

## **DEBATE**

### **INDIA IN THE EMERGING GLOBAL ORDER: THE NEXT DECADE**

India has always played a global role since its independence. Inadequate economic development, limited military capabilities, regional constraints posed by neighbouring aggressors, and enormous domestic difficulties have not prevented India from leading the Non-Aligned Movement, Group of 77, playing an active role in the United Nations, and making its voice heard on all critical issues, such as disarmament, North-South Dialogue, and various trade negotiations.

In other words, India acted as a global player against all odds and obstructions. In the changed circumstances of the post-Cold War era, the Non-Aligned Movement lost its lustre and vigour, the North-South Dialogue got diluted, the Group of 77 remained just on paper, and the United Nations could play only a small role in maintaining international security and peace in a unipolar world order.

As the unipolar world order is now under tremendous stress with the relative decline of US influence in world affairs, the considerable spread of Chinese influence around the globe, the near collapse of the European Union as a unitary actor in international politics, the rise and fall of ISIS in the Middle East, and the new uncertainties in the Indo-Pacific region marked by Chinese assertiveness and North Korean WMD proliferation, India has emerged as a significant role player. Indeed, it could be said that it is on the cusp of a major transition occurring in the global order.

Unlike in the recent past, India is economically more robust, technologically more advanced, and militarily more formidable. It has acquired recognition internationally as a new global power. China today has monetary power, but India's soft power is unmatched. China shows no activism in containing terrorism, promoting non-proliferation, combating drugs trafficking, and playing a leading role to shape regional order anywhere in the world. At the same time, it appears to be determined to challenge the US position anywhere and everywhere in subtle and not-so-subtle ways. A sort of cold confrontation is on the rise in US-China relations. On the other hand, Russia has shown guts, and has acted fiercely to reassert its position as a global power. The rise of Russia as an important player in Europe, Central Asia, and the Middle East has irked the USA.

Under such circumstances, India needs to think hard about charting out its diplomatic and political course of action in order to play a constructive role on all major global issues that directly or indirectly impact its interests.

What should India's role be in the coming decade? How should India balance its regional preoccupations with global issues? What should be the extent of India's engagement in the other regions of the world? How should India manage its relations with the other global powers? How should India deal with the issues related to the global commons? How should India make itself more secure? How should India make its economy well protected at the time of rising economic nationalism? How should India handle the growing presence of external actors in its immediate neighbourhood? What can India do to become the dominant security provider in the Indian Ocean? What should be the limits of India's involvement in areas and issues that do not affect its core interests?



The Indian Foreign Affairs Journal had invited six experts in the field to comment on the above, and offer their views. Their views are as in following pages.

*(The views expressed by the authors are their own, and do not reflect the views of the Indian Foreign Affairs Journal, or that of the Association of Indian Diplomats)*

## ***India Needs to Position Itself in the New Technological Revolution***

Kanwal Sibal\*

To address the subject and assess India's place in the emerging global order in the next decade, one should first examine more closely the concept of a "global order". No such order has existed in human history and, even today, when countries and people are linked together as never before, no global order exists as such. A global order would imply established laws and rules of conduct at the international level, which all are required to observe and, if infringed, would invite penal action by an empowered justice system.

The United Nations is the closest we have come to a form of government at the international level, with powers to enforce its decisions under the relevant provisions of its charter. But, because its functioning has depended crucially on consensus within the Security Council, and this has been lacking on issues where the interests of the permanent members are divergent, its actual performance has been far below expectations. Equality before law is a fundamental principle that any order should rest on; but by creating a class of permanent members with veto rights, the UN has vitiated this principle. Any order should exclude unlawful use of force at the level of the state; but we have seen so many instances of powerful countries using force to remove governments *without* the approval of the UN Security Council.

Similarly, no order should countenance the use of double standards in dealing with issues of general concern to the international community, be it those involving terrorism or human rights. In reality, we see double standards being applied at the international level, with friends of the powerful countries - or those with a capacity to retaliate - spared, and the vulnerable or perceived unfriendly countries targeted. The present "order" is undoubtedly an improvement on what has existed in the past; but it remains one where the writ of the powerful rules essentially, even if the sense of being an international community with shared interests has developed, international public opinion exists in some form, and countries cannot follow totally self-serving and self-aggrandising actions as easily as before because the world has become more integrated and interdependent. For affirming their leadership, the powerful countries have the need to project a moral basis for their policies, and invoke universal values.

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We should also keep in mind that the international order, such as it is, has been in flux for decades now and, therefore, to believe that India has a new challenge before it would not be correct. The world has seen key changes in the global order after 1945. With decolonisation, the global order dominated by European powers received a major blow. The Cold War created a bi-polar world order, with the division of the world along ideological lines - between capitalism and communism, between the Soviet Union and the West. But this was only at one level because, at another level, bi-polarity did not accurately define the situation that had emerged. Bi-polarity is a west-centric vision that ignored the rise of non-alignment as a third force on the international scene, one in which India played a leading role.

The collapse of the Soviet Union, leading to the end of the Cold War, brought about a huge change in the global situation that existed till then. The USA emerged as the sole global power, opening the doors to the expansion of NATO and the EU eastwards that aimed at geopolitically weakening Russia durably. The world saw US unilateralism in action in West Asia in particular, with regime change in Iraq and the ensuing terrible consequences for the region. The USA believed that it could redo the map of West Asia, obtain control of its oil and gas resources, and bring about democratic change in the wake of its belief that the political and economic values - those of democracy and the market economy - that it espoused as a nation had been validated by its victory in the Cold War and were ready for spreading world-wide as an integral part of US foreign policy. Globalisation was a direct result of this line of thinking: the market economy was an instrument of democracy and vice-versa. With the end of the Cold War, nonalignment too was seen to have lost much of its political rationale and progressively faded as a political force, though as a collective group it still exercises influence in multilateral negotiations, especially within the UN framework.

When we talk of an emerging global order, we gloss over the fact that this order is always evolving because of changes in the international landscape. There is, nonetheless, one aspect of today's international order that perdures despite resistance to it, which is that the West remains dominant. We are still grappling with the international order created by the West in 1945. The role of the USA was the most important in shaping this order as Europe was exhausted after World War II, and the USA emerged as the dominant power, politically, economically and militarily. It considered its own model of political and economic governance much superior to any other, and tried to transfer it to the international stage by propagating it as an ideology, and founding international financial and other institutions as instruments of support. After

the demise of the Soviet Union and the end of the Cold War, the USA began promoting democracy and the market economy world-wide through “coloured revolutions” in areas of geopolitical sensitivity, including the encouragement of the “Arab Spring”.

The most significant initiative, the consequences of which are being felt today by the USA, was the one involving the relationship with China. The USA believed that opening the world market, especially that of the USA, to an economically reforming China would, along with building prosperity there, create a middle class that would demand political reforms and a greater say in governance, leading to a democratic China with stakes in the preservation of the existing international order in which the USA would remain the pre-eminent power. Whether this reasoning was simply a cover to justify the globalisation of US corporations, and satisfy their long standing yearning to break into the world’s largest market, can be debated. However, the fact remains that the calculations about China have proved erroneous. If today there are concerns about the existing international order being threatened, the principal source of this is China. The USA has realised that its economic power has got eroded, and its political and military supremacy is no longer unchallenged. US embroilment in wars in Afghanistan and West Asia has weakened the American economy, with public support for US interventions abroad to spread democracy and do nation building, withering away. Donald Trump is a product of this changed sentiment in America towards globalisation, and explains his America First approach.

The challenge to the existing order is coming both from China as well as the USA itself, the country most responsible for conceptualising it. Donald Trump has questioned America’s traditional security relationships, has chided allies for not adequately paying the USA for defending them, lauded Brexit, attacked the EU, and criticised Germany’s trade practices. He has walked out of the Trans Pacific Partnership, wants NAFTA to be renegotiated, is against multilateral trade deals, is sniping at the WTO and, by increasing tariffs on several products such as steel, aluminium, washing machines, solar products that affect China, the EU, Korea, India, and others, has raised the spectre of trade wars. China is his principal target, whom he accuses of stealing IPRs and of forcing US companies to part with technologies as a price for entering the Chinese market. To Trump’s threat to impose tariffs on Chinese exports worth US\$150 billion, China has retaliated with threats of its own. The upshot of this is the erosion of the central role of the WTO in regulating global trade. Trump has walked out of the Paris Agreement on Climate Change because he thinks this puts US companies at a disadvantage internationally.

Unconcerned about what it conveys about US commitment to agreements that it has itself negotiated, Trump is determined to disown the nuclear deal with Iran. He has now bombed Syria twice in violation of international law on the disputed issue of the use of chemical weapons by the Assad government. To counter Iran's regional role, Trump is backing Saudi Arabia's military intervention in Yemen. Against his own inclinations, he has been forced into raising the level of confrontation with Russia by expelling a large number of Russian diplomats, closing down the Russian consulate in Seattle, and, under Congressional pressure, sanctioning Russian government officials, parliamentarians, oligarchs and others, and several companies in the field of energy, banking, arms exports, and so on - all reputedly linked to President Putin's inner circle. Russia is being treated as America's biggest geopolitical enemy. In the process, Russia is being thrown more and more into the arms of China. With Russian dependency on China increasing because of western sanctions, China has been geopolitically strengthened. With its Russian flank covered, it has more room to pursue its connectivity projects in Eurasia as part of directly linking China economically to Europe.

The second challenge to the existing global order is coming from China whose economic rise in the last couple of decades has been spectacular. It has become the world's second largest economy, and the largest exporting country. It has accumulated almost US\$ 3 trillion in reserves and built massive capacities in certain sectors. Through its Belt and Road Initiative (BRI), it is linking the economies of a large number of countries to its own, and finding market opportunities for the over-capacities it is saddled with. The maritime dimension of BRI is linked to its naval ambitions. It has set up the Asian Infrastructure Development Bank to vie with the World Bank and the Asian Development Bank.

