

**RESEARCH PAPER****Geo-Economic Transformation in India: Analyzing the Impacts and Strategies of the Modi Regime****Zainab Iftikhar<sup>1</sup> Zoonia Naseeb<sup>2\*</sup> Syed Nouman Ali Shah<sup>3</sup>**<sup>1</sup> Assistant professor, International Relations & Political Science Department, GIFT University, Pakistan<sup>2-3</sup> Assistant Professor, School of International Relations, Minhaj University Lahore, Pakistan\*Corresponding Author [zoonianaseeb.ir@mul.edu.pk](mailto:zoonianaseeb.ir@mul.edu.pk)

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**ABSTRACT**

This research aims to Geo-Economic Transformation in India outlined by Prime Minister Modi-led strategy for global economic governance. Modi's strategy for global governance has intended to promote India's distinctive civilizational identity in addition to being motivated by realistic considerations about addressing India's advancement and growth needs. India has a huge impact on the world's economic landscape due to new "polycentric" geo-economic structure of power by diversifying the revitalization of world politics. The Modi-regimes reflects an extensive approach to reshape India's economic landscape, targeting for sustained growth and greater global integration while navigating complex geo-economic standpoint. Modinomics agenda based on rationalizing and reforming government by implement the "Make in India" initiative on a global scale, Modi created a pragmatist, all-encompassing foreign policy strategy that engages all significant powers in collaboration. Modi strategy has also focused to strengthening bilateral and multilateral relations fostering to enhance India's impact on regional and global networks. Furthermore, India has motivated to participate in international forums for advocating policy reforms in global trade and finance.

**Keywords:** Geo-economics, Polycentric, Modi-nomics, Make in India and Pragmatism.

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**INTRODUCTION**

With the introduction of economic liberalization measures in the early 1990s, India started its journey towards globalization. This set the nation on a trajectory toward growing its influence on the development of the world economic order while concurrently strengthening its clout in the global market. In Narendra Modi era, this pattern intensified, which was made possible by most of his party, Prime Minister Modi's program that is centered on economic growth and development, and his assertive foreign policy stance. The features of the shifting global economic layout seen to be transitioning towards a more polycentric or "South-South financial system. Modi's "Make in India" program and propensity for involvement with India's wider neighborhood, which serve as two policies that characterize his attitude towards the world's economic order (Scott, 2009). The former has involved creating a pragmatic and all-encompassing foreign policy strategy that

involves all significant poles of influence in the global system in order to draw investors to rebuild India's infrastructure. The latter has resulted in an emphasis on enhancing regional integration in South Asia as well as more extensively in neighboring regions like East Asia, under the umbrella of "Act East" strategy (Parameswaran, 2014).

Focusing on Beijing and India, both nations retain radically different models to global economic governance, mirroring their varied systems of government, economic agendas, and assets. These policies differ in sectors as broad as climate action and outbound trade. India is both a developing country as well as a blooming democracy. Hence, it is ideally positioned to assume the position of a potential "*bridging power*" in discussions on global economic governance, challenging the simple dichotomy of a so-called "*Beijing Consensus*" and "*Washington Consensus*" (Bajpae, 2016).

## LITERATURE REVIEW

Rajiv (2020) the first few months of 2020 were extremely difficult for the Indian government due to the coronavirus outbreak, slow economic development, and other factors. Is the Modi Government keeping its promises a year after being re-elected? Prior to the elections, claims were made regarding the improvement of the healthcare system, the doubling of farmers' income by 2022, and the adjustment of income tax brackets to give middle-class households more purchasing power. We discuss this topic in our initial Oxford debate, which includes four speakers (Rajiv, 2020)

These policies one each in 2014, 2015, and 2017, and six in 2016 define the characteristics of the Modi administration's economic thought, for better or worse. If he misses the 2019 election, it will still influence the next administration in the same way that Modi has advanced Aadhaar and expanded MGNREGA. (Mahatma Gandhi National Rural Employment Guarantee Act, 2005)

Mehta (2022) the parameter about international politics: Nonalignment movement capitalist or communist no block was joining and Indira Gandhi iron lady impression which also recognized by US president. Experts consider that India was lacking a charismatic and aggressive leader after Indira Gandhi. But after that the most aggressive leader came into power Narendra Modi with his aggressive policies and leadership. India has succeeded in devising its independent foreign policy international forums through application of classical realism a balance of aggression can be seen in India's foreign policy.

