

The Elephant and its Parts
A look at Indian indicators and their interaction
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Last year I visited the Dakshineswar Kali Temple in Kolkata, a place where Ramakrishna spent a considerable part of his life. He is quoted to have said:

"A number of blind men came to an elephant. Somebody told them that it was an elephant. The blind men asked, 'What is the elephant like?' and they began to touch its body. One of them said: 'It is like a pillar.' This blind man had only touched its leg. Another man said, 'The elephant is like a husking basket.' This person had only touched its ears. Similarly, he who touched its trunk or its belly talked of it differently. In the same way, he who has seen the Lord in a particular way limits the Lord to that alone and thinks that He is nothing else."

I would not like to compare India to the Lord but Ramakrishna's story reminds me of the danger of deductive reasoning along the lines "Democracies are stable, India is a democracy, therefore India is stable," "Large, populous countries with growing economies and nuclear weapons have become Great Powers, India fulfills these criteria, therefore India will be a Great Power," or "Asian emerging economies grew continuously to become middle income or even high income countries, India is an emerging economy with strong growth rates, India will therefore grow out of its poverty and become a middle income country in the near future."

Deductions of this type seem to be common in assessing the current status and potential development of India, arguably one of the world's most diverse and most complex countries.

When US-President Obama visited India he remarked in his speech to both houses of Parliament on 8 November 2010: 'For in Asia and around the world, India is not simply emerging; India has emerged.' Even though the President did not specify the avatar in which India has emerged, this remark was widely taken as the recognition of India as one of the Great Powers of the twenty-first century. This interpretation coincides with the self perception of the Indian population in the run-up to the presidential visit. According to a 2010 Pew-Poll among more than 2000 mostly urban Indians 'almost four-in-ten (38%) think India is already one of the world's leading powers and roughly half (49%) say it will be one eventually. Both, the American President and the India population might be sobered rereading Prime Minister Manmohan Singh's Independence Day Address of 15 August, 2006:

"It is almost sixty years since independence. It is but a brief period in the history of an ancient civilization, but, it is a long time in the life of a young nation. In these sixty years, the world has been transformed beyond recognition. The empires of Europe have faded away. New powers have emerged in Asia. Look at where Japan was and where it is today. Look at where China was and where it is today. When I see them, I wonder whether we are living up to our full potential or not."

What does the Prime Minister wonder about when Goldman Sachs states in its 2006 report *The World and the BRICS Dream*: "Investors and Corporations have focused intensively on China, but India could be a bigger growth story over the long run."? China and the comparison to China were at the back of the mind of Indian Prime Ministers since Jawaharlal

Nehru who stated in 1954: "...the most exciting countries for me today are India and China. We differ, of course, in our political and economic structures, yet the problems we face are essentially the same. The future will show which country and which structure of government yields greater results in every way."

After India became independent in 1947 its founding fathers staked their claim for India's future greatness by forging its territory out of the former British colony and more than five hundred formally independent princely states, by making it a democracy from the beginning, in spite of illiteracy and poverty, and by initiating industrialization with soviet-style five-year plans, an ambitious nuclear program and a core of first-class universities, the Indian Institutes of Technology and Indian Institutes of Management. But these steps only indicated the direction, not the achievement of the ambitious vision. The contradictions that we see in India today can to a large extent be explained with the tension between ambition and reality – and the challenge of achieving, as Maya Chaddha has pointed out, state consolidation, industrialization and democracy in parallel, whereas the established industrial countries achieved them sequentially, building on previous achievements when tackling the next steps.