The USA is calling China's economic policies predatory. It is now seeking to curb China's expansionism by supporting the Indo-Pacific concept, originally promoted by Japanese Prime Minister Abe. The 2018 US National Security and Defence Strategy documents are now openly identifying China as a strategic competitor, and recognising its ambition to dominate Asia and eventually replace the USA as the world's pre-eminent power. With President Xi consolidating his total grip on power at the 19th National Congress of the Chinese Communist Party in October 2017, the constitutional change allowing him to continue as President indefinitely. With his China Dream, which aims at making China into an economically developed country, with modernised armed forces capable of winning wars that would be at the centre of international relations by 2050, President Xi is determined to modify the existing international order to its

advantage. China's discourse on issues of sovereignty has become intransigent. Its actions in the South China Sea, seen as a violation of a rules based order and international law, have laid to rest the notion of its peaceful rise. This has serious implications for India.

While China is set to challenge the USA, the fact remains that the emerging global order will still be dominated by the USA, and India will have to factor this into its policy choices in the next decade. Apart from the fact that the USA is the world's largest economy - and by far the strongest military power with a massive defence budget - the status of the US dollar as the prime international currency gives it an unmatched grip on the world's financial system. China and Russia are conscious of this, and want to dilute this grip by trading in Yuan and roubles, but without much success so far. The policy of sanctions that the USA uses to target countries and individuals is based on its control over all global transactions in US dollars. No country wants to lose access to the US financial market by violating US sanctions, even if they chafe at the extra-territorial application of its domestic legislation. US credit rating agencies exert a lot of influence in how the markets look at the creditworthiness of countries for investment purposes, which is why the BRICS countries want to establish credit rating agencies of their own. The internet is controlled by the USA; the social media giants are American - though China has developed its own indigenous capacities, keeps out these US giants, and resorts to censorship. The West still dominates the global communication networks that shape international opinion, though other countries have developed influential networks of their own, particularly Russia with its RT network which the US has tried to curb by violating its own commitment to the freedom of expression. The USA has also spawned bodies that rank countries on the scale of transparency, corruption, religious freedom, and so on, which are used as points of pressure. It issues global reports on human rights and terrorism, using once again these instruments to exert moral superiority over other countries as part of its exercise of soft power. The world will have to live with these realities in the decade ahead.

While speaking of an emerging global order and India's place in it, the existence of regional orders that India has to relate to should not be lost sight of. The European Union has created a regional order of its own; so has ASEAN. Russia has initiated the Eurasian Economic Union. Together with China and the Central Asian states, the SCO has emerged with the ambition of structuring a new kind of relationship between countries. Africa has its African Union and several other sub-regional organisations. Latin America has created its own relationship structures. South Asia has not been able to establish a

successful sub-regional order of its own because of Pakistan's recalcitrance. The important point here is that the dynamics of regional orders may be different from and may influence developments at, the international level, and India has to take this into consideration.

India has shown the capacity to adapt to changes in the international scene. It found a way of dealing with the Cold War by choosing the path of nonalignment. After the end of the Cold War and the disappearance of the Soviet Union, it re-adjusted its international ties by opening to the West, liberalising its economy, and integrating it with the global economy as never before. It aligned itself with the process of globalisation from which it has profited, but at a pace that is consistent with its national interest. In the WTO, it has stood firm on certain questions so that the outcome of negotiations remains a balanced one. It has been a victim of the international order in the nuclear, missile, and high and dual technology domain for long years, but without giving up its right to develop a deterrent of its own. It became a nuclear power in defiance of all the restrictions imposed on it, and has been able to eventually integrate itself with the global non-proliferation order largely on its own terms. As a democracy, it has accepted a multi-stakeholder concept in addressing issues of internet governance. On climate change, India has adroitly moved away from a negative image in international negotiations to a positive one, in which it has launched an International Solar Alliance to mark its commitment to clean energy for which it has formulated a highly ambitious programme for the country.

Looking at how India will relate to the emerging international order ten years ahead is a speculative exercise, but some things are clear. India's role in influencing its evolution will become increasingly significant. India's economy could well double, and become a US\$ 5 trillion economy by 2025. This means that its economic clout at the international level will increase. This pre-supposes that trade wars and protectionism do not become policies of choice by the big powers, and the growing anti-globalisation sentiment is contained. Logically, it appears that since the world has become so inter-linked and interdependent in recent years, the process of globalisation cannot be reversed because the impact of this would damage the global economy, and affect growth rates and prosperity worldwide. It is ironic that President Xi Jinping has become the advocate of globalisation and free trade while Trump has become the voice of protectionism. This cannot last. China will have to curb its ambitions, and modify its Belt and Road Initiative by making it more transparent and participatory, and by respecting international financial norms. As India grows, it will come under more pressure on the trade front, as is evident from the

manner in which it is being dragged to the WTO by the USA, and pressed to reduce its trade surplus with it.

India and China are unlikely to resolve their differences in the decade ahead, whether political, economic, or in the security domain. China's inordinate ambitions in Asia, its relationship with Pakistan, its policies in our neighbourhood, its maritime ambitions, its plans to have logistic bases in key Indian Ocean countries, its stand on sovereignty issues, are unlikely to be modified because of India's sensitivities, especially as India will not be able to sufficiently bridge the gap with it in the next ten years. The West will, therefore, have little reason to fear India and China coming together to re-shape the global order. In any case, India as a democracy and China as an authoritarian state will have different perceptions on the principles on which the international order should evolve. China's approach is disruptive while India's is not. On some issues, India and China can work together, such as energy, climate change, the WTO specific, reform of the international financial institutions, and so on. India has several differences with the West on issues such as regime change, the abuse of the responsibility to protect, imposing sanctions on countries without UN approval, and so on. We may have more commonalities with China on these issues; but the dilemma for India would be to avoid a situation in which a rising and ambitious China gains most from a challenge to the West assisted by India, compounding, as a result, India's own bilateral challenges from China. India's quest for permanent membership of the UN Security Council is unlikely to fructify in the years ahead, and not only because of China's opposition. Any change in the UN Security Council permanent membership will be a major revision of the international order created in 1945 and will, therefore, be a difficult exercise.

With the USA, the positive dynamics of the relationship will be maintained in the interest of both sides. The USA is a difficult partner, not the least because of its power, sense of exceptionalism, system of governance, and so on. However, the USA and India have a shared interest in curbing China's aggressive rise and, in our case, even more so as we have geographical contiguity with China and, therefore, are more directly exposed to Chinese power. The USA will have to give us adequate space in the evolving order so that we can exercise our strategic autonomy, rather than see us as a pliant partner to preserve its own dominance of the global system. We will have to grapple with this conundrum in the years to come. We will have to balance our participation in forums such as BRICS, RIC, and SCO with the trilateral equations we have built with the USA and Japan in the context of the Indo-Pacific concept, and eventually a quadrilateral equation with the inclusion of

Australia. Russia and China see the SCO as an entity that would rival and counter the West, which is not how India would look at it. We would see it more as a space in Asia where peace, security, and development can be ensured by shielding it from externally sponsored disruptions. Our Act East policy will be pursued with vigour. Regional security architecture in Asia as discussed in the East Asia Summit will not emerge unless China adheres to a rules based order, which means that the concept of the Indo-Pacific will remain relevant. India has now an ambition to export arms in a major departure from its past policy. This would be in line with its readiness to play a more active role in providing security for its partners in the Indian Ocean region in particular.

The whole issue of innovation, control, and sharing of mega data, artificial intelligence, 3-D printing, robotics, security in cyber space, and so on, will have great bearing on future equations between countries and structures of international governance. India cannot be left behind in this game in the coming decade and will, therefore, have to develop policies in these domains. China is already focusing on the new technologies whose impact on businesses and societies will be immense. The West is sensing the threat to its lead in technology, and one consequence is tightened controls on Chinese takeovers of their high technology companies or investments in them.

India is in a favourable spot as its rise is not considered threatening. India will not become a leading country, as is the government's aspiration, if in the next 10 years it does not position itself strongly in the new technological revolution that is in the offing, with a bearing on the emerging international order.

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## ***India: The New Power in the Emerging Global Order***

Chintamani Mahapatra\*

India is the newest global power in the evolving world order. For long, many Indian analysts refused to accept the idea of India as a global power. They would highlight India's negative attributes and problems, and argue that a country with so many poor people, so much social diversity, rampant income inequality, and a pitiable HDI ranking cannot be considered a global power. Ironically, when foreign analysts would project India as an emerging power, Indians were the first to criticize it; and then would be the turn of the Chinese, the Pakistanis and others to do so.

The joke that was doing the rounds until recently was: India is an emerging power, and will always continue to be so. This meant it would keep emerging, and never emerge. During his visit to India, US President Barack Obama in his speech to the Indian Parliamentarians stated that India is "an emerged", and not an emerging power; but many did not take note of it. Even the Indian media, which is otherwise very watchful and vibrant, did not debate Obama's observation. Some, of course, ignored it as an effort by the high profile visitor to please the host. In fact, earlier when some American officials or analysts made a statement about India characterizing it as a global player, Indian analysts sarcastically dismissed it by saying that India did not require such a certificate from a foreign power, particularly the USA.

Recently, the Trump Administration released its first National Security Strategy Report. The report describes India as a global power. It is, indeed, a recognition of India's new status by the sole super power of the day, and the world has certainly taken note of it. Some Indians have surely noticed this, but the lack of criticism or excitement in India displays certain amount of maturity.

India has myriad problems at home. But, despite all those difficulties and drawbacks, India's voice in world affairs carries considerable weight. It needs to be emphasised that even when India was industrially and agriculturally backward, was unable to produce enough food and was receiving food aid from abroad, its military was not very powerful, its existence as an independent international actor was a post-Second World War development, India could play the role of a leader of more than a hundred members of the

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Non-Aligned Movement, Group of 77, and was in the forefront of the movement seeking a New International Economic Order and a New International Information Order. Now that India is a credible nuclear weapon and missile power, a respected member of the Group of 20, a large country with an increasingly dynamic economy, India's voice in world affairs is undoubtedly persuasive and forceful.

