The Indian State’s Capacity to Get Things Done

Long impoverished, India is on the rise in economic and military terms. Its gross domestic product is expanding faster than population growth, and India is becoming one of the world’s largest economies. Defense and foreign policies tend to expand in response to capability improvements. Indian foreign policy and military concerns, long centered on South Asia, have grown to encompass a much wider proportion of Indo-Pacific Asia. Indian ambitions have also expanded: a popular question is whether or when India will ascend to the world’s power elite and be accorded great power status.

Part of this great power discourse has to do with whether India has the appropriate prerequisites for great power status. Is its economy sufficiently large and sophisticated enough to pay for elite status? Is the Indian state strong enough to mobilize resources and make policies, as other great powers do? Do Indian armed forces have sufficient power-projection capabilities to support great power behavior? We understand why these questions are raised but we think they are misplaced. Historically, states have ascended to elite or great power status without satisfying minimal thresholds of attributes thought to differentiate the powerful from the less powerful. Once they gain greater military-political status, they either improve their capabilities or they stumble along with various weaknesses more or less intact. We assume that status-mobility
processes have not changed all that much. India will either be promoted to the great power ranks or not, but it will not be determined by India first attaining some elite membership attributes.

We will certainly address this great power ascent issue, but it is not the principal part of the book’s motivation. Foremost, we are intrigued by the Indian state itself. Political scientists tend to focus on failed, weak, and strong states. Little attention is given to the “in-betweener”—the states that are neither completely weak nor entirely strong. We utilize the great power theme only as an initial “hook” to look more closely at the Indian state. In particular, we want to use the opportunity to focus more precisely on what state capacity is about conceptually and empirically. Many discussions of state capacity either remain stuck at the conceptual level or skip it altogether and dwell solely on its measurement. Our preference is to start with a conceptual delimitation of state capacity (in our case, relying on K. J. Holsti’s analysis highlighting extraction, violence monopoly, and legitimacy; see chapters 3–5) and show how these multiple facets can be measured and compared with other states in the Indian context.

We claim no crystal ball about whether Indian economic growth will continue. We do not know to what extent India’s external and internal security will deteriorate. Nor do we know how India’s military capability expansion programs will fare. Obviously, we cannot even forecast whether or when India might ascend to great power status. But we do think that there are other, additional problems that could hobble India’s ability to get things done at home and abroad. We think India’s state capacity is just such a liability. Moreover, it is not just another liability. State capacity or the political capability to do things as a state is critical to continued economic growth, the development of military capabilities to project power and influence abroad, and the ability to maintain some semblance of political order at home. Without enough state capacity, all of these other goals may become unattainable.

Yet any attempt at assessing state capacity in India must necessarily take into account the markedly divergent capacities of the Indian state. There is little question, as many boosters of India’s rise have argued,
that the Indian state has evinced considerable ability to tackle diverse challenges since its emergence from the collapse of the British Indian Empire. It has, for the most part, successfully fended off external challenges to its territorial integrity; it has worn down a series of secessionist insurgencies and has managed to cope with the many fissiparous tendencies of ethnic, class, and religious cleavages that some analysts thought would rend the country apart in the 1960s. Nor has it quite been overcome with the Malthusian nightmare that some had so confidently predicted that it would confront. And yet state capacity remains paradoxical in India. India does not possess a weak state, but neither does it have a strong state. Its state capacity falls in between the conventional weak-strong continuum. As a consequence, the Indian state manifests both strengths and weaknesses, sometimes simultaneously, sometimes intermittently.

For example, on January 31, 2012, the Indian Ministry of Defense (MoD) finally announced a clear-cut winner in the bidding war for the purchase of 126 medium multi-role combat aircraft (MMRCA) for the Indian Air Force (IAF). The winner was the French-made Rafale fighter jet. After years of deliberation and trials, the Ministry of Defense, based upon the evaluation and trials of the Indian Air Force, had short-listed the Dassault Rafale and the European consortium (composed of the Franco-German EADS, the United Kingdom’s BAE Systems, and Italy’s Finmeccanica) Typhoon. In the end, the decision was made apparently on the basis of cost and the preference of IAF pilots. The total cost of the order was expected to run between US$15 and $20 billion. According to a prominent U.S. defense analyst, the technical process of vetting the various competitors and then short-listing the two European fighters had been nothing less than thorough, extensive, and exhaustive.

The selection process, from start to finish, lasted five years. Though slow and cumbersome, the process—unlike a number of major defense purchases, which had been tainted with accusations of graft and corruption—from a procedural standpoint was entirely aboveboard and professionally conducted.

