GLOBAL GOVERNANCE: EMERGING POSSIBILITIES AND DIVERSE CHALLENGES TO INDIA

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In a simple and broad-based definition of global governance, the term is used to designate all regulations intended for organization and centralization of human societies on a global scale.1 It may be defined as "the complex of formal and informal institutions, mechanisms, relationships, and processes between and among states, markets, citizens and organizations, both inter- and non-governmental, through which collective interests on the global plane are articulated; Duties, obligations and privileges are established, and differences are mediated through educated professionals. 2 A global governance perspective analyses emerging spheres of authority as both geographically and functionally fragmented; the range of a formal or informal rule system’s capacity to generate compliance on the part of those persons towards whom their directives are issued; and the acquisition of authoritative decision-making capacity by non-state, state and supra-state actors .3 It stipulates no hierarchy between actors; the mode of steering is predominantly non-hierarchical and often based on arguing rather than traditional bargaining.4

Abstract

Post- cold war politics witnessed changes in power equations and a new world order emerged with new actors of global governance. Global presence of these actors has been endorsed by the international community. In this process, the world have recognized India’s achievements and admitted India in the new architecture of Global Governance along with Brazil, China and South Africa and assigned her larger global role to play. The inclusion of India initially as a member of O-5 group G-8, G-20, and the leadership of the nonaligned movement followed by that of G-77, India’s stance in global negotiation like WTO, Climate change, drug trafficking, disarmament, multilateral and associated agencies reflects India’s desire to carve out a global role for the country. But the question is- can India rise to the occasion and start to act as an emerged global power despite so many internal political upheavals and external shocks and crisis? The main purpose of this paper is to find out challenges India is facing while playing its role in global governance. Any country aspiring to be a global power should be able to influence
policy decisions in governance structures and that it develops capacity to actively engage in global order.

**Introduction:**

The end of the Cold War has altered the international system from bi-polar to one of multiple poles of power. Technological developments have changed the ways in which we process and distribute information, while economic globalization constantly integrates an ever increasing number of people into the structures of global capitalism. At the same time, it becomes apparent that humankind no longer predominantly alters its local and regional environment, but has entered into a phase of change of a truly planetary dimension. In this context of large-scale transformations, a growing number of scholars are concerned with the perennial question of governance, or in other words, the manifold ways in which humans regulate their affairs to reach common goals and react to a changing environment. In particular, attention has been paid to processes of steering in political settings beyond the nation state.

From 1990s, global governance framed as a neo-liberal policy agenda aimed at promoting faster economic growth through global integration. The purpose and goal of global governance are defined in this background as “the development of a system of institutions and rule as well as of new mechanism of international co-operation that make the problem posed by global challenges and trans-boundary phenomena”. However, the emergence of multi actor-multi level-global governance system did not create space for effective participation of developing countries in global institutions and governance. In many flora and even in negotiations like trade, environment and climate change frequently remarked to either very limited or no participation or influence of developing countries. The marginalizations of developing countries in the world order were shadowed by the lone super power US and the European countries. It is said that, the developing countries would no longer have a role to play as an effective actor in international politics and global governance and those could exert a comprehensive and sustained influence on global governance processes.

With the rising power of India and China as well as number of other anchor countries like Brazil and South Africa, it draw attention to the global hegemony or unilateral world order led by the US and industrially developed European countries. The intrusiveness of global governance has forced the developing countries to become more active within the institutions of global governance and the position taken by the leading developing countries such as India, China, Brazil and South Africa are important. Because these countries acquire leadership roles partly because of their ability to formulate policy and partly because they articulate the views held by broad groups of developing countries. Most significantly, they are emerging economic power and influencing world economy and replacing existing economic powers seen most clearly in cases of India and China. India as a developing country has been frequently participating within the global governance structures and institutions always presented itself as a leader of the developing world as voicing the interests of poor third world countries. India - the world largest democracy and the third largest growing economy and the leading champion of non alignment movement and Third World countries followed by G-20 and G-77, India’s stance that is not simply fraternal but it is acquiring a new paternalism.
The question is India has been given a place on global governance, is it rise to the occasion and, moreover, starts to act as a global power? Is India well qualified for global role or afford to play such role in terms of economic or other measures of hard power as the US and China. Regarding the leadership role of India, it is argued that it lacks the resources and capabilities needs to operate effectively in international institutions or to participate effectively when complex issues are being discussed in international meetings and negotiations. This indicates the extent of challenge how India will use its capabilities to participate in international institutions and overcome this challenge.

The proposed paper aims to review critically various approaches to the role of India in global governance system and analyze challenges to the expansion of such a role and assess the possible implications for the international relations at global and regional levels and domestic level also. Global governance is a multi-level and multi-actor system characterize by a global governance pattern. Therefore, to analyze, the dynamics of governance it is important to understand the interaction between global, regional, local or domestic politics. Are they able to create political capabilities within their political system in order to deal with the domestic/national-regional- global interactions?

Hypothesis for evaluating the role of India in Global governance and challenges, there are several important indicators and characteristics as global drivers of global governance.

- Governance / political system (autocratic or democratic).
- The economic growth and influence in reference to per capita income, size of the economy and their rank in over all Human Development index; their weight in the region. It is relevant here India’s financial capacities to invest in global governance’s institutions and projects.
- Economic power is not only condition for being a player in global governance instead influences in specific fields of global governance as Poverty eradication, health, trade, environment protections, climate change and security issues and conflict prevention are essential.
- Organizational capabilities and standard setting in international negotiations in specific policies of governance are relevant.
- Membership of Intergovernmental organization and international organizations.
- Leadership role in international negotiations.
- Roles played by the country at the regional level provide both experience and training for global negotiations and may help the developing country increasing influence in global arena.
Table 1: Global governance: Structures and Global Issues:

Global Issues

- Disarmament
- Drug
- Climate
- Environment
- Trade
- Human
- Security
- Trafficking
- Change
- Commerce
- Rights
- Crisis

Governance Structures

- Formal

- G-8
- G-13
- G-20
- G-30
- G-77
- NAM

UN

International Economic Institutions

- UNOPS
- IMF
- WB
- WTO

Regional

- ADB
- AFDB
- ESCAP
- Others

Agency

- SC
- Specialized
<table>
<thead>
<tr>
<th>Lead Institution</th>
<th>Areas of Competence</th>
<th>Current Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial institutions</strong></td>
<td></td>
<td></td>
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<tr>
<td>WTO</td>
<td>Trade Negotiation Compliance with Treaties and Obligations</td>
<td>Doha Round</td>
</tr>
<tr>
<td>WIPO</td>
<td>Intellectual Property</td>
<td>TRIPS</td>
</tr>
<tr>
<td>World Bank</td>
<td>Development Finance and policy</td>
<td>Reform Plan; loans vs grants MDG Agenda Environmental Criteria for lending</td>
</tr>
<tr>
<td>IMF</td>
<td>Macroeconomic issues</td>
<td>Debt cancellation Expansion of funding</td>
</tr>
<tr>
<td>Basle</td>
<td>Regulation of international Banking system</td>
<td>Basel 2 capital &amp; risk requirements.</td>
</tr>
<tr>
<td>ISO, OIE, CAC</td>
<td>Standards for traded products</td>
<td></td>
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<tr>
<td><strong>Environmental institution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNFCCC-COP, UNFCC secretariat IPCC IEA</td>
<td>Global Climate change</td>
<td>Kyoto 2 (emission reduction; adaptation to climate change; future resources of global energy supply.</td>
</tr>
<tr>
<td>CBD-COP IUCN, WWF</td>
<td>Convention on biodiversity</td>
<td>Protection of global biodiversity</td>
</tr>
<tr>
<td>FAO</td>
<td>International treaty on plant protection</td>
<td>Protection of plants important for basic nutrition</td>
</tr>
<tr>
<td>CCD-COP</td>
<td>Convention on combat desertification</td>
<td>Combat desertification</td>
</tr>
<tr>
<td><strong>Security Crisis</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UN Security Council</td>
<td>Management of regional and global crisis Decision about military interventions to secure international stability and protect Human Rights</td>
<td>Reform of the security council Transnational terrorism Proliferation of nuclear biological and chemical weapons Regional peacekeeping</td>
</tr>
</tbody>
</table>
The past two decades represent an era of growth and consolidation of the global economy both in absolute and relative terms in major developing economies- BRICS, notably India while the global financial and economic crisis witnessed erosion in developed economies of West and Europe. The Western economic crisis loosens the world’s faith in the self regulating and self-sustaining character of free market system and its universal applications to economies at different stages of development. The high growth rate achieved by India, has integrated it into the global economic powers. The extent of India’s impact on the global economy has been widely documented. The size and growth of India economy, as projected by the Goldman Sachs’s Report “Building Better Global Economic”, BRICS’s were considered as larger emerging market economies showing higher economic growth than G-7 countries (Table-3) and projected that India economy will be the third largest in the world by 2050.10(O’Neil 2001).