As if this agenda were not enough, India tries to achieve these goals in a difficult geopolitical environment, under severe resource constraints and with population growth that adds demand almost as fast as supply can grow. The purpose of this paper is therefore an effort to understand the elephant by interrelating the knowledge gathered by all those analysts (who are by no means blind!) studying and analyzing India – its geopolitical, military, and internal security situation, its resource constraints, its economy, its social indicators, its political and administrative system. The premise is that the major indicators in all of these areas are interacting, not only in one direction but in most cases in both. The level of education has an effect not only on demography and economic growth, but also on India's democratic system, while this specific Indian democratic system in turn affects the provision (or non-provision) of comprehensive, universal education of high quality. In a similar way water constraints in India affect infrastructure, urbanization, economic growth and are in turn influenced by demographics, geopolitical circumstances, and exigencies of democracy. Ideally a matrix would assemble the most relevant indicators, show the polarity of their interaction (beneficial to India's development or detrimental) and in this way provide an idea of the potential and challenges India faces on its idiosyncratic and unprecedentedly ambitious development path. Just as in any smooth running organism (not only the elephant), the skeleton, organs and muscles of a nation should instead fit together and move in synchronicity in order to generate power and forward motion. It is the purpose of this essay to look at some parts of the Indian body politic that may serve as indicators for the country's success in "living up to its full potential" as Prime Minister Singh might imagine it.

Prologue – natural conditions

A nation can neither choose its location and neighbors, nor can it determine its endowment with natural resources and – in a free society – the size of its population. In all three regards India faces quite unfavorable and challenging conditions.

While the vast economic opportunities of the greater Indian Ocean Basin lie beyond India's sea shores, arguably one of the most difficult geopolitical environments worldwide looms beyond its land borders. The relations with its two largest neighbors - Pakistan and China - are contentious and have flared into armed conflicts in the past (India-Pakistan: 1947, 1965, 1971, 1999, India-China: 1962). Sporadic negotiations with Pakistan have not resulted in any definitive agreement yet, nor have the negotiations with China to determine the Line of Actual Control (LoAC). The even thornier issues of Kashmir and the actual resolution of the

mutual land claims with China seem to be as intractable as ever. They constitute lens and focus for India's relations to its most important neighbors, limiting its regional and international freedom of action. But they also fostered proximity between Pakistan and China that threatens India with the possibility of a two-front war.

The other countries bordering on India – with the exception of Bhutan, a virtual protectorate – are no less difficult: Nepal is torn by internal conflict since two decades, Bangladesh just emerged from military rule, the end of Myanmar's military dictatorship cannot be expected soon and may be followed by instability and fragmentation, and Sri Lanka has not achieved reconciliation between Tamils and Singhalese after the end of the bloody civil war. All four countries, as well as Pakistan and India itself, score negatively on most state fragility indices. Beyond the difficulties in managing bilateral relations and avoiding spill-over effects into India itself, this environment makes regional integration or even cooperation as difficult as it was for Europe during the Cold War – without a realistic perspective for a CSCE-process, that was so important in overcoming the block-confrontation in Europe.

It is therefore not surprising, that South Asia ranks among the least integrated regions of the world, depriving the economies of the benefits of intraregional trade and beneficial competition. SAARC, the South Asian Agreement for Regional Cooperation, has not achieved significant economic integration since its foundation in 1985 – the share of intraregional trade in total trade of its member states remains insignificant, the discussion of bilateral conflicts in SAARC-fora is judiciously avoided and pushed to bilateral meetings in the sidelines.

India's regional policy is as much determined by domestic interests and the exigencies of democracy - the concerns of its south-eastern state of Tamil Nadu about the fate of Tamils on Sri Lanka, of West Bengal about illegal migration from Bangladesh, or the business concerns with regard to regional trade liberalization - as by purely foreign policy considerations. These domestic political considerations are even more important in determining the political space for any effort at a negotiated solution to the border conflicts with Pakistan and China – any loss of territory appears suicidal for the respective government in power.

