INDIA AS A LEADING POWER

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Summary

Prime Minister Narendra Modi’s call for India to become a leading power represents a change in how the country’s top political leadership conceives of its role in international politics. In Modi’s vision, a leading power is essentially a great power. However, India will only acquire this status when its economic foundations, its state institutions, and its military capabilities are truly robust. It will take concerted effort to reach this pinnacle.

Realizing Unfulfilled Potential

• When fulfilled, Modi’s ambition to make India a great power will mark the beginning of a third epoch in Indian foreign policy, when its weight and preferences will determine outcomes in the global system.

• New Delhi’s current ability to expand its national power is handicapped by an overly regulated economy, inadequate state capacity, burdensome state-society relations, and limited rationalization across state and society writ large, all of which have persisted throughout India’s history as an independent nation.

• Whether India becomes a great power depends on its ability to achieve multidimensional success in terms of improving its economic performance and wider regional integration, acquiring effective military capabilities for power projection coupled with wise policies for their use, and sustaining its democracy successfully by accommodating the diverse ambitions of its peoples.

• Even if India manages to undertake the myriad reforms necessary to achieve these aims, many analyses suggest that it will be the weakest of the major poles for decades to come, geographically located uncomfortably close to a powerful China.

What India Must Do to Become a Leading Power

Complete the structural reforms necessary to create efficient product and factor markets. India has lost too many opportunities to build efficient markets that foster innovation and accelerate long-term trend growth. The government needs to redirect its activities toward producing better public goods, while establishing an institutional framework that stimulates private creativity and increases rationalization across Indian society.
Create an effective state to leverage India’s capacity to build its national power. Without a vastly improved presence in society as well as better extractive and regulatory capacities—all of which require a more autonomous state—India cannot accumulate material capabilities to rapidly become a great power.

Foster a strong relationship with the United States. The United States is an important host for India’s skilled labor; remains a critical source of capital, technology, and expertise; and constitutes the fulcrum of strategic support for India’s global ambitions. If India maintains robust ties with the United States, even as it strengthens relations with key U.S. allies in Asia and beyond, it will continue to gain indispensable benefits.
Introduction

Less than a year after he took office in May 2014, India’s Prime Minister Narendra Modi challenged his senior diplomats “to help India position itself in a leading role, rather than [as] just a balancing force, globally.” Elaborating on this idea, the foreign secretary, Subrahmanyam Jaishankar, later noted that Modi’s dramatic international initiatives reflected India’s growing self-confidence, declaring that the country now “aspire[s] to be a leading power, rather than just a balancing power.”

When this ambition is realized, it will mark the third and most decisive shift in independent India’s foreign policy, one that could have significant consequences for the future international order. It will take concerted effort, however, to reach this pinnacle in the years ahead: New Delhi will have to reform its economy, strengthen its state capacity, and elevate the levels of rationalization across state and society writ large so that India may be able to effectively produce those military instruments that increase its security and influence in international politics.

From Balancing to Leading Power?

For the longest time, India’s foreign policy was essentially defensive. Its early rhetoric was bold—championing, in former prime minister Jawaharlal Nehru’s words, a “real internationalism” that promoted global peace and shared prosperity. Yet its material weaknesses ensured that its strategic aims in practice were focused principally on protecting the country’s democracy and development from the intense bipolar competition of the Cold War. Although the character of India’s international engagement varied during these years, its broad orientation did not: remaining fundamentally conservative, India’s nonalignment aimed mainly at preventing U.S.-Soviet hostility from undermining its security, autonomy, and well-being at a time when the country was still relatively infirm.

In retrospect, this effort turned out to be more successful than was imagined initially. India survived the Cold War with its territorial integrity broadly intact, its state- and nation-building activities largely successful, and its political autonomy and international standing durably ensconced. In the process, it created some impressive industrial and technological capabilities, but its obsession with
“self-reliance” unfortunately also ensured the relative decline of India’s economic weight in Asia and beyond.