If the growth rates as projected forward, we will clearly witness a fundamental shift in power centers in the global economy, with its consequences for global governance. Till now, in term of economic growth from 2007 to 2010, India’s contributed 6.6% in world economic growth and ranked fourth and India’s contribution in Global GDP was 4% in 2000 6% in 2012 -6%, and it will be 8% in 2025.11. India is ranked second when measure in PPP adjusted GDP. Among the other emerging markets, India is to witness a slight growth improvement in 2014, up from a weaker growth performance over 2013. Global Outlook for Growth of GDP provided data for 2013-2025, India’s actual growth in 2010-2012 was 6.8%; Forecast growth for 2013 and 2014 are 4.2% and 4.4% respectively; while projected growth for 2014-19 is 4.8% and trend growth for 2020-2025 will be 3.6% that is by 2025 Indian economic growth will supersede China’s economic growth 3.5%. (Table-4) 12

Table 3: GDP Growth in G-7 and BRICS (2000-2015)

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<tr>
<td>US</td>
<td>4.1</td>
<td>3.1</td>
<td>2.6</td>
<td>3.1</td>
<td>3.0</td>
<td>3.7</td>
<td>3.9</td>
</tr>
<tr>
<td>Euro-land</td>
<td>3.4</td>
<td>1.0</td>
<td>1.5</td>
<td>0.7</td>
<td>0.4</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>UK</td>
<td>2.9</td>
<td>1.3</td>
<td>2.5</td>
<td>0.3</td>
<td>1.7</td>
<td>2.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Canada</td>
<td>4.4</td>
<td>3.1</td>
<td>3.2</td>
<td>1.7</td>
<td>1.7</td>
<td>2.2</td>
<td>2.4</td>
</tr>
<tr>
<td>Japan</td>
<td>1.5</td>
<td>1.9</td>
<td>2.0</td>
<td>1.4</td>
<td>1.7</td>
<td>1.7</td>
<td>1.0</td>
</tr>
<tr>
<td>China</td>
<td>7.4</td>
<td>10.0</td>
<td>9.9</td>
<td>7.7</td>
<td>7.7</td>
<td>7.5</td>
<td>7.3</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>6.8</td>
<td>4.2</td>
<td>4.4</td>
<td>4.8</td>
<td>3.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>9.2</td>
<td>7.5</td>
<td>7.0</td>
<td>5.9</td>
<td>3.5</td>
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India’s economic model is successful in growing up with the industrialized economies because it has adopted broadly neo-mercantilist policies not the market oriented. India has followed purposive state intervention to guide market development and national corporate growth rather than relying on self-regulated market growth. If India, along with China and Brazil, able to create a compatible environment for state directed economic model in global economic governance, then conflict is likely with the global super powers with the existing global economic institutions.

For those who predict challenges to the existing global order from rising powers particularly international economic institutions in which the rising powers can be expected to exert the greatest influence, their preferences represent a clear challenge to the market oriented prescription of the so-called Washington consensus. Many governments including the US adopted policies of large scale state intervention in the wake of the global financial crisis of 2008-2009. The BIC economies, however, are portrayed as proponent of an alternative, state centered development model, grounded in long standing ideology and deeply entrenched interests inimical to the existing rules of game in global governance. Emerging powers may seek to export an alternative model of political and economic organizations that deploys purposive state intervention to guide market development and national corporate growth rather than relying on self-regulated market growth.

India is playing significant role in global politics more decisively and pro actively in organizational capabilities and international negotiations in many specific global issues of governance. We must see how India has engaged herself in global governance areas as mentioned in tables-1 & 2. Today India is party to 231 international treaties and member of mostly all important international organizations and intergovernmental networks. Participation in international regulatory bodies permitted India to have leverage over the future regulatory developments in the financial capital of industrialized world. It has consistently pressing for greater quota share and greater representation in the top echelon of global
economic institution IMF and WTO. India is also willing to commit greater resources to these institutions. India’s preference demonstrates a pragmatic desire for maximum policy discretion to deal with the efforts of globalization. The preferences of India are those of moderate reformers at best, intent on maintaining domestic policy space against international norms and rules that were too often developed without their participation. On the Contrary, China continued its selective use of international regulatory standards as an instrument of domestic financial reforms. It has developed capacities and strategies to achieve the international outcomes it wants as in case of Doha negotiation, Kyoto negotiations on Climate change etc.

Similarly India’s contribution in UN General Assembly, Security Council, whether conflicts, peacekeeping Missions or economic and social issues in UN bodies or specialized Agencies are commendable. India is staunch supporter of peace before it got independence and contributed nearly 11-13% in total peace keeping operations. India has been the largest troop contributor to UN missions since inception. So far India has taken part in 43 Peacekeeping missions with a total contribution exceeding 1,60,000 troops and a significant number of police personnel having been deployed. Since 1948, UN Peacekeepers have undertaken 64 Field missions. Even today there are approximately 93,368 personnel serving on 14 peace operations led by UNDPKO, in four continents.

Within the UN reform system, India’s claim for permanent seat in Security Council. India’s support in the UN and on the global scene has been best captured by the heads of States of all five permanent members of UN Security Council. Both President Obama and President Sarkozy, during their visit endorsed India’s bid to secure a permanent Seat in the Security Council. President Obama further reinforced the sentiment saying, India is not an emerging but an emerged power.

India is increasingly active in negotiating Non-traditional security issues such as terrorism, environment policies and climatic change, global warming, drug trafficking, disarmament etc. India actively participant state and promoted the G-20 coalition during the Doha Round and WTO and Climate Change negotiation. India is also leader of G-33 on the key agriculture agenda. For both India and Brazil, leadership of a developing country coalition enhanced their capabilities at the negotiating table but those same coalitions impeded their strategic flexibility. The BICS have been disadvantaged in bargaining with the existing power because of the absence of a credible regional option. However, India is trying to build up global governance capabilities in these areas of international politics.