Douglas, (1990) Narendra Modi's own life can say to be source of Modinomics. Thus, Modi nomics resonates with class of citizens and voters, who target and criticize failure of conventional model of poverty alleviation and development based on ingrained system of dependency, subsidies and vote bank politics. For understanding the is the basic idea of Prime Minister Modi nomics and its claims of disjuncture with the past we will shed some light on institutionalist theory of change given by Douglas C. North, an economic historian. North's work is focused on institutions, as they determine limitations of political and economic models. Therefore, he argues that institutional legacies of the inefficient economies are of their continuous under performance. Such institutions create a lock in effect, thus making change risky and costly.

North emphasizes the importance of ideologies and ideas for bringing change, these ideologies shape the model which are then implemented by individuals to bring things in order. Three interconnected variables emerge from the work of Douglas North: i) institutional constraints which frames structure of economy, ii) organizations exerting agency and iii) thinking of major players. Interplay of these variables creates a complex environment with limited information, historical perceptions and cultural conditioning make institutional change path dependent and incremental. In Indian context we analyze economic policies of Prime Minister Modi government and how these bring institutional change by changing rules of the game, altering informal institutions and introducing new actors. In the following section it would be discussed about two major aspects of Narendra Modi's government, Make in India campaign and Cooperative Federalism.

Wyatt, (2021) At a NITI Aayog meeting, Narendra Modi gave vision of mechanism that draws in differences and strengths of all states, in contrast to the old structure of 'one size fits all'. For instance, Regional Councils were appointed for planning and implementing joint tourism, transport and travel projects and for improving cooperation among states that have common problems. Such an economic policy was successful in winning the trust of states and brought state legislatures to implement number of controversial reforms. Prime Minister Modi government also took steps to engage with the chief minister who were from other parties. Another important development was devolving 42% tax revenue to states on the recommendation of 14th Finance Commission. Government also took initiatives for increasing transparency in resource allocation. For instance, 67 coal blocks were e auctioned and have major share of proceeds to the coal bearing states. The federal government also encouraged states to bring reforms in labor laws for stimulating manufacturing, improving business environment and creating more jobs. Despite serious efforts for structural reformation, questions were raised about transformative capacity of NITI Aayog, especially as it is directly under the control of the Prime Minister

## **A THEORETICAL FRAMING OF NEO-CLASSICAL REALISM**

Neo-classical realism used by understanding the analysis of any specific foreign policy, certainly over this foresee the nature of global politics by keeping in mind the international system. To applying neo-classical realism in this research exploring the Prime Minister Modi leadership style as a effective statecraft man. Like how he is framing certain strategies and policies at the domestic or regional level for gaining more power capabilities in international arena. Neo-classical theoretical approach more advocates that leadership controls state structure after that foreign policy is systematized within the restraints of anarchical structure of international affairs. (Fareed, 2011)

The only state leadership is solely responsible for domestic and foreign policy, and it can be carried out under the influence and constraints of international circumstances. The role of statecrafts, leader and statesmen is to deal with the world foreign powers in order to ensure the state security and survival. (Preston, 2017)

Further he argued that the state super leader focused on the distribution of power capability for grand strategy (Lobell-2009) and why anarchy exist because the constraint structure of international system put some restrictions on that but ultimate aim to dictate the leadership policies

and their actions. When state leaders fail to respond the systematic structure of world so, they put their states on at risk for survival. (Layla, 2016)

The neo-classical realist strive for to elucidate why, how, and on what circumstances the core features of states—the diversity and utilization ability of politic-military organizations, the impact of domestic public individuals and interest groups, the amount of state sovereignty from society, and the level of exclusive or general configuration—arbitrate between the leaders' valuation of global coercions and prospects and those leaders follow the realistic foreign, diplomatic, military, and economic policies. (Dawood, 2021)

A superior notion of structure which also embraces economic, political and military power that contributes a enhanced yield on the means in which global forces affect national interests of states by conforming international norms. (Georg, 2009)

## **RESEARCH METHODOLOGY**

This research study has been conducted through qualitative method, is descriptive and analytical in nature. In qualitative methodology, the study follows a secondary type of data source. For the secondary data collection. This research is based on reviews of many articles, books, surveys, international journals, newspaper articles and some official documents, for example speeches of some influential elites. Therefore, in my research to examine the administrative policies of Prime Minister Modi focusing on their role in the context of “Re-imagining India”. This analysis highlights the significance of Geo-economic transformation, and the strategies implemented during the Modi regime. By investigating the interplay between these policies and India economic landscape, besides to incorporating the theoretical lens of the Neo-classical realism.