On the same day that the Indian MoD announced this decision to make this extremely costly weapons system, it was also reported that
after sixty-four years of independence from British colonial rule, India’s population on an average received a mere 4.4 years of schooling. The same report underscored that the ratio of primary school teachers to students in India was three times that of the People’s Republic of China (PRC).6

These two accounts bookend the paradox of the Indian state. India has the capacity, however cumbrous, to carry through a major defense acquisition subjecting it to the most demanding technical evaluation along with rigorous fiscal scrutiny. Yet it has failed dramatically to extend the benefits of primary education to the vast majority of its population. This is hardly surprising given that India until the 1990s had disproportionately emphasized tertiary over primary education. Even with a renewed emphasis on primary education, an important study comparing the PRC and India revealed that as recently as 2004, teacher absenteeism was as high as 25 percent.7

Undoubtedly, the India of today is a far cry from the poverty-stricken, militarily weak, socially fractured, and diplomatically isolated country of the Cold War. Nevertheless, unless its leadership can tackle problems ranging from corruption to bureaucratic stagnation to political dysfunction, its hope for a solid global standing and great power status in the twenty-first century will remain just a hope. State capacity is about getting things done, and there are a plethora of things to get done in India, whether or not elite status in world politics is in the offing.

Even so, state capacity does not function in a vacuum. It functions in a political-economic environment that is either supportive or not—or perhaps some variegated mixture of both help and hindrance. The environment in which states operate is also shaped by what states do or do not do. Thus we also need to explore the state’s economic landscape and selected aspects of its political institutional framework. Throughout our inquiry we ask whether Indian state capacity, economic foundation, and institutional bases are likely to support or hinder great power behavior. But this type of question is not our most central concern. As noted, it is more a vehicle for examining the complexities of state-making in an in-between power—albeit one with some potential for ascent.
Our Plan of Attack

Although highly developed state capacities have not been the hallmarks of earlier ascending great powers, great powers, once designated as such, have tended to develop more state capacity—at least until or unless being defeated conclusively in major power warfare. To support these assertions, chapter 2 examines the ascent of states conventionally accorded great power status in the past century and a half (Italy, Germany, the United States, Japan). We view this chapter as laying a foundation for the topics that follow. Toward that end, we sketch a framework for interpreting the rise of India and especially its state capacity.

Chapters 3–5 focus on measuring state capacity utilizing a conceptualization developed by K. J. Holsti. Holsti’s focus on state capacity or strength encompasses three factors: extraction, violence monopoly, and legitimacy. We develop indicators for each of these subconcepts in order to show where India falls on the state-capacity spectrum. The answer is roughly in the middle of the array of all states in the international system, although its individual state-making subcomponents actually vary from low to moderately high. Its fiscal extraction capability is relatively weak but improving, albeit slowly. Its monopoly of violence has yet to occur. Multiple separatist and other types of conflicts are underway and have been underway since the advent of independence. At the same time, these conflicts tend to be waged on the peripheries of the Indian state, where “boundary” tensions might be most expected (defining who should be considered in and outside the state). Yet that does not mean that peripheralization of internal war is guaranteed for the future. On legitimacy, the Indian state does surprisingly well, given the scope of the problems with which it has to contend and the imperfect outcomes achieved to date. Overall, nevertheless, the Indian state does not compare well to the other BRIC states (Brazil, Russia, China)—presumably its most likely competitors for greater status in the international system.

In chapters 6–11, we shift gears somewhat and review ancillary problems that both limit and reflect moderate state capacity. The focus of chapter 6—the economy—provides a critical foundation for or potential roadblock to expanding state capacity. Chapter 7 looks at infrastructural problems that underpin or hamper economic growth
and improved quality of life. Chapter 8 examines the state of income inequality in India. The next three chapters return the focus to political issues. Chapter 9 looks at political institutions and democracy. Moving up in international politics requires a strategy and new military hardware. Thus, chapter 10 looks at changes in India’s grand strategy over time and weaknesses associated with its future plans. Chapter 11 examines defense policies and movements toward acquiring capabilities that will permit India to project its influence over longer distances than has hitherto been the case. In all six of these “corollary” chapters, the emphasis is placed on problems that need addressing, while, at the same time, we need to recognize where appropriate gains have been made since 1947. Even so, these topics configure the landscape in which state capacity operates (see fig. 1.1) and, as such, they demonstrate various ways in which state capacity is manifested and constrained.⁹

Figure 1.1. State Capacity and Selected Aspects of Its Immediate Environment
In chapter 12, we try to make sense of the eleven chapters that have preceded it. Again, we reiterate that India does not have to possess some minimal state capacity to become a great power. Whether or not India is elevated to great power status, the weaknesses of its current state capacity will definitely hamper India’s effectiveness at home and abroad. Nor can we exclude the possibility that the combination of the great problems India faces and the less-than-great capacity it possesses to do something about those problems will discourage other states from bestowing higher political status on India.

Before we tackle our various foci, however, some preliminary issues need addressing. Observers speculate about India’s ambitions for greater status. Is there concrete evidence that Indian decision-makers actually entertain such notions? Putting aside this question, why pick on India? Is it a good case for analysis? Obviously, we think it is, but why is it a good case? Surely, others have written on the Indian state. What do we hope to contribute with a new study?