After 1991, when it was freed from the compulsions of having to avoid competing alliances at all costs, India entered into the second phase of its foreign policy evolution. Pursuing a variety of strategic partnerships with more than 30 different countries, India sought to expand specific forms of collaboration that would increase its power and accelerate its rise. The domestic economic reforms unleashed in the very year of the Soviet Union’s collapse paved the way for consolidating India’s path toward higher growth. From the abysmal 3.5 percent annual growth witnessed until the 1980s, the 1991 reforms accelerated the improving 5.5 percent growth rate to the 7 percent demonstrated since the new millennium, leading the U.S. Central Intelligence Agency to conclude that India was likely to become the most important “swing state” in the international system. This assessment suggested that India’s significance in global politics lay mainly in its being a balancing power. That is, even if it were not strong enough to be an independent pole, its presence in any particular international coalition would strengthen that grouping significantly.

Since the presidency of George W. Bush, this realization has driven the United States to consciously assist the growth of Indian power. On the assumption that New Delhi and Washington share a common interest in preventing Chinese hegemony in Asia, the United States has sought to bolster India as a counterweight to China, fully appreciating that India would pursue an independent foreign policy but expecting nonetheless that it would concord with larger U.S. interests in the Indo-Pacific. Even if India were to eventually become a true pole in international politics, U.S. calculations would not in any way be undermined: shared democratic values would then position India as a valuable partner for the United States, while its growing national capacities would help to create those objective constraints that check the misuse of Chinese power in Asia in the interim.

Modi’s clarion call for India to assume a leading, rather than merely a balancing, role signifies larger ambitions. Jaishankar summarized these aims succinctly when he stated, insofar “as larger international politics is concerned, India welcomes the growing reality of a multi-polar world, as it does, of a multi-polar Asia.” In other words, India, by its choices at home and its actions abroad, would seek to create the distribution of capabilities at both the global and the continental levels that would accommodate its presence as an authentic great power. Although these aspirations are conveyed by the more modest locution “leading power,” Modi’s vision, strictly speaking, envisages India becoming a traditional great power—an inescapable conclusion if the desire for multipolarity at the global level has any consequential meaning.

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

Clearly, Modi seeks to transform India from being merely an influential entity into one whose weight and preferences are defining for international politics. While this desire is laudable, it appears that India’s climb to great power status will take time. Although contemporary projections of global growth out to 2050 suggest that India will become a true pole by then, they also conclude that it will remain the weakest of the principal entities—China, the United States, the European Union, and India—dominating the international system at that time. A detailed analysis from 2012 suggested that India, representing only 7 percent of the global product in 2050, will remain well behind China at 20 percent and the United States and the European Union at 17 percent each, though it will be somewhat ahead of Japan at 5 percent and comfortably lead Russia and Brazil at 3 and 2 percent, respectively. Assuming that current U.S. alliances survive until then, the Western democracies and Japan will still reign supreme with 39 percent of the global product, almost double that of China’s and similarly close to double China’s and Russia’s gross domestic products (GDPs) combined.

It is in the greater Asia-Pacific region, however, that India can make a dramatic difference to the continental balance. If India allies with the United States and Japan, the resulting 29 percent of the global product will easily exceed China’s 20 percent in contrast to only the marginal advantage that the two democracies will enjoy if India sits out. Against China and Russia together (a total of 23 percent), India’s contribution will become even more valuable because it will erase the slight inferiority that will otherwise mark the collective U.S.-Japanese product.

Such projections help to characterize India’s value in the larger geopolitical context, and their underlying insight is sobering. Although India will likely be transformed into a genuine pole by 2050, it will remain fundamentally a balancing power—a swing state—rather than a colossus capable of either holding its own against a major rival such as China or defining the international system to its advantage in the face of possible opposition.
To be sure, all long-term economic projections are fragile for various reasons. But insofar as such forecasts represent disciplined analysis, any differences between their predictions and the actual outcomes are likely be of degree rather than of fundamental mischaracterization.