## **SHIFTING GLOBAL ECONOMIC ORDER DURING 21ST CENTURY**

With the transatlantic economic meltdown of 2008, China's influence on the fabric of the world has been under increasing scrutiny. Lately, Beijing has adopted a more proactive foreign policy, propelled by its expanding economic clout in the world system and the rise of a stronger and more determined government under the Presidency of Xi Jinping. The most prominent example of this has been around global economic governance, where Beijing has attempted to complement its long-standing demand for a louder and clearer stance at various international forums by setting up new institutions where it will have a dominant position. With their "*One Belt, One Road*" initiatives (the "*21st Century New Maritime Silk Road*" and the "*Silk Road Economic Belt*"), the BRICS-led New Development Bank, the Asian Infrastructure Investment Bank, and the Silk Road Fund have joined the ranks of already-established organizations like the World Bank, Asian Development Bank, and IMF (Bajpae, 2016).

The Chinese currency, the renminbi (RMB), was also authorized for entry to the IMF's Special Drawing Rights (SDR) or international basket of currencies in November 2015, indicating its development as a global reserve currency. This is attributed to the fact that by the end of 2014, it was the 5th-most widely traded currency. In the wake of these developments, the question of whether Beijing is in a place to redefine the guidelines and standards of world order has come up.

This suggests past arguments about an apparent development model conflict between the long-standing "Washington Consensus" model, and the newly forming "Beijing Consensus" model (Ramo, 2004). The reality, though, is less straightforward, especially in the multipolar and diffused economic landscape of today. The truth is more complicated, with a "G-many" order marked by the "rising of the Rest," in contrast to claims of a bipolar "G2" model led by the China and the US (Amsden, 2001). According to Pascal Lamy, an ex-director general of the WTO, the increasing degree of power of developing countries has transformed the power balance (Lamy, 2012). The 21st century, according to Braz Baracuhy, would feature a multi-polar geo-economic world order with a "polycentric" increase in internationalization (Baracuhy, 2015).

The center of the world's economy has structurally shifted from the West to the East (Nayyar, 2013). The 5 BRICS countries' total nominal GDP accounts for twenty percent of world output, reflecting this change in the world's economic power structure. In contrast, the G7 group of developed countries' share of economic productivity has decreased from sixty five percent a decade ago to less than fifty percent (Huang, 2015). Furthermore, relative to the G7 countries, which contribute thirty percent to the foreign exchange reserves globally, the BRICS countries which contribute almost forty percent to worldwide growth (Huang 2015). Indeed, the founding of the AIIB is emblematic of the emergence of a "South-South financial order," which reflects Beijing's ascent in the world's economic order (Huang 2015).

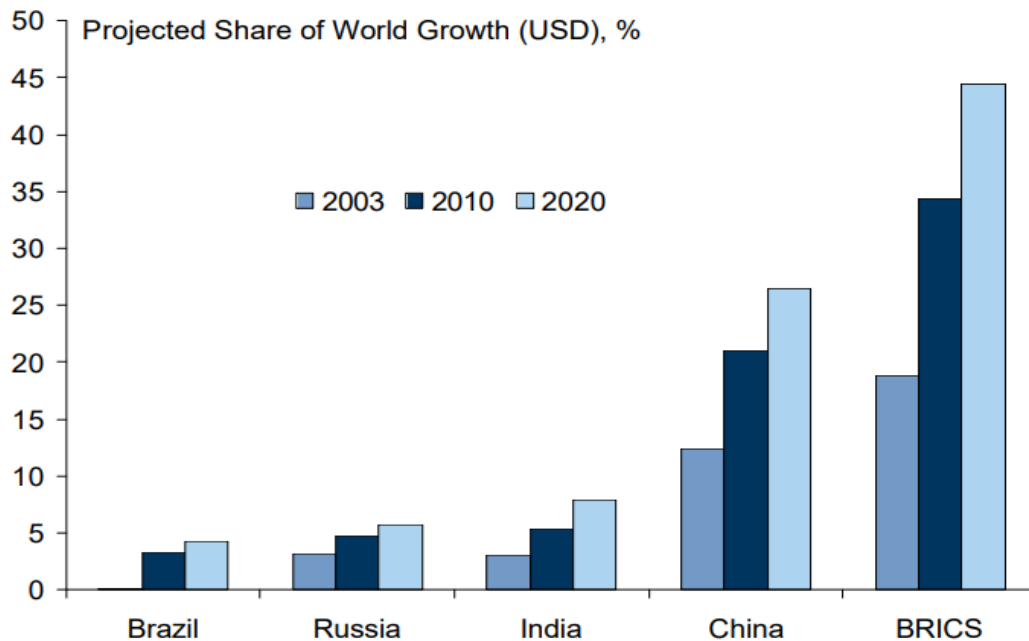


Figure 3.1: Share of World Economy (USD), %, Source: Purushothaman & Sachs (2008)