Ascending India

Barely a decade ago, the National Intelligence Council’s *Global Trends 2020* report highlighted the imminent rise of India, outlining its likely impact on a host of international regimes ranging from climate change to trade. More recently, during his maiden visit to the country in November 2010, U.S. President Barack Obama said, “India is not just a rising power; India has already risen.”10 Indeed, in a subsequent statement that left many of his Indian interlocutors almost breathless, he even proffered qualified American support for India’s entry as a permanent member of a reformed and expanded United Nations Security Council. Two years later, then defense secretary Leon Panetta called India a “linchpin” in the U.S. “pivot” to Asia, while former secretary of state Hillary Clinton described the U.S.-India tie as a “critical bilateral relationship.”11 Neither the NIC report, President Obama’s affirmation, nor the cabinet minister’s praise was out of step with conventional wisdom. For over a decade, India had been one of the four so-called BRIC nations, destined to play increasingly major roles in the global economy. Spokesmen from both past governments and the current regime in New
Delhi have expressed India’s interest in achieving great power status. For example, in a speech given at Harvard University in 2003, Yashwant Sinha, then the minister for External Affairs in the National Democratic Alliance, made a spirited case for a recognition of India’s great power status. A year later, the Bharatiya Janata Party (BJP) made great power status by 2020 a campaign pledge. In 2006, Charlie Rose, in a televised interview, asked the former prime minister, Manmohan Singh, point-blank whether India wanted to be a great power. Singh’s reply was yes. More recently at a speech given at the annual Shangri-La Dialogue of the International Institute of Strategic Studies held in Singapore in 2015, the Indian foreign secretary, Dr. Subrahmanyam Jaishankar, referred to India as a “leading power.”

Another obtrusive indicator of great power aspirations is the emerging blue-water navy designed for deployment in the Indian Ocean and perhaps beyond to the Pacific. The two hallmark icons of blue-water navies and power projection in the post-1945 era are aircraft carriers and nuclear ballistic missile submarines. India is working toward a two-carrier battle-group formation and has authorized the building of a number of SLBM (sea-launched ballistic missile) submarines for deployment in the latter portion of the 2020s. India also has a rather ambitious space program with steadily expanding range that parallels the development of ballistic missiles.

There can be little doubt that Indian decision-makers have great power ambitions and that they are working on improving their military capabilities at sea, in the air, and on land. Prime Minister Narendra Modi, accordingly, increased Indian military spending by 12 percent in his first year in office. A veto power in the United Nations has long been an Indian goal. The parameters of Indian foreign policy are also shifting beyond the immediate region to the “extended neighborhood” (Middle East and Southeast Asia). These changes have hardly gone unnoticed by observers.

Certainly, there has been reason for such optimism. Indian economic growth suddenly seemed impressive and inevitable. Until the recent global economic downturn, the Indian economy was the second fastest growing in the world, reaching a rate of 9.8 percent in October 2009. Poverty dropped 5 percentage points between 2004 and 2009, ac-
According to the widely accepted Indian National Sample Survey. Meanwhile, Indian firms have been going global. In 2006, Indian steel magnate Lakshmi Mittal purchased the French company Arcelor, creating the world’s largest mining and steel firm. In 2008, the Indian conglomerate Tata purchased the iconic British Jaguar and Land Rover brands from Ford. And, despite some uncertainty now hovering over India’s investment climate, key global firms continue to bet on India. In late June, Coca-Cola, which had left India in the early 1970s, decided to invest $5 billion by 2020. Similarly, Swedish furniture retailer Ikea announced that it would invest almost $2 billion in the next few years.

On foreign policy, India has shown growing global aspirations—and capabilities. It is the fifth largest player in the reconstruction of war-ravaged Afghanistan, and its reach extends well beyond its neighborhood. At the 2012 G-20 summit in Los Cabos, Mexico, former prime minister Manmohan Singh had pledged $20 billion to an endowment designed to shore up the International Monetary Fund’s lending capacity. Toward the end of 2013, India launched a mission to Mars, which embedded India within a small group of states with ambitious space programs.

Unfortunately, the fascination with India’s growing economic clout and foreign-policy overtures has glossed over its institutional limitations, the many quirks of its political culture, and the significant economic and social challenges it faces. To cite but one example, at least 30 percent of Indian agricultural produce spoils because the country has failed to develop a viable supply chain. Foreign investors could alleviate, if not solve, that problem. But thanks to the intransigence of a small number of political parties and organized interest groups, India has refused to open its markets to outsiders. Until India can meet basic challenges like this, its greatness will remain a matter of rhetoric, not fact.

