing countries such as India.

Modi's bold attempt at pursuing a 'new welfarism',⁵⁸ which attempts to mitigate poverty by attacking it through the direct public distribution of tangible goods and services such as bank accounts, biometric identity, cooking gas, power, toilets, housing, water and even straight cash transfers, could contribute towards a major improvement in India's long-term growth if it empowers the marginal segments of the population to become productive members of the national workforce. Here, again, India has embarked on an unorthodox course: Unlike most advanced economies, which created social welfare nets after they had enjoyed high levels of development, New Delhi has prioritized distributional strategies before the growth levels capable of sustaining them healthily are in place. This approach can pay off if the Indian economy produces sufficient gainful employment to absorb the supported poor over time, but in the interim, the costs of the expanded welfare system can be sustained only through elevated growth—since there seem to be few opportunities for cutting other government expenditures by way of compensation. Whether for development or for power-political reasons, the imperatives of increasing India's economic growth are thus paramount.

Rakesh Mohan's chapter in this book, 'Moving India to a New Growth Trajectory', tells India's growth story in extraordinary detail and argues that a bold and comprehensive effort is required if India is to sustain the high trend growth rates necessary to realize Modi's ambition of making the country a leading power. Beyond specifying the economic and structural changes required, he emphasizes the importance of making growth itself a new policy objective, along with the necessity of institutionalizing competent

⁵⁸ Abhishek Anand, Vikas Dimble and Arvind Subramanian, 'New Welfarism of Modi govt represents distinctive approach to redistribution and inclusion', *Indian Express*, 22 December 2020, <https://indianexpress.com/article/opinion/columns/national-family-health-survey-new-welfarism-of-indias-right-7114104/>, accessed on 25 June 2022.

government—both of which are essential if India is to confound the pessimists.

The importance of elevating trend growth rates inexorably leads to a renewed focus on capital accumulation, labour force expansion, total factor productivity increases and greater trade openness because of their impact on India's prospects. Serious challenges abound on each count.

India's gross domestic savings are still low compared to its investment needs, hovering at close to 29 per cent of its GDP in 2020.⁵⁹ In contrast, domestic savings in successful East Asian economies were well over 40 per cent of the GDP during their high growth periods, and China—a good benchmark for India—mobilized domestic savings at over 35 per cent of its GDP since 1970 to reach its peak of almost 52 per cent in 2010. The most recent data for China suggests that its gross savings in 2020 stood at some 45 per cent.⁶⁰ India's lower gross domestic savings are further constrained by the fact that a substantial fraction of its household savings—the largest contributor to its national savings—are locked up in illiquid assets such as gold and real estate.

Overall, it is not surprising that India's recent falling savings rate, which peaked at a little over 34 per cent in 2007, is correlated with its declining levels of fixed capital formation as a percentage of GDP.⁶¹ There is no necessary reason, however, why this should be so: The world is currently awash with unutilized savings, and a more concerted openness to foreign investment would enable India to increase its fixed capital formation to levels closer to China. Despite becoming more welcoming of overseas capital in

⁵⁹ The World Bank, 'Gross Domestic Savings (% of GDP)', The World Bank Group, 29 December 2021, <https://data.worldbank.org/indicator/NY.GDS.TOTL.ZS?locations=IN>, accessed on 25 June 2022.

⁶⁰ The World Bank, 'Gross Domestic Savings (% of GDP)', The World Bank Group, 29 December 2021, <https://data.worldbank.org/indicator/NY.GDS.TOTL.ZS?locations=CN>, accessed on 25 June 2022.

⁶¹ The World Bank, 'Gross Fixed Capital Formation (% of GDP)', The World Bank Group, 29 December 2021, <https://data.worldbank.org/indicator/NE.GDI.FTOT.ZS?end=2020&locations=IN&start=1961&view=chart>.

recent years, India's still considerable diffidence about foreign investment in many sectors only magnifies these constraints. Even when this is not the case, however, the continuing difficulties of doing business in India, the problems provoked by a revenue-hungry government chasing resources in any way it can, the debilitating absence of policy stability across time and the greater volatility of emerging markets have prevented India from enjoying inflows of foreign direct investment on the scale usually witnessed in the United States and China. At the moment of this writing, India has once again become the darling of foreign portfolio investors who, confronted by constrained investment opportunities elsewhere, are pouring funds into the Indian stock market. But absent a structural improvement in the fundamentals of the Indian economy, the durability of this influx is an open question, especially as the current problems with supply chains, the war in Ukraine, the Federal Reserve's tightening in the United States, and the threat of inflation globally, all cast a pall over emerging markets.

Elevating the trend growth rate, accordingly, will require attention to increasing the levels of saving and investment in India over the long term. Ila Patnaik and Radhika Pandey's chapter in this book, 'Savings and Capital Formation in India', emphasizes that although Indian savings rates could be beneficially increased, the bigger challenge consists of developing efficient means of intermediating the resources that are already available and allocating them optimally—meaning, distributing them according to economic logic rather than political imperatives. If such efficient intermediation were to occur, the level of savings would itself rise to the benefit of higher economic growth over the long term. Achieving this objective, they argue, requires a new wave of financial sector reforms that include reducing financial repression, developing new deep and liquid bond markets, improving bank regulation (to include reducing state ownership of banks), improving access to credit for micro, small and medium enterprises and increasing financial digitization.

The problems of capital formation lead naturally to issues pertaining to India's labour force because financial resources

ultimately derive from the saving and investment decisions made by a productive population. The economic success enjoyed in recent years has resulted in expectations that India's high growth can continue uninterrupted because India's population is large and its demographic profile eminently favourable when compared to many other potential great powers. China, for example, which is positioned similarly to India, is often judged to be a victim to its ill-considered previous decisions to forcibly control its population. As Nicholas Eberstadt summarized these advantages, 'India is on track to overtake China as the world's most populous country within the next decade, and by 2040, India's working-age population may exceed China's by 200 million. India's population will still be growing in 2040, when China's will be in rapid decline. By that time, about 24 percent of China's population will be over 65, compared with around 12 percent of India's.'⁶²

For all of India's labour force advantages though, its limitations are telling: As Eberstadt notes, India 'still has poor public health indicators, low average educational attainment, and egregiously high levels of illiteracy'.⁶³ Moreover, employment opportunities are still scarce and the current Indian emphasis on manufacturing to generate employment will be unlikely to deliver adequately in the face of the increasing technology intensity of production, the global transitions exemplified by manufacturing moving closer to the sources of demand, and India's own severe infrastructure limitations.⁶⁴ In other words, even if manufacturing moves out of China significantly as a result of slowing globalization, it is improbable that India would replace China to become the next

⁶² Nicholas Eberstadt, 'With Great Demographics Comes Great Power,' *Foreign Affairs*, 98:4 (July/August 2019), 156.

⁶³ *Ibid.*

⁶⁴ V. Anantha Nageswaran and Gulzar Natarajan, *Can India Grow? Challenges, Opportunities, and The Way Forward* (Washington, D.C.: Carnegie Endowment for International Peace, 2016), 61–73.

workshop of the world.⁶⁵ What is worse is that India's inability to undertake comprehensive reform of its perverse labour laws ensures that its odds of enjoying manufacturing success will continue to diminish. Already, India has the awkward distinction of having a higher capital intensity in manufacturing than it should given its labour abundance—an outcome that can be attributed largely to its restrictive labour laws, which have induced entrepreneurs to replace abundant labour with scarce capital.⁶⁶

Surjit Bhalla and Tirthatanmoy Das' chapter in this book, 'Labour Productivity and Economic Growth in India', squarely takes on several of these issues. Observing the obvious comparisons to China, they note that India would have to grow at a minimum of 9 per cent annually if India is to catch up with China over two to three decades as opposed to sixty or more years. Addressing the issue of labour force growth in this context, they suggest that the vaunted Indian 'demographic dividend' is less real than it may appear because fertility rates in India have declined substantially and that in many states the birth rates are already at replacement levels. While India will obviously enjoy the benefits of favourable demographics for some time to come because of the bow wave benefits of past fertility rates, Bhalla and Das' fundamental insight is that India cannot count on a perpetually increasing labour force to sustain high rates of growth over the long term. Rather, elevated growth will increasingly have to depend on the quality—not the size—of its labour force, and here the trends are mixed. While the levels of female school enrolment are rising and the gap between male and female educational attainment is declining—the good news—the quality of Indian education at virtually all levels and the constrained female participation in the

⁶⁵ Henny Sender, 'India is failing to reap the benefits of China-US trade war', *Financial Times*, 23 July 2019.

⁶⁶ Subramanian, 'The Precocious Experiment', in *Reimagining India: Unlocking the Potential of Asia's Next Superpower*, ed. Clay Chandler and Adil Zainulbhai (New York: Simon & Schuster, 2013), 91–98, and Rana Hasan, Devashish Mitra and Asha Sundaram, 'What explains the high capital intensity of Indian manufacturing?', *Indian Growth and Development Review*, 6:2 (November 2013), 212–41.

workforce are dispiriting. If the character of the Indian labour force thus threatens to be subpar at a time when the country cannot easily employ the large population it already has for various reasons, the burdens imposed upon the objective of reaching 9 per cent annual GDP growth—and, by extension, upon the dream of becoming a leading power—could be insuperable. On balance, however, Bhalla and Das are optimistic, even bullish, about India's prospects because they believe that the recent efforts to reform Indian labour laws (enacted, though not implemented), the efforts to reform agricultural markets (although aborted for the moment) and the reduction in corporate tax rates (which has been recently promulgated with qualifications), could together take India towards the elevated trend growth rate that enables it to match China and thus realize its dream of becoming a leading power.⁶⁷

Attaining such growth rates would inevitably require continual improvements in the quality of the labour force, which has a direct impact on the productivity of the economy and, specifically, its capacity for innovation. Other things being equal, a highly educated workforce forms the foundation of an innovative economy, and great-power status historically has been inextricably linked to a nation's ability to produce those far-reaching innovations that define the 'leading sectors' of the global economy (and, obviously, to do so faster than its competitors). India, it appears, still has far to go on both counts. Although the average Indian total factor productivity—the residual that explains the growth in output after the inputs are accounted for—has progressively improved since the 1960s, India has never experienced consistently high total factor productivity growth.⁶⁸

One insightful study concluded that economies that seek to grow at 8 per cent or higher annually usually experience a 3 per cent

⁶⁷ See also, Surjit S. Bhalla, 'Why India@100 will be a Match for China', *Times of India*, 14 August 2022, <https://timesofindia.indiatimes.com/india/why-india100-will-be-a-match-for-china/articleshow/93557826.cms?from=mdr>.