India's resource endowment is abundant but can be expected to fall short of the needs of the world's largest population, a status that India will achieve, when it passes China as the most populous country in the next 20 years. With a land surface of about 3.3 million sqkm, India is small for its large and growing population, slightly larger than Kazakhstan or Argentina and only one third as big as the United States, which has a dramatically smaller population. If in 2050 India reaches the projected population of 1.6 billion, the population density will rise to an average of 500/sqkm, with significantly higher numbers in the fertile river basins and coastal areas. The quality of agricultural land and its sinking yield, desertification and degradation give cause for concern in view of the necessary 40%-increase of grain production to feed the growing population and the increasing per capita consumption. Scarcity of land is taking its effect already. Examples are the difficulties in resettling population affected by the construction of the Narmada Dam because of the unavailability of arable land or the infrastructure and industrial investment projects that are increasingly held up by land disputes as exemplified by the aborted investment of TATA Motors in Singur/West Bengal.

For a population that is still to 60% employed in agriculture the availability of water is just as crucial as the availability of land. Increased irrigation in the course of the 'Green Revolution' has added dropping ground water tables and salination to concerns about the effect of climate change on the indispensable Monsoon rains and the volume of the Himalaya glaciers that feed the Brahmaputra and Indus basins on whose water resources agriculture in the most densely

populated regions of India depends. These regions already register acute water-scarcity (under 1000 cbm/person) while UNDP expects India as a whole to become water-stressed in the near future. The environment does not cause the only challenges, however. The rivers originate in the Tibetan highlands and in the absence of comprehensive water sharing agreements in the region, India will be affected by any Chinese plan to divert trans-border rivers or dam them for electricity generation. In view of the development needs of the world's two largest populations, the distribution of limited water resources is a zero-sum game without an obviously satisfactory solution.

The third major resource constraint is energy. Whereas the European powers industrialized in the nineteenth century on the basis of abundant cheap coal and the US and the Soviet Union in the twentieth century lubricated by cheap oil, India and China face the challenge of going through the phase of energy-intensive industrialization during a time of increasingly scarce and increasingly expensive energy.

According to the US-EIA India's total energy consumption will more than double from 17.5 quadrillion BTU in 2007 to 38.5 in 2035. India is the third largest producer of coal and has abundant reserves, mostly of low quality. It also has limited gas and oil deposits. These domestic resources do not satisfy India's increasing demand, with power cuts already now affecting economic development. The current import dependency for coal, particularly coking coal for the steel industry, oil and gas is expected to grow to 20% of coal and 80% of oil and gas consumption in 2020. India will have to assert its share in the available energy resources against the competing interests of the established industrial countries as well as China and other emerging economies – and it will have to safeguard the Indian Ocean sea lines that connect the major producing countries with its shores. Both aspects will challenge India's diplomacy as well as its military

The limited potential of renewable energy rises expectations for a rapid expansion of the nuclear generation capacity and explains the vital interest India took in concluding the nuclear agreement with the United States and – consequently – with France, Russia and Canada. Past experience with the expansion of the power generation capacity in general and the civilian nuclear power generation capacity in particular raise the question, however, if the addition of significant capacity can be achieved in time to close the current power deficit and meet the rapidly increasing demand. Concerns after the nuclear reactor failures in Japan about the viability of the nuclear option will be of particular significance in democratic India.

The demand for land, water, and energy is driven by a growing population. India prides itself of the largest and youngest population world wide. In 2050 India will have a population of 1.6 billion (compared to China's 1.5 billion) with a share of 50% under 30 years of age. The overall dynamic eclipses the fact, however, that the fertility rate in nine states of South and West India has already dropped to or below the reproduction rate of 2.1 (NFHS-3, released 2007; among the nine states are Andhra Pradesh, Tamil Nadu, Himachal Pradesh, Kerala, Punjab, Karnataka, Maharashtra), whereas the fertility in the (significantly poorer) Northern part of the country (Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar) still hovers between 3 and 4. Combined with lower literacy rates the flip side of the demographic dividend becomes apparent. If India is not able to educate – and so far the adult literacy rate remains at only 63%, secondary school enrollment is 57% and tertiary enrollment 13% - and employ its young population (out of a labor force of about 500 million only 26.64% are formally employed and of the roughly 8 million Indians joining the labor force every year only about half find gainful employment) – the demographic dividend might turn into the challenge of a youth bulge with all potential side effects.