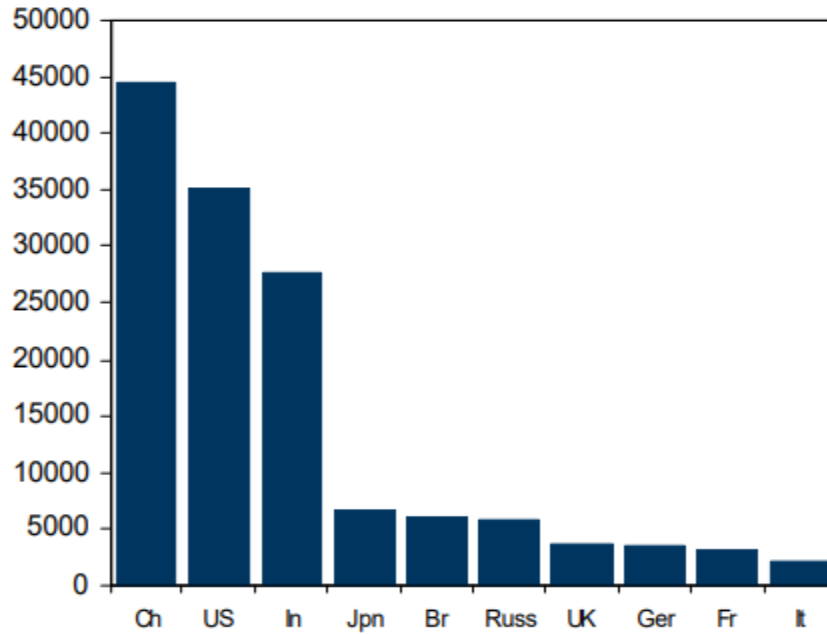


Figure 3.2: The Largest Economies in 2050, Source: Purushothaman & Sachs (2008)

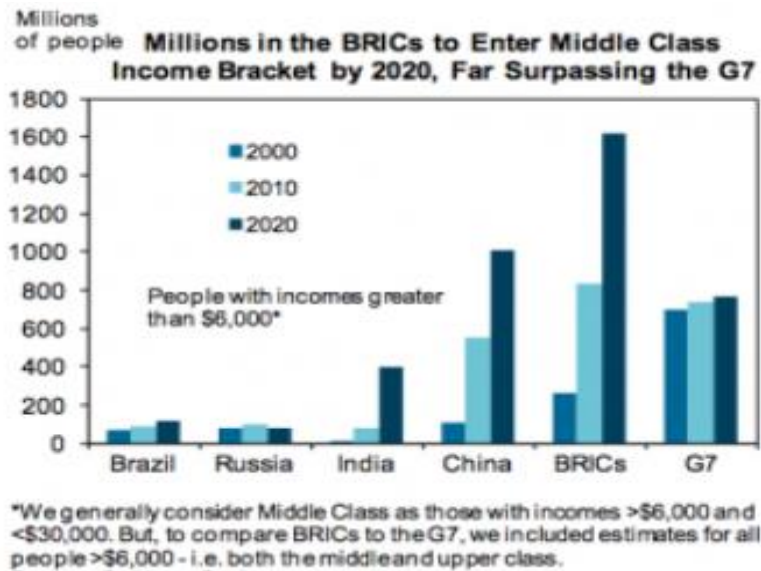


Figure 3.3: Growing BRICS Middle Class, Source: Sachs (n.d.) as cited in (“BRICS Countries - Background, Facts, News and Original Articles,” 2015)

**AN ANALYSIS OF “MODI-NOMICS”**

In 2014, Narendra Modi became prime minister after a landslide electoral victory. During his election campaign, he repeatedly mentioned economic development of Gujrat and his profound administrative experience. BJP is traditionally associated with pursuit of religion based political ideology and cultural nationalism. However, it was noted that it was for the first time that matters related to economic growth and reforms occupied a central position in the general election campaign. Modi arises as a unique political figure who projected modern issues and talked about

gaining strength in new sectors like technology and social media. He talked about the instrumental role of economic policies and ideas in bringing a change.