⁶⁸ Sanjoy Saha, 'Total Factor Productivity Trends in India: A Conventional Approach', *NEHU Journal*, XII:1 (January–June 2014), 95–106.

growth in total factor productivity. China, for example, achieved average total factor productivity growth of more than 3 per cent from 1980 to 2010, the period of its most explosive expansion. Other countries that have sporadically chalked up similar performance include Japan in the 1960s, Germany in the 1950s, Brazil in the 1950s and 1970s, and Turkey in the 1950s and 1960s. India, in contrast, has never made the cut. Throughout the 1980s and the 1990s, when India had shifted slowly out of its 3.5 per cent ‘Hindu rate of growth’ to enjoy higher GDP growth rates of about 5.5 per cent, its total factor productivity improvement hovered just above 1 per cent. It reached its highest average of about 2.5 per cent during the years 2005–2011, when India’s GDP growth also peaked, but again slipped below 2 per cent after 2011. When all is said and done, therefore, India has never achieved 3 per cent total factor productivity growth, let alone realizing it consistently for a decent period.⁶⁹

This should not be surprising, because productivity in those segments employing the largest numbers of people in India—agriculture and informal industry—is still quite dismal. Moreover, there is persistent misallocation of all the factors of production in India, leading inevitably to reduced productivity across the board.⁷⁰ Given such realities, one assessment published by the Asian Development Bank indicated that India’s projected total factor productivity growth out to 2030 would be among the lowest in developing Asia.⁷¹ All this leads to the conclusion that India’s desire to become a leading power will be frustrated if it cannot

⁶⁹ Citi GPS: Global Perspectives & Solutions, *Securing India’s Growth Over the Next Decade*, February 2018, 8–12, <https://www.citigroup.com/commercialbank/insights/assets/docs/2018/Securing-Indias-Growth-Over-the-Next-Decade//files/assets/common/downloads/publication.pdf?uni=279b9671efcc777ce2bed95e198e8a84>, accessed on 25 June 2022.

⁷⁰ Gilles Duranton, Ejaz Ghani, Arti Grover Goswami and William Kerr, ‘The Misallocation of Land and Other Factors of Production in India’, The World Bank, Policy Research Working Paper 7221, March 2015.

⁷¹ Jungsoo Park, ‘Projection of Long-Term Total Factor Productivity Growth for 12 Asian Economies’, ADB Economics Work Paper Series, No. 227, October 2010, 27–31.

drive productivity increases as the motor of future growth—which, in turn, require it to address the impediments generally afflicting factor pricing, but more specifically, the roadblocks that continue to impede knowledge-based innovation at a time when India cannot count on sustaining high growth in the future by easily increasing its domestic capital formation or enlarging the size of its labour force.⁷²

Rakesh Basant's chapter in this book, 'Leading through Innovation and Productivity Growth', discusses these issues carefully. He explores the problems of total factor productivity growth in India, especially in the manufacturing sector, and examines why productivity fell in this sector immediately after India's 1991 reforms while improving thereafter. In so doing, he identifies the mechanisms by which productivity growth occurs and is ultimately manifested. What stands out in his analysis is how little investment occurs in research and development as a contribution to innovation and ultimately to productivity in India. The central government continues to bear disproportionate burdens for funding research and development nationally, with India remaining almost at the bottom of the top eight countries measured by gross research and development expenditures (and behind all other BRICS countries—Brazil, Russia, India, China and South Africa—in terms of research and development as a percentage of GDP).

For a nation that seeks to become a leading power, improvements in this area are obviously long overdue. Similarly, reforms in the institutional environment within which research and development is undertaken, especially related to governmental investments, and improvements to the quality of India's higher educational institutions writ large cannot be put off any longer.⁷³ Of equal

⁷² For a discussion of these issues, see Mark Dutz, *Unleashing India's Innovation: Toward Sustainable and Inclusive Growth* (Washington, D.C.: The World Bank, 2007), <https://elibrary.worldbank.org/doi/abs/10.1596/978-0-8213-7197-8>, accessed on 25 June 2022.

⁷³ For a useful overview, see Shyam Sunder, 'Higher Education Reforms in India', in *The Oxford Handbook of the Indian Economy*, ed. Chetan Ghate (New York: Oxford University Press, 2012), 369–419, and Devesh Kapur and Pratap Bhanu Mehta, 'Indian Higher Education Reform: From Half Baked

importance is Basant's conclusion that although research and development investments, technology licensing, the protection of intellectual property rights, private industry, liberalized trade and foreign direct investments all make a significant difference when the capacity for innovation and absorption is reasonably high, the level of competition and trade openness of the economy has a vital impact on both improving productivity and accelerating innovation. The explosive growth of 'unicorns' in India since 2018, and especially since the COVID-19 pandemic began, suggests that India can innovate successfully even in, and perhaps because of, adverse circumstances, but the continued maturation of these firms will require deeper integration with global multinational companies—and that, in turn, requires a favourable domestic policy environment if these start-ups are to become meaningful contributors to India's long-term growth.⁷⁴

The question of how India's future growth would benefit from increased trade openness forms the core of Pravin Krishna's chapter, 'Enhancing External Openness to Sustain Higher Growth', in this book. The issue of India's connectivity to the external world through trade was recently highlighted by the Trump administration's accusations that India is a closed economy, charges that led Washington to withdraw India's privileged access to the U.S. market under its Generalized System of Preferences programme. Although these charges were levelled in the context of bilateral U.S.–India trade, the larger question is an important one: Is the Indian economy really closed to the detriment of potentially higher growth? Krishna's analysis offers a complex picture.

To begin with, the Indian economy today is far more open than it has been since the 1970s, thanks to the economic reforms that have

Socialism to Half-Baked Capitalism', Center for International Development at Harvard University, CID Working Papers 108, 2004, <https://ideas.repec.org/p/cid/wpfacu/108.html>, accessed on 25 June 2022.

⁷⁴ For a good analysis of how this synergy materialized historically, see Suresh Bhagavatula, Ram Mudambi and Johann Peter Murmann, 'Innovation and Entrepreneurship in India: An Overview', *Management and Organization Review*, 15:3 (September 2019), 467–93.

occurred since 1991. In fact, export growth is one of the key drivers underlying the continued expansion of the Indian economy, and an increasing share of India's investment is absorbed by its exports.⁷⁵ For all these gains, however, India's presence in world trade is still minuscule: It accounts for just about 2 per cent of global merchandise trade, about 4 per cent of the global trade in services and receives less than 4 per cent of global foreign direct investment.⁷⁶ Moreover, India's progress towards comprehensive openness has been slow and episodic, with successive governments working overtime to promote exports because of their beneficial impact on the balance of payments, while concurrently restricting imports through high and variable tariffs especially on agricultural and processed goods, automobiles and motorcycles and alcoholic beverages, among others. Despite repeated promises to reduce tariffs to levels that approximate those of the Association of Southeast Asian Nations (about 5 per cent), India's average bound tariff levels in 2019 were still extraordinarily high (around 50 per cent), even though its average applied tariffs were (and are) lower than its bound rates (around 10 per cent).⁷⁷

At its root, India maintains high tariff levels because its economy is still inefficient, and fears of being drowned by cheaper imports—if tariff levels were reduced to Southeast Asian standards for

⁷⁵ Jahangir Aziz and Sajjid Z. Chinoy, 'India: More Open than You Think', *J.P. Morgan Special Report*, 14 October 2010.

⁷⁶ World Trade Organization, 'India—Global Trade', https://www.wto.org/english/res_e/statis_e/daily_update_e/trade_profiles/IN_e.pdf, accessed on 25 June 2022; see the data on FDI at The World Bank, 'Foreign direct investment, net inflows (BoP, current US\$)', The World Bank Group, 10 January 2022, <https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD>, accessed on 25 June 2022.

⁷⁷ The World Bank, 'Bound rate, simple mean, all products (%) – India', The World Bank Group, 29 December 2021, <https://data.worldbank.org/indicator/TM.TAX.MRCH.BR.ZS?locations=IN>, accessed on 25 June 2022; and The World Bank, 'Tariff rate, applied, simple mean, all products (%) – India', The World Bank Group, 29 December 2021, <https://data.worldbank.org/indicator/TM.TAX.MRCH.SM.AR.ZS?locations=IN>, accessed on 25 June 2022.

example—prevent its democratically elected leaders from making the hard political decisions necessary to force the restructuring of the domestic economy. At a time when its public finances are stretched, tariffs in India continue to be, despite their contribution towards larger inefficiencies, an important source of revenue that the Indian government seems loath to give up.⁷⁸ Whatever the political benefits of this status quo, they have barred India from shifting more energetically to an export-led growth strategy that would in turn require greater imports, even though such a shift would raise India's overall growth rates considerably. Because of its failure to complete its domestic reforms, including the creation of a stable and predictable domestic tax regime, India has settled mainly for shallow partial free-trade agreements of the sort represented by the Regional Comprehensive Economic Partnership (RCEP), which do not force increased economic efficiency on the scale that India requires.⁷⁹ At any rate, India's decision to finally walk out of the RCEP after years

⁷⁸ For an excellent review of this issue, see Arvind Panagariya, 'India's Trade Reform', *India Policy Forum*, 2004 (Washington, D.C.: Brookings Institution Press, 2004), 1–68.

⁷⁹ While RCEP reflects a broad trade agreement among ASEAN states with the potential to contribute to growth of the global economy, it is more limited in scope than, for example the Trans-Pacific Partnership (TPP). One critique of RCEP as opposed to TPP is that RCEP allows protectionism based on the development levels of states, which Mie Oba points out 'could be used to delay liberalization'. See Mie Oba, 'TPP, RCEP and the Liberal Economic Order', *The Diplomat*, 2 September 2018, <https://thediplomat.com/2018/09/tpp-rcep-and-the-liberal-economic-order/>, accessed on 25 June 2022. Not surprisingly, during the RCEP negotiations, India pushed hard for the right to maintain tariffs against states participating in RCEP. India's reluctance to reduce tariffs only reinforces the perception that India's commitment to deepening trade relations is not equal to its reluctance to open its domestic industries to foreign competition. See Joe C. Mathew, 'Two third of market access negotiations in RCEP over; 16-nation FTA talks to resume in September', *Business Today*, 5 August 2019, <https://www.businesstoday.in/current/world/two-third-of-market-access-negotiations-in-rcep-over-16-nation-fta-talks-to-resume-in-september/story/370615.html>, accessed on 25 June 2022.

of negotiations—whatever its merits—accentuates the doubts about its commitment to increasing systemic efficiency in what is still globally the largest protected internal market.