This does not imply that Modi’s vision of India as a leading power ought to be jettisoned. Far from it. It should in fact be pursued even more vigorously to protect the possibility of India becoming a true pole by 2050 with material power exceeding what the current prognoses suggest—an outcome that will require New Delhi to purposefully expand its own national capabilities in ways that other great powers have done before.

**Patchy Success Thus Far**

It is tempting to suggest, as some commentators have, that India’s path to becoming a great power will be paved either by the resolute use of military capabilities or by the persuasion of its soft power. Both notions, employed exclusively, can be deceiving. India’s capacity to deploy a powerful military as well as to attract admirers internationally will depend fundamentally on its ability to durably achieve multidimensional success: sustaining high levels of economic growth, building effective state capacity, and strengthening its democratic dispensation. As the last sixty-five-odd years have demonstrated, the mere preservation of an impressive system of self-rule is insufficient for procuring great power capabilities if it is not accompanied by an Indian capacity to increase the mass standard of living, to raise technological proficiency, to sustain a competent state, and to project military power beyond its homeland more or less consistently.

The historical record suggests that becoming a great power essentially hinges on the ability to master the cycles of innovation to produce at least sustained, if not supernormal, growth for long periods of time and, thereafter, to use the fruits of this potency to generate effective military capabilities that can neutralize immediate and far-flung challengers. Even if pushing the technological frontier outward is difficult, emulating the innovators and deepening (or improving) a country’s own comparative advantages can enlarge the opportunities for broad-based domestic growth. An analysis published in 2001 argued that if India could sustain a growth rate of consistently 7 percent or higher, it would represent “an economic performance that inexorably transforms India into a great power, positions it as an effective pole in the Asian geopolitical balance, and compels international attention to itself as a strategic entity with continent-wide significance.”

Although India has managed to chalk up such elevated growth in recent years, whether it can transform this peak performance into a sustainable rate of expansion for at least another two or three decades is an open question. There...
are several reasons for doubt, all anchored solidly in contemporary growth theory, which emphasizes the importance of capital accumulation, labor force expansion, and total factor productivity increases as critical to maintaining superior levels of trend growth.

Serious challenges abound on each count. India’s savings are still remarkably low compared to its investment needs, and its diffidence about foreign investment in many sectors only magnifies these capital constraints. India has been more welcoming of overseas capital in recent years. However, the problems it has had with respect to “tax terrorism,” the continuing difficulties of doing business in India, and the volatility of all emerging markets make the prospect of relying on large infusions of external capital for long-term growth somewhat challenging at precisely the time when the country’s credit markets are primitive and its banking sector is mired in deep crisis because of numerous bad loans.

The Indian population too, undoubtedly, is large and its demographic profile eminently favorable. But employment opportunities are still scarce, and the majority of its workforce is very poorly educated and lacks decent access to public healthcare. Meanwhile, the current Indian emphasis on manufacturing to generate employment may not be able to deliver adequately in the face of the increasing technology-intensity of production, the global transitions exemplified by manufacturing moving closer to the sources of demand, and India’s own severe infrastructure limitations.

The total factor productivity of the Indian economy, finally, is still meager, and although it has improved since the 1991 reforms, its projected growth is nonetheless assessed as among the lowest in Asia. This should not be surprising because productivity in those segments employing the largest numbers of people in India—agriculture and informal industry—is still quite dismal. Even if the high growth India has witnessed recently is driven more by productivity increases than by factor accumulation, sustaining this outcome over time will be difficult if the current liabilities in capital accumulation and labor force employability are not addressed by targeted economic reforms.