Developing markets like India has a huge impact on the world's economic structure due to this new "polycentric" geo-economic structure of power. Given the solid support of the governing National Democratic Alliance, which is led by the Bhartiya Janata Party (BJP), this has been made possible by Prime Minister Narendra Modi's assertive policymaking. This has allowed for an administration that is comparatively stable and less susceptible to the whims of coalition politics. When combined with the demographic dividend, this would enable India to take a more active position in economic governance worldwide (Mishra, 2015). Additionally, the Prime Minister Modi administration has made a clear effort to set India's strategy for the economic governance apart from that of other growing nations by rooting measures in the nation's distinctive civilizational identity. Prime Minister Modi measures have definite ethical and societal underpinnings in addition to being largely motivated by pragmatic considerations grounded on India's advancement and growth aspirations. Campaigns like Modi's "*Swachh Bharat*" (Clean India) and "*Clean Ganga*" inside of India as well as India's climate pledges on the international arena, which are contextualized in the vocabulary of Gandhian ideology and moral responsibility to "*Mother India*," serve as evidence of this.' (Business Line, 2015).

This highlights Narendra Modi skills as a social conservative along with being an economic reformer. The Prime Minister Modi administration is attempting to establish India as an independent power on the international scene by establishing India's viewpoint on economic governance inside the nation's civilizational identity. In fact, this is only a continuity of India's persistent practice of upholding a separate foreign policy. This practice has its roots in the nation's idea of non-alignment, which dates to the time of Jawaharlal Nehru, who served as the nation's first prime minister. Yet with Beijing becoming more powerful and the so-called "*unipolar*" phase that typified the early post-Cold War period ending, Narendra Modi attitude for the governance of the world's economy presents a viable "*third way*" for New Delhi to undertake the special position of a "*bridging power*". Interestingly, India can fill the void between China's 'no strings attached', philosophically impartial form of global governance and America's long-established liberal democratic, market economy based global economic order.

## **INDIA'S FASTEST GROWING ECONOMY**

Due to his focus on the economy, the media introduced the term "*Modinomics*." This term refers to various economic policies and ideas advocated by the Narendra Modi government, which include using technology for economic development, emphasizing vocational training, promoting manufacturing and skill development, building infrastructure, and creating a business-friendly environment in the country by enhancing transparency and efficiency. In some literature, Modinomics is described as an incorruptible, tough, and efficient form of economic governance (Ghatak & Roy, 2014). However, some articles criticize it for lacking concrete policies and a well-articulated vision. Nonetheless, it has become an umbrella term for the current government's economic agenda.

There are high stakes involved, given the elaborate election campaign based on promises of poverty alleviation, job creation, and economic growth. Although the government pledged to prioritize the economy, incidents like the Dadri lynching and the Patel agitation have surfaced, signifying the inextricable link between politics and economics. Patel agitation arose against the quota system in Gujarat, stemming from a perceived lack of opportunities and jobs. The Dadri lynching occurred amidst controversies surrounding the ban on cow slaughter, when a Muslim man was killed for allegedly eating beef during Eid in 2015. Religion and caste reservations have been major components of Indian politics, leading the government to face internal challenges from those who pursue a politics of intolerance and grievance.

In this context, it will be interesting to analyze how Prime Minister Modi will maintain his focus on the economy while addressing these disagreements. Before assessing Modi's political constraints and economic policies, it is vital to evaluate the state of the Indian economy prior to his first term in office.

Currently, India is the fastest growing market economy. The average economic growth rate from 1990 to 2014 was 6.9% per year. In 2011, there was a decline in investments due to various reasons including growing inflation, high interest rates and skepticism about government's capacity and will to bring economic reforms. Macroeconomic imbalances like massive fiscal and current accounts deficit and corruption by public office holders led to significant decline in India's growth rate. The 2014 elections and sweeping victory of Modi brought optimism about possibility of reforms in major sectors (Schöttli & Pauli, 2016). When Modi came to office, Indian economy was in bad shape. There was massive balance of payments deficit, decline in industrial production and inflation was at 9%. There were also many various suspended projects of the previous government. While many experts believe that exogenous conditions determine economic indicators, most agree that country's domestic condition is the key. India's flat economic growth was attributed two thirds to domestic conditions and one third to cyclic slowdown (Ahluwalia, 2019). Thus, the economy was a real focus in 2014 elections. The sweeping victory of BJP clearly should public sentiments about change, and it was for the first time that party with the agenda of premarket reforms won. Thus, it was said that Modi is India's first post socialist leader. In the following section contentions and claims of Modi nomics are discussed.





