

Challenges for a transitioning power

The asymmetry in India's domestic capabilities and global profile creates a unique tension in its foreign policy

ILLUSTRATION: BINAY SINHA



India is still a developing country with a low per capita income of \$2,500, which also camouflages wide income and wealth inequalities. India currently ranks 134th out of 193 countries in the Human Development Index, which is a more accurate measure of progress in the social and economic welfare of a country's population. The road to Viksit (Developed) Bharat is likely to be a long one, and almost certainly stretching beyond 2047, the centenary of India's Independence.

While India may be classified as a low- to middle-income country, in per capita terms — which is what matters to the ordinary Indian citizen — it is a high gross domestic product (GDP) country at the macro level. It is a \$3.5 trillion economy, ranked fifth in the world. But this, too, hides the relative gap that divides India from its peers. The US constitutes 26.3 per cent of global GDP, European Union 17.3 per cent, China 16.9 per cent, with India at only 3.6 per cent. Since in international relations, relative weight counts, India has a modest profile even in macroeconomic terms.

Greater influence is derived from some other important factors. India has the world's largest and still growing population, and this could potentially be an asset when most major economies, including China, confront declining and ageing population trends. India is also the fastest-growing major emerging economy, with a steady 6-6.5 per cent annual growth in GDP. If sustained, this would position the country as a significant economic and commercial opportunity when there is relative stagnation in global GDP. One should also consider India's

role in dealing with global challenges such as climate change, public health, food and energy security, and technological change. The very nature of transnational issues makes it impossible for even the strongest nation in the world, or a coalition of industrialised and developed countries, such as the G7, to find comprehensive solutions. Global regimes to address such challenges can no longer be imposed on the rest of the world by the most powerful countries, as was the case in the past.

Emerging economies are not always able to prevail in shaping the global arrangements in any specific domain, but they increasingly enjoy the negative power of being able to prevent such arrangements from being imposed. This may create the impression that the emerging countries have been obstructive in international negotiations. Quite the contrary, they have become more effective in safeguarding their own perceived interests. India has exercised such influence in the past and will continue to do so. It will, however, need to develop a much larger and more qualified capacity to navigate increasingly complex negotiating processes.

There is an asymmetry in India's economic and social development indices, where it still ranks low, and its global profile, which has gained in prominence. This is a pattern of development quite different from that experienced by the established industrial economies, where the increase in their share of the global cake went hand in hand with steady improvements in individual and social welfare of their citizens. In playing a global role, the emerging economies face a dichotomy — on the

one hand, they are expected to take on greater responsibility and make a larger contribution to the management of what are called the "global commons". But at the same time, they continue to seek global arrangements that will provide the resources and tools to address significant domestic challenges. This is inevitable for a country that is in the midst of a major transition from a developing country to a major emerging power. Finding the right balance between the demands of a global role and the imperatives of domestic challenges is never easy, but it must be sought in every case.

India's pursuit of "multi-alignment," active participation in "mini-laterals", regional and functional groupings, and its engagement in conventional multilateral forums, such as those under the UN, all point to this trend. India is taking part in issue-based coalitions that best serve its interests even as these interests expand along with its larger developmental imprint.

India sees no contradiction in being part of the Quadrilateral (with the US, Japan and Australia) or the Shanghai Cooperation Organization (which includes China and Russia, Iran and Pakistan and Central Asian states); nor in pursuing cooperation in the Brics (Brazil, Russia, India, China and South Africa) and also through Bimstec (which includes India, Bangladesh, Bhutan and Sri Lanka from South Asia and Thailand and Myanmar from Southeast Asia). At a different level, it has played host to a very successful G20 summit. Together, these efforts mark India as a global power with a wide range of interests.

The asymmetry in India's domestic capabilities and its global profile poses complex challenges for its foreign policy. On the one hand, there is satisfaction in having found a seat at the high table (but not yet as a permanent member of the UN Security Council). However, this is not backed by commensurate economic, technological and security capabilities, so India's influence in shaping global governance is limited. Our main concerns remain the economic and social development of our people. In this sense, India remains a "demandeur" in the global system. Whether it is trade or climate change, we are both a contributor to and a recipient of global public goods. In pursuing negotiations for a more supportive climate change regime, or demanding both international finance and technology transfer for our own development needs, our priorities are different from the big players, including China. When should we concede to what is expected of India as a global player, sitting at the high table, and when should we resist, especially when such concessions may undermine the developmental interests of our still poor population? Should our identity as a Global South country take precedence over our aspirations to be recognised as a global power?

This dichotomy will persist for India for several years to come. On each item on the global agenda, we will have to seek an item-specific balance, where our role as a global actor does not undermine our ability to deliver the very basic development needs of millions of our citizens. The balance we seek must remain relevant to their interests.

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