Concurrent pursuit of conflicting goals

As mentioned above, India is pursuing simultaneously goals that great powers in the past achieved sequentially. India's challenging regional environment has made state consolidation a crucial objective of every government since independence. After forming the nation - and it should be noted that South Asia has a completely different tradition of nation and state, with layered not unitary sovereignty, with nebulous rather than sharply demarcated borders - out of British colonial and more than 500 princely territories, the Indian leadership has been continuously challenged to prevent secessionist movements, particularly in the sensitive border regions, like Punjab and the fragile North Eastern states. These and other internal conflict lines and divisions absorb significant political attention, financial resources and security personnel. Currently four of these internal conflicts are of particular relevance – the Naxalite insurrection, the unresolved Kashmir issue as well as continuing separatist movements in India's Northeast, the relationship between the religions, particularly between majority Hindus and minority Muslims and the continuous threat of terrorist attacks.

In 2006 Prime Minister Manmohan Singh termed Naxalism “the greatest internal security threat to our country”. This threat has resulted in vast stretches of the Indian heartland being out of bounds for administrative and development purposes, aggravating the root causes of the insurrection – neglect and deprivation of the tribal population of property rights and an economic basis of their own. Even though India has been able to maintain its integrity and bring separatist movements into the mainstream of the democratic political process in the past, armed movements continue their agitation in Assam and Manipur. The Kashmir conflict has an internal security flip side to its foreign policy dimension, reflected in the continuous conflict between the local Muslim-majority population and the security forces that act under the immunity of the Armed Forces Special Powers Act. In addition it is closely connected to the identity of India – Kashmir as a part of India testifies to the secular state's ability to peacefully integrate a predominantly Muslim territory. Losing Kashmir to Pakistan would corroborate the latter's argument, that Muslims cannot live peacefully in India and have to join Pakistan as South Asia's Muslim homeland. There does not appear to be an obvious solution to this dilemma.

The relationship between the religions in India, that has been characterized by a long tradition of tolerance and peaceful coexistence, has soured over the last decades due to the emergence of militant Hindu nationalism and its reflection in anti-conversion laws affecting Christians and Muslims, as well as the flaring up of violence after the destruction of the Babri Masjid in Ayodhya in 1992 and in the Gujarat pogroms in 2002. Terrorism in India has cost around 2000 lives annually in the recent years. For 2010 the South Asia Terrorist Portal lists 1902 fatalities, out of which 1180 due to left-wing extremism (Naxalism), 375 in Jammu & Kashmir, 296 due to separatist movements in Assam (158) and Manipur (138). Beyond the tragedy of this blood toll, these numbers testify to the seriousness of the issue.

Assuring the country's territorial integrity and facing India's regional and internal security challenges are justification enough to maintain the third largest armed forces world-wide, with roughly 1.32 million active standing army, 2.14 million reserve forces and 1.3 million paramilitary forces. Together with the status as a declared nuclear weapons state and increasingly sophisticated indigenously developed missile delivery systems, India maintains an impressive deterrence and the ability to project power if needed. In its immediate neighborhood this ability is impaired by the uncertainties resulting from the proximity between Pakistan and China – that might challenge India with a two-front-war – and the nuclear first-strike-option maintained by Pakistan that limited India's options against low-level violence from Pakistan in the past, be it in the context of the Kargil war, be it after the

terrorist attacks against the Indian Parliament in 2001 and the Mumbai terror attack of 26 November 2008. Nuclearization and terrorism will cause even more concern if Pakistan's internal stability does not improve in the near future. Unlike major powers in the past and present India does not have an indigenous defense industry that could provide the volume and quality of weaponry required. Cost and time overruns of major defense projects have regularly resulted in capability impairments and dependence on imports.