India's inability to liberalize factor prices that would permit domestic adjustments in response to more open trade has thus imprisoned it within a straitjacket where high tariffs and other non-tariff trade barriers are maintained despite the burdens imposed on enhanced growth. At a time when the multilateral trading system is especially rickety and the risks to India's export of goods, services and labour are high and growing thanks to the convergent forces of slowing globalization, Trump's pernicious trade legacy, the imperatives of resilience accentuated by COVID-19, and the dangers posed by dependence on China at a time of heightened U.S.–China and Sino-Indian geopolitical rivalry, New Delhi's persistent discomfort with trade openness does not bode well for increasing its trend growth rates to the levels required to secure its status as a leading power.⁸⁰

The 'Asian miracle' amply demonstrated that developing economies grow fastest when they have easy access to the wealthier markets of the Western world. Producing labour-intensive commodities consistent with their comparative advantage, while increasing imports and inward foreign direct investment, proved to be the enabling factors that made successful export-led growth

⁸⁰ As Mihir S. Sharma and Preeti Bhogal summarized it, 'The Indian national interest thus needs to be redefined more broadly. Given its national priorities and its development trajectory, India increasingly has more in common with Asian countries that seek to open up export markets, attract investment, reduce transaction costs and improve competitiveness [sic], than with primary goods producers. It will have to take up at the WTO the sort of coalition-building role that it has owned in other spheres of global governance.' See Mihir S. Sharma and Preeti Bhogal, 'India and Global Trade Governance: Re-Defining Its "National" Interest', *Rising Powers Quarterly*, 2:3 (2017), 142. See also, Swaminathan S. Anklesaria Aiyar, 'India's New Protectionism Threatens Gains from Economic Reform' (Washington, D.C.: CATO Institute, 2018), <https://www.cato.org/publications/policy-analysis/indias-new-protectionism-threatens-gains-economic-reform>, accessed on 25 June 2022.

strategies in East Asia possible. At a time when the entry to Western markets can be best assured by greater Indian trade liberalization, New Delhi's strategy of settling for import substitution through increased domestic manufacturing is risky: It is unlikely to significantly expand employment at home and, while it will enlarge the domestic market eventually, this process will inevitably be slower and less remunerative than a trade-driven growth strategy that pursues deeper integration with the global economy. After initial missteps, the Modi government has now relaunched trade negotiations intended to produce new free trade agreements with various Western partners including—and most importantly—the United Kingdom and the European Union. Whether these discussions will yield truly deep and transformative agreements remains to be seen, but they are at least good, even if incomplete, steps in the right direction.⁸¹

What makes all the foregoing problems associated with capital accumulation, labour force growth, innovation and productivity and constrained trade benefits more challenging is that they represent the tip of the iceberg. The larger obstacle remains a worldview that does not sufficiently appreciate the value of a free and flexible pricing system to regulate the distribution of national resources. The suboptimal growth that then results is exacerbated by political pressures to siphon private resources towards maintaining large and inefficient public enterprises, a redistribution regime that is driven more by electoral than by economic logic and directed investments that are compelled by political necessities instead of considered judgments about pecuniary returns.

Successive governments in India have amplified these distortions over time. These failures have precipitated a systemic misallocation of resources and continue to levy a high toll on efficiency, competitiveness and innovation nationally. Because of

⁸¹ For a useful overview of India's ongoing free trade discussions, see Melissa Cyrill, 'Updates on India's FTAs in 2022', India Briefing, 5 July 2022, <https://www.india-briefing.com/news/india-fta-negotiations-interim-agreements-status-update-2022-23513.html>.

this, India's ability to generate high growth over long periods of time relative to its competitors—the sine qua non for becoming a great power—is constrained more than it should be. Even Modi, who identifies himself as a reformer, has focused on rectifying these ills through incremental solutions to discrete problems rather than by fundamental, structural transformations aimed at enlarging the reach, depth and effectiveness of the market nationally (and especially where the factors of production more generally are concerned).⁸² To his credit and that of his predecessors, the foundations for a more effective distribution system—increasingly built around direct benefit transfers—are steadily falling into place, but it will be years before such 'bottom up' investments show up in terms of sustained elevated growth. To the contrary, if increasing growth is not directly made the first objective of future public policy, the larger economic system may actually haemorrhage in the interim with dangerous consequences for the goal of making India a leading power.

Addressing Weaknesses in National Performance

While India's languid power accumulation is owed to poor policies in the first instance, those failures are themselves the result of conspicuous weaknesses in national performance. All great powers historically rose not because they necessarily possessed large stocks of natural resources but because they consciously nurtured productive state–society relations. In other words, they built effective states presiding over fecund societies, which enabled them to generate material capabilities faster and more effectively than their rivals. This process was often propelled by the presence of significant external or internal threats, or the ambitious aims of

⁸² Amy Kazmin and Lionel Barber, 'Indian election: Narendra Modi's incomplete project', *Financial Times*, 21 May 2019, <https://www.ft.com/content/eeb439a0-7595-11e9-bbad-7c18c0ea0201>, accessed on 25 June 2022.

leaders or elites who sought to cement their power both within and outside the polity.⁸³

These motivating elements appear tepidly in the Indian case. The country's large size, population and resource stocks make it relatively immune to most external dangers, which since Independence have emerged largely from smaller states such as Pakistan. Although Beijing's power has now arrived consequentially on New Delhi's doorstep for the first time in its long history, India is neither so small nor so weak as to be simply pushed over.⁸⁴ The country's inherent diversity and cross-cutting cleavages—which are usually thought to be a source of weakness—are in fact an element of strength insofar as they place natural limitations on any internal insurrections that could threaten the state or the nation as a whole.⁸⁵ The end result is that India faces few existential threats that compel it to marshal national power speedily to protect itself—as many actors in early modern Europe had to do, leading to the creation of absolutist states that eventually became great powers.⁸⁶ Whether the ongoing rise of China and its deepening rivalry with India dramatically alters this reality remains to be seen.

⁸³ See Ashley J. Tellis, Janice Bially, Christopher Layne and Melissa MacPherson, *Measuring National Power in the Post-Industrial Age*, MR-1110-A (Santa Monica, CA: RAND, 2001), 92–122.

⁸⁴ See Ashley J. Tellis, 'The Changing Political-Military Environment: South Asia', in Zalmay Khalilzad, David Orletsky, Jonathan Pollack, Kevin Pollpeter, Angel Rabasa, David Shlapak, Abram Shulsky and Ashley J. Tellis, *The United States and Asia: Toward a New U.S. Strategy and Force Posture* (Santa Monica: RAND, 2001), 204–16.

⁸⁵ For different dimensions of this issue, see Durga Madhab (John) Mitra, 'Understanding Indian Insurgencies: Implications for Counterinsurgency Operations in The Third World', Strategic Studies Institute (February 2007), <https://publications.armywarcollege.edu/pubs/1849.pdf>, accessed on 26 June 2022.

⁸⁶ The literature on this subject is vast and growing. The locus classicus remains Charles Tilly, *The Formation of National States in Western Europe* (Princeton: Princeton University Press, 1975).

The history of India's independence movement and the remarkable survival of its democracy has only reinforced its moderation regarding power accumulation. The quest for high office domestically is regulated by orderly and entrenched processes that do not require any frenetic mobilization of resources. To the degree that resource mobilization is necessary for successful campaigning in a democracy, Indian candidates for elected offices as a group are demonstrably able to siphon resources from society to ensure their political success. The 2019 Indian elections, for example, have been judged to be the world's most expensive exercise of democracy.⁸⁷ Yet the sums expended here were minuscule compared to the resources required to sustain India's ascent to great power status—and India's political leaders seem to fail on the latter count because their personal survival rarely depends on this achievement.

Moreover, the possibility of external expansion or pacification—which drives power accumulation in states located in troubled neighbourhoods—has been conclusively extinguished in India's case thanks to the heritage of non-violence derived from its freedom movement, the burdens stemming from unfulfilled development demands, the constraints imposed by democratic institutions at home, the restraints enforced by the local balance of power and the difficulties of easily securing favourable outcomes abroad through the application of force in the modern age. These barriers could change in the future as India's power expands, but this outcome too is unlikely. As a result, India is not compelled by either external or internal exigencies to build a strong state or nurture the productive economy that generates robust national power urgently. The presence of social fissures in India in fact reinforced the belief early in the post-Independence period that paced growth was necessary to limit the potential for domestic disruptions.⁸⁸ Consequently, while

⁸⁷ Milan Vaishnav, 'Political Finance in India: Déjà Vu All Over Again', in Devesh Kapur and Milan Vaishnav (eds), *Costs of Democracy: Political Finance in India* (New Delhi: Oxford University Press, 2018).

⁸⁸ Najinyanupi, 'Some Philosophic Aspects of the Approach', *Economic and Political Weekly* 8: 4/6 (1973), 141–3.

Indian statesmen certainly sought greatness for themselves and their country, these ambitions were never driven either by the imperatives of national survival or by the need to demonstrate sovereign virility, and, hence, they precluded the concerted societal mobilizations witnessed often and elsewhere in history.⁸⁹

Necessity, however, represents only a permissive cause; the political choices made by India's founding generation about state-society relations remain the unmistakable reason for many of its current disabilities in regard to producing national power. Nehru's early decisions to regulate the economy—which his daughter, Indira Gandhi, later translated into extensive state control during her early tenure as prime minister⁹⁰—resulted in lost opportunities to build wide and efficient markets that would encourage innovation, competitiveness and growth, even as decay in the political system over time slowly corroded the rule of law, weakened property rights, undermined the sanctity of contracts and failed to ensure the speedy adjudication of disputes.⁹¹

These failures were exacerbated by the Indian state's weaknesses in 'infrastructural capacity', meaning its ability to set and attain specific political goals.⁹² The difficulties in setting targets derive primarily from the fact that Indian elites—especially the wielders of political power—are not particularly united in their aims or behind the means to achieve them. Although there is a superficial consensus

⁸⁹ A good survey of the dynamics involved can be found in Arthur Marwick, *War and Social Change in the Twentieth Century: A Comparative Study of Britain, France, Germany, Russia and the United States* (New York: St. Martin's Press, 1975).

⁹⁰ For a balanced appraisal, see Ashok Bhargava, 'Indian Economy During Mrs. Gandhi's Regime', in Yogendra Kumar Malik and Dhirendra Kumar Vajpeyi (eds), *India: The Years of Indira Gandhi* (New York: E.J. Brill, 1988), 60–83.