To understand India’s role in global environmental governance, it is useful to go back in history and review the country’s rapid evolution from a developing country to an emerging economy with growth rates between 7 and 9 % over the past decade. This explosive economic growth has been accompanied by the emergence of middle class and significant technological advancements. At the same time, it has resulted in an acceleration of environmental degradation, while insufficiently reducing poverty. The focus on development has long been the central point of reference in India’s approach to environmental issues. At the 1972 United Nations Conference on the Human Environment in Stockholm, Prime Minister Indira Gandhi set the goal for India’s environmental policy for decades to come when stating that “we do not wish to impoverish the environment any further and yet we cannot for a moment forget the grim poverty of large numbers of people. Is not poverty and need the greatest
polluters?” 17. Until very recently, the Indian position in environmental governance institutions has thus tended to be rather defensive and conservative, focusing on equity concerns and arguing for the right to development first and the necessity for industrialized countries to provide financial and technology transfer in line with the principle of common but differentiated responsibilities. India has undertaken actions at home with a view to the global negotiations under the UN auspices. Domestically, the Indian government has initiated actions at regional and local levels, trying to nest global conventions, notably the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, in its national policies. 18. For one, it has created national and regional versions of the Intergovernmental Panel on Climate Change (IPCC), i.e. an “Indian Network for Comprehensive Climate Change Assessment” of monitoring bodies that are to provide a clearer picture of the real changes occurring within the country and will be publishing GHG inventories at regular intervals. 19. Second, it has taken steps to diversify its energy mix.

In global environmental negotiations, notably on climate change, India has softened its stance. The National Environmental Policy of 2006 mentioned the “over-riding priority of the right to development” as key guideline of its actions. 20. The country has in the meantime demonstrated openness for environmental action beyond pure equity concerns. Most interestingly, it accepted an energy intensity target of 20 to 25% by 2020 from 2005 levels, which it inscribed into the Annex of the Copenhagen Accord and a commitment to which it has reconfirmed since then (UNFCCC 2010). At the 2010 Cancun climate summit, India’s Minister Ramesh also announced that India’s Twelfth Five Year Plan 2012 will be centrally based on a low-carbon growth strategy, fulfilling a key demand by industrialized countries. 21. At the same time, the country’s stance against an international verification of its actions has remained, India has actively sought to join ranks with China and other emerging economies within the BASIC coalition. In this group, it has taken on a key role in developing positions and strategies, mediating, for instance, between the US and China in Cancun. In sum, if India has become part of the problem of environmental degradation at a global scale, it will also take on responsibilities as part of the solution, with the stated ambition of providing “responsive leadership” in global environmental governance.

India has been taking steps at the national and bilateral level to protect its biodiversity. Besides the Biological Diversity Act, 2002, and the national Biodiversity Authority, India has also put in place a traditional knowledge database — the Traditional Knowledge Digital Library (TKDL). Managed by the CSIR, TKDL is a computerized database of documented information available in Indian texts, relating to Indian systems of medicine. 22

Like other rising power, India viewed mastery of nuclear technology as an important attribute of a great power. Although it endorsed the aim of nonproliferation with varying degrees of enthusiasm, it also carefully reserve as a wide sphere as possible for national action within the formal multilateral constraint of the NPT regime.

Bilateral and Regional Co-operation:

Strengthening regional integration is an important objective for India’s cooperation and foreign aid programs. India has always seen sustained efforts to improve its standing in the subcontinent. As a
leader of the developing world, India has a good understanding of the challenges faced in other developing countries particularly well placed to share experiences and provides technical assistance to countries at the same or lower level of development. It has sought to leverage its growing economic weight to deepen regional integration in the subcontinent through trade liberalization and offering better market access to goods produced in the neighborhood. It has revised an outdated protectorate arrangement with Bhutan and has shown willingness to review similar treaty with Nepal. It has signed a strategic partnership agreement with Afghanistan, framework agreement for development co-operation with Maldives and Bangladesh and expanded the partnership with Myanmar. It has actively sought to moderate internal conflicts in Maldives, Sri Lanka and Nepal. India has also realized the fact that it cannot completely insulate the region from external influences of major powers. In line with its status as a regional power, India has been focusing its bilateral assistance on its immediate neighboring countries. As Table-5 shows, Bhutan has been the single-largest recipient of Indian development assistance, receiving on average 58% of India’s aid (excluding lines of credit). After fall of Taliban regime in Afghanistan, it has significantly stepped up its support for the re-construction of Afghanistan, where India is the fifth-largest donor and is now the second largest aid recipient of Indian foreign aid after Bhutan, 15% ($89 million) of Indian technical cooperations. India’s emphasis on geographical proximity is also in line with the country’s strategic goal of regional leadership and influence.

Seeking as leadership role, India has been taking actions more decisively and pro-actively in South-South co-operation much like it played key role in the Non-Aligned Movement. South-South co-operation has traditionally been an important pillar of India’s foreign policy and diplomacy and is no longer an isolated mechanism of exchange with limited impacts but is an effective means to equip developing countries to face the development challenges (especially given the current global financial crisis) and has become an important instrument for achieving the Millennium Development Goals (MDGs) and promoting global interdependence (OECD/WTO, 2011). South-South co-operation is a means to promote India’s partnerships “based on its firm belief that we live in an interconnected world where the global community shares a common destiny”.

India’s foreign policy, including its foreign aid and assistance program, has been guided by the principles of peaceful co-existence, mutual respect and equality, policy of non-interference and non-aggression. Since the early years, India’s assistance was strongly ideological and political, focused on building solidarity among recently independent nations (i.e. increasing the number of friendly countries). In 1955, the five principles were extended and developed into the “Declaration on the Promotion of World Peace and Co-operation” adopted by the 29 countries that attended the Asian-African Conference inBandung, Indonesia, the conference where the foundations were laid for South-South co-operation. India also takes the view that development and cooperation should not interfere in the internal affairs of partner countries, thus does not attach policy conditions to its co-operation but help these countries build up their capacity to strengthen their institutions and human resources for self-development. India’s bilateral co-operation efforts are supplemented and complemented by its regional co-operation efforts, notably within the context of the SAARC/SAFTA framework, but also increasingly in its proactive engagement in various regional and multilateral co-operation groupings and forums. India, for example, is involved in a number of sub-regional co-operation programmes, such as the Mekong-Ganga Co-
operation (MGC) with Cambodia, Lao PDR, Myanmar and Vietnam (CLMV) as well as Thailand, and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation (BIMSTEC) with South Asian countries, Thailand and Myanmar. As part of the multifaceted ASEAN Indian co-operation, India has also set up training centers for entrepreneurship development in CLMV, as well as offering places for training in India.26.

Table 5: India’s Foreign Aid and Loan Program 2009-2013 (US$)

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<tr>
<td>Bhutan</td>
<td>235.01</td>
<td>Bhutan</td>
<td>311.01</td>
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<td>Afghanistan</td>
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<tr>
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<td>27.08</td>
<td>Nepal</td>
<td>27.08</td>
<td>Maldives</td>
<td>49.28</td>
</tr>
<tr>
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<td>22.56</td>
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<td>Lt. Am. Countries</td>
<td>0.72</td>
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<td>Mongolia</td>
<td>0.09</td>
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<tr>
<td>Others</td>
<td>37.10</td>
<td>others</td>
<td>48.84</td>
<td>------</td>
<td>617.85</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>425.77</strong></td>
<td><strong>526.60</strong></td>
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India’s Foreign aid program:

India was one of the recipient’s countries of foreign aid but now has come up to transit its position as an emerging donor. Much Like other BRICS states, India is also enhancing its global reputation through its foreign aid program and is likely to continue ramping up aid spending. The growing economic and financial potential of India and other emerging economies has strongly impacted and changed the existing aid architecture. This is felt both in terms of their bilateral relationships with developing countries and at multilateral levels, including within the G20. On the one hand, India’s emergence and development as a major player in the world economy as well as its international development co-operation goes hand-in-hand with a growing sense of responsibility for shaping global public policy, including in foreign aid, the global discussion on development is actually becoming more consistent with the Indian approach. In Busan, there was widespread recognition of the need to view ‘ODA’ alongside all of the other available resources for development (e.g. other official and private flows), and to focus on its unique contribution within that wider context. India – along with China and Brazil – agreed that the principles, commitments, and actions agreed in the Busan Partnership are a reference point for South-South co-operation. In this spirit, India has also signaled its readiness to support the new Global Partnership for Effective Development Co-operation, which has been mandated to support and ensure accountability for the implementation of the commitments made in Busan, South Korea. 28.

