JOURNAL OF POLITICAL DISCOURSE
ISSN Print: 2992-2763 – ISSN Online: 2992-4618 | Vol. 2, Issue 1, No. 1 / March 2024
https://www.jopd.com.ng

INDIA AS AN EMERGING GLOBAL POWER: LESSONS FOR DEVELOPING COUNTRIES

Prof. James Nda Jacob, Agaba Halidu, PhD & Zekeri Momoh
Department of Political Science and International Relations,
Faculty of Social Science,
University of Abuja
Nigeria.
jnjnda@yahoo.com
jacob.james@uniabuja.edu.ng, Agaba.halidu@uniabuja.edu.ng & momohzekeri@gmail.com

Abstract
Britain colonized India, as it did most developing countries around the world, and the effects of colonialism were felt in every sector of its economy. The recent success story, particularly moving from the tenth-largest economy in the world in 2012 to the sixth-largest economy in 2017 and then to the fifth-largest economy in the world in 2022 amid covid-19, has piqued the interest of the global community. As a result, this research aims to investigate the factors that prompted India's transformation from a backward third world country to an emerging power within the international political economy. The data for this study were gathered from secondary sources such as books, journals, and internet sources, and the data were analyzed using content analysis. This study contends that rather than India lamenting its past colonial experiences, which many post-colonial states, particularly in Africa, have done since their independence, she began by creating an enabling business environment for investors, implementing significant neoliberal economic policies such as privatization, and opening up its economy, all backed by the government's strong political will to transform the country from a backward third world country to an emerging power within the international political economy. Finally, the study recommends that the Indian government maintain its economic and political reforms and expand its infrastructure such as roads, hospitals, and housing, among other things.
Keywords: India, Reforms, Political will, economy, infrastructure

Introduction

From the 1940s through the 1980s, remarkable number of developing countries gained their political independence from their colonizers namely; Britain, France, Germany, Portugal, and Italy, among others. The debate on the impact of colonialism on socio-economic and political development has remained an unending one in the international political economy literature. One perspective, particularly from the dependency school of thought is that colonialism has brought remarkable setbacks to the development of Third World Countries (TWCs). The argument of the dependency school of thought has attributed the underdevelopment of TWCs to factors that are external to them, particularly how they were incorporated into the world capitalist system as periphery participants and the influence of imperialism and neo-colonialism (Rodney, 1972; Ake, 1996).

However, the second perspective is situated within the context of the modernization school of thought which situates its argument on the causes of Third World underdevelopment to factors that are internal to the Third World societies such as leadership crisis and corruption. Though, the third perspective is situated within the mixed approach of both the modernization and dependency arguments on the causes of Third World Countries (TWCs) underdevelopment to both internal factors (leadership crisis and corruption) and external factors (colonialism, imperialism, neo-colonialism and the influence of globalization) (Momoh, 2016).

Nevertheless, the trio's perspectives on the causes of underdevelopment in Third World Countries (TWCs) are elegant in their postulations on the prescriptions and predictions of the conditions of TWCs. But empirical evidence abounds in the literature on the successes of the Asian Tiger nations sometimes referring to the Newly Industrialized Countries (NICs) of South East Asia like Singapore, Malaysia, Taiwan, Hong Kong, Indonesia, and by extension China have demonstrated that TWCs can arguably experience some levels of development despite the existence of structural impediments to TWCs' developmental efforts within the international political economy (Momoh, 2016).

Though, the level of development presently experienced by the Asian Tiger nations has been described as "dependent development" in the international political economy literature. This argument is centered on the assertion that despite the level of development experienced by the Newly Industrialized Countries (NICs) of South East Asia, they have arguably not escaped the marginalization faced by TWCs within the international economic system.

However, one country that has experienced a significant level of development in recent years within the international system is India. India has been a post-colonial dependent country that suffered from the shackles of colonialism and imperialism since its independence in 1947 from Britain. It is pertinent to note that many post-colonial states like Nigeria, Ghana, Angola, Egypt, Botswana, Venezuela, Chile, Bolivia, and Vietnam just to mention a few have been lamenting the negative impacts of colonialism and imperialism on their developmental efforts. India on the other hand and a few South East Asian countries have taken the bull by the horn to confront the challenges of the legacies of colonialism and imperialism before them and adopt some neo-liberal economic reforms such as privatization, socio-economic, and political reforms, not minding that there are countries like Argentina, Chile, Nigeria, South Africa, Kenya, among others that have experimented with some neo-liberal policies and are arguably not providing the expected outcome in terms of economic development. It is against this background that this study seeks to investigate the factors that prompted India's transformation from a backward Third World Countries (TWCs) to an emerging power within the intentional political economy.