⁹¹ For masterly overviews, see Jagdish N. Bhagwati and Padma Desai, *India: Planning for Industrialization* (New York: Oxford University Press, 1970), and Francine Frankel, *India's Political Economy 1947-2004*, 2nd ed. (New Delhi: Oxford University Press, 2005).

⁹² Tellis, et al., *Measuring National Power in the Postindustrial Age*, 102–8.

on some objectives, such as high growth or social stability, the political class does not agree on what these goals actually mean in practice or what policy instruments should be employed to realize them. Hence, policy paralysis is pervasive. Even when it is overcome, implementing sensible policies, or restructuring policies towards desirable ends, often requires obfuscatory tactics, which Rob Jenkins aptly summarized as ‘reform by stealth’.⁹³ The reliance on a poorly equipped, often recalcitrant and even rent-seeking bureaucracy only makes things worse.⁹⁴ And the democratic process further exacerbates these problems of cohesion because the need to placate many competing social bases of support, or to prevent the extant government from succeeding merely for electoral advantage, often leads various elites to oppose even sensible policies that would increase Indian power.⁹⁵

None of these pathologies is unique to India, but when governments rather than markets are disproportionately responsible for material success nationally, elite fragmentation turns out to be especially costly. The intensified political polarization in India, especially during Modi’s second term in office, only corroborates this point. These stark and deepening political divergences in contemporary Indian politics are unlikely to be alleviated any time soon because unlike previous electoral competition, which was driven largely by the necessity of securing power and satisfying particular social constituencies, the ongoing rivalries are much more ideological and, beyond the conventional goal of winning elections, implicate simultaneously fundamental questions about

⁹³ Rob Jenkins, *Democratic Politics and Economic Reforms in India* (Cambridge: Cambridge University Press, 1999), 172–207.

⁹⁴ Joachim Ahrens, ‘Prospects for Institutional and Policy Reform in India: Towards a Model of the Developmental State?’, *Asian Development Review*, 15:1 (1997), 111–46.

⁹⁵ Pranab Bardhan, ‘The Nature of Institutional Impediments to Economic Development’, University of California at Berkeley, Center for International and Development Economics Research, 1996, <https://escholarship.org/uc/item/8w12j7q1>, accessed on 26 June 2022.

the nature of the Indian republic, the meaning of India's history and the inheritance of its founding fathers.⁹⁶

The constraints imposed by a fractured elite in regard to setting goals are thus significant, but the institutional impediments to attaining the aims associated with accumulating national power in India are equally grievous. For starters, the Indian state does not penetrate its own society sufficiently: There are still large swaths—territorial and functional—where state power is conspicuous by its absence despite Modi's new welfare initiatives. In fact, the Indian state is overly present in those areas where it ought not to be, producing private goods for example, but seriously deficient in other spaces where it has no substitute, such as in administering law, order and justice, providing various public and merit goods and managing national security.⁹⁷ Furthermore, the Indian state performs abysmally with respect to resource extraction: whether measured by direct, indirect or property taxes, India's tax-to-GDP ratios are among the lowest of its G20 or BRIICSAM (Brazil, Russia, Indonesia, India, China, South Africa and Mexico) peers, and the incidence of tax evasion is also high.⁹⁸ These realities underscore how pervasive underdevelopment, regressive economic policies and poor though improving enforcement capabilities combine to produce poor state–society interactions that ultimately subvert both India's developmental aims and its acquisition of great power capabilities.⁹⁹

⁹⁶ For a good survey of the issues involved, see Thomas Blom Hansen, *The Saffron Wave: Democracy and Hindu Nationalism in Modern India* (Princeton: Princeton University Press, 1999), and David E. Ludden (ed.), *Making India Hindu: Religion, Community, and the Politics of Democracy in India*, 2nd ed. (New Delhi: Oxford University Press, 2006).

⁹⁷ Devesh Kapur, Pratap Bhanu Mehta, and Milan Vaishnav, (eds) *Rethinking Public Institutions in India* (New Delhi: Oxford University Press, 2017), 1–33.

⁹⁸ Centre for Budget and Governance Accountability, 'Of Bold Strokes and Fine Prints Analysis of Union Budget 2015-16', New Delhi, 2015, 16–19.

⁹⁹ For an excellent survey of the myriad factors conducing to this outcome, see Sumit Ganguly and William R. Thompson, *Ascending India and Its State Capacity* (New Haven: Yale University Press, 2017).

Finally, except where national security issues are concerned, the Indian state does not enjoy sufficient autonomy from its own society and seems unable to regulate social relations in ways that would permit it to pursue important national interests without being constrained by veto-wielders domestically.¹⁰⁰ This problem is more intense in democracies, but the difficulties that successive Indian governments have faced regarding subsidy reduction, trade liberalization, labour law and agricultural market reform, for example—all widely agreed in India to be vital for future success—bode ill for expectations of any speedy expansion of state autonomy. As Rahul Mukherji has noted,

The Indian state has been more penetrated by social actors than many East and Southeast Asian states. Unlike China, India could neither abolish private enterprise nor could it embrace globalization with the same speed and ferocity. Both complete state-driven nationalization and state-driven globalization would demand a state, which would have much greater command over interest groups like industrialists, farmers and trade unions. Policies favoring economic growth and development in India needed to evolve gradually after building a social consensus on those policies. This is a model of development driven by a relationship between the state and society, where the power of the state, even in its commanding moments, was moderated by the power of social actors.¹⁰¹

In recent times, this problem has been further compounded by the state's effort to create national champions who then distort policymaking by capturing the capacity for rulemaking in favour of their own particular interests.¹⁰²

¹⁰⁰ This issue is usefully explored in Chittaranjan Mohanty, 'Autonomy of The Indian State Since Independence', *The Indian Journal of Political Science* 68, no. 4 (October–December 2007), 719–26.

¹⁰¹ Rahul Mukherji, 'The State, Economic Growth, and Development in India', *India Review* 8:1 (2009), 81.

¹⁰² Subramanian and Felman, 'India's Stalled Rise', 139–50.

On balance, it is unfortunate that the nature of electoral competition in India has sharpened many of its social cleavages, with democracy making the state even more susceptible to societal pressures and special interests, sometimes in the worst ways. Therein lies a tragic irony: The very cross-cutting cleavages that prevent any internal threats from becoming existential dangers to the country also end up weakening the state, thereby raising the question of how a state that cannot shape its own society productively can expect to shape the outside world—the ultimate hallmark of a great power.¹⁰³

The complex issues pertaining to state capacity—the role of the external environment and the Indian state’s power vis-à-vis various social groups—are examined in this volume by Rajesh Rajagopalan in his chapter, ‘Is the Indian State Set Up for Power Maximization?’ Reviewing in detail the myriad elements summarized in the paragraphs above, Rajagopalan argues that between minimal security threats, ideational frameworks that do not prioritize power accumulation and diverse institutional weaknesses, India has hitherto never made becoming a great power a serious priority. Correcting course to realize Modi’s vision, he argues, will require a focused emphasis on building material power, significant reform of the Indian bureaucracy and key institutions of governance and protecting domestic social harmony in order to prevent dissipating the country’s slowly expanding power. In this context, the emerging Hindu majoritarianism—and the Bharatiya Janata Party’s larger ideological project of making India a more self-consciously Hindu nation—is fraught with both instrumental and intrinsic dangers: The former revolves around exacerbating India’s societal chasms in ways that weaken the country, while the latter destroys the experiment in

¹⁰³ This argument is not intended to imply that ensuring state hegemony over society remains the best solution for increasing national power, only that ‘a minimally efficient state is required if . . . societal advances are to be transformed into national power’. See, Tellis et al., *Measuring National Power in the Postindustrial Age*, xiii, 102–22. For a different approach to this issue, see T. Oommen, ‘State, Civil Society, and Market in India: The Context of Mobilization’, *Mobilization: An International Quarterly* 1:2 (September 1996), 191–202.

liberal democracy that made India globally exemplary. Even as New Delhi struggles to internalize the proposition that ‘strength outside depends on unity inside’, Rajagopalan highlights the importance of India developing, both metaphorically and practically, a will to power, meaning that the necessity of maximizing national power must come to be accepted as indispensable by the body politic—especially in the aftermath of the COVID-19 pandemic—if India is to break out of the trap of continual underperformance.

Bibek Debroy and Kishore Desai’s chapter in this book, ‘Government of India 2.0—Reimagining a New Institutional Look of the Government for a New India’, addresses the issue of institutional renewal from a different perspective. Because the quality of government—that is, the apex ruling institutions of the state—is critical for improving national performance at multiple levels with respect to power accumulation, Debroy and Desai focus their attention singularly on the executive branch in India. Other parts of the Indian government merit review as well. Thankfully, great work has already been done in regard to reforming the presidency, parliament, the judiciary, the civil services and other regulatory bodies, though oddly, improving the functioning of the cabinet and the cabinet system more generally has not received comparable attention.¹⁰⁴ Debroy and Desai closely examine the cabinet in particular and how the cabinet system fits into the larger administrative apparatus: Noting that the number of ministries and departments has expanded over the years, they worry about the ever-widening presence of the government even in those areas that are neither connected to governance nor are stipulated by the Constitution. Consequently, they argue that the task of rationalizing the presence of government, and in particular,

¹⁰⁴ See, by way of example, Devesh Kapur and Madhav Khosla (eds), *Public Institutions in India: Performance and Design* (New York: Oxford University Press, 2007); Devesh Kapur, Madhav Khosla and Milan Vaishnav (eds), *Rethinking Public Institutions in India* (New Delhi: Oxford University Press, 2017); and Devesh Kapur and Madhav Khosla (eds), *Regulation in India: Design, Capacity, Performance* (New Delhi: Hart Publishing, 2019).

the Union Cabinet, is long overdue. Towards that end, they offer a blueprint for amalgamating over a score current ministries and departments into six new entities based on their internal affinities, restructuring institutions that connect the Union to the states, and improving the administrative structure that constitutes the permanent government—while shedding those functions that are best left to civil society. These proposals will not be the last word on the subject, but they do underscore the imperative of reforming the most important decision-making bodies of the Indian state.