All told, these difficulties represent only the tip of the iceberg. They are exacerbated by a voracious government that siphons private resources toward maintaining large and inefficient public enterprises, a redistribution regime that is driven more by electoral than by economic logic, and directed investments that are compelled by political prejudices instead of considered judgments about financial returns. The deficiencies of the pricing mechanisms in important sectors of the economy such as agriculture, energy, and natural resources further magnify the problems.

Successive governments in India have amplified these distortions over time. Even Modi, who identifies himself as a reformer, has focused on rectifying these ills through incremental solutions to discrete problems rather than through fundamental structural transformations aimed at enlarging the reach, depth, and effectiveness of the market nationally (especially where the
factors of production more generally are concerned). Many of the efforts that have been initiated in these areas, unfortunately, have been stymied by the Opposition in parliament, making the task of revamping the Indian economy even more difficult. Furthermore, reforms that would restrict the government principally to the production of public goods, while investing in improving its institutional effectiveness, have still not been enacted. And the political class more broadly continues to shy away from the idea that scarce resources must be priced efficiently and impersonally and paid for by their consumers (with only the truly indigent assisted by various kinds of direct income transfers).

These failures have precipitated a systemic misallocation of resources and continue to levy a high toll on efficiency, competitiveness, and innovation nationally. Because of this, India’s ability to generate high growth over long periods of time relative to its competitors—the sine qua non for becoming a great power—is constrained more than it should be.

India’s recent performance in the arena of geopolitics has been more impressive. Recognizing that subcontinental stability liberates India to play a significant role on the larger global stage, Modi—even more than his predecessors—has moved swiftly to engage all of India’s smaller neighbors. Although success has been the least pronounced where Pakistan is concerned, the issues there have more to do with Rawalpindi than with New Delhi. Pakistan will likely continue to pose intractable problems for Indian policy, but recognizing these realities, Modi has refused to be consumed by its distractions. Rather, he has reached out ever more boldly farther afield. India has forged a blazing new partnership with Japan, one that is critical for rejuvenating its economy and creating an intra-Asian balance against China. New Delhi has also sought to keep relations with Moscow on an even keel, despite Russia’s growing collaboration with China, while simultaneously engaging Beijing to secure a modicum of economic gains and geostrategic tranquility. Throughout this adroit balancing act, Modi has not neglected other important partners such as France, Germany, Israel, and the United Kingdom.

India has also displayed dramatic strategic innovativeness in other spaces. It has undertaken remarkable engagements in the Middle East, with both Iran and the United Arab Emirates simultaneously, and plans for a renewed outreach to Saudi Arabia are in the offing. And the new government has carried the earlier Look East policy, which focused on rebuilding ties with East and Southeast Asia, to its logical Act East conclusion, though much more remains to be done here. Modi’s India has now begun to insert itself as a player in Southeast Asia, declaring its interest in preserving freedom of navigation in the South China Sea, while simultaneously intensifying ties with the Association of Southeast Asian Nations (ASEAN) in the face of growing Chinese assertiveness. This renewed interest in India’s eastern flanks has been complemented by
a determination to become the security provider of first resort for the island states in the Indian Ocean despite a new Chinese presence in these waters—a policy that is buttressed by important domestic decisions to reinvest in building naval capabilities for extended presence and power projection around the Indian peninsula.

Above all else, Modi’s initiative to deepen the partnership with Washington is most portentous. It implies a recognition that the United States holds the most important keys for India’s long-term success outside of its own domestic policies: as a host for India’s skilled labor; as a source of capital, technology, and expertise; and as the fulcrum of strategic support for India’s global ambitions. While the evolving U.S.-Indian relationship will always require careful management by both sides, Modi’s daring decision to collaborate wholeheartedly with the United States opens new avenues for assisting the rise of Indian power.