Literature Review

There is growing research on the political economy of India in recent years. For instance, Kohli (1990a) and Kohli's (1990b) works focused on ethnicity and the challenges of imperiling democracy in India. These studies highlighted the nexus between ethnicity and politics in India. In a related study Brass (1990) examined the nature of politics in India, particularly the nature of ethnic politics. In the same vein, Hansen (2001) who was a social anthropologist wrote on the systematic analysis of the nature of ethnicity in Bombay. Nevertheless, Heywood (2007) has argued that there has been nationalist tension in India alone religious line.

However, Das (2000) provided a personal and analytical information on India's political and economic transformations with emphasis on its leading entrepreneurs. It is important to note that, India happens to be one of the countries that consistently pursued the import substitution approach as strictly as any Third World Countries in the world. Besides, since 1991 India has moved towards Structural Adjustment and open market policies which have helped in the development of the Indian private sector. Today, Indian private sector remains one of the developing private sectors, in terms of its contributions to the country's Gross Domestic Product (GDP).

Also, Roy (2001) wrote on the impassioned plea against dams, globalization, and their impact on India. This study highlighted the positive and negative consequences of globalization on the growth and development of the India economy in the faces of the challenges facing the Indian state. To this end, the influence of power politics in India remains key in the advancement of the Indian state. However, Gupta (1989) provided a critical and insightful analysis of the biography of Gandhi as a Prime Minister in India. For instance, in India under Indira Gandhi (1975-1977) major provisions of the Indian constitution were abrogated by the declaration of "state of emergence" Thus, our understanding of the influence of personality in politics is further enriched by Gupta (1989) studies. Therefore, this study highlighted the nexus between the personality and politics in India with references to the leadership style of Gandhi. From the above analysis, it can be said that the above studies reviewed are useful for the understanding the Indian state and its economic growth and development in various sphere of human endeavours.

Moreover, Jeffrey (1994) examined what is happening to Sikhs and Punjab. For instance, the agitation by Sikhsm Punjab for an independent state (Khalistan) and the agitation of some Muslims in Kashmir for the incorporation of Kashmir into Pakistan has posed a serious challenge in using objective factors in defining India as a nation (Heywood, 2007). Khilnani (1997) was a British Political Scientist who wrote on the nature of politics and life in India. Though, this work focus on specific case study but it constitutes an interesting discourse for wider interest in understanding why certain things happen and who influences those happenings within the Indian politics.

In addition, Thakur (1995) examined the nature of government and politics in India. Besides, studies have shown that India remains one of the Third World Countries in the world that have sustained its democratic system for a very long period (Hauss, 2006). However, despite the contributions of Thakur's work to existing literature on Indian politics, a lot has changed in 1995. For instance, Indian political system has long revolved around the Congress Party in India. In recent years the party is gradually slipping at the poll.

Varadarajan (2002) analyses why Gujarat joined Kashmir as one of the two most explosive states in contemporary times. Moreover, the violent conflict in Jammu and Kashmir has remained unresolved to date owing to multiplicity of factors. Therefore, this study remains useful as it provides us with a better understanding on the nature of violent conflict in Kashmir. Wolpert (1989) provided a detail study on the history of India. For instance, the independence movement in India was one of the largest and most unified forces in India in what is later known today as Third World.

From the review of the above literature, it is established that there is a gap in the literature on the factors that prompted India's transformation from a backward Third World country to an emerging power within the intentional political economy and key lessons to be learnt by Third World Countries in recent years. It is against this background, this study will make contributions to this research endeavor.

India's Emergence as a Global Power

India was a former British colony that attained independence in 1947. When the British left India after 1947, they left behind an economy battered by 200 years of imperial policy. Indeed, the British spent heavily on a rail network that linked most of South Asia's major cities and towns. They also made significant investments in Punjab's canal colonies, building new property rights and commercial legal systems in both rural and urban areas. In 1947, the British could perhaps boast that they had developed India into the world's tenth most powerful industrial power. For instance, Ahmedabad and Bombay had large textile industries, while Bihar and Orissa had steel industries.

It is worth noting that the participation of the Indian state in the economy in the 1960s was characterized as "statism," which is another term for "politicism." In the 1960s, when rural life was less national than it is now, the Indian state developed a price-and-technology-based approach (green revolution). In the mid-1960s, agricultural policy transformation was essentially a national interest (Das, 2001).

Moreover, India's recent economic triumph has surprised the rest of the globe. This is because available indicators of development in India's economy from the 1970s to the 1980s indicated that India's chances of escaping its backward state were arguably difficult, owing to its large population size of people living in poverty, high illiteracy rate, and social inequality across Indian societies.

On the social sphere, one thing that key about the nature of ethnic politics in India in recent years is that a lot has changed as it relates to the role of ethnicity in India politics. For instance, India remains one of the most religiously and ethnically diverse nations in the world. This has to a large extent influence the political life of the country since its independence in 1947.