The rise of India, nonetheless, is predicated on various strong assumptions that may prove to be unwarranted. Even if great power status is attained, it may prove to be a hollowed-out triumph, given various liabilities linked to the assumptions. One of these assumptions is that economic growth will be both inevitable and continuously positive. But what if economic growth is not inevitable? When India began to liberalize its economy after the 1991 financial crisis, many analysts concluded
that the country was on a glide path to growth. The sheer size of India’s market, its wealth of entrepreneurial talent, and its functioning legal system all seemed to herald economic success. Sadly, these sunny assessments overlooked key hurdles. Despite the spurt in economic growth, significant segments of India’s slothful bureaucratic apparatus, as well as an entire generation of politicians, remained either hostile or unconvincing of the utility and significance of the reforms. Furthermore, even as India liberalized its economy, it did not move with dispatch to create new institutions that could adequately monitor and set transparent rules for a more open market. The resistance to reforms from segments of India’s bureaucracy, the failure to create new institutions, plus a new propensity for populist programs using new revenue sources have conspired to produce disastrous consequences for both the economy and the polity.

For the bureaucrats, the reforms signaled an end to what eminent Indian economist Raj Krishna had sardonically referred to as the “license-permit-quota raj”—a labyrinthine set of regulations, rules, and restrictions over which they had exercised considerable discretion. With the advent of these reforms, they lost their ability to extract rents from hapless businessmen and -women and industrialists. Not surprisingly, in an attempt to protect their entrenched interests, they sought to stall the implementation of new rules at every turn.

Many Indian politicians remained wedded to an anachronistic model of state-led growth. Powerful groups with vested interests in the existing economic order—from well-subsidized farmers to well-entrenched industrial labor unions—opposed reform. And the rise of coalition politics, with all their uncertainties, threatened coherent government action. These factors have now come together to create a perfect storm for India.

In the last quarter of 2012, India’s economy grew at a mere 5.3 percent—its worst performance in nearly a decade. Some Indian policy-makers have attributed this downturn to the European fiscal crisis and the global economic slowdown. Growth rates in 2013 and 2014 improved somewhat, with the economy clocking in at 6.9 percent and 7.2 percent respectively. Despite the uptick in the economy, several indigenous problems continue to dog it. Indian politicians of all ideolo-
gies have supported unsustainable spending in an effort to placate the country’s increasing politically mobilized population. Farmers in significant parts of India pay little or nothing for electricity, but officials refuse to challenge their subsidies. Politicians fret about raising gasoline prices for fear that the middle class will revolt. And to avoid student unrest, they have allowed the university system to reach a breaking point, because the fee structure cannot meet even a fraction of operating costs.

The United Progressive Alliance regime did pass legislation designed to assure access to a minimal caloric intake for every Indian citizen. The goal of this proposed legislation is laudable, but a number of prominent economists have warned that the government simply cannot afford it. Nevertheless, because of the program’s political popularity, the regime remained committed to implementing it, even though the fiscal deficit already stands at nearly 5 percent of the country’s gross domestic product. The exigencies of winning elections mean that populism is likely to trump fiscal prudence with disastrous economic consequences. The result of all this electoral pandering has been a fiscal deficit of about 6 percent of gross domestic product in 2012. Matters, however, did improve with the advent of a new BJP-led government in 2014. It managed, in part because of a more favorable global economic environment (and especially significantly lower oil prices), to bring the deficit down to 4 percent.30

Nevertheless, a host of challenges remain. India’s leadership has also failed to reform the country’s behemoth public sector. For example, the state-owned Air India requires routine infusions of cash, but the government refuses to privatize the company lest it anger organized labor. On the flip side, entrepreneurs are hobbled by antiquated legal regimes and idiosyncratic rule-making. Outdated land-acquisition laws, which still need updating, have stopped a range of industrial projects, and quirky policy shifts have undermined growing fields like telecommunications.31

What’s more, some analysts are now arguing that the absence of transparent regulatory and legal frameworks has opened new vistas of corruption.32 Indeed, the lack of a clearly defined legal regime led to an ad hoc auction of the 2G spectrum in 2008. The flawed auction may have cost the treasury as much as $40 billion, according to an independent
government watchdog. Another scandal has emerged which suggests that in 2004 state-owned coal seams were sold at well-below-market prices. Unsurprisingly, the specter of legal uncertainty combined with rampant corruption has had a chilling effect on foreign investment. All this makes India’s future economic growth seem far from assured.

The fond hope of some Indian political commentators was that the 2014 national elections would put an end to much of the policy paralysis that has currently gripped the political system. Yet such hopes may be little more than mere wistfulness. The problems that the country now confronts are the result of years, if not decades, of institutional slackness and neglect, dubious political choices, and flawed policies. Fixing them will require more than a changing of the guard. But now that the guard has changed, we will see to what extent the accumulated problems can or will be tackled. The first year of the Modi regime has only reinforced the idea that something more than a changing of the guard will be needed to make headway on multiple fronts.