India’s development assistance to gross national income stood at 0.2 percent in 2003. Over the past years, its foreign aid has grown annually by an average of 32 percent and nearly 1.3 billion dollars. Technical co-operation continues to account for the bulk of Indian foreign aid program. In 2012-13, India has spent $ 589 million on technical co-operation, 58% of its total foreign aid budget.27. In its response to the 2011 OECD/WTO survey on aid for trade, India indicated its plan to put more emphasis on the regional dimension (geographic focus) in its trade-related co-operation.

India was among the thirteen WTO members of the Task Force on Aid for Trade.29. India is also engaged in infrastructure development through concessional lending and technical assistance. In 2012, the Exim Bank reports a total of 157 operative lines of credit worth USD 8.2 billion, most of which finance specific infrastructure projects in developing countries, delivered by Indian companies in such as electricity, energy, irrigation and transport sectors.30. Sri Lanka tops the list with a total of six lines of credit worth USD 1.2 billion. However, Africa, as a regional group, dominates the largest recipient of India’s aid loans, accounting for 53% of the total operative lines of credit. Recently India decided to join the Regional Technical Group on Aid for Trade for the Asia-Pacific (RTG) 31; voluntary body established in 2009 to serve as an informal regional forum for discussing aid for-trade issues and proposals; build partnerships among key players in the Aid-for-Trade Initiative and share good practices; formulate an integrated approach to operationalise aid for trade over the medium term; and consider links between future WTO aid-for-trade initiatives in the preparation of the RTG’s work plan.

Indian government is also contributing largely to multilateral organization including the UN Development Program and the World Health Organization. In 2007, the Indian government announced to establish a full fledge aid agency modeled after US Agency for International Development (USAID) yet has to materialize. The proposed USAID style aid agency would have consolidated the administration of Indian foreign aid activities under one roof. In Jan. 2012 India has launched a coordinating and monitoring body for foreign assistance with in the Ministry of External affairs called the Development
Partnership Administration. It is widely acknowledge as a positive step for the decentralized and fragmented Indian aid program.

Challenges:

India’s Emerging Role in global governance assessed through various hypothetical characteristics as discussed above, it is often said to be great power but the extent to which it succeeds in its role of global power both in terms of India competence and resources and the relative strength of other actors are imposing various challenges internally as well as externally (as described in the Table-7). Today India is world largest democracy which has been internalized and implies by the people who considered their leaders answerable and their powers revocable. They have been armed with most formidable weapon-the right to vote. This right coupled with institutional checks and balances gives India a very solid foundation. It includes institutions such as an independent Judiciary, election commission, comptroller and auditor general, and a free press and out spoken media. Civil society activism has led to the passage of right to information act which is likely to become the single most empowering accountability mechanism for maintain a check on the powers of the government. On the other hand, India, democratic values based on well defined constitutional principles has been dangerously eroded. Starting
with the UPA-I and UPA-II, the executive has shown up a very poor performance. Some of the worst forms of corruption have come to the fore as politician qua-ministers consciously approved incorrect procedures to benefit from the allocations of natural resources such as telecom and mining rights. Repeated failures of executive and legislature have caused the lost of public faith in the government. Judiciary has shifted gear and is often giving directions to executive because the lawmakers disgraceful self seeking actions and inability to take decision. Judiciary remains unsoiled and is the ultimate savior of the state.

The fact that India is currently facing a government discredited by policy paralysis and administrative bottlenecks and infrastructure woes. Inaction on the policy front is often blamed on coalition government at the centre as well as the states. India, though familiar with coalition government and has long experience but failed to evolve the political culture which sufficiently values compromise and bi-partisan consensus. The UPA 1 and UPA 2 ruling coalition coupled with leadership of the PM Man Mohan Singh and UPA chairperson Sonia Gandhi stalled reform agenda and unfortunately a combination of economic slowdown( reduced in investment, both domestic and foreign; sluggish employment growth, particularly in the organized sector, high and persistent inflation) and political ineptitude, inability to manage intra-party and intra-coalition wrangle in facing serious allegation of corruption and misuse of office, have led to serious erosion of legitimacy and confidence of the people. The inability to develop a working consensus with opposition has resulted in continuing logjam in parliament and in effect putting an end to the passage of much needed legislation, hence caused policy paralysis. The lack of trust and cooperation across the political party spectrum has impaired not just parliamentary functioning but affected other institution of the state even those enjoying constitutional autonomy. All decisions have begun to be read through a partisan political lens and with political calculus trumping institutional propriety. It is not surprising that the relatively low trust in government and political parties extended to all institutions of the republic, deepening the unrest and robustness of our institutional and political architecture.

Poverty and population:

Rapidly growing economies that remain poor are novelty in the contemporary world economy. Poverty is one element in their domestic fragility and insecurity. Rising population is another. Despite the country’s GDP growth rate, poverty in India is still pervasive especially in rural India where 70% (1.2 Billion) of India’s populations live. It spends only 1% of its GDP on health which is half of China, while Russia and Brazil spends 3.5 of respective GDPs. The poverty line in India is measured by one of the most disputed controversial starvation line—a line that accounts for the feeling of satiety: measured in calories. There are some statistics about poverty in India: 50% of Indians don’t have proper shelter; 70% don’t have access to decent toilets; 35% of households don’t have a nearby water source; 85% of villages don’t have a secondary school: over 40% of these same villages don’t have proper roads connecting them.

Table-6: Challenges
Economic
- Weak governance
- Poverty
- Population
- GDP growth
- High Inflation
- Poor Infrastructure
- Fall in Investment
- Export-Import
- Market Access

Political
- Weak corruption
- Policy paralysis
- Inactivity

Security
- Administrative
- Conventional Security
- Non-conventional Security
- Security conflicts
- Arms and Drug Trafficking

Public goods Issues
- J& Kashmir
- North East
- Maoists
- Security Geographies

Multilateral
- Regional
- Bilateral

Fundamentalism
- Terrorism
- Nuclear proliferation
- Arms and Drug Trafficking

Terrorism
- Neighborhood
- Indian Ocean Rim
- Major Powers
- US, Russia, China, EU

Fundamentalism
- Terrorism
- Disarmament

Trade
- Environment
- Climate change
- Human Rights
- Security

(External & Internal)
- Natural Resources

Water
- Energy
- Basic Amenities
- Food

Roads & Transportation
- Health
- Education
- Housing
India’s Economic challenges:

Not too long ago, Indian economy was riding high. Now, it is fast losing. The country has been beset with a series of scams and governance issues; foreign investors are plagued by uncertainties. The Central Statistical Office estimated country’s GDP growth for the current fiscal 2012-2013 at 5% — the lowest since 2002-2003. In fact, last year, credit rating agency Standard and Poor’s (S&P) released a study titled, Will India be the first fallen Angel? Global growth is projected to increase from 3% in 2013 to 3.7% in 2014 and 3.9% in 2015. Overall growth in emerging market and developing economies is expected to ---% in 2014 and to 5.4% in 2015. This reflects varying degrees, tighter financial conditions and policy stances since mid-2013 as well as policy or political uncertainty along with the latter weighing on investment in particular. As a result, growth in 2013 or 2014 has been revised downward compared to October 2013 WEO forecasts in India.33

India’s share in world GDP and trade is less than two percent and its total exports are less than the trade surplus that China generates each year with an exports volume that is nearly eight times more of India. Our defence expenditure at about $30 billion is less than half that of China and less than a tenth of the US, by far largest defence spender in the world. More critically, India continue to import more than 70% of defence equipment and of the 43 future technologies identified by experts, India has yet to even make an entry in six, ranks the lowest in twelve, and has developed an internal capability and more in 13 when compared to countries such as the US, China, Japan, UK, Korea, Taiwan, Germany, Singapore, France, Argentina, Switzerland and Israel. With an expenditure of only about 2% of GDP on R&D, India is also not forging ahead in Global rankings of knowledge economies. 34 Thus the suspicion on the basis of the socio- economic and strategic parameters, India’s claims for a rightful position on the global governance is at stake.