Moreover, in a capitalist state, there is the need to have an established circumstance for capitalist accumulation and the replication of capitalist property relations. The main reason for the pro-farmer strategy is to help wealthy farmers produce food at a low cost. This is because it is essential for industrialization, the interests of private capitalism, and industrial Surplus production from the industrial areas of northern India was quietly used by the government to purchase goods for the cities (Das, 2001).

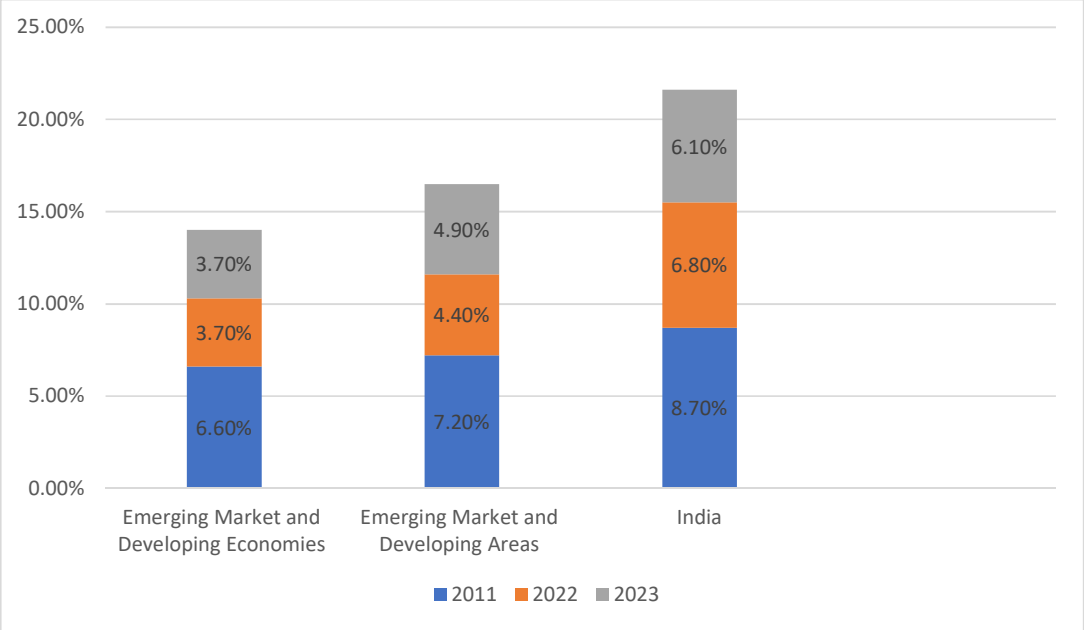
Presently, India is achieving high economic growth rates. It is important to note that the economic reforms in India did not begin in 1991, but were largely predicted by the business-oriented agendas of Prime Ministers Indira Gandhi and Rajiv Gandhi in the 1980s. In any case, the fundamental turning point in India's economic development trend occurred in 1980-1981 following the Indian government's investment in higher education and vital industries. However, it can be said that India's economic transformation did not just start in the early 1990s.

But in 1991, India continued by implementing pro-market (neoliberal) economic reforms. The Indian economy is now fully linked to the global capitalist economy (Das, 2001). However, it has been suggested that the neoliberal changes that have resulted in India's global performance were undoubtedly supported by a tiny minority whose purpose was to promote their group interest. On the

whole, in 2022, India occupying the leadership position among the Group of 20 (G20) is not a surprise to the world as its leadership has put concerted efforts to attain its present status among the comity of nations.

Today, India's story has changed owing to a number of factors. One of the strategies adopted by the Indian government in achieving economic development involves concerted efforts by the government to address the challenges of poverty. For instance, absolute poverty rates are much lower now than in the late 1970s, when about 50% of Indians were poor. The Government of India (GOI) adheres to a relatively strict definition of absolute poverty, even more than the basic "$1 a day" standard used by the World Bank. In 1980 the poverty level did not go down from 350 million to 100 million rather up to 750 million Indians who live on less than $2 a day. It is important to note that despite the high level of poverty and illiteracy in India, it has been able to sustain its economic growth rates in the 21st century only just behind United States, China, Japan and Germany. Though, some countries like Russia, Brazil, have benefitted from the wealth of natural resources. Today, the Indian state has successfully pursued strategies of economic modernization. Also, other Third World Countries have been considered to be "weak state", "quasi states", "failed states" or sometimes "rogue states" (Heywood, 2007).

Figure 1: World Economic Outlook Growth Projection (Real GDP, Annual percentage Change)



Source: IMF, World Economic Outlook, October 2022

Note: Data for India forecast was obtained on a fiscal year basis with FY 2021/2022 beginning from April, 2021. According to UNCTAD (2022) India's economy is expected to grow at 5.7% in 2022 and will experience a decline to 4.7% in 2023. Economic development would decelerate not only in India, but also in other Asian nations, as a result of recurring lockdowns in the People's Republic of China (PRC), Russia's invasion of Ukraine, and declining global growth in 2023.