What are the main arguments made by commentators and analysts who contest the view that India is a global power? First, India is a developing country, with a large segment of its people living in abject poverty. A country that cannot feed its own people cannot be counted as a major global power. Second, the Indian economy is a very small slice of the global economy. It is neither a big trading nation, nor has substantial investments abroad, nor still is it a noted aid giver. The world economy would hardly suffer if the Indian economy faces downturns; but the reverse can have serious adverse impacts on India. Third, notwithstanding India's de facto nuclear weapons arsenal, its military reach is pretty limited. It is yet to develop a blue water navy. It is yet to possess a credible ICBM capability. It does not have foreign military bases. Fourth, India may be a military power due to its large army and its WMD capability; but it does not have a record of military domination even in its own backyard. Pakistan and China are two WMD capable nations along its border; and all smaller nations surrounding India, except Bhutan, have shown more deference towards China, and have begun to challenge India's positions in very many ways.

Fifth, India's influence is checkmated by China's in Africa, Asia-Pacific, Latin America and, even to some extent, in West Asia. Sixth, all those international groupings, such as NAM and Group of 77, where India provided leadership at one time, are no longer in effective existence. India no longer enjoys followership in the developing world. On the contrary, India is criticized by Third World leaders for often siding with Western countries, or for narrowly focusing on its own national interests. Seventh, India is one among several contenders for a permanent seat in the UN Security Council. If this position entitles a country to be recognized as a major global power, so be it. But the fact remains that India's incessant efforts for entering the UN Security Council have not fructified. Even if the UN Security Council is expanded in the future and India is offered a permanent seat, there is very little possibility of India acquiring the veto power that is currently enjoyed by only the Big-5.

All these arguments are impressive on the surface. But the main question is whether the above arguments are sufficient to repudiate the understanding that India is a global power?

The first argument is based on the presence of a large number of poor people in India. Cannot a country with large concentration of the poor be a great power? Is poverty index or income inequality in a country the only decisive standard by which one should judge the power and capability of a country to exert influence in world affairs? Are there not poor people in the USA? Is income inequality in extreme forms non-existent in the USA? Does China not currently have huge income inequality of a serious nature in its society?

The second argument – that India is a small slice of global economy – also has its weaknesses. India is certainly afflicted with extreme poverty conditions in its cities, towns, and villages. If the purchasing power of millions of poor improves, the Indian economy will also improve the size of its slice globally. But, there are a large number of millionaires in dollar terms in India. These millionaires are the consumers of global luxury goods, and many of them contribute to the economies of other countries through the tourism industry as well. Many Indian companies have turned multinational. India has also moved from being an aid recipient country to a donor country. India has become an attractive destination for foreign investors. Its market is quite large due to an expanded middle class.

The third argument is based on India's military reach to other parts of the world. Even here, except the USA and Russia (the erstwhile Soviet Union), no other great power has a credible military reach to various parts of the global. China, Britain, and France have regional/sub-regional specific reach to certain parts of the world. Moreover, British and French moves are mostly within the parameters of the Atlantic Alliance – and that too under US secret or open support. China has undoubtedly been developing a blue water capability and incessantly modernising its naval forces. But let us not undermine the fact that the US still possess eleven aircraft carriers compared to China's one, and another under construction. When China was recognised as a big power and made a permanent member of the UN Security Council, what was its military capability? It also needs to be emphasised that Taiwan was represented for years in the UN Security Council until after the entry of Mainland China in early 1970s.

The fourth argument is based on military domination in South Asia. This is a weedy argument given the fact that Britain and France do not exercise military domination in the region surrounding their territory. The USA is indubitably a global superpower. But only military might is insufficient to dominate a region. The experience of the USA in handling Cuba (a tiny island country about 90 nautical miles off the coast of Florida), and the US experiences

in the Korean War, the Vietnam War, and Afghanistan should remind those who over-emphasise the military aspects of great power status. It also needs to be remembered that when India helped the liberation of East Pakistan that became the new state of Bangladesh, it was not even a nuclear weapon power!

The fifth argument is based on China's growing influence in Africa, Latin America, and West Asia. It is contended that China is undercutting India's influence in these regions of the world. In fact, there is no direct co-relation between China's increased influence and India's decreased influence. China, flushed with international hard currency and tremendous rise in its demand for natural resources and primary commodities, has ventured into all those regions to promote its economic interests. In recent years, with a relative slowdown in China's growth rate and economic activity, several of those regions have been adversely affected. China's influence has commensurately declined. China has been a relatively new entrant to those regions, and the spread of its economic presence has affected all traditional players, including the USA, only relatively. India can still improve its connectivity, and harness the benefits from those very regions, and all this would depend on India's own economic performance.

The sixth argument points to loss of India's influence in NAM, Group of 77, etc. It is true that India has lost its moral leadership in the developing world. But times have changed, and no other country has replaced India's moral leadership in the developing world. In any case, when the position of a country is elevated to the level of a Great Power, realpolitik precedes moral leadership.

The seventh argument is a complex one. There were times when all the permanent members of the UN Security Council had unequal power and influence over events around the world. When the United Nations was established, there was only one hyper power with demonstrated nuclear capability and overwhelming wealth – the USA. And there was one rival – the former Soviet Union. France and Britain were war-devastated economies, which were fast losing their empires too. China was in the throes of a civil war at the time of the creation of the United Nations. Yet, France, Britain and China were chosen as the big powers, deserving a place on the high table with veto powers. There was no definition of a big power or a great power. The decision to select the permanent members, through diplomatic negotiations, was taken by the victors of World War II. India, not China, at that time was first considered for permanent membership in the UN Security Council. For reasons best known to the Indian leadership, the offer was declined. More strange and logic defying was the position of the Nehru Government – to

persistently back the proposal to make Mainland China replace Taiwan as the UN member, and that too after the Chinese invasion of 1962!

Thus, the main arguments against considering India as a global power are unconvincing. India's evolution since Independence as a resilient democracy of a billion plus citizens of the earth, its achievement as a dynamic economy despite the demographic burden, its ability to be a marvel in various frontiers of science and technology, its leadership role in issues relating to global governance, its diplomatic sophistication, military prowess, role in UN peacekeeping operations, mature behaviour in the face of provocations from across the borders, and many other attributes are indicative of India's new status as a global power.

Significantly, more than Indians, it is foreign leaders and analysts and commentators on international politics who have been increasingly alluding to the new status of India in the fast changing global order. The Chinese government that refused to recognise India as a power to be reckoned with for a long time, has altered its behaviour in recent years, and India has been perceived as a threat to China in certain quarters in that country. While China is reluctant to back India's candidature for a permanent seat in the UN Security Council and in the Nuclear Suppliers Group for a variety of compulsions, its body language and terms of its engagement with India have considerably transformed. Britain, France, and Russia openly support India's entry into the UNSC on the ground of, among other things, India's impressive role in world affairs.

**Shashi Tharoor has rightly observed:**

Our democracy, our thriving free media, our contentious civil society forums, our energetic human rights groups, and the repeated spectacle of our remarkable general elections — all of these together make India a rare example of the successful management of diversity in our globalised world.<sup>1</sup>

In fact, India is viewed as a role model of democracy by several countries that aspire to establish democratic governance. India's soft power has spread across the world, and is another strong indicator of India's new status in the emerging world order. While the Indian economy has enormous potential for expansion and growth, and the current state of the economy is a small part of the global economy, India's economic achievements and changing demographic profile have attracted international attention. From a food deficient country, India has moved upwards to be in the top five of various food producers,

including livestock, in the world. Although India still houses large numbers of an illiterate population, it is now recognized as a significant knowledge producer in the world. India's ability to handle refugees, assist other countries in disaster management – exemplified by India's role in the aftermath of Tsunami in the Indian Ocean region, the earthquake in Nepal, the water crisis in Maldives, and India's role in nation-building in conflict ridden societies – are all important indicators of India's new status as a global player.

It is worth noting how the sole superpower of the contemporary world has viewed India in recent years. In 2002, Washington looked at India as a “potential[ly] great democratic power of the 21<sup>st</sup> century.” Four years later, the Bush administration characterized India as “one of regional and global engines of growth”. The Obama Administration by 2010 had recognised India as one of “21<sup>st</sup> century centres of influence”, and now the Trump Administration welcomes “India's emergence as a leading global power.”<sup>2</sup>

There is no widely acceptable definition of a great power. Great powers, moreover, rise and fall. Great powers have limitations of all kinds, including military defeats caused by non-military considerations. Great powers sometimes act unilaterally; but even super powers know that at other times they cannot work alone. The support of allies is crucial for them to get things done. India at one time was a great power, an economic power, a commendable soft power – and then it suffered decline for centuries. Now India has re-merged as a new great power in the contemporary world order. Whether India's relative power will further grow, whether India can sustain even its current status as an influential nation, or whether India will face insurmountable hurdles ahead are matters of conjecture at the moment. As of today, India is a new great power.

#### **Notes :**

<sup>1</sup> [http://shashitharoor.in/writings\\_essays\\_details/317](http://shashitharoor.in/writings_essays_details/317)

<sup>2</sup> <https://www.financialexpress.com/india-news/us-supports-indias-emergence-as-a-leading-global-power/1177623/>



## ***Need to Show Wisdom and Dexterity to Traverse Turbulences***

Sanjay Singh\*

The global order is once again in the process of inexorable transformation. The rise of Asia, and in particular, the rise of China and India, is challenging the dominance of the West on all matters global. The unipolar hegemony exercised by the US after the fall of the Soviet Union has ended. But history never ends. It keeps being written and rewritten. The financial crisis of 2008 was an inflexion point signalling the beginning of yet another profound renewal of the global order. The next decade will be transformative.

The financial crisis of 2008 found Western economies wanting. It was the concerted effort of the emerging economies, especially China that prevented the recurrence of a great depression. It was the growth of these economies and their actions to significantly boost demand that provided the impetus for the much-needed reflation of the global economy that the Western economies were unable to provide. The animal spirits released by economic reforms and social changes in Asia since the latter decades of the 20<sup>th</sup> century, had started paying dividends.