The institutional components of national performance, which bear on whether the state can convert its control over society into usable resources for power-political purposes, are also shaped by a more abstract, even elusive, element: the extent of ‘rationalization’ in state and society.¹⁰⁵ Rationalization, as reflected in Max Weber’s work examining the rise of the West, refers to the extent to which reason—calculating thought and action—is incarnated in the world views and decisions of various actors in a given social system and, ultimately, in its institutions.¹⁰⁶ Weber admitted that there are ‘many possible meanings of the concept of rationalization’,¹⁰⁷ and scholars since have attempted to untangle its polymorphous dimensions.¹⁰⁸ For purposes of analysis here, the notion of rationalization is most usefully decomposed into two elements, substantive and instrumental rationality: The former refers to what reason judges to be essential for success in a given context (the ‘ends’), whereas

¹⁰⁵ The literature on rationalization, especially as explored by Max Weber, is vast and a useful introduction is Rogers Brubaker, *The Limits of Rationality* (New York: Routledge: 2006), 8–48.

¹⁰⁶ Max Weber, *Economy and Society*, Vol. 1 (Berkeley: University of California Press, 1978), 30.

¹⁰⁷ *Ibid.*

¹⁰⁸ See, for example, Stephen Kalberg, ‘Max Weber’s Types of Rationality: Cornerstones for the Analysis of Rationalization Processes in History’, *The American Journal of Sociology* 85:5 (March 1980), 1145–79, and Ann Swidler, ‘The Concept of Rationality in the Work of Max Weber’, *Sociological Inquiry* 43:1 (January 1973), 35–42.

the latter pertains to the adequacy of the instruments used to secure these aims (the ‘means’).¹⁰⁹

In competitive politics, power is essentially manifested as the capacity for domination. In Western thought, this potentiality derives from a view of man as radically separated from nature, thereby making the external world a fit object for purposive control. The worth of all social institutions, accordingly, is judged by the degree to which they enable ever more efficient mastery in their particular domains, and the modern state thus becomes the exemplar of rationalization in a competitive international system. This is because the state can fuse social mobilization, technological innovation, bureaucratic organization, institutional design and ideological promotion to stimulate power maximization in ways that few of its competitors can.¹¹⁰

Given India’s different cultural inheritance, which emphasizes man’s existence as part of nature—rather than outside of or opposed to it—the question of whether the Indian ethos can legitimize relentless power maximization as the natural telos of the state remains open and contested.¹¹¹ This issue of substantive rationality implicates tricky conceptual problems, such as the impact of a nation’s world view on its strategic behaviours, including the priority placed on the assertive mobilization,

¹⁰⁹ See Weber, *Economy and Society*, 64–7. In both contexts, the intention underlying the action is key to determining its rationality. The distinction between means and ends are thus artefacts of analysis and can be objectively evaluated by reference to a pre-existing theory, which suggests what constitutes optimal versus suboptimal goals and behaviours within a certain frame of reference.

¹¹⁰ Ashley J. Tellis, ‘Assessing National Power in Asia’, in *Strategic Asia 2015-16: Foundations of National Power in the Asia Pacific*, ed. Ashley J. Tellis, Alison Szalwinski and Michael Wills (Washington, D.C.: National Bureau of Asian Research, 2015), 3–21.

¹¹¹ Ian Hall, ‘The Persistence of Nehruvianism in India’s Strategic Culture’, in *Strategic Asia 2016-17: Understanding Strategic Cultures in the Asia-Pacific*, ed. Ashley Tellis, Alison Szalwinski and Michael Wills (Washington, D.C.: The National Bureau of Asian Research, 2016), 141–67.

extraction and transformation of resources for competitive ends. The tensions between India's ideational inheritance and the demands that modernity places upon it will affect its performance in some way, even if the character of that causality turns out to be either controversial or only dimly discerned. What can be said with some accuracy is that India does not currently demonstrate an implacable desire to maximize its power or to use it wilfully for assertive ends, an ambiguous disposition that is sometimes labelled 'strategic restraint'.¹¹²

This hesitancy appears to be reinforced by the weaknesses of instrumental rationality in the Indian context, meaning the inability to effectively pursue the best means to a given end, as evidenced by many of the cumbersome rules, regulations and procedures that abound in India; the shortcomings of its diverse regulatory institutions and sometimes the manifestly counterproductive nature of some of its policies. As one scholar succinctly concluded, this failure is ultimately rooted in 'India's uneven encounter with modernity: the forms and institutions have been imported or grafted on, but the spirit of modernity, an innate appreciation of rational thinking, has not taken root'.¹¹³

Both Max Weber and Karl Marx's magisterial analyses converge in their recognition that instrumental rationality deepens inexorably as a result of the growth and extension of market capitalism, because the profit motive ruthlessly weeds out all strategies, processes and activities that undermine the goals of survival and expansion necessitated by substantive rationality. Over time, this rationalization seeps into the polity writ large and transforms all of its institutions, including the state. India's efforts to limit marketization as an instrument of social change for either ideological or cultural reasons, consequently, have had the unfortunate effect of retarding the

¹¹² Stephen P. Cohen and Sunil Dasgupta, *Arming Without Aiming: India's Military Modernization* (Washington, D.C.: Brookings Institution Press, 2010), 2–16.

¹¹³ Rahul Sagar, 'State of Mind: What Kind of Power Will India Become?', *International Affairs* 85:4 (2009), 812.

rationalization of its society in ways that constrain its capability to quickly maximize power accumulation.

Rahul Sagar's chapter in this book, 'Leading Ideas: A Retrospective', investigates the relationship between power and ideas in India, examining especially the issue of whether Indian traditions permit it to singularly pursue power accumulation as a means of shaping, if not dominating, the international system. To do so, he goes back to both the intellectual discourse of nineteenth-century India and the classical Indian tradition to tease insights about power politics. Although contemporary India's discomfort with power is widely recognized, Sagar finds that neither pre-Independence India nor its ancient traditions provide the intellectual resources to sustain a concerted drive for power maximization. India's nineteenth-century forbearers, exemplifying an uncomfortable marriage between modernity and tradition, actually came close in the person of Mahatma Gandhi to rejecting modernity altogether, and even when they did not do so, limited India's activism to defensive actions alone. The classical tradition too, focusing almost entirely on righteous rule at home, constrained the ruler's activism mainly to neutralizing immediate foreign threats. Neither tradition, therefore, justifies remaking the wider international order to advance India's interests. If New Delhi is to find the ideational resources to sustain such a vision, as Modi desires, it will have to create them anew either as a response to the competitive threats that now confront India or through a deliberate adoption of the hard realism currently espoused by Indian advocates such as Bharat Karnad who still remain a distinct minority within the country.

Leaving an Imprint: Geopolitics, Influence and Military Power

The ultimate measure of a state's impact in competitive international politics is the degree to which it can control outcomes in key areas of importance to its interests, define the rules by which the international system operates and apply military power when necessary to transform the political environment in its favour.

Everything that a state does to marshal national resources—the task that uniquely implicates the quality of its national performance—is eventually directed towards producing favourable outcomes at the international level, even though other domestic objectives are inevitably pursued along the way. The capacity to shape international politics to suit one's interests is thus the final 'output' of all national mobilization in any competitive interstate system. India's leaders have recognized this reality since Independence, but their country's material weakness forced them to emphasize alternative instruments—'the moral tone'—in order to create space for a frail India to make a difference.¹¹⁴

India's material capabilities have increased substantially since the Nehru years, but the question of how effectively New Delhi can shape political outcomes in key regions of interest—South Asia and the Indian Ocean region, the larger Asian continent and the globe itself—is still debatable and with good reason. Any country deserving of the appellation 'great power' must be able to dominate at least its immediate region and utilize the fruits of that dominance to apply power further afield. How much further its influence propagates will determine whether it is in fact just a regional power or a genuine great power.¹¹⁵ The latter, admittedly, comes in different varieties, based on the extent of its relative power, the spatial scope of its influence in material, structural and ideational terms and the acknowledgement of its status. If a state has substantial and varied interests in regions outside its immediate locale, has the material capabilities to actively promote those interests and both demands and is granted recognition by others as an entity of consequence in these areas, it could be defensibly

¹¹⁴ Andrew Kennedy, 'Nehru's Foreign Policy: Realism and Idealism Conjoined', in David M. Malone, C. Raja Mohan and Srinath Raghavan (eds), *The Oxford Handbook of Indian Foreign Policy* (Oxford: Oxford University Press, 2015), 92–103.

¹¹⁵ Vesna Danilovic, *When the Stakes Are High: Deterrence and Conflict among Major Powers* (Ann Arbor: University of Michigan Press, 2002), 27, 225–28.

considered as a great power.¹¹⁶ By these yardsticks, however, India still has a ways to go.

There is little doubt that by all raw measures of power such as size of territory, population, resource endowments, economic capability, political stability and competence and military strength, India towers above all its neighbours within and around the subcontinent (except China). Yet despite the power differential favouring it, New Delhi has not been able to translate its familiar dominance into political hegemony that commands the consent, if not the obedience, of its smaller neighbours.¹¹⁷ At the end of the day, this awkward reality is produced by a confluence of factors. India may be more powerful in material terms in comparison to its neighbours, but these resources are predominantly allocated towards meeting internal needs, with only a modest residual available for securing external influence. Furthermore, India's pursuit of predominantly inward-looking growth has prevented it from underwriting the regional assimilation that might have bound its neighbours' material progress and their political choices to its own success and political preferences as China's outward integration has comparably done in East and Southeast Asia. In other words, India has neither succeeded in producing the public goods that would influence the choices of its neighbours nor has it been able to dissuade them from reaching for alternative sources of extra-regional support—most importantly, China—with which India is already locked into competition.

These limitations are exacerbated by the subcontinent's political geography: India's large size and nominal power advantages often unnerve its immediate neighbours and prompts them to look outside the subcontinent for sources of countervailing assistance,

¹¹⁶ Manjeet S. Pardesi, 'Is India a Great Power? Understanding Great Power Status in Contemporary International Relations', *Asian Security*, 11:1 (2015), 1–30.

¹¹⁷ For a useful template that defines how states can be conceived of as significant regional powers, see Miriam Prys, 'Hegemony, Domination, Detachment: Differences in Regional Powerhood', *International Studies Review*, 12 (2010), 479–504.

while India's particular geography presents it with a border with every one of its smaller neighbours—even as these states share no borders with each other—thus making New Delhi the natural magnet for resentments from every corner. Finally, although India has significant military superiority over all its neighbours, including Pakistan (but only in a 'truncated'¹¹⁸ sense as far as the latter is concerned), its diffidence in using military force—which grows out of its recognition that military instruments are frequently blunt—implies that India often cannot wield coercive power effortlessly or easily get its way even within South Asia.

