

# India, a Democracy Not Bound to Globalisation

Navigating globalisation, protectionism, and realpolitik while maintaining democratic principles appears to be a complex challenge. India's unique approach demonstrates that democratic commitment is not inherently linked to globalisation.

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**T**he answer to the question “Does democracy depend on globalisation?” can be found in another question: “Have the prospects of democracy around the world improved with globalisation?”. Despite the initial democratic expansion following globalisation in the early 21st century, experts have identified a recent trend of democratic backsliding. Nativism, ultra-nationalism and racism now challenge democracies internally, suggesting the link between democracy and globalisation may have been overstated.

India has benefited from globalisation but does not promote democracy abroad. Rather, Indians view their parliamentary democracy as indigenous despite it being a remnant of British colonial rule. Valuing it for its efficacy in governing their diverse country, Indians do not attempt to impose democracy upon others.

## **Balancing realpolitik and economic reforms**

The foreign policy of India, a country with a 5,000 year-old civilisation, is based on realpolitik, not similarity of values or systems. During the Cold War, the country embraced democracy without capitalism, something rare for an ally of the West. India has historically traded globally but has been inward-looking and wary of global trade in the post-colonial era. It links economic growth to social development more than to wealth generation, which validates protectionism and indigenisation.

India wants to reap the benefits of globalisation and free trade, but it has been slow and gradual in opening its economy. It has initiated major economic reforms, beginning in 1990–91. But opening the economy to foreign investment, reducing tariffs and removing import restrictions has been piecemeal.

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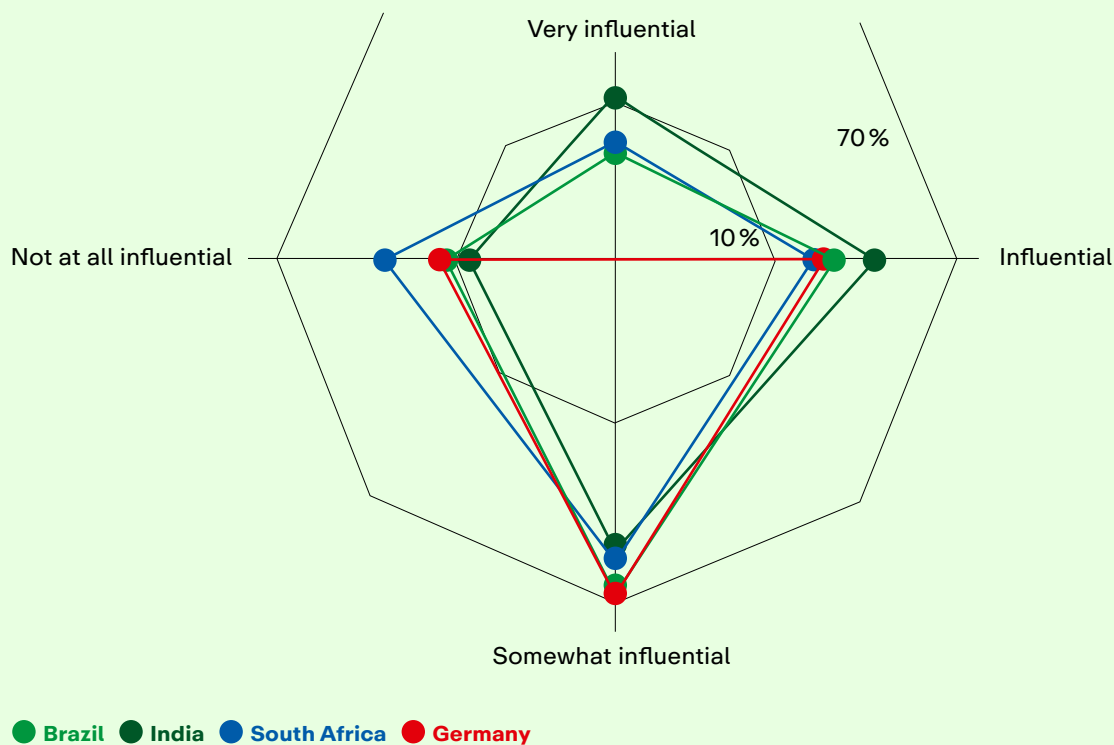
India's share of global trade has risen as it has signed free trade agreements with several Asian countries. GDP growth stood at 3–3.5 per cent per year during most of the Cold War, but for two decades after the 1990–91 economic reforms it hovered around 7 per cent or higher. The economic boom lifted millions out of poverty: GDP has grown from \$270 billion in 1991 to \$3.4 trillion today. India now has the world's fastest-growing emerging economy and between 2008–2014, its GDP growth rate was closer to 8 per cent.



Narendra Modi, Prime Minister of India, speaks at the 69th United Nations General Assembly General Debate in the UN building in New York City on September 27, 2014. Photo: Alamy Stock Photo/ UPI/ John Angelillo

### India, the confident

How do you rate your government's influence on global rulemaking?



The survey was commissioned by Körber-Stiftung and conducted by Verian Germany among experts in Brazil, Germany, India and South Africa on attitudes to foreign policy between 16 October and 29 November 2023 for the *Emerging Middle Powers Report 2024*. Ganter et al. 2024.

### India's paradox: protectionism amidst global integration

Even though India has benefitted from integration with the global economy, it has become more protectionist over the last decade than it was even in the 1990s and early 2000s. The reforms of 1990–91 were never followed by a second generation of factor market reforms relating to land, labour and capital. Between 2014 and 2021, import duties rose from 13.5 per cent to over 18 per cent.

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India’s policies attract charges of hypocrisy or schizophrenia. The country seeks foreign investment but wants control over that money; it seeks state-of-the-art technology and to be a part of global supply chains but it would like transfer of that technology to build India’s industrial base.

Even as India benefits from a globalised world, its leaders continue to debate the value of globalisation and argue that it needs to re-examine the trade deals it has signed. In the words of Foreign Minister S. Jaishankar, India seeks to “engage America, manage China, cultivate Europe, reassure Russia, bring Japan into play, draw neighbours in, extend the neighbourhood, and expand traditional constituencies of support.” There is no mention of globalisation or democracy in this global agenda.

### Seeking recognition and influence on the global stage

India’s citizens and leaders seem to think that their country deserves to be an important and powerful actor on the global stage, a claim that comes from a belief in its civilisational legacy and geostrategic location. For them, the most critical aspect of its civilisational greatness is that it is recognized by others. India expects its position in the international geo-economic order to reflect this vision.

India’s participation in existing global geopolitical and geo-economic institutions – like the United Nations, the International Monetary Fund and the World Bank – at the same time as it helps found other groupings – like the BRICS – reflects its dichotomous policy. India wants to remain part of the existing post-Second World War order while seeking to change it from within to make it reflect a new reality.

### Shaping the future of globalisation and democracy

The challenge faced by India is that, instead of growing its economic might to ensure a seat at the



photo: David Ausserhofer

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global high table, it expects an invitation simply based on its right to be there. Rules-based global trade does not align with such a supposition.

The path that India – the world’s most populous democracy and state – chooses will impact the future of democracy and globalisation. Indians, and many others around the world, view the country as an example of a rare post-colonial country that has consistently remained a democracy, built its economy and educated its people, without a military coup or civil war. But that example only shows that a commitment to democracy is not necessarily bound to the idea of globalisation.