In the past three years, India’s political economy has regressed from bad to badder. The UPA-2 government has largely disappointed on almost every policy front. The economy continued to slide, without Lehman Brothers and global financial crisis as convenient whipping boys. Over the last thirteen quarters, the GDP growth is progressively distressing a drop in growth rate of 3.1% points per annum. In April-June 2011, despite the financial crisis, India’s growth rate was 9.3%, by April-June 2011; growth had fallen to 7.5% which in all fairness was respectable given the global context. By April-June 2012, it had reduced to 5.4%. If that is not enough, it fell further to 4.4% in April June 2013.35 This decline in growth has choked off the opportunities for employment and has possibly prevented the nation from lifting a twelfth to tenth of its poor above poverty line and affected almost all the economic activities and consequently deterioration of growth in all major sectors. Investments come to a halt, the fall in investment is more than just impersonal data culled from Central Statistical organization, the Annual survey of industries or the Planning Commission. It is very real; each has pulled back from earlier investment plans. None has significant investment proposal on anvil. Similarly, banks and financial institutions have found all infrastructure exposure and are being kept away from becoming non-performing loans by creative rollovers and restructuring. Infrastructure is cracking. There is perennial threat of inflation. Both wholesale and consumer price inflation are on rise. The prices of many primary
products have risen sharply. In June 2013, the whole sale price index (WPI) of primary product was 8.8%, in July it was high to 9.7, then to 11.7% in August and 13.5% in September 2013.38 (Consumer Price Index and WPI for 2014 see). India currently invests 7% of its GDP on infrastructure. Though it is significantly higher than in earlier years, it pales in comparison to China’s investment of 11%. If in today’s world, global trade is a measure of a country’s geopolitical worth, consider these numbers, some 33% of all global container traffic is from China while the single largest port hosting container traffic is Singapore at 9%, the US, Europe and Japan together account 29% and India at only 1% is half of Malaysia or Thailand.36.

To summarize, therefore, the economy is in mess, the lowest growth rates in a decade, the highest inflation rates, fiscal deficit, and trade / current account deficits with all these weakness reflected in a falling rupee. Sentiment has been further hit by anti business decisions of all kinds including holding up of projects and imposition of heavy retrospective taxes. Again the question of scandals and corruption of every kind failed to deliver an aspiration message of good governance to Indian people and international community. India’s national interest would be best served by single mindedly pursuing the goal of achieving economic prosperity for the large masses. The direct implication of this conclusion is that the country ability to defend its sovereignty and, indeed territorial integrity, from external and internal threats, and its capacity to play any meaningful role globally is critically dependent on achieving sustained and rapid economic growth.

Corruption:

The corrosive political efforts of corruption have pervaded India’s credibility. The petty corruption faced by hundreds of millions of citizens in their daily interactions with governmental authority is rampant and one of the principal grouses of the poor and the voiceless who have no option than to suffer most. The massive and momentous response that Anna Hazare Movement against corruption has received all over the country is a solid testimony to the cancerous spread of the problem and the seething resentment that so many feel against it. Corruption at higher levels of government including politician as well as bureaucracy is assuming gargantuan proportions. India’s placement in Transparency International List of the most corrupt countries reflects the government lack’s of interest in curbing this menace. India is ranked among the world’s highly corrupt nations at the 94th spot in global list topped by Denmark and New Zealand as the cleanest, while Somalia emerged as the most corrupt.37 While India rank has remained unchanged from the last year, it has emerged as more corrupt than three BRICS peer—China (80th), South Africa and Brazil (both ranked 72nd)—but better than Russia (127th) in this annual list of 177 countries complied by Transparency international. The recent scams that have been exposed point to how the scarce resources of the nation are exploited for personal and political gain. In fact, the national commission to review the working of the constitution had even noted that electoral compulsions for funds become the foundation of the whole super structure of corruption.

Till recently, the foils were full of all manners and characters mostly linked to 2G Telecom Scam. The illegal iron ore mining scandal in Karnataka led to the arrests of a powerful Bellary mining lord and his associate, Coalgate Scam, then there were other such as a member of parliaments and erstwhile head of the Commonwealth Games organizing committee Scam, and a well known politician for an earlier cash
for vote scandal. Suddenly corruption has become the order of the day. It involved business relating to aasman key upper(2&3 G spectrum) and Zamin key neeche (coal and mining). It is also involved almost anything in which either the state or central government had a say – be in terms of licenses and permits or in terms of funding such as the commonwealth.

**Drug Trafficking and Arms Running:**

The Golden Triangle and Golden Crescent (Afghanistan-Pakistan-Iran) nearest to the largest producer of heroin and hashish - has made India's border vulnerable to drug trafficking. Indigenous production of low grade heroin as well as various psychotropic and prescription drugs and their growing demand in the neighbouring countries and international market have added a new dimension to the problem of drug trafficking. Trends and patterns of drug trafficking in the country demonstrate that there is a gradual shift from traditional/natural drugs towards synthetic drugs that are being trafficked. Trafficking of drugs takes place overwhelmingly through land borders followed by sea and air routes. Given the vulnerability of the borders to drug trafficking, India has tried to tackle the problem through the strategy of drug supply and demand reduction, which involves enacting laws, co-operating with voluntary organisations, securing its borders and coasts by increasing surveillance, as well as seeking the active cooperation of its neighbours and the international community.

**Internal Security Threats or Challenges:**

The Indian internal security presents very disturbing scenario. Suhas Chakma, Director of the Asian Centre for Human Rights in New Delhi said that "India is at war itself. Whether do you agree with characterization or not, it is true that there is consensus that this situation seriously threatens India’s stability and consequently its democracy. India’s caste system which tears apart social fabric and divides people into potential warring groups created hates in the mind of people despite the fact that Indian Constitution has abolished it. But this caste based discrimination continues and it has infiltrated into Indian polity to serves the vested interests in the name of religion and ancient social customs. Therefore, different castes have begun to resort to violence to overthrow this discrimination. Economic disparity is one other case. In a changing world, as the people of India become more and more aware of the affluence of the relative few who reap the benefits from the country’s development boom, the rich poor division assumes greater significance and cannot ignored. Of India’s population of 1.25 billion about 800 million-(nearly 60%) are poor, many living on the margins of life lacking some or all basic necessities. Despite emergence of India as world third largest economy, India has highest illiteracy rate in the world-70% and the people lack adequate shelter, sanitation, clean water, nutrition, and healthcare and job opportunities. In an exhaustive review of the evidence, relatively large youth cohorts are associated with a significant increased risk of domestic armed conflict, terrorism and riots/ violent demonstration.

India’s internal security has been confronting with ethnic rebellions, terrorism, and internal insurgency outlining the state of the threats in key peripheries of India - Jammu& Kashmir, the North East and the Maoists etc. In all, an estimated 30 armed insurgency movements are sweeping across the country, reflecting an acute sense of alienation on the part of the people involved. Wikipedia lists 16 belligerent
groups and 68 major organization as terrorist groups in India which include nine in northeast, four in centre and the east( including Maoist/ Naxals) seventeen in the west and thirty in north west( Kashmir).41 Hundreds of religious and ethnic groups, some of which are fiercely sectarian and independent nature found themselves passionately defending their religions, ethnicities, languages and culture at time clashing fiercely with rival groups, challenging even the writ of the state in the process.