India is thus a dominant but nevertheless constrained power even within its immediate neighbourhood. It is undoubtedly a potent entity that its neighbours must always reckon with. But because its usable power is more modest than the static distribution of capabilities within South Asia might suggest, New Delhi's influence in the region and in the Indian Ocean island-states depends greatly on which political forces are dominant within these countries at any given point in time. When indigenous elements that are partial to India occupy the highest offices, Indian fortunes improve; when the forces opposed to India are ascendant, Indian influence suddenly proves evanescent.¹¹⁹

In the waters of the Indian Ocean, India remains the most capable indigenous state because of its impressive naval and air power capabilities—something Chinese naval power will be unable to eclipse for at least a while longer. But once Indian power is tested for effectiveness along the ocean's terrestrial flanks—in Southeast Asia, the Persian Gulf or eastern Africa—India's impact is modest, especially in comparison to other powers such as China,

¹¹⁸ T.V. Paul, *The India-Pakistan Conflict: An Enduring Rivalry* (Cambridge: Cambridge University Press, 2005), 5.

¹¹⁹ The last three paragraphs are drawn substantially from the larger analysis appearing in Ashley J. Tellis, 'Troubles Aplenty: Foreign Policy Challenges for the Next Indian Government', Carnegie Endowment for International Peace, 20 May 2019, <https://carnegieendowment.org/2019/05/20/troubles-aplenty-foreign-policy-challenges-for-next-indian-government-pub-79161>, accessed on 26 June 2022.

the United States or even Japan.¹²⁰ In continental Asia north of the Indian subcontinent, New Delhi's influence is much weaker than its civilizational and historical links would suggest. In Central Asia and the Caucasus, India is insignificant compared to China, thanks to the latter's Belt and Road Initiative.¹²¹ Further north, India's ties with Russia—the axis that once constrained China vis-à-vis India—are a pale shadow of the past as Moscow has prioritized ties with Beijing because of the converging Russian and Chinese grievances against the United States.¹²² India's capacity to shape outcomes in Asia therefore is still limited and although its growing ties with Japan, Australia and the United States as part of the evolving QUAD partnership in the Indo-Pacific offer it new opportunities to play in the continental and maritime spaces of the Eurasian–African landmass, New Delhi's ability to affect the

¹²⁰ As an illustrative case in point, in July 2019, India had two warships in the Persian Gulf tasked to protect Indian shipping (Sanjeev Miglani, 'Indian Warships to stay longer in Persian Gulf, but won't join U.S. coalition', *Reuters*, 18 July 2019). In contrast, the United States around the same period had twenty-one ships in the Gulf (Loveday Morris, 'Aboard a U.S. Patrol Ship in the Persian Gulf, Where Tensions are Spiking', *The Washington Post*, 9 July 2019). While Japan does not currently have warships in the Gulf, it remains a major economic influence in the region (Kyodo Jiji, 'Suga Hints Japan May Send MSDF Ships to Join U.S.-led Coalition Off Iran After All', *Japan Times*, 9 August 2019, https://www.japantimes.co.jp/news/2019/08/09/national/japan-may-send-msdf-ships-patrol-off-yemen-instead-joining-u-s-led-coalition-off-iran/#.Xvv_HuhKiUk, accessed on 26 June 2022).

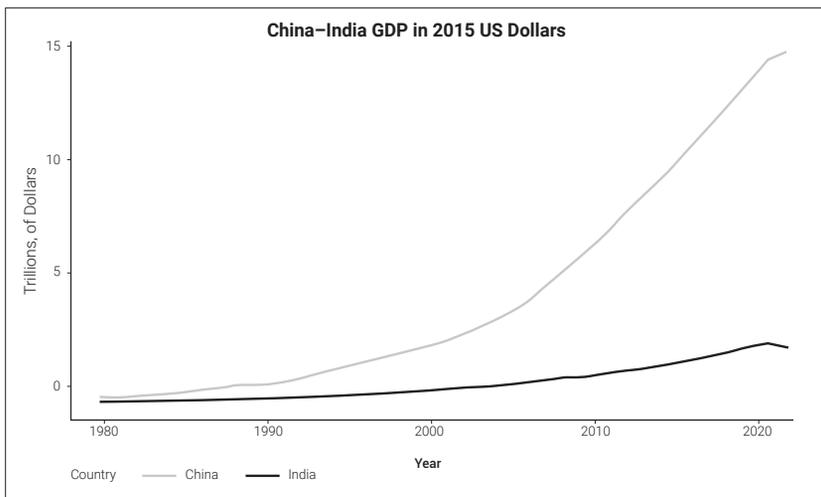
¹²¹ Intelligence Unit, 'At the periphery: India in Central Asia', *The Economist*, 4 January 2019, <https://country.eiu.com/article.aspx?articleid=957511679&Country=Turkmenistan&topic=Politics&subtopic=Forecast&subsubtopic=International+relations>, accessed on 26 June 2022.

¹²² Shruti Godbole, 'Future of the India-Russia relationship post Sochi summit', Brookings Institute, 2 July 2018, <https://www.brookings.edu/blog/up-front/2018/07/02/future-of-the-india-russia-relationship-post-sochi-summit/>, accessed on 26 June 2022. See also Richard Weitz, *China-Russia Security Relations: Strategic Parallelism without Partnership or Passion?* U.S. Army War College Monograph 643 (Carlisle Barracks: USAWC Press, 2008).

national choices of the countries located therein is still restricted compared to China.

At a time when China's power compared to India's is still growing relentlessly—using GDP as a proxy (see Figure 5)¹²³—and when its competition with India is intensifying across multiple dimensions, the importance of the United States as a strategic partner for India grows by leaps and bounds.

Figure 5: Comparative Growth of the Chinese and Indian Economies



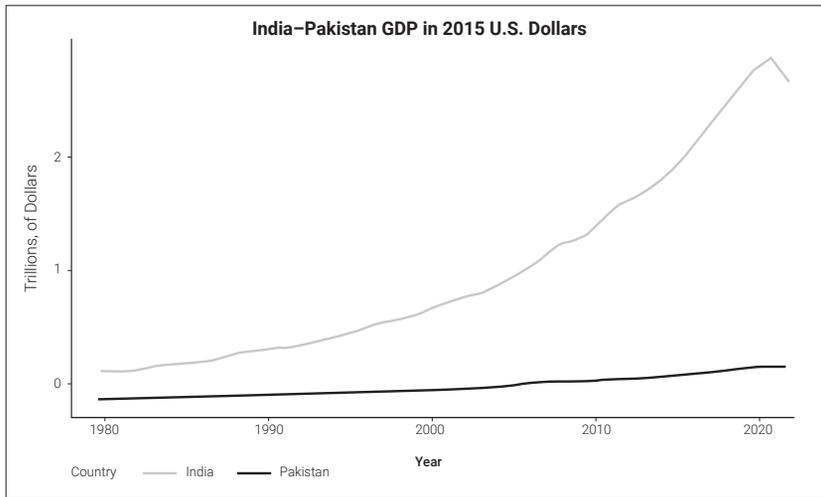
China—not Pakistan any more (see Figure 6)¹²⁴—remains the most significant external constraint on India's quest for recognition as a great power in Asia. Beijing has also proven to be a hard-nosed rival, focused constantly on limiting Indian power even within South Asia while consistently feigning indifference to New Delhi. Modi, appreciating the cunning in Chinese strategy, has persisted with his predecessors' post-Cold War strategy of gradually

¹²³ The World Bank, 'GDP (constant 2015 US\$)', The World Bank Group, 4 January 2022, The World Bank, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD>, accessed on 26 June 2022.

¹²⁴ Ibid.

deepening ties with the United States. Washington, for reasons relating to its own competition with Beijing, has also doubled down on its partnership with New Delhi, even though sceptics exist in both capitals.¹²⁵

Figure 6: Comparative Growth of the Indian and Pakistani Economies



Rohan Mukherjee’s chapter in this book, ‘Building Foreign Relations for Great Power Capabilities’, develops an innovative framework to demonstrate that the United States remains the most important foreign partner for India’s quest to realize its great power ambitions. Although Modi’s policies of partnering with the United States are sometimes still critiqued within India, Mukherjee demonstrates that Washington—alone among all foreign capitals—remains disproportionately important insofar as aiding India to acquire economic, military and normative influence is concerned. Japan and Russia come a distant third in this regard, with the United Kingdom and France following behind. India’s great foreign policy strength, especially after the Cold War, has

¹²⁵ See Robert D. Blackwill and Ashley J. Tellis, ‘The India Dividend’, *Foreign Affairs* 98, no. 5 (September–October), 173–83.

been its emphasis on ‘omnidirectional strategic partnerships’.¹²⁶ As Mukherjee notes, however, even within polygamous engagements, a state ought to set priorities and there is no greater foreign policy priority today than developing strong ties with Washington. Going further, Mukherjee argues that the perennial Indian temptation of hedging its bets—in this case by limiting the deepening of ties with the United States to satisfy either domestic constituencies or other foreign powers—is not only unbecoming of an aspiring great power but could also prove costly to India in practical terms where power accumulation is concerned.

India’s current limitations in regard to leaving its imprint on the world—whether within South Asia, Asia or the global system—are fundamentally a function of its material weaknesses. Consequently, there is no substitute, as this book argues, for buttressing the economic foundations of Indian power. Only rapid and sustained increases in Indian capability, as witnessed in China during the last forty years, will change India’s standing in the global hierarchies of material power and prestige, thus enabling its influence to expand both spatially and with respect to norm construction and rulemaking, the other mark of a great power. India’s limitations on these latter issues are almost self-evident. It is tempting to suggest, as some have done, that India’s soft power can serve as an adequate substitute, at least in the interim. The notion that India can use its inherent attributes to induce attraction on the part of others, and thereby stimulate support for its strategic interests, is unrealistic. The weaknesses of liberalism in India (as opposed to its formal democratic successes), its continuing economic limitations and the ambiguity about what India actually stands for in normative terms (now that

¹²⁶ Toru Ito, ‘India’s Pragmatic Diplomacy with Major Powers: A Comparative Study of the Strategic Partnership with the US, China, and Russia’, in Shinichiro Tabata (ed.), *Eurasia’s Regional Powers Compared—China, India, Russia* (New York: Routledge, 2015), 137–49. For a considered critique of this view, see Takenori Horimoto, ‘Explaining India’s Foreign Policy: From Dream to Realization of Major Power’, *International Relations of the Asia-Pacific*, 17 (2017), 463–96.

it is an aspiring great power) all make ‘the power of its example’¹²⁷ increasingly vacuous as a vehicle for enlarging India’s influence and reach.