### **The world had come full circle.**

Asia had dominated the global economy till the 17<sup>th</sup> century, but rigid political and social structures arrested its growth. While Asia started stagnating, political and social structures came into being in Europe, which supported scientific and technological pursuit and led to the industrial revolution and the rapid accumulation of economic and military power by European countries, which they utilised to extend their worldwide dominance.

The 18<sup>th</sup> century saw Europe and its extensions in North America and Eurasia dominating the global order. Drawing inspiration from its own Judeo-Christian heritage, Europe crafted the Westphalian rules of the 17<sup>th</sup> century and took decisions at the Congress of Vienna in 1815 to construct a world order dominated by a concert of European powers and governed by concepts and rules specifically designed to promote their political and economic interests. The global institutions, which came into being especially in the 20<sup>th</sup> century, reflected this reality.

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The victors of the Second World War, led by the United States, added their own refinements to this palimpsest to reflect their interests. The composition of the UNSC in the newly set up United Nations underlined this reality. However, early in the second half of the 20<sup>th</sup> century, the victors fell out into two contending blocs, led by the United States and the Soviet Union. Thereafter, they crafted a false balance of power in which they acted in concert when their interests coincided (the non-proliferation regime and the NPT being cases in point) and when their interests did not coincide, visited proxy conflicts on hapless countries, mainly in the so called 'Third World'. However, by end of the 20<sup>th</sup> century the Soviet Union collapsed, leaving the US as the sole super power in a unipolar world.

It was the US led Western Alliance, economically the more powerful of the two, that was instrumental in the creation after the Second World War of the Bretton Woods institutions; General Agreement on Tariffs and Trade and all the other arrangements and rules that governed to a large extent; the conduct of global economic interactions; and the global commons. The Soviet Bloc, China and the 'Third World', had to reluctantly acquiesce. These rules and arrangements, while of utility to other countries to varying degrees, underlined the Western hegemony. The \$-US dollar was the new Emperor and all paid obeisance to it. The arrangements gave inbuilt advantages to the West, such as under GATT for its agricultural sector, in the control and primacy in the pricing of oil and gas, in economic aspects of growing global connectivity. The international financial architecture reflects the West's control of capital markets. Maritime tariffs and insurance aid the West's dominance of international trade, all illustrative of the dominance of the West on the global economy. Where developments did not suit it, it was not averse to using force to reverse them, as the US did a number of times in South America as in Chile, or as Europe did in Africa, as in the Congo.

However, by the last decades of the 20<sup>th</sup> century the logic of Western hegemony also led inexorably to globalisation and rapidly brought about an integrated world interconnected by modern telecommunications, the internet, transport linkages, growing trade and tourism, capital and technology flows, outsourcing and off-shoring of businesses, sourcing of energy, food and other commodities from distant lands, increasing migration, and labour flows. More importantly, technology began concomitantly developing at an accelerating pace, creating new modes of production and services. The dissemination of this knowledge and its adaptation gradually brought into being a new set of winners and losers.

The process continues. Robotics and Artificial intelligence, Nanotechnology, Quantum technology, Genetic engineering and their applications-both military and civilian, will continue to create new paradigms. Climate change and renewable energy may make fossil fuels redundant and rare earths, the new precious metals sought by all. Deep space, Cyber space and the ocean depths will be the new frontiers. These developments will continue to foster a period of ever accelerating change, in which countries which are best able to leverage these forces will create new geo-economic and strategic paradigms to their advantage.

Globalisation has also led to rapid economic growth in the lesser developed parts of the world. This is especially true of the Indo-Pacific region populated today by over 3.5 billion people (nearly 50 percent of the global population) with a combined GDP of over \$ 25 trillion. The region has been the fastest growing region of the world over the past few decades and today contains six of the world's largest economies and members of the G-20 - China, Japan, India, South Korea, Australia and Indonesia, consequently shifting the global centre of gravity eastward from the West.

China is today the largest economy in the region and the second largest in the world, with a GDP of around \$12 trillion and \$23 trillion in PPP terms, by which standard it is the largest in the world. The US GDP is around \$19 trillion, Japan \$ 5 trillion, India \$ 2.5 trillion. A rising China, utilising its growing economic and military capabilities, is attempting to reorder the world through unilateral actions in the South China Sea, the Western Pacific and the Indian Ocean with initiatives such as the BRI (Belt and Road Initiative), investments and transport corridors- rail, road and maritime, pipelines and energy grids, promotion of the Yuan and setting up institutions such as the Asian Infrastructure Investment Bank (AIIB). Its pivotal role in fora such as the EAS, the CICA and the SCO are again proof of its increasing clout.

The Asia-Pacific order of the last half a century, of which the US was principal architect, is coming under increasing stress from the rise of China and from the strategic competition of the two countries with each other. A rising China is posing a challenge to US primacy in and beyond Asia - in Africa, South America and in concert with Russia, even in the Middle East, and definitely in the whole process of rulemaking and rule setting. Thus, the strategy on meeting and dealing with this challenge remains unclear - will it acquiesce in a new arrangement of great power relations or will it become increasingly adversarial? Either way, there will be significant consequences for the rest of the world.

China, by its rise and actions, is constraining the space of other major powers in its region - Japan, India, Indonesia- leading to new alignments between them and with the US. In the developed world too, change is taking place at an accelerating pace. A unified Germany has become the economic giant of Europe and is the moving force behind the European Union. Russia has once again risen like a phoenix from the ashes of the Soviet Union. It retains its formidable military strength and under President Putin is showing its readiness to assert its political will, as it has in Ukraine and Syria. Japan too, is exhibiting renewed vigour.

The unipolar moment has passed. Today other major powers are challenging the US and each other when their interests clash, along global fault-lines in North Asia, the South China Sea, Eastern Europe, West Asia, and in the economic sphere.

The weakening of US and Western control of global institutions and governance and the consequent diminution of benefits to them, has caused a backlash in the West against globalisation and renewed calls for national control. Brexit, the election of President Donald Trump and his call of 'America first', and actions on the trade front are instances of this. However, the logic of global progress dictates that these will be exercises in futility. Globalisation cannot be reversed. Neither can the fact that its benefits need to be shared equitably and that global governance structures need to accommodate all stakeholders.

Globalisation has had an enormous demonstration effect on people around the world on what is possible and what is lost from being left behind. Regions of the world perceived by their populations as lacking in political or economic opportunity or where their aspirations are not met, such as the Pak-Af region, or parts of Central Asia and the Arab world are becoming increasingly unsettled, giving succour to extremist ideologies, becoming wellsprings of terrorism and threatening global energy security.

What will the emerging global order be like?

While this is a difficult question to answer given the diverse transformative forces at play, it is safe to say that it is highly unlikely that the next decade will continue along the same lines as the present one. Global developments are rarely linear and there could be many Black Swans just beyond the horizon. The recent developments in the Korean peninsula area are case in point. These may spring from unexpected technological advances, a huge natural disaster, demographic causes, or miscalculations by global powers. With Trump as the US President, one can at any rate never be far from such a miscalculation.

It is a truism to state that for India, the next decade will provide both opportunities and challenges in the emerging global order. Our external environment will continue to be difficult, perhaps more so, as the international economic environment becomes more restrictive, thus affecting the choices we have in accelerating our own economic growth. Acquisition of technology and access to markets could become more difficult.

In our immediate neighbourhood, we have antagonistic neighbours to the north and to the west. Our borders will remain contested. With increasing Chinese support, Pakistani belligerence will only grow. China, with an expanding comprehensive national power much larger than ours, will continue to test us on the borders, in South Asia and in the seas around us. It will try and diminish our influence, thereby curtailing our space in our immediate and extended neighbourhood. Our neighbours will in all likelihood, leverage the Chinese presence to our disadvantage.

Crafting a *modus vivendi* with China will need to be on top of the Indian agenda. Whether the recent Informal Summit between Prime Minister Modi and President Xi Jinping in Wuhan will translate into substantive gains in trust and confidence building remains to be seen.

In South Asia, India needs to take a leadership role in demonstrating its good intentions and willingness to work with neighbours for mutual benefit. It also needs to build up its credibility by delivering on its promises. If it is to do this, it needs to develop internal mechanisms to deliver on its commitments in a timely and efficient manner, and of a quality that does not suffer in comparison.

At the global level, India, if it is to achieve its objectives in this emerging world order, must exercise strategic restraint and focus on its primary objective of nation building i.e. its economic strength, improving its social indicators and expanding its comprehensive national power to its full potential. This will require working towards energy, water and food security and harnessing the next wave of science, technology and innovation towards enhancing its domestic capabilities. On the socio-economic front, India will need to address threats stemming from religious and ethnic issues, fundamentalism, terrorism and the internal challenges owing to economic disparity, communalism, and population pressures.

Clearly, India will need to strengthen its defensive capabilities both in order to maintain a peaceful periphery and to deter any attempt to alter its borders by force. It is only as an economically strong and united nation that India can play a role commensurate with its size in shaping the global order

and its agenda, the governance of global commons, knowledge and information management, freedom and equity in use of space and cyber space and a host of other issues as yet unanticipated and unthought of.

With over one sixth of the world's population, a GDP touching \$ 2.5 trillion and a high growth trajectory, our international heft has increased commensurately. Today, India is a member of the G-20 group of leading economies. India has emerged over the last couple of decades as a player of significant consequence on the world stage, with the political as well as economic strength to make a difference.

India's actions have wide implications, starting with its own immediate and extended neighbourhood. With one of the oldest living civilisations in the world, India has always found its own path and purpose. It has been loath to follow blindly into blocs or alliances. Strategic autonomy has been a leitmotif with us since Independence. It is interesting to note that it was reiterated recently after a significant gap in the Press Release following the Wuhan Informal Summit. Coupled with strategic restraint, it is a path that will serve India well in the uncertainty which will mark the emerging world order.

In keeping with the regional and global role it sees for itself, it is imperative that India retains the freedom and capacity to deal with and engage with all present and potential power centres in the world - the USA, EU, Russia, China, Japan, etc. It also needs to work in partnership with other countries with which it has common interests.

