

## **We Have Met The Enemy and He Is Us – Why India Will Not Become A Super Power (Just Yet)**

One often wonders why, despite its huge potential, India has not yet become a super power. **Mr. Ashley J Tellis**, Senior Associate at the Carnegie Endowment for International Peace, tried to solve this riddle in his talk “We have met the enemy and he is us: Why India will not become a superpower [just yet]” at the NCPA, jointly hosted by Bombay First and LitLive, at the Mumbai Literary Festival a popular annual event that is looked forward to by many Mumbaikars.

According to him, it is creditable that India still is a democratic society after 65 years of Independence, but why is it that India could not become a superpower the way other Asian countries have? Studying the rise and fall of nations over 70 odd years, it is apparent that it is economic growth that makes a country great. Growth at its core is a function of three variables : the ability to produce capital, the ability to enlarge and maintain a productive labor force, and the ability to innovate relentlessly.

There is, however, a missing element in this conventional explanation: the role of the state and its relationship to society. Nehru set up the Indian state on three principles 1) democratic institutions, 2) civic nationalism (making oneself Indian remained a fundamental ingredient of India’s success) and 3) socialist economics. And it is this third element that has hampered our growth. The role of the State is double edged: in some ways the State needs to be involved less, while in other ways it needs to be more involved. India has not found the right mix yet.

The State’s paternalistic influence reduces the sense of responsibility among industry and increases inefficiencies by constant subsidies and financing industry. A controlling state also introduces a multitude of regulations each of which interact with each other and cannot be coordinated.

However, while there is too much state interference in the economy, it should be more active in governance. The role of the state should be reduced in the economy and should focus on its real and more important role of governance. The state should focus on areas where it has comparative advantage such as law and order and protecting its citizens. In our country there is no regular investment in law and order and frankly has the least amount of police force in relation to its population. Law and order has simply not been prioritized as something the state should do.

Another failure of the system is its inability to raise revenue effectively. A tax system should be transparent fair and efficient with the majority of the taxes coming from direct rather than indirect sources as is the case with the Indian Tax system.

There should also be rules that are transparent and offer speedy justice. The Indian State has spread itself too wide and too thin. Institutions have increasingly taken upon executive functions. There is no way the State can get instant feedback so it finds it hard to implement institutional rationality.

Lastly, the Indian State seeks to accommodate and protect its own position in the world. It doesn’t want to improve its position in the world order by enlarging its productive capacity. So what really hampers India from becoming a superpower is we - ourselves.