

India Great Power 2050

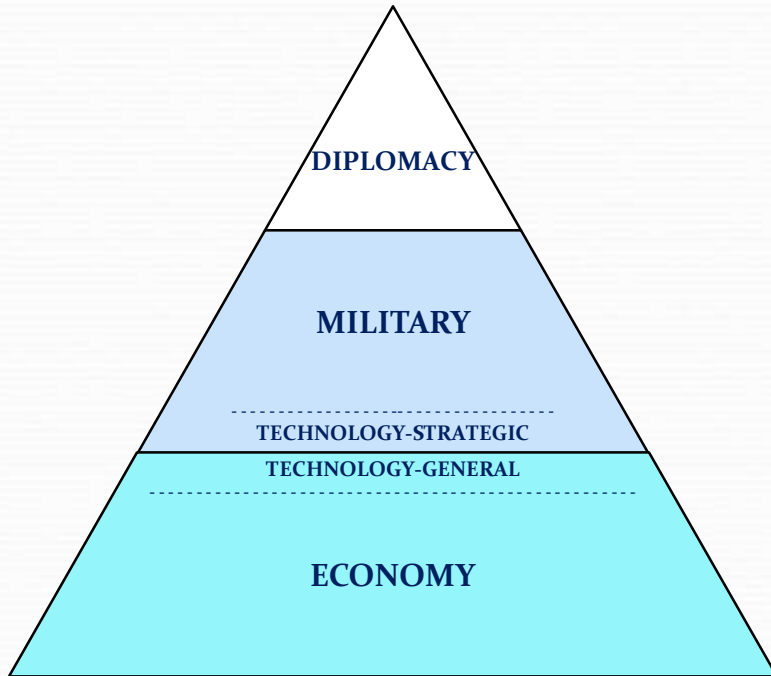
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Introduction

- World in mid-21st century: Update
 - Bipolar World [Virmani(2004)]
 - Tripolar World [Virmani(2005)]
 - Multipolar Transition [Virmani(2006)]
 - India-US Partnership (EPW 2006)
- Power Pyramid
 - International environment
- Evolution of power
 - India & other powers
 - Economic, Military, Overall