India is also well placed to continue building on its historical relationships in its extended neighbourhood and assist in fashioning an architecture that promotes peace and stability in the region, especially the IOR. As China expands its footprint, there will be a push back by other powers in the Indo-Pacific. India should leverage the opportunities this provides and develop arrangements with other powers in the region such as the 'Quad' countries and others like Vietnam and Indonesia. It should be both capable and willing to play a larger role as demanded by its interests, in West and Central Asia as well as in other parts of the world.

At the multilateral level, while not losing sight of its ultimate objective of gaining a permanent seat in the UNSC, it should enhance its active participation in institutions of global governance and in trans-continental groups such as the G-20, the BRICS, the SCO and ASEAN led processes like the East Asia Summit and the ARF.

It goes without saying that the leadership will need to show both wisdom and dexterity if India is to successfully traverse the turbulences expected in

the coming years and take advantage of the promise that they hold by way of cutting edge technologies and scientific advances. Key to this will be India's success in addressing its own internal socio-economic challenges in an equitable and inclusive manner and building its comprehensive national strength in order to negotiate both the perils and the promises of the next decade.

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## ***India in Need of a Strategy to Position itself in the Emerging Global Order***

Arvind Gupta\*

In order to assess where India will be in the emerging world order, we must first correctly understand the features of the transition underway. The current thinking is that China will continue to rise and catch up with the USA, and may even overtake it. The world may become multipolar although the possibility of USA and China coming to a mutual understanding on the key issues of global order cannot be entirely discounted. China is seen as an opportunistic, hegemonic, and a revisionist power which will challenge western institutions when required, but will not hesitate to establish its own. The setting up of the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative (BRI) are indications of Chinese intentions.

This picture is too neat and linear for comfort. There is nothing inevitable about China's rise. China is rising no doubt; but there could be roadblocks in its ascent to the top. Its unchecked military modernisation and assertiveness can elicit pushbacks from others. The recent re-emergence of the US-Japan-India-Australia Quadrilateral or QUAD in the context of a free and open Indo-Pacific is an example. President Xi looks strong at the present moment; but he could be challenged from within the Chinese Communist Party if there are domestic policy failures. China's debt-ridden economy is slowing down, and this will have consequences for the Chinese themselves.

Similarly, the pre-eminence of the USA is reducing. Although it remains the strongest country, its policies are undergoing massive transformation, particular under President Trump's America First policies. The China-USA relationship will be the most important driver of the emerging world order.

We should not forget Russia either. Russia-USA relations are deteriorating rapidly. The West has pushed Russia closer to China. Russia-China strategic cooperation is deepening. Both Russia and China are modernising their militaries rapidly. The re-emergence of Russia-West rivalry is a distinct possibility. It would not be wise to rule out the possibility of interstate conflicts even though global interdependence acts as a check on such a possibility.

Europe has been an ally of the USA in the post-Second World War order. However, today its position is much weakened. The transatlantic alliance

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itself is under strain. There is reluctance in Europe to spend sufficient money on defence and security. Terrorism and migration issues have preoccupied Europe for the last many years. Several countries are undergoing serious economic crisis. Britain has left the EU. China is making strategic inroads into Europe. Seventeen countries of the European Union have established a separate relationship with China.

Multilateralism is in crisis. The UN Security Council, paralysed by divergent national interests of the P-5, is unable to act decisively on issues which threaten international peace and security. The UN reforms are at a standstill. Some of permanent members of the UN have openly flouted the resolutions of the UN Security Council. Faith in the UN system has been shaken.

The crisis of global commons will impact everyone. International cooperation to deal with issues of climate change, food and water security, cyber security, the militarisation of outer space, migrations, etc. has been found wanting. These issues will become more acute in the coming years. Climate Change is an example. The USA has withdrawn from the Paris Climate Change agreement. The WTO is in limbo, with key members of the organisation indulging in debilitating trade wars against each other. WTO's Doha round has not been completed for almost two decades now. The Conference on Disarmament has not been able to even agree on an agenda. Data privacy laws that are being erected in Europe and other countries could impact on the free flow of data.

Despite the recent pushback against globalisation, technology will continue to have a significant role in the shaping of the world order. The increasing use of artificial intelligence, machine learning, data analytics, robotics, and other emerging technologies are bound to have an impact on jobs, and the autonomy of humans vis-à-vis machines. These technologies will be the foundation of power for many countries. At the same time, there is widespread apprehension that new technologies will destroy jobs. The emergence of Lethal Autonomous Weapon Systems or LAWS is raising difficult political, moral, ethical, and legal questions. How humans relate to new technologies will be a key question in the next few decades.

### **Questions for India**

The key questions for India will be how to reclaim its place in the changing balance of power in the world; how to ensure its growth and development in the backdrop of global uncertainty; and how to contribute by way of positive ideas to resolve global problems while safeguarding its national interests.

In the last few years, India's stock in the world has risen, largely due to Prime Minister Modi's vigorous outreach to the world. India has signed a number of strategic partnerships with countries across the world. It has joined several important global and regional institutions, and contributed to peace and stability. Leading by example, it has helped set up groups, like the International Solar Alliance to promote solar energy worldwide. India is poised to become the third largest economy in the world in due course. It has been at the forefront of international cooperation to counter terrorism. Its large market, its Make in India program, its Neighbourhood First approach, its Act East Policy, its strong outreach to Africa, etc. have been some of the positive initiatives which have drawn global attention. It has won praise from many quarters for its democratic functioning and non-hegemonic approach. In view of its size, location, economy, population, past record, and culture, India has the obvious credentials to play a greater role in regional and global stability. In fact, many countries are persuading India to do precisely that.

However India, like many other countries, is already facing the stresses of a fragmented and uncertain world. The Belt and Road initiative - an ambitious project of President Xi - has huge security implications for India. The break between Russia and the West will also create a dilemma for Indian foreign policy. India's strategic space is shrinking due to the rise of China and its forays into the Indian Ocean and India's neighbourhood. Therefore, it is no surprise that India is beginning to take the concept of the Indo-Pacific seriously in its foreign policy moves. Although India is not in alliance with any country or group of countries, and unlikely to remain so, its strategic partnerships are beginning to focus more and more on security and defence cooperation.

It must be clearly understood that while India has the necessary credentials of playing an important role in the emergence and shaping of a new order, its place in the emerging world order is not automatically assured. India will have to work for it. India's US\$ 2 trillion economy is still much smaller than that of the USA or China. Its share in global trade is around 1.7 percent as compared to China's 13 percent. India spends much less on R&D (0.7 percent of GDP) as compared to US (about 3 percent) and China's nearly 2.8 percent. Countries like Israel and South Korea spend even more. India's economic and technological rise has to be achieved before it can hope to shape the global world order.

To be counted in the world, India must aim to become a major military power – or rather, an effective power without being hegemonic and avoiding an arms race with any country. In 2017, India's expenditure on defence forces as a ratio of GDP was only 1.47 percent, the lowest since 1962. Since

defence expenditure has to compete with expenditure on health, education, infrastructure, etc., more resources for defence will come only if the size of the economy grows. Thus, economic growth is the sine qua non for the growth of Indian military strength. Until India becomes a large economy with a GDP of US\$ 10 trillion or so, it cannot hope to play a significant role in world affairs.

It must be understood that diplomacy alone will not ensure India a place in the new world order. India will have to ensure that domestic issues do not drain away its energy in counter-productive directions. India must maintain harmony in its diversity. Prime Minister Modi has, time and again, emphasised the need for *Sabka Saath, Sabka Vikas* strategy for growth. The regrettable tendency on the part of political parties to pursue short-term and divisive politics to win votes needs to be checked.

Talk of India as a world leader or a net security provider will remain a dream unless it lifts 400 million people out of poverty. It is a matter of regret that despite 70 years of independence, a substantial population of India still remains deprived of even basic necessities. It has become clear that GDP growth alone will not resolve India's problems. According to some experts, while India has an inclusive political structure, its economic structures are highly exclusivist and iniquitous. Large sections of the population do not have a say in the economic affairs of the country. India has adopted a top-down approach for economic development. This is not working. Some experts blame the prevalent exclusivist caste system for this. In the market-led economic development model, we have not been able to get rid of crony capitalism and other such highly negative phenomena. India must become a truly inclusivist and egalitarian society. This will help India's rise.

We must ask the question whether India can build an indigenous model of socio-economic development which works for everyone. We have neglected the role of society and social capital in keeping India ticking. For instance, family and social networks share a large part of the state's burden in looking after children and the elderly which otherwise a welfare state will need to take. We must encourage the building of social capital in this country. The past experience shows that market based models are not sufficient to ensure equitable growth. We are seeing the signs of market failure in a phenomenon like the farmers' suicides.

We will need to ensure that governance structures do not fail. Federal arrangements must perform to their maximum efficiency. The tensions

between the Centre and the States, or among the States should not be allowed to fester, and should be addressed expeditiously. The structure of governance is under stress and in need of an overhaul. This is visible in the functioning of the legislature, judiciary, bureaucracy and the media. The budget session of Parliament in 2018 was forced out almost entirely due to inter-party rivalries. While institutions are coming under increasing stress, the discontent among youth is growing. They need to be assured of equal opportunities in education and jobs.

There should be a consensus across the political spectrum that the country comes first. Why are we shy of calling ourselves Indians and keeping India before our other identities? A sense of nationalism and patriotism should be inculcated by means of examples. Here the teachings of Vivekananda and Aurobindo, to name a few, on civilisation, culture, and nationalism are highly relevant.

In order to play a significant role in world affairs, India should develop its own unique Indian narrative to help conflict resolution and to overcome the development deficit. India should lead by example which can be emulated by others. It will have to come up with a positive agenda for the world.