India is the world's largest democracy and this distinction has rightly been praised. The eternal question which form of government yields the most successful development results is futile and most inappropriate in the Indian context. It is difficult to imagine a centralized 'development dictatorship' to manage more successfully a country as diverse as India than democracy – just as it seems farfetched to prescribe the Indian way of democracy as an option for China. But still there remains a double misunderstanding on the side of many observers of India. They assume that democracy in India develops in the way and sequence of the European model, while in reality India faces the challenge of developing the prerequisites of European democracy (consolidation of the nation, industrialization, civil society) on the go, under the conditions of an existing, complex democratic system. Secondly, they expect the outcome to be a "model-democracy" and not the system that develops under the specific conditions of India – with the strength of balancing the demands and challenges of a diverse population, but also with shortcomings, corruption, clientelism, nepotism and particularly the inability to deliver results that are generally considered vital for development – and in a timely fashion.

India's democracy has delivered, however, in another way - by integrating ever more segments of the population into the democratic and political process. The emergence of caste based and regional parties that challenged the Congress Party's domination, the move to far reaching coalition governments, the ending of secessionist movements through deals and power-sharing – they all testify to the need and ability to integrate and constantly readjust the power structure. The instruments used may not always have conformed to the textbook and they are most likely not advancing the goal of efficiency, but they help to increase participation, to deepen state consolidation and to advance towards economic development and equity.

In his essay "The Burden of Democracy" Pratab Bhanu Mehta argues: "The existing inequalities in society (...) make collective action all that more difficult; states which have the most inegalitarian social structures, either in terms of pattern of landholding or distribution of status, are also likely to have the least effective demand for the provision of public goods, as many, including Sen and Dreze have argued. A society in which citizens do not acknowledge each other is also likely to be a society which cannot get society to acknowledge them." This would explain the seeming paradox, that India has a democratic system, a system that should be responsive to the needs and aspirations of the majority of the population – and finds it at the same time difficult, to provide the basic services for this same majority. The feedback loop between democracy and education seems to me a convincing example for the interaction between the set of indicators that I am looking at.

The most widely recognized barrier to mutual recognition and respect among India's (Hindu-) population remains the caste system. Caste creates a system of distributional coalitions that affects economic growth and the political process through clientelistic policies. The reservations set aside in the constitution for the Scheduled Tribes and Castes and later additionally for the Other Backward Castes in education, government employment and political representation are giving voice to these segments of the population and should rather be compared to the emergence of socialist parties in the 19th century that were instrumental in

reconciling and integrating the working class. It remains to be seen, however, if caste and caste identity will be perpetuated through quotas and other benefits or if it is possible in a democracy to terminate them – as well as so many other subsidies to politically important constituencies that are driving the government budget deep into the red - at an appropriate time. It would be a lesson for democracies world wide.

Caste (and other idiosyncracies of the Indian electorate) feed into the formulation and priorities of the democratic process. The Indian administrative system is the implementation agency that brings the results of the democratic process back to the electorate. Stephen Cohen writes: “In the early 1960s Paul Appleby, a leading American public administration expert, characterized India as one of the dozen best-administered countries in the world.” It therefore raises questions, when the Hong Kong based Political and Economic Risk Consultancy rated the Indian bureaucracy as the worst in Asia in 2009 and said working with the country's civil servants was a "slow and painful" process. This change is also reflected in India's no. 87 ranking in Transparency International's 2010 Corruption Perception Index. Lane Pritchett calls the result a “flailing state”, a state without adequate implementation-capabilities for the Centre's political decisions. This bottle-neck has been recognized by the current Indian Government and was identified as one of the priorities in its initial program of 2004. The slowness in change is a reflection of the challenge at hand and the difficulty of incentivizing change in a democratic system.

India's third simultaneous task is the achievement of inclusive economic growth. Since establishing a more business-friendly environment in the 1980s and particularly since the decisive reforms undertaken in the wake of the 1991 balance-of-payment crisis, India has overcome the “Hindu rate of growth” of 2-3% and attained growth rates of 6-10% that are rivaled among the larger economies only by China and that have brought large parts of the Indian population out of poverty and significant numbers into middle-class prosperity.