While these initiatives are significant—sometimes even melodramatic—and indicate that New Delhi is consciously building a web of partnerships through which it can exercise influence and protect its interests, India is still some way from leaving an indelible impression on the Indo-Pacific, let alone the world. India’s foreign trade, the lifeblood of connectivity in its larger sphere of interest, is yet all too modest. The compulsions of democratic politics and the still-strong fears of foreign domination have prevented New Delhi from embarking on greater external openness, thus denying it additional resources for domestic growth; foregoing closer ties with those nations bound to, but nevertheless wary of, China; and most dangerously, limiting the prospects of one day being included in those megaregional agreements that now promise to dominate global trade.

Forfeiting the possibilities of enhanced trade-driven growth follows naturally from the currently tepid domestic economic liberalization efforts, the impact of which will be felt not simply in lowered secular growth rates but also in constrained military modernization—both relevant for India’s great power ambitions. The Indian armed forces are large and adequate for internal security and frontier defense, but although India “has acquired the nucleus of a substantial [power projection] capability . . . it remains limited in number and in terms of specific enablers,” as one illuminating study has noted.9 The current and prospective defense budget constraints imply that India will be unable to fund these three warfighting orientations adequately, consequently limiting its capacity to provide the protective reassurance sought by many smaller states in the Indo-Pacific.

Compensating for such deficits through a forced promotion of Indian soft power is untenable. India’s soft power will garner the attractiveness necessary to legitimate its rise in Asia and the world only when the country proves that it is an enduring success in terms of economic performance and wider regional integration, possesses effective

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military capabilities for power projection coupled with wise policies for their use, and can sustain its democracy successfully by accommodating the diverse ambitions of its peoples. On all these counts, the contemporary record suggests that India still has much to do if it is to realize its ambition of becoming a true great power in world politics.

**Confronting Weaknesses in National Performance**

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

These motivating elements appear only weakly in the Indian case. The country’s large area, population, and resource stocks make it relatively immune to most external dangers, which since independence have emerged largely from smaller states such as Pakistan. Although Beijing’s power now arrives consequentially on New Delhi’s doorstep for the first time, India is neither so small nor so weak as to be simply pushed over. The country’s inherent diversity and crosscutting cleavages also place natural limitations on any internal insurrections mobilizing successfully enough to threaten the state or the nation as a whole. The end result is that India faces few existential threats that compel it to marshal national power speedily to protect itself—as actors in early modern Europe had to do, leading to the creation of absolutist states that eventually became great powers. Whether the ongoing rise of China alters this reality dramatically remains to be seen.

The history of India’s independence movement and the remarkable survival of its democracy only reinforced its moderation. The quest for high office domestically was regulated by orderly processes that did not require any frenetic mobilization of resources, and the possibility of external expansion was extinguished thanks to the heritage of nonviolence, the burdens stemming from unfulfilled development demands, and the constraints imposed by democratic institutions. As a result, India was not compelled by either external or internal exigencies to build a strong state or nurture the productive economy that would have generated robust national power urgently. Moreover, the
presence of social fissures in India reinforced the belief that paced growth was necessary to limit the potential for domestic disruptions. Consequently, while Indian statesmen certainly sought greatness for themselves and their country, these ambitions were never driven either by the imperatives of survival or by the need to demonstrate awesome virility, and, hence, they precluded the concerted societal mobilizations witnessed often and elsewhere in history.

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

These failures were exacerbated by the Indian state’s weaknesses in “infrastructural capacity,” meaning its ability to set and attain specific political goals. The difficulties in setting targets derive primarily from the fact that Indian elites—especially the wielders of political power—are not particularly united in their aims or the means to achieve them. Although there is a superficial consensus on some objectives, such as high growth or social stability, the political class does not agree on what these goals actually mean in practice or what policy instruments should be employed to realize them. The reliance on a poorly equipped and often recalcitrant bureaucracy only makes things worse. And the democratic process further exacerbates these problems of cohesion because the need to placate many competing social bases of support or to prevent the extant government from succeeding merely for electoral advantage often leads various elites to oppose even sensible policies that would increase Indian power. None of these pathologies is unique to India, but when governments rather than markets are disproportionately responsible for material success nationally, elite fragmentation turns out to be especially costly.