Figure 1 shows that emerging Market and Developing Economies' Real Gross Domestic Product (GDP) are expected to grow in 2021 at 6.6% and are expected to grow at 3.7% in 2022 and 2023 respectively. Emerging and Developing Area Real Gross Domestic Product (GDP) are expected to grow in 2021 at 7.2% and is expected to grow at 4.4 % in 2022 and 4.9 % in 2023. Indian Real Gross Domestic Product (GDP) is expected to grow in 2021 at 8.7% and is expected to grow at 6.8 % in 2022 and in 2023 by 6.1%.

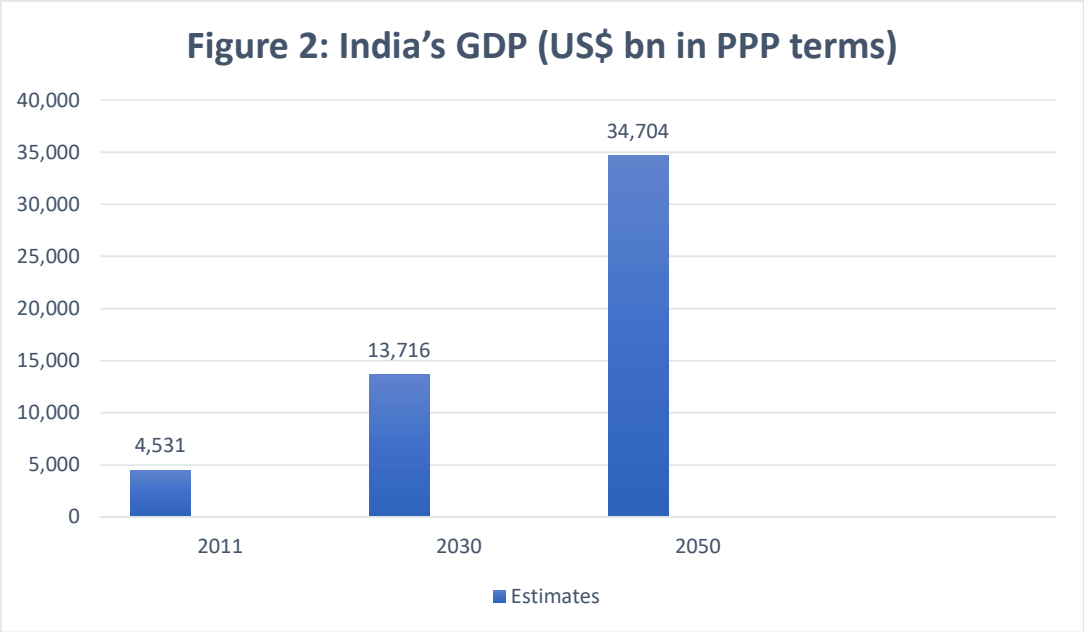
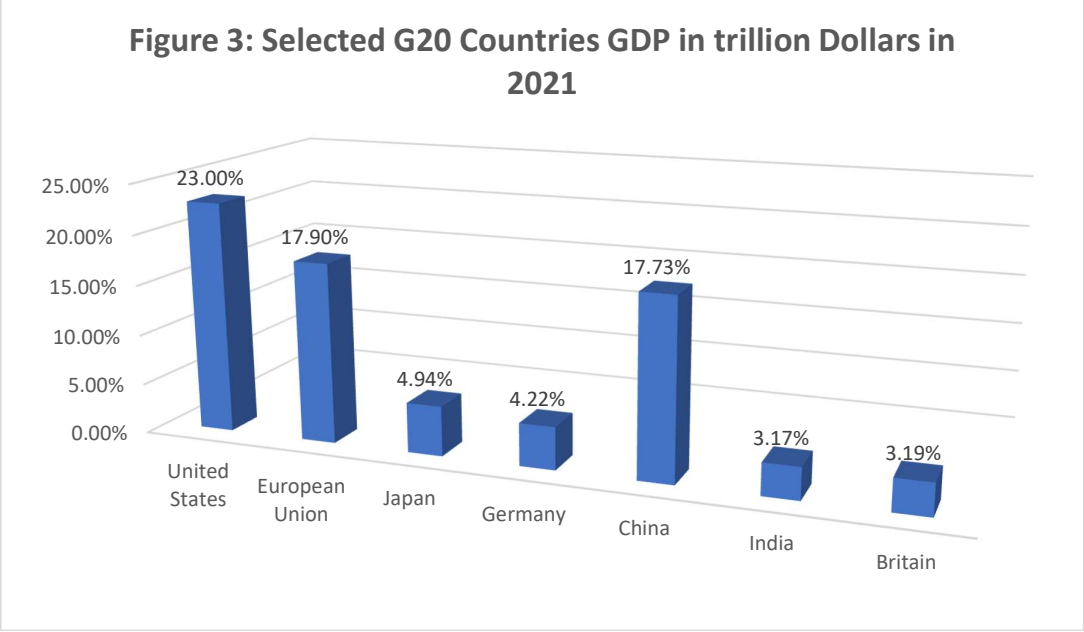
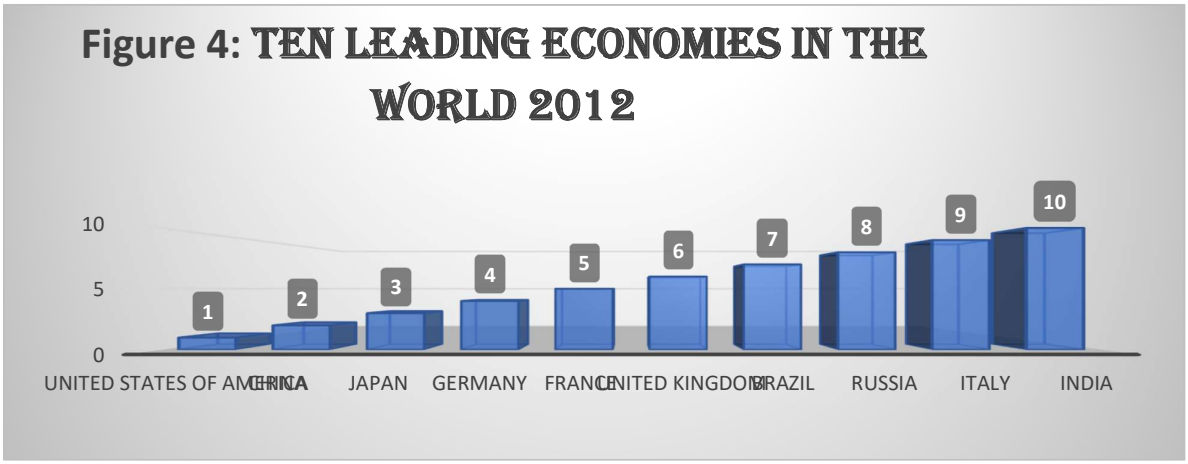