India hopes to emulate the growth trajectory of Japan, Korea, the South-East Asian “tigers” and China to rise from its current status as a lower middle-income country (1,180 US\$ per capita GDP, according to World Bank definition) to achieve upper middle-income status (3,946 US\$-12,195 US\$). Even discounting the diluting effect of a growing population on per-capita GDP, it would require 13 years of growth at 10% annually to achieve middle-income status. The challenge would not end there, as India will then have to overcome the middle-income trap of moving from a low-wage to a knowledge-based economy. Brazil and Malaysia have not yet overcome this challenge and China is about to enter this critical phase. These countries, however, seem to be better prepared, as they have much more favorable educational and scientific indicators. Whereas China has to move from a manufacturing economy based on low wages/low skills to an innovation based economy, India has to move large parts of the 60 % of its population, that are still active in agriculture, mostly subsistence agriculture, to a comparatively small manufacturing sector that is forced by relatively high labor cost into capital intensity and has therefore grown over the last twenty years without a significant increase in formal employment.

During these twenty years India's face to the world has been increasingly characterized by the modern skylines of Mumbai and Bangalore, Hyderabad and Gurgaon. Together with rapid growth and dynamic entrepreneurs this image of a modern India tends to eclipse the disparities of income between states and sectors. The Human Development Index of the majority of Indian states still remains at the level of African countries and would be even lower, if it weren't for the dynamic, modern urban centers.

The sheer numbers of Indian university graduates, English as a wide-spread medium of communication, the impact of Indian students in universities world-wide and the prominence of knowledge-based IT-service companies in the Indian economy project the image of a highly educated society. It therefore comes as a surprise that the adult literacy rate (63%), the graduation ratio in upper secondary education (21,9%) and the gross enrollment rate (GER) for higher education (about 10%) fall short not only of Developed Countries (GER: 54,6%) , but also of Countries in transition (36,5%) and even Developing Countries (11,3%) or the world average (23,2%). Combined with the low employability of Indian university graduates (pegged at 25% by Mercer) this under-achievement has effects not only on the integration of the growing young population into the labor market, but also on the chance of avoiding the Middle-Income-Trap that will face India in the further course of its economic growth and development. Additional effects can be expected on the quality of the armed forces, the administration and the development of civil society.

Interaction and necessary synchronicity between all the political, economic and social factors affecting development and their movement along the timeline are factors that may not always receive adequate attention in analysing and projecting a country's development. Taking education as an example - it is affected by the demand for education from a growing, young population that needs to be educated and employed. It is also affected by the requirements (quantity and quality) of the private sector in view of future economic growth and the public sector in order to fulfil its task. The supply is determined by an educational system that introduced only in 2010 a Right to Education Act, making it legally enforceable for every child to demand free and elementary education between the ages of six and 14 years. Independent of quality concerns and differences in implementation of this responsibility of the Indian Federal States, it will take between eight and thirteen years until the first completely literate and elementarily educated age class will emerge from school or university, hopefully in time for the transition of the country to a knowledge-based middle-income-country – and provided that the implementation is more efficient than witnessed for previous government initiatives and programs..

An immediate and obvious correlation exists between educational achievement and the output of research and development and ultimately the weight of a country in the world economy and in world politics. India's prowess in the IT-service sector, as well as its impressive nuclear and space research programs, overshadow its overall achievement in science and innovation. Low R&D expenditures (under 1% of GDP), low numbers of patent applications by residents and of scientific and technical journal articles indicate a deficit that will be difficult to overcome in time for the necessary transition from a cheap-labor-based to an innovation-driven economy. It bears mentioning that India's leap to IT-services has resulted in wage-levels for skilled labor that impair the return to the traditional development model based on export-oriented, labor-intensive manufacturing as an option for the absorption of the young population as well as the rural population migrating to the cities. The move of many parents to private schools for their children shows India's creativity in finding alternative paths that has helped India in similar binds in the past.