The postreform generation of politicians was pleased with increased revenues that ensued from greater growth and productivity. However, they showed scant regard for fiscal rectitude, as large segments of the population, which were hitherto economically disenfranchised, sought improved living standards in a booming economy. To ensure continued political support, the political class resorted to a host of populist schemes without the slightest regard for their financial soundness. These included the creation of guaranteed work schemes for individuals below the poverty line. In principle, such an assurance of work was a desirable public policy goal. However, without mechanisms in place to ensure that this system actually benefited the targeted population, its actual implementation became yet another source of corruption and a drain on the exchequer.

A second assumption is that some proportion of the hypothesized expanding economic surplus will be devoted to upgrading Indian military capabilities to the level expected of a great power. But what if the expansion of Indian military-projection capabilities does not appear to be forthcoming anytime soon? Even if some gains in Indian economic growth and military capability are likely, will that suffice to promote India into the great power ranks?
At the end of the Cold War, India found itself mostly at the margins of the global order. Such an outcome was virtually foreordained. Its strategy of economic growth had yielded poor results: growth had been anemic and poverty reduction limited. In the realm of foreign policy, its uneven commitment to the doctrine of nonalignment had failed to elicit significant support in any part of the world. Since the mid-1990s, however, it has enjoyed much attention in the international arena.

Confronted with the abrupt collapse of the Soviet Union, the principal source of its weaponry and a guarantor of its security since 1971, India’s foreign policy also underwent significant changes. It abandoned what the Indian political scientist Ramesh Thakur had aptly characterized as its “bunker mentality.” Furthermore, it steadily, if reluctantly, came to terms with the emergence of the United States as the sole surviving superpower and sought to alter a long-frosty relationship. Simultaneously, it turned its attention toward the vibrant economies of Southeast Asia ending a period of extended neglect. Finally, for all practical purposes, its grand strategy, nonalignment, ceased to have much meaning in the absence of the U.S.-Soviet competition.

In May 1998, the country finally put an end to its policy of nuclear ambiguity and crossed the Rubicon to become a nuclear power. Initially, India faced much global opprobrium as a consequence of the nuclear tests. However, deft and sustained Indian diplomacy led to a gradual erosion of the sanctions regime that had been imposed on the country in the wake of the tests. With sustained economic growth, an incipient but overt nuclear weapons program and the adoption of a more pragmatic foreign policy, India acquired a newfound status in the global order.

Establishing a nuclear missile program is one way to attain some degree of reach beyond the boundaries of the state. But they constitute only one military capability arena. Conventional air and naval capabilities must also be upgraded if India is to move beyond the status of a heavyweight in South Asian or regional affairs. There is little question, moreover, that India is now dramatically expanding its naval reach and airlift capabilities. And contrary to popular belief, these expansive plans are not a significant financial burden, because, according to recent
World Bank estimates, India’s military expenditures are less than 3 percent of its GDP. Even with slower economic growth over the next few years, India should be able to arm itself more than adequately.

The problem, however, lies in its cumbersome, slothful, and, until recently, corruption-ridden weapons-acquisition process. Ironically, the effort to clean up this process has resulted in complex bureaucratic and legal procedures, further slowing what was already a glacial pace. For example, the decision to replace India’s aging fighters with new multi-role combat aircraft has been ongoing for the better part of a decade, even though the new plane has already been chosen. The extraordinary complexity and sluggishness of the process do not bode well for India’s ability to swiftly acquire and deploy the military capabilities it will need if it hopes to project power throughout the region.

Nor have indigenous efforts to build up military capabilities been successful. For example, faced with the increasing obsolescence of its MiG-21 fleet, India finally began work on a light combat aircraft in 1990 after much deliberation. The first prototype flew in 2001, but it was ten years before the initial steps to raise a single squadron for the Indian Air Force finally went into effect. What’s more, the aircraft’s engine is American, its radar systems were built with Israeli assistance, and some of its munitions are of Russian origin. If India really wants to be a regional military power, it will have to either strengthen its indigenous efforts or radically streamline its foreign military-acquisition process.

Still, in early August 2013, one of the country’s recently retrofitted Soviet-era Kilo-class submarines blew up and sank off a naval base in Mumbai, emphasizing India’s military vulnerability at a time when China’s navy is making steady inroads into the Indian Ocean. Days before the tragedy at the naval base, a carefully negotiated ceasefire along the Line of Control (the de facto international border) in the disputed state of Jammu and Kashmir was breached, resulting in the deaths of five Indian soldiers. Subsequent clashes suggest that the ceasefire is at best intermittent.

From time to time there have been minor thaws in India-Pakistan relations, but the two countries remain far apart on the critical question that has bedeviled their relations since independence: the disputed status of the state of Jammu and Kashmir. That rivalry will only intensify
as the United States and the NATO-led International Security Assistance Force withdraw from Afghanistan. The Pakistani military establishment’s obsession with “strategic depth” against India has not abated, nor has its commitment to install a pliant regime in Afghanistan post-2014. India’s political leadership, which has made significant economic, strategic, and diplomatic investments in Afghanistan, is equally unlikely to cede ground for fear that a neo-Taliban regime will emerge.

