

> Executive Summary

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When Hillary Clinton visited India in 2009, the US Secretary of State's verdict was unequivocal: 'I consider India not just a regional power, but a global power.' Eight years earlier, on the back of economic liberalisation in the 1990s, India had been included among the 'BRICs' – those developing nations whose economic potential was expected to take them to the heights of the world economy. Since the turn of the century, India's economy has surpassed those predictions, expanding fourfold in the course of a decade. Over the same time, expectations that India might increasingly define its political interests to match its economic clout have in turn grown, particularly in a West that sees in India's democratic heritage the potential for strategic partnership. Indeed, for some Indian newspapers the question of India's rise is essentially settled; all that is left to consider is what kind of superpower India wants to become.

India's rise has certainly been impressive, and warrants the attention that it has commanded. India has been one of the world's best-performing economies for a quarter of a century, lifting millions out of poverty and becoming the world's third-largest economy in PPP terms. India has tripled its defence expenditure over the last decade to become one of the top-ten military spenders. And in stark contrast to Asia's other billion-person emerging power, India has simultaneously cultivated an attractive global image of social and cultural dynamism.

India's rise in geostrategic terms is rendered all the more significant since its power resides at the confluence of the United States' two great hegemonic challenges: counter-terrorism operations in Afghanistan and Pakistan, and the management of China's growing regional assertiveness. If India's proud nonalignment during the Cold War had given it a leadership role in the developing world, its 21st century position places it at the heart of superpower geopolitics. Barack Obama's enthusiastic endorsement of a permanent UN security council seat for India, as part of making the US-India relationship 'a defining partnership of the century ahead', speaks volumes for the global importance of how India defines its foreign policy.

Still, for all India's success, its undoubted importance and despite its undisputed potential, there is cause for caution in assessing India's claim to superpower status. India still faces major developmental challenges. The still-entrenched divisions of caste structure are being compounded by the emergence of new inequalities of wealth stemming from India's economic success. India's democracy may have thrived in a manner that few ever expected, but its institutions face profound challenges from embedded nepotism and corruption. India's economic success continues to come with an environmental cost that is unsustainable.

Moreover, India has pressing security preoccupations. Domestically, insurgent violence affects large parts of India, creating risks and imposing additional costs on investment and economic development. Longstanding disputes necessitate that India focus its security concerns on its immediate borders and near-abroad, stymying efforts to define its strategic interests in a broader regional or global context. India's military capabilities, though growing, reflect the consequentially narrow bureaucratic concerns which India's institutional structures struggle to transcend.

India will continue to play a constructive international role in, among other things, the financial diplomacy of the G20, and it certainly has a soft-power story to tell as a model of liberal political and economic development. Perhaps even more significantly, the cultural impact of Indian cuisine, literature, films, music and sporting events will increasingly be felt globally through and beyond India's vast diaspora. Yet the hopes of those in the West who would build up India as a democratic counterweight to Chinese superpower are unlikely to be realised anytime soon. As LSE IDEAS' Philippe Roman Chair Ramachandra Guha argues here, it is doubtful whether India should seek to become a superpower. The bright lights of great power diplomacy may serve only to distract from the pressing requirements of India's domestic development, which to date has neither locked in its successes nor laid out a sustainable path for the future.

This report forms part of an LSE IDEAS' series on the topic of Power Shifts. In some senses, power shifts are axiomatic: they reflect the direction of wealth, status and capabilities. Yet in other respects power is a matter of national politics, of how countries seek to define their identity and how expansively they articulate their interests in the world. Whether India will be willing or able to resist the calling of superpower status remains to be seen. The United States, in particular, is placing India at the very heart of its strategic reorientation – and with it, the orientation of the rest of the world – towards Asia. India's importance for others will undoubtedly create the temptation to play the superpower role; detached and considered judgment should counsel India to regard such entreaties with due caution. ■