This insufficiency does not imply that India should eschew promoting different aspects of its culture, only that the attractiveness of its culture will increase in coruscation as it demonstrates greater material success. To the degree that non-material dimensions matter, however—and they do matter—India’s allure derives from its ability to prove that liberalism can be protected through democracy despite striking poverty and diversity in a non-Western setting. If a rising India can successfully provide such attestation, it will have repudiated the Chinese claim to have demonstrated an alternative path to modernization and as such would complement rather than challenge the preferred strategic, cultural and normative order upheld by the current global hegemon, the United States.¹²⁸ The prospects for India’s soft power enjoying greater resonance are enhanced under this condition more than any other.

Even as India works towards this goal, the final mark of its claims to great power status will depend on the reach and effectiveness of its military capabilities, a feature that has long been accepted as a distinguishing characteristic of the most important states in the international system. By most aggregate measures, India’s military

¹²⁷ Sunil Khilnani, et al., *Nonalignment 2.0: A Foreign and Strategic Policy for India in the 21st Century*, 7. For an elaboration of this critique, see Ashley J. Tellis, *Nonalignment Redux* (Washington, D.C.: Carnegie Endowment for International Peace, 2016); Nicolas Blarel, ‘India’s soft power: from potential to reality?’ IDEAS reports—special reports, Nicholas Kitchen (ed.), *India: the next superpower?* (London: LSE IDEAS, SR010, London School of Economics and Political Science, 2012); and Rohan Mukherjee, ‘The False Promise of India’s Soft Power’, *Geopolitics, History, and International Relations*, 6:1 (2014), 46–62.

¹²⁸ John Lee, ‘Unrealised Potential: India’s “Soft Power” Ambition in Asia’, *Foreign Policy Analysis*, No. 4, June 2010, The Center for Independent Studies, Sydney, Australia, <https://www.cis.org.au/publications/foreign-policy-analysis/unrealised-potential-indias-soft-power-ambition-in-asia/>, accessed on 26 June 2022.

forces are impressive when rank-ordered against the capabilities of other great powers or aspirants. For example, India possesses the world's second-largest army (when measured by personnel in arms on active duty), the seventh-largest navy (when measured by the number of vessels) and the world's fourth-largest air force (when measured by the number of combat aircraft).¹²⁹ India also remains one of only nine states possessing nuclear weapons. When the quality of the Indian military is considered, the story is also quite impressive. The Indian armed services are universally assessed to be professional and competent and by many measures rank favourably when compared to their first-world counterparts.

For all these virtues, however, India's military forces do not yet mark the country as a great power because of both their myriad constraints and their remarkably restricted reach.¹³⁰ The Indian Army is oriented primarily towards guarding the country's western and northern borders. The force does not possess an expeditionary orientation—as the British Indian Army once did—and although a small fraction could be employed in such a role, its limitations would become readily apparent if deployed against any serious opposition.¹³¹ The Indian Navy, in contrast, has a power projection mindset almost by definition. It remains India's most potent instrument for

¹²⁹ See International Institute for Strategic Studies, *The Military Balance* (London: Routledge, 2018); Christopher Woody, 'These are the 10 Biggest Navies in the World', *Business Insider*, 12 April 2018, <https://www.businessinsider.com/biggest-navies-in-the-world-2018-4>, accessed on 26 June 2022; and 'Indian Air Force', *GlobalSecurity.org*, accessed on 15 August 2019.

¹³⁰ Ashley J. Tellis, 'India: Capable but Constrained', in Gary J. Schmitt (ed.), *A Hard Look at Hard Power: Assessing the Defense Capabilities of Key US Allies and Security Partners*, 2nd ed. (Carlisle Barracks: US Army War College Press, 2020), 119–54, and Walter C. Ladwig III, 'India and Military Power Projection: Will the Land of Gandhi Become a Conventional Great Power?', *Asian Survey*, 50: 6 (November/December 2010), 1162–83.

¹³¹ Shashank Joshi, *Indian Power Projection: Ambition, Arms and Influence*, Whitehall Papers 85 (London: Royal United Service Institute, 2015), 76–95.

applying power across great distances but is still the smallest of the Indian armed services and the most neglected. The navy's principal competencies are manifested in warfare at sea, but the fleet would be handicapped when operating against any significant land-based opposition outside the range of the Indian Air Force.¹³² The Indian Air Force, in turn, is large, capable and impressive but, like many of its Third World peers, possesses a primarily tactical orientation. Although some of its strike-fighters have significant operational radii of action, the Indian air service is designed to operate mainly within and around the Indian peninsula.¹³³ India, undoubtedly, 'has acquired the nucleus of a substantial [power projection] capability . . . [but] it remains limited in number and in terms of specific enablers', as one illuminating study has noted.¹³⁴

The upshot is that India is some distance away from deploying the kind of military forces possessed by great powers. Its war-fighting capabilities are still too concentrated on protective tasks at and around its borders, leaving it with only a modest residual to shape outcomes far from its shores. New Delhi's current and prospective defence budget constraints, which show no signs of disappearing, imply that India will also be unable to adequately fund new war-fighting orientations, consequently limiting its capacity to provide the protective reassurance sought by many smaller nations as well as the United States in the Indo-Pacific.¹³⁵ Finally, complicating matters more are the institutional impediments to India's rise as a military power: The country has still not rid itself of the civil-military dysfunctions

¹³² A. Singh, 'In the far seas: Projecting India's naval power', in C. Raja Mohan and Anit Mukherjee (eds), *India's Naval Strategy and Asian Security* (New York: Routledge, 2016).

¹³³ See Ashley J. Tellis, *Troubles, The Come in Battalions* (Washington, D.C.: Carnegie Endowment for International Peace, 2016).

¹³⁴ Shashank Joshi, *Indian Power Projection: Ambition, Arms and Influence*, 140.

¹³⁵ Laxman K. Behera, 'India's Defence Budget 2019-20', *IDSAs Issue Brief*, 8 June 2019, <https://idsa.in/system/files/issuebrief/indias-defence-budget-lkbehera.pdf>, accessed on 26 June 2022, and Anit Mukherjee, 'India as a Net Security Provider: Concept and Impediments', *RSIS Policy Brief*, August 2014.

it has steadily institutionalized since its independence. As a result, strategic planning, jointness, acquisitions and the development of new war-fighting concepts have all suffered in varying measure to the detriment of India's evolution as a great power.¹³⁶

Arjun Subramaniam's chapter in this book, 'Pushing Boundaries: Can the Indian Military Transform?', realistically assesses the challenges facing the evolving Indian armed forces as instruments of coercive influence supporting India's rise as a great power. His analysis suggests that, for a long time to come, the Indian military's reach will be limited mainly to the Indian Ocean region rather than the Indo-Pacific proper. It is in this arena that India could hope to utilize the full panoply of its coercive capabilities, but only if the navy and the air force in particular develop effective joint war-fighting concepts and drive their acquisitions towards that end. Subramaniam notes that the biggest threats to realizing such a vision remain India's still meagre defence budgets and its broken acquisition processes. Not to be dismissed is the fact that all three services must still satisfy demanding missions along India's borders itself as China's military capabilities grow by leaps and bounds and Pakistan remains an enduring irritant. In such circumstances, the Indian Army's need to develop rapid mobilization and better battlefield situational awareness capabilities while dealing with the problems posed by high manpower costs, the necessity of building up the Indian Navy's fleet strength across the board and the importance of arresting the Indian Air Force's diminishing numbers even as it protects the technical capabilities required to dominate the deep and joint battle, all conduce to the objective of projecting power beyond India's shores. But the financial, institutional and doctrinal challenges, which are daunting and which the Indian state has insufficiently addressed thus far, might prevent this ambition too from coming to fruition.

Anit Mukherjee's chapter, the last functional chapter in this book, focuses on 'Reforming Defence for Increased Military Effectiveness'.

¹³⁶ Anit Mukherjee, *The Absent Dialogue* (New York: Oxford University Press, 2020).

Given the financial constraints on military spending that are likely to remain in India for some time to come—even as India’s economic growth picks up again after the COVID-19 pandemic—transforming India’s defence institutions offers one obvious way to secure increased military effectiveness without unduly taxing the exchequer. Mukherjee notes that such reform may be even more necessary in India’s case because it has to manage the problems of frontier defence, internal security, nuclear threats *and* power projection simultaneously—clearly a tall order for the armed forces of what is still a developing country. The challenges of reform are themselves multifarious. India’s higher defence organization, which had been designed to coup-proof the state, is simply not effective for sound military decision-making in the country’s current circumstances, let alone its ambitions to become a great power. The problems of acquisition only compound the problem as the Indian state seems unable to make up its mind as to whether securing the best weapons for its military is to enjoy first priority over and above the objectives of defence industrialization—a challenge further complicated by the human capital deficits in the Ministry of Defence. And the Indian government’s early efforts to institutionalize jointness still have to prove themselves insofar as they would enable the Indian military to develop war-fighting plans that economize on resources while using each armed service’s contribution in ways that best secure the operational objective by better exploiting their complementarities. Mukherjee details the solutions on each count but is sober about the prospects for realizing them because India’s political leaders often fail to grasp the intimate connection between their military’s effectiveness and their aspirations for India’s rise as a great power.

C. Raja Mohan’s chapter, ‘India’s World: Changing the Terms of Engagement’, provides a fitting conclusion to a volume that is focused on understanding the diverse challenges associated with India’s rise. By highlighting India’s slow transformation from its previous resistance to the ‘hegemonic North’ to its current desire to join in managing the international system, Mohan highlights how changes in India’s material circumstances have interacted with transformations in the global system and New Delhi’s own

evolving world view to bring India to the point where it can seriously contemplate international leadership in dramatically different ways compared to yesteryears.

But claims and demonstrations of influence ultimately have spatial extensions, and Mohan highlights three spheres where India has its work cut out. Within the subcontinent, New Delhi's task consists of reclaiming primacy by pacifying Pakistan and reunifying the South Asian landmass through peaceful means. This objective would require either successfully reconciling with or successfully deterring Islamabad, limiting China's capacity to play the spoiler and recovering India's capacity to provide hegemonic stability within and around the peninsula largely, though not exclusively, through economic instruments. Within India's extended neighbourhood, the goal must be regaining influence, almost akin to the kind once exercised by the Raj, but this time through deepened economic integration, sustained diplomacy and even increased military capabilities to support the wider intra-Asian balancing of China. And finally, at the core of the global system, India needs to move quickly to complete the project of reconciling with the West: If the task of balancing the rise of Chinese power remains the most important strategic challenge facing India, then steadying Russia, enthusing Japan and engaging Europe must be critical complements to the all-important goal of nurturing America as a strategic partner nonpareil.