Consequently, relations are likely to cool markedly in the near future. And a return to the periodic crises that dogged India-Pakistan relations in the 1980s and 1990s will be distracting and expensive. India’s military mobilization against Pakistan in the wake of the December 2001 terrorist attack on the Indian Parliament cost the country approximately $1 billion. Until tensions abate, India will have to remain vigilant along its western border, increase its military spending, and focus its diplomatic energies on keeping the peace. It will remain tied to its neighbor, and its aspirations to transcend regional politics will remain unfulfilled.

Not only does India now face renewed external threats at sea and on land, but it is also witnessing a resurgence of ethnic and religious strife in critical parts of the country. In August 2013, riots swept through Kishtwar, a town in Jammu in the southern part of the contested state. Such communal violence apart, a Maoist insurgency has become endemic to significant parts of the country. Earlier in 2013, notably in June and July, the insurgents struck at will against police and paramilitary posts in the states of Jharkhand and Chhattisgarh.

After the defeat of the BJP in 2004, many secular Indian intellectuals had celebrated. They genuinely believed that the dark shadow of ethnic nationalism was receding and that the country could renew its civic and plural traditions. Such optimism, while understandable, was premature.

The Hindu right, which was ascendant in the 1990s, has yet to abandon its supremacist ideology, and its membership is holding steady. Narendra Modi, a highly divisive figure known for his anti-Muslim sentiments, became prime minister in 2014. What’s more, small numbers of Muslims have also become increasingly radicalized—by the intransigence of the Hindu right and the siren call of Islamism from the Middle
East. Some of these radicals have links to global and Pakistan-based Islamist organizations, and some have even been connected to acts of violence on Indian soil. Unfortunately, beyond sounding the tocsin about the dangers of domestic militancy, India’s policy-makers have not taken serious steps to stem its rise. Their inaction in the face of this very real danger, in turn, feeds the BJP’s charge that the secular political parties in India are guilty of pandering to minority extremism.

Obviously, the long-term consequences of this kind of religious and ethnic conflict could be extremely toxic. Continued and persistent outbreaks of Hindu-Muslim violence will have a chilling effect on foreign investment; they will sap the energies of India’s political leadership, and they will damage India’s global image as a secular, democratic state.

The Indian Case

Our book touches on a variety of social-political and economic processes. Our main contribution is targeted in two areas: (1) improving our information base on an ascending India, and (2) expanding our understanding of state-making in India in particular—not only for its own intrinsic value but also as a representative of a state that is neither strong nor weak. Most of the work on the Indian state is descriptive. Our project focuses on India but does so from a perspective informed and influenced by other analyses of state-making. At the same time, we are attempting to move beyond the current literature on state-making by focusing on a relatively new case and simultaneously examining multiple dimensions of state capacity empirically.

As noted, circumstances appear to be propelling India toward major power status. In the past two hundred years, however, only five other states (Italy, Germany, Japan, the United States, and China) have made this transition. Three of the five subsequently lost their elite status in combat, thereby underlining the destabilizing nature of these passages to and from the ranks of the world system’s elite states. There are, of course, various idiosyncratic factors associated with the ascent of major powers. Italy, the weakest of all the great powers, encountered significant problems in first liberating and then unifying its multiple provinces and
was usually forced to rely on other major powers to assert its preferences in international politics. Germany fared much better on the unification front but became ensnared in successive major power confrontations that it was likely to lose. Japan’s rise to prominence was characterized by a persistent elite belief in the need for control of Asian space to relieve its industrial resource inadequacies. Seeking control of this space or at least access to it brought Japan into serial conflict with first China, then Russia, and then Britain and the United States. By comparison, the United States enjoyed the distinctive advantages of developing in a home region characterized by little in the way of substantial competition once Britain gave up on its efforts to contain U.S. expansion in the Americas. The contrasts are vivid between the U.S. experience and the reemergence of Chinese major power, marked by resistance to Japanese occupation, intensive internal warfare, and almost immediate confrontation with the world’s leading power over Korea, Taiwan, and Vietnam.

Our goal is not to retell these complex stories. Rather, we are interested in the role of the state in managing the problems that are generated by these turbulent environments. The argument is not that the state of the state is the only important factor in success or failure in world (and domestic) politics, but it must be counted as one of the more significant factors. At the same time, we lack an elaborated conceptual basis for evaluating the state of the state and its transformation over time. Most studies have focused more on the weak and strong end points of the state-capacity continuum. But how does one move a state from weakness toward greater strength?

India is an especially good case to analyze. It has very good prospects to be the next great power to emerge. Yet its state has always been considered to be problematic. Moreover, it has been argued that third-world states are unlikely petri dishes for the emergence of strong states. Strong states elsewhere have tended to be the product of participation in intense, increasingly total warfare. This type of experience, so far, has been denied to third-world states. They tend to fight internal wars at home and limited wars, if at all, with neighbors. Neither type of war leads to a perceived need for an acutely mobilized population and resources for survival. As a consequence, limited warfare experience, something not unknown to India, leaves less trace than might otherwise
be expected in terms of state revenue extraction, state control over order within its boundaries, and the identification of the population with its state. To the extent that India’s relatively underdeveloped state persists, it cannot help but handicap its emergence and performance as a great power.