Trans-boarder infiltration supported by Pakistan is still operating in J&K. Jihadist’s threats across the India emanating from the loose clusters of Islamists almost trained in India called Indian Mujahideen and SIMI linked to other countries Jihadists groups. From 2005-2008, the Indian Mujahedeen carried out multiple urban bombing. In April 2013, Islamists linked to a fringe group called UL-UMMA are alleged to have bombed the office of the BJP in Bangalore. The NIA alleges that the Bangalore Jihadists are plotting to assassinate a strings of figures associated with the Hindu religion. To put simply, the terrorist bombings are extreme forms of everyday violence that has grown roots in a firmament of India’s sometimes fraught civic life. Ever since 9/11, India has seen exceptional circumstances in place across the region.

Maoist’s insurgency in India is the most formidable security threat. Maoists the forest dwellers of Naxalbari inhabit in an area known as RED CORRIDOR that stretches from West Bengal to Karnataka state in the southwest. Maoist’s rebellion appeared to be expanding their theaters of operation at an unprecedented pace up to a third of India’s territory. By 2012, 223 districts out of total 636 in 20 states (40% of Indian territory) were thought to be affected by varying levels of Maoists activity.42 They are also threatening to extend their operations in major urban centers including New Delhi. Indian Intelligence reports say that an insurgent include 20,000 armed men and 50,000 regular or fulltime organizers and mobilizers.

Northeast Insurgency:

The racial differences between India and its Northeast geographical link has culminated a feeling of alienation and ‘otherness’ that subsequently gave rise to a political culture of violent separatism. Throughout the last six decades, the successive Indian governments tried to nationalize the political space in the Northeast by pushing ahead with mainstreaming efforts. The struggling ethnicities of the region continued to challenge the nation building process. The seven states of northeast India –Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland and Tripura- are significantly different ethnically and linguistically from the rest of the country. In fact Northeast India is home to more than 50 ethnic rebel groups. These states are rocked by a large number of armed and violent rebellions, some seeking separate states, some seeking fighting for autonomy and others demanding complete independence, keeping the entire region in a state of turmoil, these states accuses government for their apathy towards their issues. Illiteracy, poverty and lack of economic opportunities have aggravated the natives demand for autonomy and independence. The contributory causes are many including inconsistencies in economic structures and development, alienation, administrative weaknesses, incompetence and official corruption. There also exist territorial disputes among states and tension between natives and immigrants from other states which the government has not attended to, accentuating the problems. In Assam state, the United Liberation Front of Assam ( ULFA) has been a
forefront of liberation struggle since 1979; the divide between the tribal and non-tribal settlers is the cause of the trouble in Meghalaya. Like other states in the region, there is a demand for independence along tribal lines. The Achik National Volunteer Council has pursued since 1995 the formation of an Achik Land in Garo Hills where as the Hynniewtrep National Liberation Council seeks to free the State from Garo domination. The Arunachal Dragon Force is also another violent secessionist movement in the eastern state of Arunachal Pradesh seeks to create an independent state that includes the area currently in Arunachal Pradesh and neighboring Assam. Mizoram tensions have arisen largely due to Assamese domination and the neglect of the Mizo’s people by India. Nagaland, created in 1963, is marked by multiplicity of tribes (400 tribes and sub-tribes) ethnicities, cultures and religion and has been witnessing conflicts, demanding a separate homeland. Manipur has been actively pursued by several insurgent groups since 1964, arising out of neglect of the people concern by the state and central govern. In Tripura, there is tension between the Bengali immigrants and the native tribal population. The National Liberation Front of Tripura and the All Tripura Tiger Force are demanding expansion of Bengali Speaking immigrants.

**External (Regional and Multilateral) Security challenges:**

India’s external & regional as well as multilateral security calculus identifies three major challenges:

**First**, Neighboring Countries, the most important security challenges in the last decades.

**Second**, China and India, conflict of regional hegemony and security policy.

**Third**, the US and other super powers strategic interests in Asia.

Ensuring security in Indian sub-continent has been India’s one of the enduring objectives since independence. Keeping other powers out of the sub-continent and having a decisive say in the political evolution of its periphery is a part of India’s geo-politics. When and how, India- the giant that bestrode the non-aligned world and stood as a symbol of alternative path to Justice and prosperity to the post colonial developing world, goes wrong? The emergence of India as emerging economy is an indicator of global power shifts and what matters for countries like Nepal, Bangladesh, Sri Lanka or Bhutan. This is essential to India’s neighbors as they too are grapple with emerging geo-political shifts.

South Asia as a region has always been under external influence either directly or indirectly by great powers politics and alliances since its colonial era. The neighbouring states around India fear that their interdependence will lead to the erosion of their power. Pakistan wants to counter India’s influence in the region, Nepal wants multilateral co-operation rather than bilateral arrangements with India especially water related conflicts, Bangladesh has serious concern over the issues of sharing Ganges water, Sri Lanka ethnic strife compelled her to seek help from European Power and considering its greater and favorable ties with South East Asian Nations. Increasing military expenditure, assistance and modernization in the subcontinent is also volatile for peaceful interstates relationships. Terrorism and counter terrorism, poverty, unemployment, crime, drug trafficking all are not only aggravating countries internal and external disputes but also exacerbate security in the Region.
While India’s sub-continental activism has been impressive but it is not very successful. Its attempts at regional integration have been subcritical in relation to lowering non-tariff barriers, promoting trade facilitation, and strengthening regional connectivity. 43. Coping with the threats emanating from the neighboring countries, Pakistan is likely to be the most important security challenge for India since independence. At the root of India’s difficulty with Pakistan have been changing regional balance of power and its initiative to promote a low intensity conflicts against India. The shift of regional balance of power in favour of India was successfully neutralized by Pakistan acquisition of nuclear power and to support terror groups that mounted frequent spectacular attacks in India. Despite this attitude, India has been worked out a negotiating framework with Pakistan willing to negotiate on different issues including security. Though Pakistan committed to end the cross border terrorism and the expansion of confidence building measures but Pakistan frequent violation of a decade long ceasefire and its reluctance to bring the plotters of the 26/11 attack on Mumbai to justice and its inability to implement the trade normalization agreement has not improved bilateral relations. Again, it is questioning the negotiating attitude of India is worth sustaining. Many Indian strategic analysts suggest ending the talks and confronting its support to cross border terrorism.

India’s efforts to resolve bilateral issues with Bangladesh, Nepal or Sri Lanka have been blocked by domestic policy and opposition by political parties in West Bengal and Assam or Tamil Nadu. India’s neglect of the neighborhood foreign policy is strange for a regional power with ambition of global influence. This neglect of India has a dramatic rise in anti-Indian feelings and resentment in its neighboring countries of Bangladesh, Nepal, Sri Lanka and even Bhutan as well as their public. While India helped these countries in many ways as liberating Bangladesh in 1971 even opposed by the US and China, today in the streets of Dhaka at least 50% of the people are anti-Indian while it is difficult to find a single anti-Chinese Bangladeshi. The same sentiments are expressed in Nepal and Sri Lankans and Bhutan. Thus, instead of blaming China, Pakistan or the West for inciting anti-Indianism rather than policy and malfunctioning of Indian government is responsible.