Figure 2 above shows that India economy is projected to grow at 5.8% between 2011 and 2030 and at 5.4 % from 2030 to 2050 based on Purchasing Power Parity (PPP).



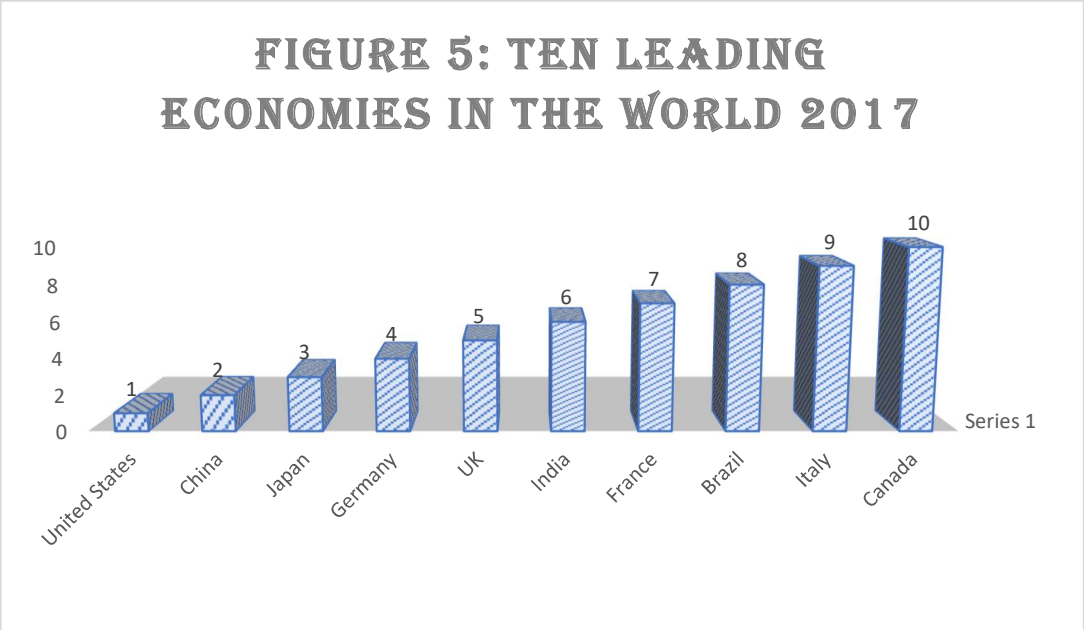
Source: Data were collected from Reena Strehle LindIn, (2022)

Figure 3 above shows that the United States has the world's highest GDP in trillions of dollars among selected G20 countries, estimated at 23%, the European Union has the second largest cumulative GDP among selected G20 countries at 17.9%. Globally, China ranks third among selected G20 countries, accounting for 17.73 percent of GDP in trillions of dollars. The GDP of Japan is 4.94% trillion dollars in selected G20 countries in the world, the GDP of Germany is 4.22% trillion dollars in selected G20 countries in the world, the GDP of the United Kingdom is 3.19% trillion of dollars in selected G20 countries in the world. 3.17% of India's GDP is 1 trillion USD in selected G20 countries in the world.