India has many strengths which still remain untapped. India's soft power is unmatched, and needs to be utilised as a strategy to raise India's profile in the world. Few countries in the world can boast of an unbroken civilisational heritage which is 5000 years old, and continues to thrive. Ancient Indian philosophical texts, the *Vedas*, the *Brahmanas*, the *Upanishads*, the epics, literature, science, etc., are large reservoirs of knowledge and wisdom, which should be studied and applied where applicable to modern conditions, particularly in the context of conflict resolution, harmony in diversity, environmental protection, etc. While many people in the West are looking for inspiration in ancient Indian wisdom, it is unfortunate that Indians are defensive about their own culture, history, and civilisation. This must change.

It is to be noted that any country that rose in the hierarchy of global powers had not only military power but also the power of ideas. The ideas developed in the West continue to dominate the world even today. China is dipping into its past for ideas to reinvigorate itself for the 21<sup>st</sup> century. People want to see peace and harmony. India has managed its tremendous diversity very well. This is becoming a subject of curiosity and enquiry the world over. It should and can offer the world new ideas which will help shape the world order.

## Strategy

India must work to a well thought out strategy to achieve its well-deserved place in the emerging world order? The opportunity must not be lost. A few broad suggestions can be made.

- Develop the capacity to make the right assessments of the emerging situation. Understand the true nature of the emerging challenges. Make one's own assessments of the strengths, weaknesses, threats, and opportunities. Universities and think tanks need to be strengthened.
- Develop a roadmap to make India a US\$ 10 trillion economy in the next 15 years. Ensure that economic growth is inclusive. Pay due attention to building social capital.
- Do not underestimate the adversary. Military conflict cannot be ruled out. Acquire adequate military capabilities as a deterrent against any misadventures by the adversary.
- Develop indigenous capabilities in strategic technologies, including the emerging technologies of artificial intelligence, machine learning, big data analytics, robotics, etc.
- Do not be a camp follower. Develop your own models and ideas. Turn to rich ancient Indian culture for ideas which can help India develop its own narrative for the modern world. Study and promote Indian culture and civilisation to strengthen India's profile.
- Learn from the experience of others, and avoid the mistakes they have committed. Do not overpromise. Keep a low profile until your capabilities are developed.
- Send a positive message of peace, stability, harmony, and cooperation to the world. A small beginning has been made in this direction with the UN adopting 22<sup>nd</sup> June as the International Yoga Day. Speaking at the World Economic Forum in Davos in 2018, Prime Minister Modi repeatedly invoked the wisdom of ancient India which is relevant even today for conflict resolution and the conservation of environment. One of the Vedic hymns with a positive message he quoted was:

*Om sahnavaatu*

*Sahnau bhunakatu*

*Sahveeryam karvavahai*

*Tejasvi navdheetamastu ma vidvishavhai*

*Om, shanti, shanti, shanti.*

May god nourish us both

May we work together with energy and vigour

May our study be enlightening, and not give rise to hostility

Om, peace, peace, peace.

To conclude, India used to be known as *Vishwaguru* or the world teacher in the past. India must regain that status. For thousands of years, people from all over the world came to India to learn science, mathematics, religion, philosophy, and wisdom. India must begin its quest to reclaim its well-deserved place in the committee of nations all over again. At the same time, it must be kept in mind that empty exhortations to the past can backfire. Action is even more important. What we take from the past must be relevant today, and acted upon.



## ***India a “Great Power”: Assertion or Aspiration?***

B. S. Prakash\*

India is a major presence in the world. Its demography alone guarantees it. But beyond the obvious, what is its place in the world order? What kind of a ‘power’ is India, apart from being a large presence? That these questions are being frequently debated in India and elsewhere denotes a significant shift, both in the global order and in Indian reality.

An analysis of this issue can be attempted at three levels: first, a search for conceptual clarity on what is meant by India’s place/power in the world order - a discourse analysis, as it were; second, an understanding of the nature of the world order (or disorder) at present, and the likely scenario in the coming decade; and third, a realistic understanding of where India stands in that framework.

### **Understanding ‘Power’**

Power is a buzz word in international politics. Recent books abound, with titles such as ‘The decline of American power’, ‘A China that rules the world’, ‘Post-Western world’, ‘The West and the Rest’, ‘India – the next super-power?’ ‘Our Time has Come – the Rise of India’, and so on. Apart from such journalistic and, at times, even scholarly engagement with the theme of the rise and fall in the power of nations, there is also a search for new paradigms: one nation (the USA or China) as the supreme hegemon; the G-2 with the USA and China as the only two predominant powers to determine global destiny; the three - the USA, China, and Russia - as the dynamic trio shaping geo-strategic events, with Europe in decline; a multi-polar world as the only viable paradigm in the 21<sup>st</sup> century; the rise of ‘emerging powers’ - a concept that is already receding, and other variants. Given such diverse and often loose characterisations of the status of nations and the shape of the global order, some conceptual clarity is a good starting point.

What is *power* at the level of nations (as distinct from ‘individual’ or ‘institutional’ power)? It is important (especially for India) to internalise that power is not *weight* as in geographical size, or in demographic multitudes, or

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even in aggregate wealth. Some of the loose talk about India's great power status is because of this mistake – that is, of assuming that because India is big - now also economically - it is also powerful.

An analysis of the concept reveals that power is best understood as *the ability to achieve desired outcomes*. In the contemporary world, national power has several components: size, population, GDP, military strength, S&T capabilities, a persuasive appeal termed as soft power and some others. Developing a matrix featuring all these components has become fashionable, and experts continue to argue about the relative weightage to be given to economic, military, innovative, demographic, and other factors.

For a nation to be deemed powerful (and to achieve outcomes), two other factors are also crucial. It has to be stable, since all the components of power cannot yield results if there are frequent upheavals. Second, the ability to *apply* power effectively is as crucial as having different components of power. A country may have enormous military muscle or economic clout; but it cannot do much if it is internally dysfunctional or lacks the institutional ability to bring all its capabilities together for a desired purpose. (A comparison between the abilities of President Trump and President Xi Jinping will clarify this aspect!)

Further, a nation's power can be seen in two different ways: 'hegemonic' – power to prevail over others; or 'instrumental' -the ability to achieve its ends. The two are closely related when relations between nations are adversarial; but they can be seen as distinct too, when development is the nation's primary goal.

### **India's Case**

In this framework, how do we look at India's place/power in the world? To start with the obvious - it is indubitable that India has *weight*. It will be the most populous country in the world in the next decade, even if it does not want this distinction! It is the seventh largest nation in the world. With its GDP of 2.45 trillion dollars (and US\$9.49 in PPP terms) in 2018, it is one of the largest economies in the world, whatever be the method of calculation.

Turning to other parameters, India's military power calculated on the basis of many factors (number of military personnel, nuclear weapons capability, and mastery of the fuel cycle, blue water navy, force projection capability) is reckoned by experts as among the top five. It comes below the USA, China, and Russia; but is, arguably, above all other nations. In another dimension, S&T, India has significant capabilities and resources that make it a member

of exclusive groups in areas such as space, Antarctica, cyberspace, and missile technology.

For all our difficulties and dissent as perceived from within, India is a stable country with an orderly transfer of power based on elections. It has mature institutions, and a coherent and well-designed form of government that can produce a considered response to international challenges.

The above is a listing of the positives to establish India's legitimate claim to be a major power. However, at this stage, there are also some paradoxes about India's attributes. It is obvious that the huge demography that gives it heft can also be a burden, pulling it down. With literacy, good health, near-full employment, and reasonable standards of living, India's hundreds of millions can be seen as a demographic resource that only one other country, China, has. (The phrase 'demographic dividend' is indeed frequently used, with an emphasis on the young population.) But with deficiencies in each or all of the above, the large population is a liability, and unchecked population growth our biggest negative.

Again, with regard to India's impressive GDP, the low per capita income dampens the positive perspective. India may have one of the largest economies in the world but it is also home to the largest concentration of poor people. Similarly, its achievements at the high end in education, S&T, health, and other areas of human development are undermined by inadequacy in the same areas for large numbers of its people.

None of this is new or unknown. But it is important to be fully cognizant that India in aggregate is impressive; but, at the level of the individual, it is comparatively deficient. It is to be hoped that we will do better in human development parameters; but the paradox between the aggregate and the individual will continue at least till the end of the next decade.

Does such a paradox matter in a discussion of national power? One could ask: Aren't there countries, China, Russia, with similar features? The answer would be 'Yes'; but the issue has greater salience in democracies, a theme to which we will return.

Certain other non-quantifiable factors, some positive and some negative, are highly relevant in a reckoning of India's place in the world. First, India is a civilisational nation-state and, historically, the Indian people have a world-view that animates them. Thus, we have a view and a voice on world affairs beyond our immediate interests, and we also believe that this voice merits attention. On issues that affect mankind, and on themes, relating to global commons, there is an Indian perspective that can be distinctive. For instance,

from ancient times, Indians have inherited the belief that 'the world is one family'. Similarly, there are moral values attached to world peace, absence of conflict, environmental protection, and sustainable development. India has played a role going beyond its narrow interests in agendas such as decolonization, self-determination, peace-making and peace-keeping, terrorism, and universal disarmament. India's weight, position, and perspectives entail that it should find a place in decision making in international institutions. Its claim to be a permanent member of the UN Security Council is impeccable. All this notwithstanding, in a realistic assessment, an expansion of the UNSC with permanent membership and veto powers for India (and some other nations, principally Japan and Germany) is unlikely in the foreseeable future. It is not that India's aspiration lacks support; it is more that the procedures of the UN and the manoeuvres of the existing entrenched powers prevent the fructification of the expansion. Thus, in the Security Council and in a few other multilateral forums, India plays a role not commensurate with its size and capabilities.

Second, a nation's power is not in a vacuum, and operates in a regional context. An aspect that affects India is the history and geography of the sub-continent. Apart from its own enormous diversity, India shares ethnic, religious, linguistic, and even familial links with its South Asian neighbours. This geographical and historical fact produces its own complex consequences. While India aspires (and even assumes) to have a preponderant influence in its own neighbourhood, experience has shown that it will not necessarily be so. This essay cannot detail the reasons for the difficult relations that India has with some of its neighbours, and its limited potency in its region. To start with smaller neighbours, factors such as the assertion of identity, the quest for autonomy, distancing from India's overwhelming presence, divergences in political systems, the proclivity to manipulate between India and China for gain - all come into play, questioning India's ability to wield effective power in the region. In 2018, India's difficulties in persuading Nepal, Sri Lanka, and Maldives to agreeing with its points of view, let alone align with its interests, demonstrated the limits of India's power. India's influence on its smaller neighbours is indubitable; but its ability to bend them to its will is questionable.