Power Pyramid & Global environment

DOMESTIC



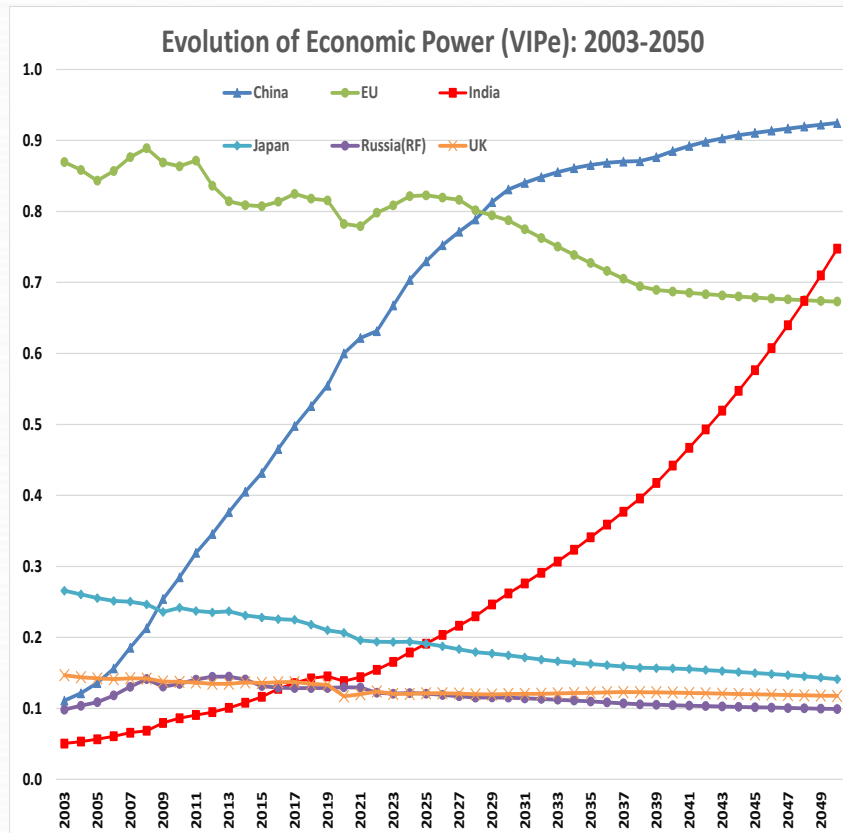
INTERNATIONAL ENVIRONMENT



Index of Power

- VIP Index of power
 - Power is relative: USA is benchmark (VIP = 1)
 - Economic(VIPe), Military (VIPm), Total (VIP)
- Superpower & Great Power
 - Number 1 or 2 in every dimension(SP)
 - Top 3 in most dimensions (GP)
- India's projected power: Growth assumption
 - Per capita GDP (5.4), GDP (6%), Pop gr (0.6%)
- Evolution of Econ(VIPe) & Military(VIPm) Power
- India's power relative to China-VIPe, VIPm, VIP(fig 2)

Fig 1: Economic Power Index (VIPe)



- VIpE relative to USA(= 1)
- China 0.63 => 0.92 (blue)
- India 0.15 (2022) => 0.75 (2050) – red line
- EU (incl Germany, France): 0.8 to 0.67 (green)
- India overtakes Japan (blue), Germany in 3-5 yrs
- Russia (purple), UK (orange) - declining trend

Table 1: Index of Economic power (VIPE)

	<u>2020</u>	<u>2035</u>	<u>2050</u>
France	0.12	0.11	0.10
Russia (RF)	0.13	0.11	0.10
UK	0.12	0.12	0.12
Indonesia	0.07	0.12	0.20
Turkiye	0.08	0.13	0.18
Japan	0.21	0.16	0.14
Germany	0.20	0.17	0.14
India	0.14	0.34	0.75
China	0.60	0.87	0.92
USA	1.00	1.00	1.00
EU	0.78	0.73	0.67

- Demographic decline
 - Russia, Ger, Jap, Fr
- Rising economic powers
 - Indonesia, Turkiye
- Potential power (VIPE)
 - Superpower = 0.5 to 0.6
 - USSR peak: 0.35, East block: 0.45
 - Great power > 0.25
 - Japan <0.25 at peak