Beyond the constraints imposed by a fractured elite in regard to setting goals, the institutional impediments to attaining the aims associated with accumulating national power in India are particularly grievous. For starters, the Indian state does not penetrate its own society sufficiently: there are still vast swaths—territorial and functional—where state power is conspicuous by its absence. In fact, the Indian state is overly present in those areas where it ought not to be, producing private goods for example, but seriously deficient in other spaces where it has no substitute, such as in administering law, order, and justice; providing various public and merit goods; and managing national security. Furthermore, the Indian state

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performs abysmally with respect to resource extraction: whether measured by direct, indirect, or property taxes, India’s tax-to-GDP ratios are among the lowest of its G20 or BRIICSAM (Brazil, Russia, Indonesia, India, China, South Africa, and Mexico) peers, and the incidence of tax evasion is also high. These realities underscore how pervasive underdevelopment, regressive economic policies, and poor enforcement capabilities combine to produce unproductive state-society interactions that ultimately subvert both India’s developmental aims and its acquisition of great power capabilities.

Finally, except where national security issues are concerned, the Indian state does not enjoy sufficient autonomy from its own society and seems unable to regulate social relations in ways that would permit it to pursue important national interests without being constrained by veto-wielders domestically. This problem is more intense in democracies, but the difficulties that successive Indian governments have faced in regard to subsidy reduction, trade liberalization, and labor law reform, for example—all widely agreed in India to be vital for future success—bode ill for expectations of any speedy expansion of state autonomy. It is unfortunate that the nature of electoral competition in India has actually sharpened its social cleavages, with democracy thus making the state even more susceptible to societal pressures. Therein lies a tragic irony: the very crosscutting cleavages that prevent any internal threats from becoming existential dangers to the country also end up weakening the state, thereby raising the question of how a state that cannot shape its own society can expect to shape the outside world—the ultimate hallmark of a great power.

These components of national performance, which bear on whether the state can convert its control over society into usable resources for power-political purposes, are also shaped by a more abstract, even elusive, element: the extent of rationalization in state and society. Rationalization, as reflected in Max Weber’s work examining the rise of the West, refers to the extent to which reason is incarnated in the worldviews and actions of various actors in a given social system and, by extension, ultimately in its institutions. The distinction between substantive and instrumental rationality is relevant here: the former refers to what reason judges to be essential for success in a given context, whereas the latter pertains to the adequacy of the means used to secure these aims.

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

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

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

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

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

**Conclusion**

Prime Minister Modi’s call for India to become a leading power represents a change in how the country’s top political leadership conceives of its role in international politics. Attaining Modi’s ambition will require India to undergo...
a concerted transformation. This entails strengthening what India has most successfully achieved thus far—territorial integrity, liberal democratic politics, and civic nationalism—but drastically renovating the sclerotic elements of its economy to enable the progressive rationalization that comes, inter alia, from enlarging its market system. Deep structural reforms accompanied by carefully targeted remediation would significantly mitigate the constraints on long-term accumulation, in effect serving, as one study noted, as “positive shocks to the trend that will enable growth to pick up” and persist at high levels over time.\(^\text{13}\)

Concerted marketization thus holds the promise of improving India’s trend growth rates, enabling appropriate redistribution when desirable, and empowering the state with the resources necessary to accomplish its international goals. Achieving durable success, however, will require strengthening India’s state capacity along multiple dimensions in order to mitigate the weaknesses, as one scholar put it, that affect “both [the country’s] ability to grasp the big strategic picture and [its] ability to get the nuts and bolts right.”\(^\text{14}\)