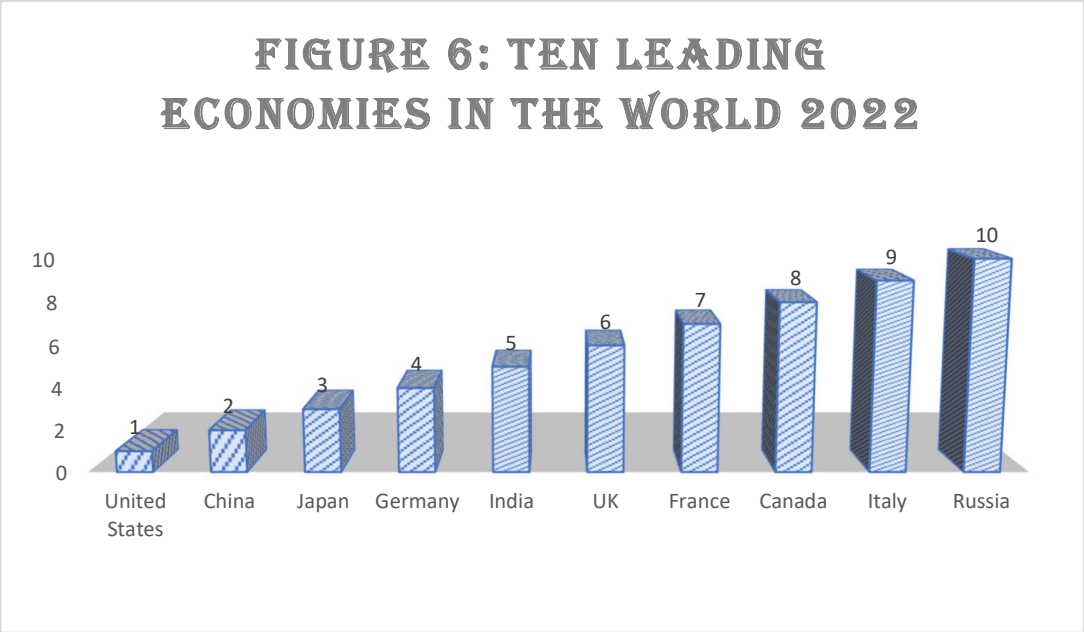
Source: Data were collected from Reena Strehle LindIn, (2022)

Figure 4 shows that in 2012 the United States was the leading economy in the world. China came second, Japan third, Germany fourth, France fifth, United Kingdom sixth, Brazil seventh, Russia eighth, Italy nineth and India tenth position.



Source: Data were collected from Reena Strehle LindIn, (2022)

Figure 5 shows that in 2012 the United States was the leading economy in the world. China came second, Japan third, Germany fourth, United Kingdom fifth, India sixth, France seventh, Brazil eighth, Italy nineth and Canada tenth position.



Source: Data were collected from Reena Strehle LindIn, (2022)

Figure **6** shows that in 2012 the United States was the leading economy in the world. China came second, Japan third, Germany fourth, India fifth, United Kingdom sixth, France seventh, Canada eighth, Italy nineth and Russia tenth position.

Interms of military capability, available statistics from the Stockholm International Peace Research Institute (SIPRI) (2022) shows that India occupy the sixth position in the world among the countries with nuclear weapons after the United States, Russia, the United Kingdom, France, China, while Pakistan, Israel and North Korea were rated below India. Interms of military spending, the United States of America occupies the top position as the country with the highest military budget of USD 766.6 billion. China occupies the second position with a military budget of USD 244.9 billion. Moreover, India occupies the third position with USD 73 billion. Besides, Russia occupies the fourth position with a military spending of USD 66 billion and the United Kingdom occupies the fifth position with a military spending of USD 58.5 billion (SIPRI, 2022).

On the whole, a 2011 poll of Japanese investors done by the Japan Bank for International Cooperation, India is one of the top investment destinations for long-term business operations and the second most attractive country for foreign company operations in the medium term. According to the 2012 A.T. Kearney Confidence Index, India is second only to China in terms of future possibilities for FDI inflows, followed by Brazil, the United States, Germany, Australia, Singapore, the United Kingdom, Indonesia, Malaysia, South Africa, and Russia. However, according to the UNCTAD World Investment Report 2012, India was the third most appealing destination for FDI for 2012-2014, while India was the sixth most favoured FDI destination among emerging nations (UNCTAD, 2012).