**Regional Challenges: China v/s India.**

Since the last two decades, there has been enormous expansion of China’s strategic profile in the Indian subcontinent. A quarter century ago, India and China seemed roughly equal powers. It is no longer true today. The expanding strategic influence with China has begun to pose multiple security challenges for India and constrict its freedom of actions in a number of domains. The most direct conflicts are disputed border with China; the lack of agreed line of control and intrusion in Arunachal Pradesh Border Area and China’s resistance to India’s attempts to modernize its border infrastructure and strengthen its military capabilities; rapid military modernization and up gradation of its infrastructure in Tibet that have resulted in China’s improved logistitical capabilities and shrunk its mobilization times. As a result, limiting Chinese strategic role and power influence in the subcontinent, it is a bigger challenge for India. Despite improved relations with India, China has not given up its long standing policy of arming Pakistan’s aspiration for Parity with India, but emerging as major supplier of arms to other neighboring countries. China has expanded economic projects in which some are very strategic projects includes ports, railways and highways all across the Indian subcontinents 44.China has been offering unstinting
political support to the regimes in the sub-continent seeking to distance from India as in case of Sri Lanka’s human right violation or Bangladesh or Pakistan.

China’s maritime power in Indian Ocean has been rising to secure its interests. Over the last few years, China has intensified its partnership( economic political and strategic) with Myanmar, Sri Lanka, Bangladesh, Pakistan, the Indian Ocean Island states, the Persian Gulf, and the East Coast Of Africa, all part of India’s traditional sphere of influence in the littoral. While India comes to terms with the expansion of the Chinese strategic profile in waters to the south, it also has unexpected opportunities to expand its own role in China’s neighborhood in East Asia and the western pacific. Whether it is the consolidation of India’s position in Indian Ocean or strengthening its role in the Pacific, India will need to intensify its security and defence diplomacy in the two oceans. While there is great enthusiasm across the Asia-Pacific for such co-operation, political inhibitions, institutional constraints and resource limitations have constrained India.

If compare with China, it stands out for its increasing capabilities across international economic, political/ diplomatic and security issues but India exerts little influence in international monetary and financial affairs. State owned banks with limited international presence dominate India’s financial sector; it is not the home of major international financial centre and although its international reserves are substantial they are just over one –tenth of the size of China. China’s reserves in particular have exploded in size over the past decade. China’s market size and its growing internal markets, export oriented economies as well as highly liquid financial market, their large level of reserves accumulated as insurance against international financial and as an effect of undervalued exchange rates it all contributes to its capabilities. The increasing monetary power of China granted it greater influence at IMF and other economic institutions. On the indices of military power, status of a nuclear power and membership of UNSC grants China leverage than that of India.

**Major Powers and Global governance Challenges:**

Is global governance a game between the major powers? From this point of view, whether the basic structure of world politics has changed at all or not or the most powerful nations are still relevant actors of global governance. The main question is how the new developing countries have really transformed the established constellation of power between the most important nation states of global governance. Major Powers characterize the new world order by peaceful accommodation between established and emerging powers or it is a collective management of transnational problems or overhaul of international institutions to reflect the shifting of power dynamics with the new set global agenda. Since the collapse of the bipolar confrontation with the Soviet Union, it is debated whether international system is Unipolar with strong dimension of the US hegemony. The US administration perceives a long term diffusion of global influence towards multi-powers centers and recognizes the growing constraints on an over extended US ability to shoulder global burdens on its own. The US administration has generally eschewed the concepts of multi-polarity for what Secretary of state Hillary Clinton calls “a multi-partner world” in which the US works enough to serve as a credible outside options.46
As India sought to expand their influence and satisfy their policy preferences in global institutions, the existing global powers—the US and the European Union—are not salient spectator or the passive observers. They are pursuing their own strategies in response to gain legitimacy by accommodating demands by rising powers for key institutions and retaining as much decision making authority and institutional efficiency as possible. Over the past two decades, in nearly all of the key global institutions, the emerging powers were granted larger role either through increasing quota as in IMF and the World Bank or through incorporation in club that had been restricted to developed industrialized countries. But the US and European powers intend to retain their long standing leadership by skillful tactics as nomination of individual. G-20 was promoted to a central role in economic management but at the same time they were not readily conceded to top position at the IMF and the World Bank. India’s membership in the OECD club was assessed and was declined as too costly. For those who predict challenges to the existing super powers, particularly international economic institutions in which the emerging power can exert the greatest influence, their preferences represent clear challenges to the market oriented prescriptions of the so called Washington consensus. Though the US supported reforms in the financial institutions including an expanded mandate for the international Monetary Fund and structural shift in the World Bank, yet the details of such adjustment are remain to be negotiated. In fact, in the US strategic calculations, the international institutions provide useful focal points that US can use to modulate its differences and pursue its mutual benefits. International institutions are in fact potential vehicles for legitimizing US leadership while discouraging challenges to the operative world order. The US who is designer of post world war II has successfully embedded its leadership in multilateral institutions that instead of constraining its power magnifying it. The US desire to integrate the rising powers in existing global structure is not to divert powers but to share the burden of responsibility. The United states approach has been its explicit articulation of the concept of sovereignty as responsibility—the principle that membership in the community of nations confers not only the rights but obligations both to a state’s own citizens and to wider international community. All states must follow the rules and shoulder the burden of providing global collective goods from controlling the spread of weapons of mass destruction to stemming the emission of green house gases rather than free-riding.

At the same time, the US remains reticent when it comes to any expansion of UNSC to accommodate India. The UN is an effective multilateral framework of global governance but an indispensable instrument of the US global engagement though it is deeply flawed. The UN for all its warts has an unmatched combination of international legitimacy and standing capacity on which the US depends for all of its overtures and strengthen its forces of unilateralism. That’s why the US is conspicuously salient on enlargement of Security Council. There is ample skepticism about whether it would be in the US national interests or whether it will dilute its power and embolden regional powers with anti-thetical vision of world order. Such enlargement would also be inconsistent with the original purpose of the council as a privileged body of great powers with capability to protect and sustain world peace and security. Such an expanded body would make it difficult for the US to build coalitions needed to approve council resolution or to block them without use of the veto. It is also doubtful whether Russia and China would be ready to such shift in membership compromising their own prerogatives of UN super powers.
No doubt, G-20 is a better reflection of global economic realities and will inevitably become a premier global steering group for a wide range of global political issues but the US would never intent to replace G-8 but retain it as a parallel process. The G-20 purview will be confined to economic matters broadly including climate, energy and health while G-8 continue to address more sensitive political and securities issues. Similarly the US was supportive of adding emerging economies in the IMF, adjusting voting shares of the members and expanding fund mission. The US with Germany and other countries resist the idea of seeing fund emerge as a global central bank with massive assets are vary of investing the fund with too much authority and also opposed the proposed adjustment of fund governance to reflect the growing weight of emerging economies India and China etc. G-20 committed to fund ‘s governance structure including 5% shift in voting power to underrepresented economies and agreed to redistribute voting rights to achieve an approximate 50:50 ratio between developed and developing. This proved contentious as the US has little to lose but small European powers like Belgium opposed tenaciously to keep their quotas. Therefore, India like any other country will be hesitance to invest funds in IMF so long as it has little say over funds decisions and they will not contribute if their quota remains small and give it more representation. 47

As in case of trade regime, India presented a portrait in which it defended its national practice and policies but without challenging the core principles and norms of the existing framework or regulating norms embodied in BASLE II along with China and Brazil. The deadlock in Doha Round on trade negotiations did not result from fundamentally divergent views of the trade regime or its future. The outcome can be explained by the political clout of agriculture in China and India combined with WTO that failed to encourage negotiating consensus among large and more diverse groups of key negotiating parties. China continued its selective use of international regulatory standards as an instrument of domestic financial reforms.