Prime Minister Modi is cognizant of the need for comprehensive transformation if India is to one day become a genuine great power. But his efforts thus far in promoting such change, though laudable in many ways, have been unduly conservative. He has certainly embarked on several high-profile projects intended to stimulate growth and development, but he has yet to articulate an overarching defense of systemic reform, and he has shied away from undertaking those consequential initiatives that would appropriately reposition the Indian state within the national economy while simultaneously strengthening it. This hesitation is obviously shaped by the realities of Indian politics. When Modi was chief minister of Gujarat, his most audacious policies materialized only during his second term in office, and he may well be following a similar script in New Delhi. But, even if true, this approach harbors risks for his ambition to make India a great power quickly if its “persistent, encompassing, and creative incrementalism,” as the Ministry of Finance described it,\(^\text{15}\) either falters or proves to be insufficient at a time when India’s competitors, most importantly China, appear willing to make bolder reform decisions and implement them with greater alacrity.

It bears remembering that even as all these tasks are satisfactorily completed, most compelling analyses of the future global economy suggest that India will remain the weakest of the great powers for a long time to come. Given this possibility—and the likelihood that a rising China will challenge Indian security in ways that New Delhi has never had to cope with before—finishing the renovations necessary to make India a great power cannot be either put off or approached lackadaisically as has been the case thus far.

Modi’s invocation that India become a leading power, consequently, offers transformative possibilities if it drives the speedy acquisition of great power capabilities and makes their procurement a formal object of Indian national

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policy. If this vision takes root, perhaps the most important immediate change engendered would be the imbuing of self-assurance within the Indian polity, its elites, and its leaders. For all the distinctive shifts that have occurred in Indian foreign policy in recent times, it is remarkable how large segments of the intellectual, bureaucratic, and political classes are still fundamentally insecure about their country’s capacity to engage with the world on its own terms. This is partly a legacy of colonialism and partly a consequence of India’s persisting material weaknesses in international politics. Yet it is nevertheless unsettling because among India’s native strengths has been the capacity to assimilate diverse foreign ideas, cultures, and peoples over the millennia—enriching both the entrants and the host in the process.

Given this fact, the strong fears of the “foreign” still residing in India are disconcerting. For example, in the political class, the Rashtriya Swayamsevak Sangh (RSS) and the Communist Party of India today converge in their fundamental suspicion of the outsider, albeit different ones. In the Indian bureaucracy, the apprehension about external penetration strongly limits its willingness to divest control over both the economy and the state. And in the Indian military, the anxiety about penetration by powers abroad serves to curb access to the institution, while constraining its ability to sustain deep engagement with its best global partners.

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

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

A focused effort along these lines would make India’s journey toward achieving great power status easier. But it would require more of Modi than has been

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Modi’s invocation that India become a leading power, consequently, offers transformative possibilities if it drives the speedy acquisition of great power capabilities and makes their procurement a formal object of Indian national policy.
in evidence lately. There are few leaders in India today who have the capacity to articulate the importance of this vision in ways that are comprehensible to the polity at large. And India enjoys the unique advantage of having its rise unambiguously welcomed by the most important power in the international system, the United States. Building on the initiatives first undertaken by Atal Bihari Vajpayee and then elevated to new heights by his successor as prime minister, Manmohan Singh, Modi can be justifiably proud of his own contributions to strengthening New Delhi’s strategic partnership with Washington. By consummating the path-breaking Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region agreed to with President Barack Obama, and complementing it with deeper economic integration with the United States, Modi can solidify a geopolitical bond that will be incredibly valuable for India as it continues along the road to becoming a real great power.
Notes

2 Subrahmanyam Jaishankar, “IISS Fullerton Lecture by Dr. S. Jaishankar, Foreign Secretary in Singapore” (speech presented at the International Institute for Strategic Studies, Singapore, July 20, 2015).
5 Subrahmanyam Jaishankar, “IISS Fullerton Lecture.”
7 Fouré, Bénassy-Quéré, and Fontagné, “Great Shift,” 53.
9 Shashank Joshi, Indian Power Projection: Ambition, Arms and Influence, Whitehall Papers 85 (London: Royal United Service Institute, 2015), 140.
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