Infrastructure is one of the most often cited bottle-necks for India's economic and social development. Infrastructure is not only vital for the growth of the manufacturing and service sectors, but also for providing a perspective for the 60% of Indians who still live of agriculture in a rural environment. Mass migration to the cities would put additional strain on urban transport and utility infrastructures that are already stretched to their limits – currently only two Indian cities can provide continuous water supplies to their population and only 70 out of the 300 tier-1 cities have partial sewerage systems and sewage treatment facilities. Just

as the social infrastructure of education and health, the provision of physical infrastructure is a core responsibility of the government. It remains to be seen, if the reliance on private sector initiatives that was so successful in providing mobile telephony as an alternative to the inefficient provision of land lines can be replicated for transport, energy and water/sewage in spite of the political sensitivity of user fees particularly for electricity and water. The future development of India's infrastructure is therefore as much a social and political issue as it is a financial challenge.

India initiated democracy after independence without the generally acknowledged prerequisites for a functioning democracy – a minimum standard of living, literacy, civil society. It has been building these foundations of democracy on the go, under the conditions of a working democracy. Closing the cycle would not only require state consolidation and industrialization, but also the framing of the inclusive and equitable society and electorate that we would hope for as basis for a vibrant democracy. India has made remarkable progress in some relevant aspects and failed in others. The increasing inclusion of formerly marginalized parts of society, through quotas and identity based parties, is an achievement, as is the emergence of a creative entrepreneurial and a demanding urban middle class and the increased transparency and accountability initiated by the Right to Information Act. But major building blocks are still missing, basic education for all is on the top of the list, but equally important is equity for all, in the sense of equitable access to land (and land titles), water, credit, in short the basis for a self-determined economic existence. Deficits in this respect are at the root of conflicts as diverse as the Narmada-dam-resettlements, the Naxalite insurgency and the slum dweller-slum lord nexus in urban slums like Mumbai's Dharavi.

This outline may suggest that India is painting itself into a corner. This must not hold up the country, as the falsification of many past predictions has shown: India did not break apart after independence, as many observers expected, it did not suffer from continuous famines but is able to feed its growing population and it did not resign itself to the "Hindu Rate of Growth" but broke out to almost double-digit economic growth. The switch to mobile telephony, bypassing the incompetence of the land-line administration, the right-to information act that makes the public administration more transparent and accountable and the Unique Identification Number, that – once implemented – will hopefully make government services more efficient and inclusive, are all examples for the "Tarzan-effect" by which India paints itself into a corner, but – like Tarzan – grabs a vine and swings itself onto new, safe territory. I have no doubt that India will make good use of this Tarzan-effect to solve many of its current problems. It remains to be seen if Indian creativity and entrepreneurship can solve all of them and the most important ones in time and in sync. Without overcoming these deficits it will be difficult to move from a society that is the sum of distributional coalitions to a society that shares a 'manifest destiny' that transcends its borders and endows it with a leadership role in the global arena, to a society that is ready and willing to pay the price and share the hardship of this self-defined destiny. The world does not owe India a decent standard of living or a role as a great power. Only the Indian population can define its goals and chart the way to achieve it.

Coming back to the title of this paper – what elephant emerges after applying a broad set of indicators and considering their interaction? We see impressive achievements against formidable odds but we also see daunting challenges that illustrate Prime Minister Manmohan Singh's question if India is living up - and can live up - to its full potential, however defined, or not.

If, however, India is able to achieve equity and prosperity for its people that comprises one fifth to one fourth of the world's population and peace and development for its difficult

neighbourhood, it will become a great country in its own right – independent of the epithets affixed to it by observers outside. India's indigenous way to development and prosperity may at times appear agonizingly slow to observers and it may not yield the results we expect and hope for, but it will be India's way. It seems preposterous, if outside observers expect India to go through transformational processes in a lifetime that took other societies – often under more favourable conditions - centuries. Paraphrasing Chou-En-Lai's bon mot on the French Revolution, it may be too early for a judgment on India's rise, too early in any event for a blind man's judgment based on the touch of just one part of the elephant.

This is a draft – for discussion only. The opinions are the author's own and do not implicate the German Government or the Weatherhead Center for International Affairs.