The subject of environment has been under study at the WTO and the Committee on Trade and Environment for some time. But the Doha Declaration brings it into the negotiating agenda for the first time. India and other developing countries had been opposed to bringing environment into the negotiating agenda in any form but EU had insisted on it. On Singapore Issues, EU had insisted on the inclusion of negotiations for multilateral agreements on investment, competition policy, trade facilitation and transparency in government procurement while large number of developing countries, especially from Asia and Africa, had opposed the EU demand. India was the most vocal opponent and persisted in its demand to keep the four issues out of the negotiating agenda until the end. India unequivocally opposed the expansion of the negotiating agenda beyond the built-in UR agenda, which included market access negotiations in agriculture and services and reviews of and negotiations on some narrowly specified aspects of a small number of UR Agreements.

Since 2007, the US has participated in parallel diplomatic track involving the world’s main green house emitters Know as Major Emitters Meeting and under Obama’s administration as the Major Economic Forum on Energy and Climate (MEF). The US wisely championed a minilateral body of its own with assurance to complement rather than to undermine the parallel UNFCCC. The US claim that it will enhance UNFCCC negotiations and provide a forum for coordinating progress on gas emission reduction efforts. However, it is observed that the US playing a gambit to undercut the UNFCCC and evade any
commitment entailing economic sacrifices. It is very that the UN can make any serious progress unless major OECD members and big developing countries agree among themselves on critical issues such as gas emission target, coalition financing and the term of technology transfer. Any movement for meaningful multilateral climate agreement depend on US agreement with a small number of key players particularly India.

India’s security dilemma is to lend greater consideration to strategic cooperation with the US on regional security issues. For decades now, divergence rather than convergence on regional security issues has been the norm in relations between India and the US. India has had a tradition of dealing with its regional security challenges on its own term, rather than through cooperation with other major powers or through multilateral mechanism. Although Indian foreign policy often responded to regional and global shift in power, its public discourse remains centered on concept of non-alignment and strategic autonomy which got loaded overtime with ideological overtones. America’s partnership with China and Pakistan deepened India’s suspicions of US role in the region. The US administration’s questioning of Kashmir’s accession to India, and its eagerness to mediate between India and Pakistan sharpened political tensions. Obama’s consideration on mediation between India and Pakistan and the presumed link between Afghanistan and Kashmir dispute raised doubts of US policy. In the East, the US emphasis on a China first, policy raised questioned about continuity in Washington’s approach to India While partnership with the US makes sense for India, would Washington be interested in deepening regional security cooperation with India, as it prepares to withdraw from Afghanistan and recast its Asia policy. Two possible alternatives are conceivable. A weaker and isolationist America might turn its back on Afghanistan and Pakistan and be tempted to compromise with China rather than seek to balance it Asia.48

During the cold war, Soviet Russia played that role to a larger extent. While Russia remains an important strategic partner of India, it is not in a position to mitigate India’s problem with China and Pakistan. After the end of cold war, Soviet Russia, America’s old rival power, too weak to challenge the US power and an emerging China was not ready to challenge American primacy. These facts, however, became less salient after 2007-08 financial crises that propose the end of American dominance of world affairs. Russia has since reviving its lost glory and has become more assertive and China is testing the limits of American strategic patience in Asia. This changing great powers dynamic has created a very different context for the pursuit of India’s national security interests in Asia.

The NPT that has been core institution for preventing the spread of nuclear weapons, India still remain a non-signatory state. The divide embedded in the treaty between recognized nuclear weapon states and non-nuclear and India’s commitment to remain non-nuclear was regarded as an affront to all developing countries. Though India has moved considerable distance from its earlier critical stance towards an endorsement of the goal of non-proliferation, however, it is still sensitive to any intimation of hierarchy in the non-proliferation regime, particularly attempt by the US or other power to impose new obligations without multilateral assent. India’s agreement on Civilian Nuclear co-operation with the US represented a tailoring of regime rules to suit the national interests of an NPT non-signatory, its commitment brought India into compliance with some non-proliferation norms, though it remains outside key export control agreements and has declined to join the proliferation security initiatives.
Lack of resources and national capabilities in global governance are bigger challenge for India role in global governance. India’s efforts to amplifies its capabilities by building coalition in which the emerging economies exercise leadership role through regional option and expand its leverage at the global level has also not much fructified. Among such coalition are IBSA Dialogue Forum that links three democracies-India, Brazil and South Africa founded in 2003 and BRICS Summit 2009. Both these group are dialogue forum like many other similar groups- summit, declaration and ministerial meetings. After four summits, there is little evidence that BRICS government have forged any common collective actions in global negotiation given the rivalry between India-China, China –Russia. This group is unlikely to forge an effective program of action.49. Like BRICS, IBSA coalition also has no headquarter or permanent secretariat, it has held five summits; its principal program initiative to date has been the creation of a small IBSA Fund for Development Finance. Neither south–south nor regional coalitions have reliably supported the global governance ambitions of rising India’s powers. India along with Brazil, the most energetic proponents of South-South Coalition achieved larger role in the WTO and other forum as a result of their coalitional leadership but leadership also imposed costs by tying their interests to a larger and heterogeneous group of developing countries. Regional alternatives are not so successful in supporting India’s role in global governance but imposing more challenges.50

Conclusion:

The above discussion has projected two sides of a picture. On the one side, in terms of present indicators of economic, diplomatic and political, India is shining on the other side India is facing many challenges ranging from historical legacies to the dispute over territorial and maritime rights and from traditional to non-traditional security threats. If we compare in both, challenges are more than its rising powers. In global governance, economy, external and internal security, technology, military and nuclear technology and status as a nuclear and near nuclear power grant force in setting the global rules and regime which India is lacking in comparisons of China and existing super powers. Though, India is on a very similar path as China but with a time lag of some 10-15 years. India’s momentum however will continue over the coming year and the country would find itself in similar role by 2020 and will supersede China’s and US economies by 2025. By 2025-2030 India will constitute significant poles of power along with the US, China and Europe in the architect of Global governance. European states are still without exception small actors with limited power resources; only a common European Union can have a role in shaping future global order. The world powers will have recognized this fact and India will get a place at the global high table despite certain ostensible challenges and in future years together with its increasing assertiveness, it will represent a challenge to the established economic powers.

India as an aspiring global power should ideally be able to influence policy decisions and that it has to prove its capacities to actively engage in global game. To achieve this pro active policy, India will have to shed its historically evolved self perception of being a member of the poor “have not” and allocate sufficient resources to the design and execution of its foreign policy commensurate with the acquired status of global power and foreign policy regime should be formed by long term strategic objectives and conducted with the assurance of the third largest economy of the world. The US government has offered India new leadership on global public issues but without significant breakthrough in multilateral regimes and governing arena. The ultimate prospects for effective global governance role will depend
on improving bilateral relations with the neighboring countries and developing mutual trust among all of them. We should deepen regional economic integration to strengthen the foundation for mutual greater trust. India will have to generate enormous socio-economic adjustment in Asia, South Asia and other region trying to integrating inter-Asian economic relations and South–South economic Co-operations more and more. India’s performance in global public issues will still look more than today. India’s upcoming new leadership might like to reflect on the failures of the past before engaging in any new adventurism. Indeed, when it comes to broader economic development and its models, India has an uphill battle to convince its neighbors to let it lead the way. But the question again whether will the change of new regime return to that position of leadership. However, the ability and willingness of India to fully mobilize their capabilities within the structures of global governance is often inhibited by its domestic, regional and global constraints. Domestic, political and economic challenges imposes constraints on costly engagement with such institutions. India consistently defends hard conception of sovereignty and skeptic regarding armed intervention against incumbent powers. Domestic politics, concern over their own internal vulnerability and foreign policy align with developing country coalitions, drove global governance preferences towards a strict construction of the reserved sphere of national decision making authority.

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