Even as India proceeds in this direction—a policy course that was initiated by Atal Bihari Vajpayee, elevated by Manmohan Singh and now amplified without apology by Narendra Modi—Mohan emphasizes the importance of utilizing the COVID-19 pandemic to accelerate domestic economic reforms, restructure India's international economic engagements and double down on the emerging regional cooperation initiatives aimed at constraining China's misuse of power. Even as it does all these things, Modi's India must do better at protecting liberal democracy at home not only for instrumental reasons but because it remains the surest foundation on which India can most credibly defend the liberal international order that best protects its interests abroad.

Conclusion

Prime Minister Modi's call for India to become a leading power represents a change in how the country's role in international politics is now imagined. Realizing Modi's ambition will require India to undergo a concerted transformation. This effort entails protecting what India has most successfully achieved thus far—territorial integrity, liberal democracy and civic nationalism—but drastically renovating the sclerotic elements of its economy to enable the progressive rationalization that comes, inter alia, from enlarging its market system.¹³⁷ Deep structural reforms accompanied by carefully targeted remediation to protect the poor would significantly mitigate the constraints on long-term capital accumulation, in effect serving, as one study noted, as 'positive shocks to the trend that will enable growth to pick up' and persist at high levels over time.¹³⁸

Concerted marketization thus holds the promise of improving India's trend growth rates, enabling appropriate redistribution when desirable and empowering the state with the resources necessary to accomplish its international goals. Achieving durable success, however, will require strengthening India's state capacity along multiple dimensions in order to mitigate the weaknesses, as one scholar put it, that affect 'both [the country's] ability to grasp the big strategic picture and [its] ability to get the nuts and bolts right'.¹³⁹

Prime Minister Modi is cognizant of the need for such a comprehensive transformation if India is to one day become a genuine great power. But his efforts thus far have been uncharacteristically conservative. He has embarked on many worthwhile projects intended to stimulate growth and development: These include

¹³⁷ Ashley J. Tellis, 'Completing Unfinished Business: From the Long View to the Short', in Bibek Debroy, Ashley J. Tellis and Reece Trevor (eds), *Getting India Back on Track* (Washington, D.C.: Carnegie Endowment for International Peace, 2014), 1–28.

¹³⁸ Ila Patnaik and Madhavi Pundit, 'Is India's Long-Term Trend Growth Declining?', ADB Economics Working Paper Series Number 424, Asian Development Bank, 2014, 18.

¹³⁹ Srinath Raghavan, 'All Form, Little Substance', *The Hindu*, 30 July 2015.

the Swachh Bharath Mission, Pradhan Mantri Mudra Yojana, Bharatmala and Sagarmala projects, Pradhan Mantri Jan Dhan Yojana, the Direct Benefit Transfer scheme, the Ayushman Bharat Yojana and the Jal Jeevan Mission, all of which hold the potential to make a real difference to the quality of life of millions of Indians, especially the underprivileged. These initiatives demonstrate that Modi understands that the path to great power status passes through comprehensive national development and that attaining the former will be impossible without realizing the latter.

But more is required. What is urgently necessary is the articulation of an overarching defence of systemic reform and its implementation to appropriately reposition the Indian state within the national economy while simultaneously strengthening it. There is no Indian leader today other than Modi who has the charisma and the persuasive skills to convince the body politic that deepening reforms centred on the liberalization of factor markets, improvements in regulatory capacity and a reduction in the overbearing remit of the state are essential not only for the success of India's international ambitions but also and more fundamentally for its rapid development at home. Realizing both aims in a competitive global environment essentially hinges on the ability to win the race for increased economic efficiency. Those states that can better utilize their resource endowments to produce larger outputs than their competitors come to dominate the international system, and the evidence thus far suggests that such success accrues disproportionately to those with the most efficient domestic markets as well as greater connectivity to the global economy. Given these realities, the current Indian approach to reform, which has been well described as 'persistent, encompassing, and creative incrementalism',¹⁴⁰ may prove to be insufficient at a time when its competitors, most importantly China, appear willing to make bolder decisions and implement the same with greater alacrity. The risks for Modi's ambition to make India a great power quickly are obvious.

¹⁴⁰ Ministry of Finance, *Economic Survey, 2014–15*, Volume 1 (New Delhi: Government of India, 2015), 1.

It bears remembering that even if India were to complete its structural reforms satisfactorily, most compelling analyses of the future global economy suggest that India will remain the weakest of the great powers for a long time to come. Given this possibility—and the likelihood that a rising China will challenge Indian security in ways that New Delhi has never had to cope with before—finishing the renovations necessary to make India a great power cannot be either put off or approached lackadaisically.

Modi's invocation that India become a leading power, consequently, offers transformative possibilities if it drives the speedy acquisition of great power capabilities and makes their procurement a formal object of Indian national policy. If this vision takes root, perhaps the most important immediate change would be the imbuing of self-confidence within the Indian polity, its elites and its leaders. For all the distinctive shifts that have occurred in Indian foreign policy in recent times, it is remarkable how large segments of the intellectual, bureaucratic and political classes are still fundamentally insecure about their country's capacity to engage with the world on its own terms. This condition is partly a legacy of colonialism and partly a consequence of India's persisting material weaknesses in international politics. Yet it is nevertheless unsettling because among India's native strengths has been the capacity to assimilate diverse foreign ideas, cultures and peoples over the millennia—enriching both the entrants and the host in the process.

Given this fact, the strong fears of the 'foreign' still residing in India are disconcerting. For example, in the political class, the Rashtriya Swayamsevak Sangh (RSS) and the Communist Party of India today converge in their fundamental suspicion of the outsider, albeit different ones. In the Indian bureaucracy, the apprehension about external penetration strongly limits its willingness to divest control over both the economy and the state. And in the Indian military—despite being better on this count than other arms of the Indian state—an odd mixture of anxiety and pride often serves to limit the access offered to its best global partners, while also constraining its ability to sustain deep engagement with them.

These insecurities, however manifested, impede India's ability to learn from the outside world and eventually improve upon it, thus raising questions about how a country so lacking in assurance can swiftly become a great power. This reticence is, in fact, paradoxical not only because of India's history, which demonstrates the extraordinary absorptive powers of its civilization, but also because Indian citizens often effortlessly leave their birthplace to settle abroad and acculturate easily to their adopted homelands.

If Modi's quest for India to become a leading power, then, strengthens Indian composure, the foundations would be laid for making some difficult decisions about economic reform domestically; containing those elements on both the right and the left that would disfigure India's democracy and retard its development, respectively; and articulating a clear vision of India's role in Asia and the world without either defensiveness or hubris.¹⁴¹ The stage would also be set for cementing the strategic partnerships that India has sought to build in furtherance of its own interests, taking the initiative in developing cooperative solutions that address the most pressing regional and global challenges, and building the military capabilities necessary to protect India and to provide the public goods needed to strengthen peace and security throughout the Indo-Pacific and beyond.

A focused effort along these lines would make India's journey towards achieving great power status easier. If the nation were to realize the ambition of becoming a prosperous country by the centenary of its independence, it will already have been along its way to becoming a leading power. There are few leaders in India today who have Narendra Modi's capacity to articulate the importance of this vision in ways that are comprehensible to the polity at large—and to implement it effectively thanks to his dominance in Indian politics. Moreover, India enjoys the unique advantage of having its rise unambiguously welcomed by the most important power in the

¹⁴¹ On this last issue, Subrahmanyam Jaishankar's recent book, *The India Way*, represents a big step forward in articulating the beliefs that are necessary to facilitate an emerging power's rise as discussed in Manjari Chatterjee Miller, 'The Role of Beliefs in Identifying Rising Powers', *The Chinese Journal of International Politics*, 9:2 (Summer 2016), 211–38.

international system, the United States. Building on the initiatives first undertaken by Atal Bihari Vajpayee and then elevated to new heights by his successor as prime minister, Manmohan Singh, Modi can be justifiably proud of his own contributions to cementing New Delhi's strategic partnership with Washington. If Modi moves India further towards its long awaited 'tryst with destiny' in all dimensions—political, economic, social and international—he will have finally cemented the road to it becoming a true great power.

Appendix

Table 2: Summary of GDP Projections

Title of Study (Year)	End Date of Projection (Year)	Units	Estimated Absolute Size of Indian Economy in Year 2050	Estimated Absolute Size of Chinese Economy in Year 2050
Juggernaut: How Emerging Markets Are Reshaping Globalization – Carnegie Endowment (2011)	2050 Normal Growth	Real GDP 2005 USD	15,384 billion	46,265 billion
	Low-Growth		8,381 billion	23,806 billion
The Long View: How Will the Global Economic Order Change by 2050? – PWC (2017)	2050	Real GDP 2016 USD	28,021 billion	49,853 billion
The Long-Term Growth Outlook of the Global Economy – Klinov (2008)	2050	PPP 2000 USD	39,400 billion	50,400 billion
Vision 2050: Maintain Position As a First-Tier Nation – JCER (2014)	2050	GNI USD	7,250 billion	10,010 billion
The Great Shift: Macroeconomic Projections for the World Economy at the 2050 Horizon – CEPII (2012?)	2050	Real GDP 2005 USD	10,654 billion	30,049 billion
The Long View: Scenarios for the World Economy to 2060 – OECD (2018)	2060 (baseline scenario)	PPP 2010 USD	41,450 billion	54,357 billion

Notes: The list of *Western Democracies* includes Canada, France, Germany, Italy, the United Kingdom, and the United States.

Estimated Absolute Size of the US Economy in Year 2050	Estimated Relative Size of the Indian Economy in Year 2050		Estimated Absolute Size of the Western Democracies + Australia and Japan in Year 2050	Estimated Absolute Size of US + Japan + Australia in Year 2050	Estimated Absolute Size of China + Russia in Year 2050
	Relative to China	Relative to the US			
38,646 billion	0.33	0.39	66,913 billion	47119 billion	50562 billion
31,111 billion	0.35	0.27	53,878 billion	38133 billion	27017 billion
34,102 billion	0.56	0.82	65,872 billion	43445 billion	54980 billion
36,563 billion	0.78	1.08	67,832 billion*	45481 billion*	55800 billion
			*Australia not included	*Australia not included	
31,460 billion	0.72	0.23	56,480 billion	38,580 billion	11,290 billion
24,878 billion	0.35	0.43	52,616 billion	34,904 billion	34,548 billion
31,991 billion	0.76	1.30	62,683 billion	41,625 billion	58,650 billion