India's Economic Transformation: A Lessons for Developing Countries

India in most literature of international relations is regarded as a subcontinent and was the largest economy in the world until the 19th century when effective colonization started around the world. Since India's independence in 1947 to 1991, succeeding administrations have adopted mixed economy system similar to the Soviet style planned economy that is characterized by protectionist economic policies, with widespread state intervention and economic regulation. Today, India is the fifth largest economy in the world by nominal Gross Domestic Product (GDP) and the third largest country with Purchasing Power Parity (PPP).

This successes was recorded following the collapsed of the Soviet Union in 1991, the Indian economy was ravaged by severe balance of payment deficit which made the India government to embark on economic liberalization which was popularly referred to *dirigism*, in the form of the License Raj in Indian Political economy literature. Although, since 2000, the average Indian GDP growth has been between 6% and 7%. But from 2013 through to 2018, India became one of the fastest

growing economies in the world. India has the second largest labour force in the world after China. Today, India remains the world largest consumer market.

India success stories in the area of economic growth and development particularly as the fifth largest economy in world have shown that there are lessons to be learnt by Third World Countries that are grappling with the issue of underdevelopment and backwardness in various sphere of human endeavor. One of the impediments to the growth and development of TWCs that are hitherto grappling with issue of poverty and underdevelopment has to do with their mind set. It can be argued that there is a relationship between development and thinking or what I call "mindset of the people". Thus, the mind set of holding back to the past or evils of colonialism has made many Third World Countries mostly in Africa to perpetually blaming colonialism for their underdevelopment.

Though, several studies such as Ake (1996), Rodney, (1972), Momoh (2016) just to mention a few have admitted that colonialism has left indelible consequences on Third World Countries in every sphere of life (India inclusive). But the question here is how long will many TWCs hold on the past particularly on the negative impact of colonialism on their development since some that has similar colonial experience countries like India, Indonesia, Taiwan, Malaysia, Brazil, Thailand, Hong Kong among others are beginning to put their past behind by finding escape route from their state of backwardness through the application of different economic models and practicing good governance (Momoh, 2023).

Another lesson to be learnt from the Indian success story has to do with the development of the agricultural and mining sector. India has never ignored her agricultural sector in a bid to develop as many TWCs like Nigeria and Angola are doing today in search for development. For instance, India is the second largest producer of Wheat such that it contributed 12.5% to global wheat production between 2000 and 2020 (https://www.fao.org/faostat/en/). Again, the adoption of export led growth approach has remained helpful to the Indian economy. India remained the fourth largest iron ore producer in the world by 2021 with an estimated 240 Metric tons (MT) after Australia 900 Metric tons (MT), Brazil 380 Metric tons (MT) and China 360 Metric tons (MT) respectively (www. visualcapitalist.com).

Also, important to the economic transformation of the Indian economy is the strong political will of the government to succeed. For instance, Heywood (2007) has argued that India has been able to manage its polyarchy since its independence in 1947. Though, it survived India Gandhi's "state of emergence" around the 1970s. Besides, the political stability in India has been sustained by its cross-caste appeal of the Congress party and the mystique of the Nehru-Gandhi dynasty. Although, the fall of the former and the end of the latter has sharped modern Indian state into consociational democracy. In addition, developing countries should also learn from India in the area of global partnership for development. For instance, a close assessment of the growth prospect of the Indian economy shows that the economy is expected to continue to grow due to large percentage of the Indian population that are mostly youths, declining dependency tendency, increased investment rate, improve health service delivery and liberalization of its economy. Although, the 2008 global financial crisis slowed down the Indian economy while the Covid-19 pandemic in 2020 equally affected the Indian economy negatively. It is important to note that during the 2008 global financial crisis, the economy faced a mild slowdown. India adopted some policy measures particularly fiscal and monetary policies as a strategy to revitalize its economy, which to a large extent aided the recovery process of the economy from the dimensions of shock brought on the Indian economy by both the 2008 global financial crisis and Covid-19 pandemic in 2020. In 2020, the relationship between India and other countries and sub-regional blocs improved greatly. For instance, the United States of America, China, United Arab Emirates (UAE), Saudi Arabia, Switzerland, Germany, Hong Kong, Indonesia, South Korea, and Malaysia constitute India's largest trading partners. Also, India's relationship particularly as regards to free trade agreement with other trade partners like SAFTA, ASEAN, Japan, Mercosur, South Korea among others have also influences her FDI flows in recent years Besides, the service sector, the computer industry, and the telecom industry were responsible for the FDI flow.

Furthermore, it can be argued that India has had leaders who at every stage in the national life of the country that will continue to take the country a step forward. It is important to note that achieving economic growth and development as India is enjoying today in the faces of neo-colonialism and globalization that is arguably affecting TWCs, no doubt requires strong political will

by the leaders that want to transform the economic and political misfortune of their country to a better society. Therefore, Third World leaders in this regard must emulate Indian leaders.