But theory and conceptualization are subject to empirical assessment. We conceptualize and measure the three main components of state strength (extraction capacity, monopoly of violence, and citizen identification/legitimacy) in the Indian context. How does India compare to other states in general, to other BRICs, and to earlier emerging great powers? Are these components unchanging or is there evidence to suggest movement toward greater state strength? Whatever the answer, what might we expect in terms of the implications for Indian democracy or foreign policy? State strength, of course, has implications for many different areas of policy, which we will touch on selectively (e.g., creating infrastructure for economic development or addressing inequalities and illiteracy).

While we do not argue that observers have ignored the state of the Indian state totally, most projections of Indian ascent are focused on the sheer size of India’s population and economy. Similarly, the main blockages to Indian success include such undeniable problems as poverty, inequality, and inadequate infrastructure. Yet it is unlikely that these problems will be addressed, let alone resolved, by demographic and economic change alone. State coordination in tackling policy problems will be critical. Our question is whether the Indian state is likely to be up to the task. If not, the handicaps and policy problems are likely to persist well into the future. They should also influence how Indian foreign policy responds to problems in its external environment.

Earlier Works on Rising India

India’s sudden rise has generated a spate of literature that suggests that the country may well be on a pathway toward great power status in the twenty-first century. Indeed, this enthusiasm about India’s sudden rise stands in marked contrast to the lugubrious prognoses of India’s likely
trajectory in the 1970s, when the noted Swedish Nobel Prize–winning economist Gunnar Myrdal despaired about India’s ability to tackle its innumerable socioeconomic problems and referred to it as a “soft state.”

The term acquired greater popularity after The Washington Post’s India correspondent Bernard Nossiter made it the title of a particularly gloomy book on India.

More recently, a kindred literature suggests that despite myriad social, political, and even economic bottlenecks, India is increasingly a country that one must reckon with. Interestingly enough, much of the journalistic literature that provides vivid accounts of India’s abrupt and dramatic rise nevertheless asserts qualified claims. It suggests that while India’s transformation has indeed been dramatic and unexpected, it still faces multiple pitfalls and its growth and development could still falter. While the role of the state is central to many of these problems, too often it is left implicit.

The tone, substance and argument of Edward Luce’s In Spite of the Gods: The Strange Rise of Modern India exemplifies this cautiously optimistic perspective. Luce is acutely aware of India’s multiple challenges. Despite these hurdles, Luce contends that a number of key political choices have unleashed specific social forces that could well prevent the country from slipping back to a state of torpor. He also argues that the skill with which India can handle its fractious relationship with the People’s Republic of China (PRC), in tandem with its burgeoning relationship with the United States, will have a significant impact on its future in the global order.

As might be expected of any journalistic account, the work does not provide a systematic analysis or assessment of the quality or efficacy of India’s political institutions and policy choices. Consequently, Luce seeks to illustrate India’s prospects and limits through the use of a limited handful of social, political, and economic indicators and a series of telling anecdotes.

A much less compelling portrait of India emerges from Giridhara das’s India Calling: An Intimate Portrait of a Nation’s Remaking. The principal drawback of this account is that it is mostly descriptive and has the quality of a travelogue. It is replete with accounts of profound social
and cultural changes that are underway in the country. However, there is little effort to make a judgment on the significance of the transformations that are underway and the sustainability thereof.\(^4^8\)

The most recent entrant into this arena is Simon Denyer’s *Rogue Elephant: Harnessing the Power of India’s Unruly Democracy*. The book, composed of a series of compelling vignettes, highlights some of the promises as well as the pitfalls of India’s chaotic democracy. Despite the gripping quality of the book, its central thesis is unexceptional: India has to overcome a vast legacy of flawed economic choices, and that it may be able to do so is thanks to an emergent middle class with greater expectations, a range of social activists, and the sheer forces of technological change.\(^4^9\)

Some of the policy-oriented literature, while more attentive to the role of institutions and policy choices, is also not bereft of limitations. Not surprisingly, this literature too has been generated in response to India’s unexpected ability to shed many of the policies that had hobbled its growth and limited its international standing. One of the most prominent examples thereof is Stephen P. Cohen’s book, *India: Emergent Power*.\(^5^0\) The work of a noted American academic, it primarily focuses on the quality of India’s foreign and security policy-making institutions and their assets and limitations. While Cohen expresses optimism about India’s rise, he also underscores that the country faces a number of institutional shortcomings and pathologies that could hobble it from its current trajectory. Though his discussion is sound and displays a firm grasp of the intricacies of policy-making in India, any discussion of India’s domestic institutional capabilities is largely tangential.