In this context, it is to be noted that, in its history, India has not been a hegemon; neither is it likely that it will aspire to be one. This is despite demands from some quarters from time to time that India should dominate its neighbourhood. Such an objective is not part of the Indian psyche; it is not in consonance with our values; and it is not realistic even with regard to our smaller neighbours, given the lack of consensus for such an aspiration.

Third, two nations antagonistic to India - China and Pakistan - are serious impediments to India's ascent in the world order. Again, this essay is not the place to analyse the reasons for the compulsive hostility of Pakistan or the consistent opposition to India's aspirations posed by China. But, the fact of this substantive and relentless opposition is to be taken as a given at this point in time, and because it is likely to endure over the next half decade. The obdurate negativity of Pakistan and the huge negative asymmetry in the power of China compared to India, act as brakes on India's plans and aspirations.

Another factor that inhibits India's national power is its systemic and institutional ineffectiveness in harnessing all its capabilities and potential. Reference was made earlier to a nation's ability in the *application of power to achieve desired ends*, a different attribute from *possessing the components of power*. It is to be acknowledged that in a noisy and argumentative democracy, with a fragmented polity, it is more difficult to harness all the capabilities and resources together for accomplishing an objective. A democratic polity has no doubt many advantages; but speed and efficiency are not its strong points. In global rankings, India will be less powerful compared to more authoritarian, unified, and focused systems. This is not a value judgment on the relative merits of democracy or authoritarian systems as such; it is more an observation that when it comes to exercising power in the international arena, democracies are less efficient.

If we now revisit the question: "what kind of power will India be in the next decade?" some answers are evident. First, India is more than an 'emerging power', which has now become a yesteryear's description of it. Unlike some other nations - say Brazil, Indonesia, Turkey - India's importance and influence in the world is more assured. Second, India is indubitably an Asian power. In Asia as a whole, China, India, and Japan will influence trends, whether geo-strategic, economic, or technological.

Is India then a global power? It will be wise to recognise that it does not have the reach and impact of the USA or China; nor the capacity for extensive engagement in geo-strategic issues in distant theatres. Further, the negative factors identified above, including its deficiencies at the individual level (despite the impressive aggregates); the slower pace of change and reform in its institutional processes; and the substantive opposition by China and Pakistan to which hitherto there is no strategic answer, all limit India's power to impact other nations, big or small.

However, India's participation and policies are significant on issues relating to global commons. India's heft, intellectual capacity, long experience of

multilateralism, and a certain aptitude for bridge-building and consensus-forging, make it an effective actor on a global platform. Hence, it can be legitimately labelled as a 'leading power' in these forums. India can also be seen as a 'balancing power' with its multi-vectoral engagements and preference for equilibrium among contending groups.

Another useful description is of India being an 'ambivalent power'. The innate caution or hesitancy in exercising its military power, the balancing between values and interests that India is nearly always engaged in, and the philosophical or cultural discomfort that Indians have with 'hegemony', makes this nebulous label appealing. Let us not forget that the father of our nation had a different notion of power: *atma-shakti* as the force that matters, and not the use of (brute) force.

### **The Next Decade**

A discussion of India's place in the next decade in a changing world order will depend on how that order is foreseen. If we exclude the description of the world as essentially anarchic in 2018, we can think of three broad competing paradigms.

First, it is possible that, in the period till the end of the next decade, we will see the two super powers of today, the USA and China, engaged in a rivalry for world domination. China's increasingly explicit ambitions; President Xi Jinping's thought and 'Chinese dream'; and its current practices demonstrate its hegemonic ambitions. The USA continues to believe in world domination as its 'manifest destiny', and wants to retain its supremacy in the 21<sup>st</sup> century. Given the history and substantial differences between India and China, it is difficult to see India aligning itself with China. At best, our aim will be to manage the relationship without too many hiccups or headaches. India will also find it difficult to align itself with an unpredictable and historically unreliable USA. In this scenario, India can hedge its bets, be a swing state, or become a cautious partner of the USA even while not becoming an ally.

The second paradigm is a world order dominated by the G-2 -that is, the USA and China, generally acting in concert, and together shaping global events. Though this scenario seems unlikely in 2018, it is possible to imagine it in the next decade. In such a scenario, India will be a marginal player and its role and influence limited even in its own neighbourhood.

The third possibility is a multi-polar order in which a number of powers - the USA, China, the EU, Russia, Japan, and some others - are agents with

independent power, perspective, and prestige. In this scenario, India will definitely be a pole, with its strategic autonomy preserved. India's preference is for that model of a multi-polar order in which no *one* country is a hegemon. India's efforts in the coming years will be to work towards a multi-polar order, and to be a salient pole in that order. This is both an aspiration, and already an assertion as well, given India's current capabilities.

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## ***India's Approach to Multilateralism and Evolving Global Order***

Sachin Chaturvedi<sup>1</sup>

Since its Independence, India has played a constructive role in shaping the global narrative on creating and nurturing multilateral platforms. In the process, India has advocated for global peace, disarmament, and development through these fora. Apart from being in global multilateral institutions, India has also contributed significantly to strengthening many regional and South-led institutions.

The central-pivot for this policy emanated largely out of the initial conception of 'One World'. This vision of India has existed for centuries, and it shaped its policy framework in the 1950s (Bhagavan, 2012). This vision also finds an echo at the global level. In his book *One World: The Ethics of Globalization* (2002), the famous philosopher Peter Singer observes that the 'search for widely acceptable principles of global fairness is not merely an intellectual exercise but is also a survival imperative that even rich and powerful nations may ignore at their peril'. While delivering a lecture at the United Nations on *Mahatma Gandhi and One World*, Dr. S. Radhakrishnan on 10 June 1963 observed that, 'In Gandhi's idea of One World, nationalism is not the highest concept. The higher concept is world community; it is this kind of world community to which we have to attach ourselves'.

It is with this philosophical framework that India evolved several important proposals, and placed them in appropriate platforms. When it became amply clear that there was no Marshall Plan for the South, India along with other developing countries proposed that a new UN body be created, based on a 'one country, one vote' system, designed to facilitate loans to Southern countries. However, owing to the counter proposal of the International Development Association (IDA), put forward by industrialised countries, the idea of SUNFED could not move ahead. On the issue of foreign aid and other development-related policies, India has been at the forefront, along with the World Bank (WB), and was one of the key founding members overseeing the transition of the General Agreement on Tariffs and Trade (GATT) to the World Trade Organisation (WTO) (Chaturvedi, 2017). It is interesting to note

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that, from 1950 to 1960, having no Marshall Plan to promote global South's growth, India had proposed the idea of a Special United Nations Fund for Economic Development (SUNFED). In contemporary times, India's role has been much appreciated by the global community because of its responsible behaviour during the negotiation process in the run up to adoption of Addis Ababa Action Agenda (AAAA), Sustainable Development Goals (SDGs), and the Paris Climate Change Agreements.

Over the years, India has stood in solidarity with the countries of the Global South to make sure that the developing world's concerns are not lost. Historically, such a position came out prominently when India was one of the principal founding members of the Non-Aligned Movement (NAM), and partnered with the Global South to come up with institutions like UNCTAD and groupings like G77+China. Indian solidarity with the developing world has been even evident during the recent intense consultative and negotiation processes at the United Nations (UN) level prior to the adoption of AAAA and SDGs. Further, the Indian initiative of forming the International Solar Alliance (ISA) with 121 *Sunshine Countries* in partnership with France is another important example of India's collaborative efforts at the global level. India's engagement with the Indian Ocean Rim Association (IORA) has strengthened further the collaborative efforts.

However, norm initiators and norm developers in the sphere of economy, finance, and developmental policies have been guided by the countries of the Global North. Though, the Indian economy has expanded over the years, this important connect in norm setting with liberalised economies and vibrant civil society has yet to add necessary heft. This essay attempts to highlight the Indian contributions towards multilateral process, and its aspirations towards a democratic world order which hinges on inclusivity and collective welfare. Section I tracks the evolution of Indian support for multilateral institutions while section II explores the contemporary scenario. The last section suggests the way forward.

### **Evolution of Multilateral Institutional Architecture**

With the initial resource deficit, India had limited manoeuvring space for ambitious development projects. Despite limited incoming aid, India contributed immensely to global discussions on aid policies. India was able to attract most prestigious groups of experts and donors on a variety of issues (Dubey, 1999). It encouraged the World Bank to have aid consortia for coordinating lending programmes. Incidentally, the first such consortium came up in India in 1958. India also contributed to project appraisal techniques, ideas on local

cost financing, and the use of preferential treatment for local contracting industries to establish local capacity (Chaturvedi, 2016). Sometimes, such demands created many great challenges for India. On many occasions, India was at the receiving end of conditionalities; imposed, for instance, on food-aid. One such critical example in 1950 was when the US Senate proposed to delay shipment of food-aid to India on the pretext of examining all aspects of US-India relations on India's rejection of the US resolution in the UN on branding China as the aggressor in the Korean War (Chaturvedi, 2016). These conditionalities had limited effect, as arriving at a political consensus to accept them was not easy for the government based on a strong and independent parliamentary democracy. Also, as compared to other countries, like South Korea, foreign incoming aid was never a significant factor for India. It constituted around 28 percent of the total investment outlays during the Third Plan (1961–65), and fell to seven percent by the Sixth Plan (1980-85). In spite of incoming foreign-aid being less in quantum, the conditionalities did leave a bitter taste, as has been mentioned in the example above.

### **Trade Architecture**

India's own experience as an aid recipient has contributed to shaping its development cooperation policy, not the least in avoiding any limit of political and macroeconomic conditionalities. The prominent feature of India's development cooperation has been its adherence to demand-driven project/programme transfer and mutual benefit aspects related to both the involved countries (Chaturvedi, 2016).