On the whole, combating corruption is also key to achieving stable economic growth and development. India has made progress in the area of combating corruption. There is no doubt corruption exist in India but the magnitude and dimension when compared to many TWCs like Somalia, South Sudan, Equatorial Guinea, Sudan, Libya, Democratic Republic of Congo, Guinea Bissau, Congo, Burundi, Niger, Mali, Cameroun, Chad Zimbabwe, Cape Verde, Lesotho, the Gambia, Djibouti, Ghana, Angola, Ethiopia, Liberia Nigeria, and South Africa etc (https://bscholarly.com/most-corrupt-countries-in-africa/). When compared with India that is ranked 85th position out of 180 countries ranked in 2021 in the Transparency International Corruption Perception Index.

Conclusion

India has the world's second biggest population after China. Besides, in the 1960's and 1970's was the home of the largest number of people living in poverty in the world. But today, India offers enormous development potentials because of the following factors: a large domestic market, an increasing customer economy, low labour costs, and sound legal, financial, and banking institutions. A vibrant, transparent, and high-yielding capital market, a strong and competitive private sector, and rapid export growth are all indicators of a healthy economy. However, India is currently faced with the problem of inadequate road and rail network, high inflation rate of 5.88-6% as at November 2022 among other. Moreover, India is setting the pace for TWCs that there is hope of escaping backwardness and underdevelopment despite the existence of external and internal impediments which re-enforces each other in impeding the growth and development of Third World Economies.

Recommendations

One of the major challenges facing the Indian economy today is how to achieve economic sustainability. In doing so, the Indian government must invest in critical infrastructure like rail and road going by its population as the second largest population in the world and the possibility of increase by 2050.

Besides, the Indian government must continue its diversification effort to other areas like agriculture, mining and quarrying in order to meet the growing challenges pose by population exposure and arising incidence of people living in poverty which may likely increase if the right developmental framework is not put in place.

Moreover, Third World Countries (TWCs) must engage in a national rebirth through the reorientation and reorganization of the citizens' mindset about development. By this we, mean, TWCs must embrace contemporary global realities by forging ahead and putting their colonial history behind as most emerging countries like India, Brazil, China, Malaysia, Indonesia just to mention a few are doing in a bid to develop.

In addition, Third World Countries (TWCs) must as matter of fact invest heavily on critical infrastructure like power (electricity), health, education etc. This is because, the development of critical infrastructure of these types are key drivers of any industrialized economy in the world.

Furthermore, Third World Countries (TWCs) need to develop sound legal, financial and banking institutions that will help to drive their economy. This is because the near absence of sound legal framework, financial and banking institution is key to driving a market growth economy.

Lastly, Third World Countries (TWCs) must adopt the Indian path to development that combines the neo-liberal economic reforms and stable democratic governance is key to economic growth and development today.

References

Brass, P. (1990). *The politics of India since independence.* New York: Cambridge University Press

Das, G. (2000). *India unbound.* New York: Knopf

Das, R. (2001). Review essay. *The political economy of India New Political Economy,* 6(1), 103-117.

Gupta, B. S. (1989). *Rajiu Gandhi: A political study*. New Delhi: Konark.

Hansen, T. (2001). *Wage of violence: Naming and identity in postcolonial Bombay*. Princeton: Princeton University Press

Hauss, C. (2006). *Comparative politics: Domestic responses to global challenges* (Fifth edition) Belmont: Thomson Higher Education.

Heywood, A. (2001). *Politics third edition*. New York: Palgrave MacMillan.

https://www.fao.org/faostat/en/

Jeffrey, R. (1994). *What's happening to India?* 2nd edition London: Macmillan.

Keyley, W C., J. & Blanton, L. S., (2011). *World politics: Trend and transformation 2010-2011 edition*. Boston: Wadsworth.

Khilnani, S. (1997). *The idea of India.* London: Penguin Books.

Kohil, A. (Ed.) (1990). *Democracy and discontent: India's growing crisis of government*. New York: Cambridge University Press.

Kohli, A. (1990). *India's democracy: An analysis of changing state-society relations*. Princeton, N.J. Princeton University Press

Momoh, Z. (2016) African solutions to African problems: A critical appraisal *Journal of African Union Studies,* 5(1), 39-62.

Momoh, Z. (2023). Globalization of Development Thinking and The Predicament of the Developing Countries in Hazra, A. & Awasthi, A. (eds.) Globalisation, Law and Community Satyam Law International P:41-54

Reena, S. (2022). Top 10 economies in the world. Available at Reena Strehle LindIn, Profile.

Roy, A. (2001). *Power politics*. Boston: South End Press.

Schofield, V. (2003). *Kashmir in conflict: India, Pakistan, and the unending war*. New York: I.B. Taurus.

UNCTAD, (2012). World Investment Report 2012

www. visualcapitalist.com