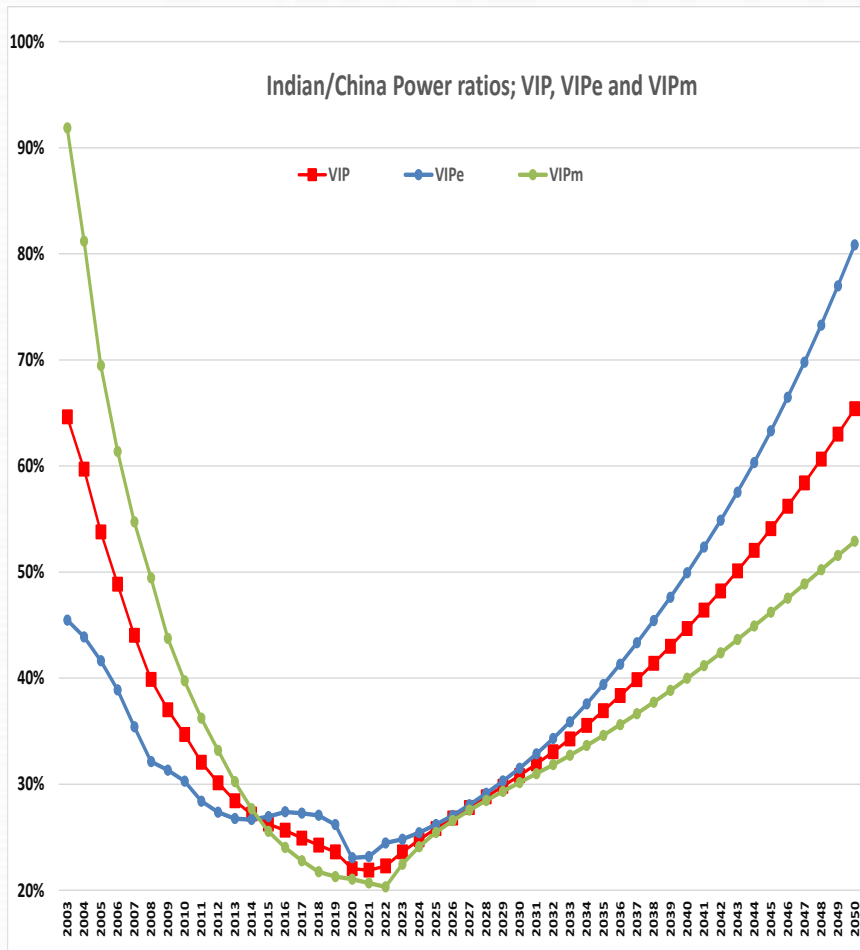
Table 2: VIPm Military Power

	<u>2020</u>	<u>2035</u>	<u>2050</u>
Japan	0.06	0.06	0.05
Germany	0.07	0.06	0.05
France	0.07	0.07	0.06
Russia (RF)	0.08	0.07	0.07
UK	0.08	0.08	0.08
India	0.07	0.15	0.24
China	0.31	0.43	0.45
USA	1.00	1.00	1.00

Note: Japanese proj based on data upto 2021

- India/China: $<1/4$ 2020 to $>1/3$ (2035) & $>1/2$ (2050)
- 4th power: Bigger gap
 - UK $1/3$ of India in 2050
- Potential Superpower: VIPm > 0.5 , VIP > 0.5
- Potential Great power: VIPm > 0.25 , VIP > 0.25

Fig 2: India/China: VIPe, VIPm, VIP



- Economic power (*VIPe*): 24% in 2022 to 81% in 2050 of China's (blue line)
- Military power: 20%(2022) to 53% (2050); green
- India's total power(*VIP*): 22%=>65% China's (2050), red line
- India's *GDPppp*: 39% of China in 2022) to 94% in 2050 (not shown)

World at mid-21st Century

- Tripolar World with a multipolar Rim
- Superpowers: USA, China; Great power: India
- Multipolar Rim: Russia, France, Japan, Germany remain top 3 in selected domains. EU economic power
- High Tech Decoupling: Two tech blocks loosely led by USA, China. India (iCET) in former, Russia in latter
- Partial Economic decoupling: Amorphous Grps, with greater intra-grp & less inter-grp, Trade & FDI.
- India important “partner” of US group, with selective technology & trade relations with Russia

Regional dimensions of power

- Economic community, Common market
 - Majority of global Trade is regional
 - International trade drives productivity
 - Eg USA, Canada, Mexico (MES, Product diversity)
 - Our region: South Asia, Indian Ocean Litoral
 - Step-up Connectivity: Transport, Pipeline, Telecom, HR
 - Financial links require Convertible Rupee (FCDR)
- Military connectivity (IOR, Indo-pacific, South)
 - Production & export of weapons
 - Dual use technology: Technology software driven
 - Indian advantage: Engineering manpower (GCC)

China: Challenge & opportunity

- PRC manufactured export monopoly (2022)
 - Telecom eqpt, EDP & Office eqpt: 40% of world
 - Textile 47%, Clothing (32%)
 - Much higher concentrations at 6, 8 & 10 digit
 - Domestic Anti-trust, international?
- Labor intensive supply chains PRC
- PRC monopolization through Asymmetric trade, technology, economic & subsidy policy.
- Optimal response {PRC}: Symmetry, Reciprocity

Trade & Industrial policy

- Towards a dualistic trade policy
 - Traditional trade theory account for consumer gains, but not dynamic gains from investment & exports
- One policy for PRC & similar countries
 - No RCEP ie back door FTA with PRC as
 - FTAs with ASEAN, Japan, S Korea, Australia
- Another for Rest of World
 - FTAs with Developed market economy
 - Attract MNC led. Labor intensive supply chains to India
- PLI (MES) in supporting role

Tripolar World: USA, China, India

- Geopolitical, Military, Economic Imbalance(2025-40)
- Cost effective Deterrence
 - Bilateral defense Cooperation with QUAD members
 - Escalation ladder: Multilevel, Multilayered defense
 - Atman Nirbhar: Military Industrial complex(Pvt-Pub)
 - Frontier technology: ICET; Defense R&D Commission
- Grey war, hybrid war
 - High Tech decoupling to thwart sREAD strategy
 - Partial Ec. decoupling: CCP monopoly rents
 - Economic community, Common market (SA; IOR/IOL)
- Paradox: Power rank(3) >> Income rank(90)

References

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