At least one quasi-academic work merits some discussion. This is Dietmar Rothermund’s book, *India: The Rise of an Asian Giant*.\(^5^1\) Rothermund, a noted German historian of modern India, has produced a work that is both comprehensive and accessible. However, it suffers from two important limitations. The work does not reflect any original scholarship. Instead it is a deft work of synthesis drawing on a wide sweep of secondary sources. Ironically, in its attempt to be all encompassing it also suffers from a degree of superficiality. The breadth of coverage prevents it from exploring any of the issues that it discusses.
ranging from India’s agricultural policies to its quest for nuclear weapons in any depth.

*India: The Emerging Giant*, the work of an important economist, Arvind Panagariya, also deserves some discussion. This is perhaps the most comprehensive and topical account of India’s economic performance to date. Panagariya provides sufficient historical perspective, explains how India embarked upon its present path of rapid growth, and then assesses a number of issue areas that the country needs to address to sustain its growth. He also discusses the need for continued reforms and suggests possible policy options. These are the obvious strengths to this work. However, the work does not really deal with questions of institutional competence and efficacy. Nor for that matter does it deal with questions of social cleavages, political stability, or political order. Consequently, the limitations of this book are rather obvious.

Finally, the work of a political scientist, Amrita Narlikar, which compares the rise of three emergent global powers—India, China and Brazil—is also worthy of mention. Her focus is different from the vast majority of the other works surveyed here. Instead of devoting the bulk of her attention to the attributes and features that might make India a global power, she chooses instead to devote her attention to the negotiating behavior of new powers in the global order. Two critical assumptions undergird her work. At one level, she argues that the negotiating behaviors of new powers differ from those of more established states. The second assumption that undergirds her analysis is that an understanding of the negotiating strategies of these powers is especially critical when there is much uncertainty about their intentions. She concludes, based on the available evidence, that India’s negotiating strategy, even in the wake of its increased economic prowess, does not indicate a willingness to accommodate itself to the expectations of a series of extant global regimes. She concludes that such a strategy may eventually backfire on India as powerful states that uphold existing institutional arrangements may tire of India’s unwillingness to undertake burden-sharing commensurate with its expanding capabilities.

Narlikar’s contribution comes closest to addressing questions pertaining to the likelihood of India’s rise. However, her discussion is
mostly focused on India’s external behavior and not on its domestic assets, capabilities, and shortcomings.

As this brief survey shows, there is an important lacuna in the existing literature. For all the useful and invaluable features of these various works, it is apparent that none of them provide a systematic evaluation of the capacity of India’s institutions to maintain domestic political order, cope with the challenges of sustaining economic growth and reducing poverty, guaranteeing its national security, and enabling the country to play a substantial role in global politics.

It is precisely this lacuna that this book seeks to address. To that end it seeks to assess the robustness and efficacy of India’s political institutions (and economic landscape) to cope with a range of challenges the country faces. Of course, even if the great power aspirations were completely off the board, the challenges remain to be resolved in some fashion. In making the assessment we will draw on a wide corpus of literature on state-making. The assessment will also make explicit comparisons with a number of other states that successfully managed to make a transition from regional to great power status.

Despite the wave of upbeat analyses, few, if any, have undertaken a careful assessment of the country’s institutional capabilities to harness its material resources and to bear appropriate international burdens, which a more elite status would necessarily entail. A focus on state capacity is desirable because it can provide critical clues about how a polity could harness vital sinews of power or fail to do so. At a more scholarly level, this book will also try to develop a more robust basis for assessing the concept of state capacity, one that in its current form remains underdeveloped.

But what is state capacity, and where does it fit within a trajectory of rising power or ascendance in world politics? Chapters 2–5 take on these questions. First, we look at the relatively recent history of states ascending to great power status. Emphasis is placed on the absence of firm qualifying criteria for elite status in world politics. States become great powers because other powerful states accord them increased status. Why they do that cannot always be predicted. It depends on a constellation of material assets, local ambitions, and contingent factors. As a
consequence, pinning down just when a state became a great power can be a somewhat arbitrary exercise.

One thing that will become more clear in the next chapter is that new great powers do not have to possess extensive state capacity. If they survive, they are likely to improve their state capacity, because it is difficult to perform great power roles without some development in this area. Be that as it may, the conceptualization of state capacity remains to be pinned down. It is a term that means many things to different observers, and that is unfortunate. We cannot make much analytical progress if basic concepts mean so many different things. Accordingly, we devote three chapters (3, 4, and 5) to examining the implications of an existing definition of “state capacity”—one that we think deserves centrality in our discourse on what state capacity entails. We explore the implications of Holsti’s conceptualization by looking at the relative presence or absence of extraction, legitimacy, and the monopoly of state violence—the main emphases of K. J. Holsti’s conceptualization of state strength—in the emergence of recent great powers and in contemporary India and some of its BRIC competitors.