When reconstruction started after World War II, several institutions came up. There were efforts to have one for global trade management as well. It was in this context, that countries also thought of a global institution to manage the international trade architecture. With the Havana Charter of 1948, the proposal for an International Trade Organisation (ITO) came up, with a component on investment also. One could not go very far at that point and, as a result, only some general principles were identified which were to be enforced through a consultative mechanism (Chaturvedi, 2017). Subsequently, GATT was signed by 23 countries in Geneva on 30 October 1947. This eventually came into effect from 1 January 1948. India's leaders served as a voice for Southern countries in communicating their concerns during the discussions and negotiations that led to the creation of GATT. It was an outcome of the United Nations Conference on Trade and Employment, which could not launch ITO. India has often led groups of less developed countries in subsequent

rounds of multilateral trade negotiations under the auspices of the GATT.

In 1995, the WTO came into existence, absorbing the initial features of the GATT, but with some modifications at the end of the Uruguay Round. The establishment of the WTO was actually a marked departure towards a new multilateralism, where the scope for enforcement was much higher. The WTO established a Dispute Settlement Mechanism (DSM), which paved the way for strict enforcement norms. Another major gain with the launch of the WTO has been establishment of a rule-based system, which help in getting a much wider acceptance. Countries have consistently shown greater willingness to be a part of the WTO. Since 1995, more than 36 countries have joined the WTO. Currently, the membership stands at 164, covering 98 percent of global trade (Chaturvedi, 2017).

At the Bali Ministerial, India led other developing countries in raising the issue of agriculture, and is now keen to press further for a permanent solution at the Nairobi meeting. The view that the current global trading regime is tilted in favour of the developed countries reminds us of the inequalities emanating from the Uruguay round. The G-33 has raised the issue of a permanent solution for public stockholding programmes for food security in developing countries, in addition to Special Safeguard Measures (SSM) to counter the possible impact of volatility in prices and imports. The G-20 grouping within the WTO has also called for the removal of disparities in agriculture trade rules. However, at the same time, the EU and Brazil are keen that developing countries phase-out their export subsidies by 2025, and bring in changes in their export credit policies (Chaturvedi, 2017).

### **Contemporary Institutional Framework**

Sustainable Development Goals (SDGs) are being seen as both a time extension of the Millennium Development Goals (MDGs) which have been extended till 2030, and a qualitative expansion of the MDGs by expanding the MDGs to 17 goals and 169 targets (Dubey and Akamal, 2014). One issue that was missing from the MDGs was the resource requirement and mobilisation for the achievement of the developmental goals. India, along with the global community, made sure that the question around resources got discussed before the adoption of the actual SDGs. India engaged proactively and productively in the negotiations on the Post-2015 Development Agenda and the framing of the SDGs since 2012. It also made effective contributions towards the final outcome in Addis Ababa, before the adoption of the AAAAA. While the draft outcome of the AAAAA was largely sealed, India sought to make substantive

changes under the domestic resource mobilisation and international tax architecture (Chaturvedi, Saha and Sharma, 2016).

India played an active role in identifying issues related to financing for development that included domestic resource mobilisation, global tax issues, and a technology facilitation mechanism. It categorically stated that the Official Development Assistance (ODA) is not a sufficient mechanism for the realisation of SDGs. This laid the foundation for discussion on resource mobilisation and the means of implementation of the SDGs. A threefold challenge to domestic resource mobilisation in developing countries was identified as follows: i) illicit financial flows (black money generated through money laundering, and adverse practices in financial transactions e.g. over/under invoicing); ii) transfer pricing practices of multinational businesses; and iii) the inability to tax capital gains with cross-border asset ownership (Chaturvedi, Saha and Sharma, 2016).

India has always highlighted the level of revenue loss for developing countries on account of the profit-shifting practices of multinationals (transfer pricing), and their inability to generate adequate tax capital gains under the existing global norms. They are of different hues of illicit financial flows, which deprive developing countries of substantial revenues. For introducing new modalities in the constitution of the UN promoted international tax committee (Committee of Experts on International Cooperation in Tax Matters under the ECOSOC of the UN), India has led from the front. Thus, in the future, the members of the committee would be nominated by national governments with a wider participation of developing countries. The frequency of meetings of this committee has been increased to two from one per year; this is a reflection of India's negotiating stance (Chaturvedi, Saha, Sharma, 2016).

India and Brazil have emphatically promoted the issue of the technology facilitation mechanism (TFM) under the post-2015 development agenda. Group of 77+China have, for a long time, held an unambiguous position regarding putting in place TFM which India considered most important for implementing the sustainable development agenda. India's efforts have yielded the need of TFM for the effective implementation of the development agenda globally. The final AAAA document highlights the decision of world leaders for establishing TFM. Thus, having an institutional mechanism for the transfer of technology is a vital success for the developing world to keep issues relating to technology upfront in the 2030 development programme (Chaturvedi, Saha and Sharma, 2016).

At the Paris Climate Change Summit, India's pragmatism and ability to spearhead a new narrative on renewal energy is quite well known. The

International Solar Alliance (ISA) is an alliance of more than 121 countries, most of which lie in the Torrid Zone (the area between the Tropics of Cancer and Capricorn). They have been aptly referred to as the *Sunshine Countries*. The ISA represents three-fourths of the world population; of which 20-50 percent of the population do not have access to power. The primary objective of the alliance is to work for the efficient exploitation of solar energy to reduce dependence on fossil fuels. It is based on the principles of *Climate Justice*, as propounded by the Indian Prime Minister Narendra Modi (Modi, 2011). This is in line with India's ratification of the Paris Agreement on Climate Change. The ISA is conceived as a coalition of solar resource rich countries to address their special energy needs, and would provide a platform to address the gaps through a common agreed approach.

The ISA was unveiled at the UN Climate Change Conference in Paris on 30 November 2015. It has set a target of 1 TW of solar energy by 2030. The inaugural ISA Summit in New Delhi was attended by the French President and leaders from 30 other countries. Till now, 32 countries have signed and ratified ISA Framework Agreement; another 32 countries have already signed, and are in the process of ratification. During the Summit, India announced 27 Lines of Credit solar projects to 15 countries worth US\$ 1.392 billion, which is in addition to 13 solar projects across eight countries of US\$ 143 million, already under implementation. India further provided support of US\$ 27 million towards hosting the ISA Secretariat; and created an ISA corpus fund, along with training support for ISA member-countries at the National Institute for Solar Energy (MEA, 2018).

The concept of a Blue Economy is emerging as a new narrative on productive and sustainable engagement with the vast development opportunities that oceanic resources offer (RIS, 2015). The important sectors of the Blue Economy are fisheries, sea-minerals including oil and gas, ports and shipping, marine tourism, marine biotechnology, deep-sea mining, and transport and logistics. It is believed that by undertaking the Blue Economy initiative, countries would be able to achieve high economic growth, and maintain healthy balance between resource use and its renewability. However, there are few attempts to estimate the gains of the Blue Economy. This assumes importance in the light of the fact that the world faces the challenge of restoring a healthy balance between the ambition of high economic growth and the goal of environmental sustainability (RIS, 2015). To fill this important gap, India took the initiative to look at the Indian Ocean area from the trade and investment point of view.

Multilaterally, India was the core founding member of the Indian Ocean Rim Association (IORA), which was formally launched at the first Ministerial meeting in Mauritius in March 1997. At the first-ever Leader Summit of the IORA, India was instrumental in the issuance of the Jakarta Concord - Promoting Regional Cooperation for a Peaceful, Stable and Prosperous Indian Ocean - which sets out a vision for a revitalised and sustainable regional architecture. Its main objectives are promoting maritime safety and security; enhancing trade and investment cooperation; promoting sustainable and responsible fisheries management and development; enhancing disaster risk management; strengthening academic, science and technology cooperation; fostering tourism and cultural exchanges; harnessing and developing cross cutting issues and priority objectives; and broadening and strengthening IORA's external engagement and institutions (Chaturvedi and Sharma, 2017).

The Summit adopted the Declaration on Preventing and Countering Terrorism and Violent Extremism. The countries decided to support each other's efforts to counter terrorism and violent extremism. The Indian proposal for setting up an IORA Centre of Excellence (ICE) was well received. All member-states are working extensively on the matters related to maritime issues, and the first exercise would be to pool knowledge (Chaturvedi and Sharma, 2017).

### **The Way Forward**

At this juncture, the world is passing through a major flux. Discussions regarding the decline of the United States as a global superpower, and the emergence of multi-polarity at the helm have been there for the last few years - ever since the accelerated recession hit the system in 2008. The impact of this reality started taking its toll on several different global processes. Since World War II, and particularly after the 1980s, globalisation has been facilitated through a set of more or less common economic policy measures under the framework of what is commonly described as the Washington consensus. Several developing countries all across various continents have implemented these prescriptions.

These measures have brought in diverse and indigenously sagacious economies for a major convergence with key components of the Washington Consensus. Globalisation and associated economic development is not merely a technical phenomenon. It is linked with culture, people, and socio-economic well-being. All these are linked with the nature of political philosophy. Extreme communists and extreme capitalists have failed in their own way. The third way or middle path is often espoused as a way forward. Thus, there is a need for a more broad-

based global discussion, involving key experts from different countries and different specializations to discuss various facets of this evolving process. A focus on whether a more compassionate form of capitalism is possible is equally imperative. Compassion as an alternative behavioural foundation to counter self-interest, greed, and venality is far more efficient than the one based on the traditional utility and profit-maximising behaviour as per textbook economics.

India's economic diplomacy has been based largely on the demands emanating from partner countries. In several cases, this demand is directly linked with the wider global scenario and its impact on partner countries. Now the time has come when India needs to analyse possible corrective measures required to manage global forces better. It would also be worth analysing as to how many different ways they influence economic diplomacy at bilateral and multilateral levels. While identifying the possible areas for responses, it is also important to delineate how global policies are playing out in this context. A common understanding with partner countries is likely to facilitate addressing common challenges.

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