Figure 3.4: India, Share of World Stock market Capitalization, %, Source: “India Is Likely to Be the World’s Fastest-growing Big Economy This Year,” 2022

### MAKE IN INDIA INITIATIVE

An emerging strategy towards world order under Prime Minister Narendra Modi can be observed in his *"Gujarat model"* of growth, which highlights effective governance, the creation of a welcoming environment for investors, and infrastructure development during his tenure as the state's chief minister. Two key facets of this strategy are the *"Make in India"* initiative and Modi's propensity for engagement with India's wider neighborhood. These elements have resulted in a practical, comprehensive foreign policy and a commitment to enhancing regional connections.

Modi's *"Make in India"* program, introduced in September 2014, aimed to promote India's manufacturing sector, thereby encouraging employment generation and skill development. The main objective of the campaign was to create a favorable environment for increasing manufacturing in India, targeting various sectors such as pharmaceuticals, IT, chemicals, and automobiles for skill enhancement and job creation. Foreign direct investment was stimulated by relaxing foreign equity caps in sectors like defense and railway infrastructure. In addition to improving infrastructure—such as digital connectivity, electricity, and transport—a key aim of the campaign was to bring about institutional and ideological change in India's business environment.

There has been a strong emphasis on changing mindsets, improving indigenous manufacturing, and enhancing public-private cooperation. The goal is to shift thinking patterns and alter prejudices that have hindered entrepreneurship and innovation. Moreover, the focus on changing mindsets demonstrates that economic transformation requires more than just changes in laws; it necessitates that all economic actors adopt new attitudes and approaches.

As part of this strategy, Modi has made efforts to improve infrastructure through initiatives like the *"Smart City"* program, which aimed to construct at least one *"Smart City"* in each of the twenty-nine states by 2022, along with urban redevelopment projects in five hundred cities. The

"Digital India" initiative, launched in July 2015, sought to modernize the country's technological and e-governance architecture, with various actions undertaken to implement this initiative. The "National Skill Development Mission," also authorized in July 2015, aims to provide vocational education to ensure a skilled workforce to support the "Make in India" drive.

The administration has also proposed amendments to outdated land acquisition rules, the adoption of a standardized Goods and Services Tax, and the removal of FDI restrictions in specific industries to enhance the business climate for foreign investment. To implement the "Make in India" program on a global scale, Modi crafted a pragmatic, comprehensive foreign policy strategy that engages all significant power centers. This is exemplified by his high-profile visits to numerous countries, including the U.S., Australia, Japan, and China, during the early months of his leadership. These visits were conducted with great fanfare to showcase the potential of India's economy and to connect with the Indian diaspora in search of investment and business opportunities (Lakshmi, 2015). Whether the "Make in India" program will succeed in its goals remains a topic of debate. As of 2015, only fifteen percent of the country's current national production was made up of manufacturing, compared to thirty-two percent in China (Pilling, 2015).

The Make in India initiative's purported primary goal was to boost production in the country to generate employment opportunities and make sure that the manufacturing industry's revenue climbed to 25 percent by 2025 from its current range of 17 percent in 2021 and slightly over 14 percent in 2016. The "Make in India" programs frequently come under fire from the opposition leaders, who argue that notwithstanding the government's painstaking and continuous efforts, the program has ostensibly failed to achieve the intended outcomes. In contrast, proponents of the governing party paint optimistic images and present endless debates to highlight the program's success (Pokharna 2022).

Also, there is still a discrepancy between rhetoric and actual substance of Modi's plans. This has been driven by the reality that, notwithstanding Modi's substantial support in the Lok Sabha, the BJP still faces restrictions in the Rajya Sabha and at the state level, which has slowed down the development and execution of policies. India continues to have a challenging operating condition due to its sluggish improvements, as shown by the nation's persistently low ranks on the World Bank's Transparency International's Corruption Perceptions and "Doing Business" Index. But at the same time India's improvement in both metrics suggest that Modi's reform strategy may be beginning to bear fruit. The true legacy of Modi's "Make in India" campaign may ultimately be his term as chief minister of Gujarat, which has showed how political triumph and sound governance can coexist. This has led to a greater focus on "competitive federalism" as Indian states compete with one another to draw in investors (Bajpae, 2016).

## **A STRATEGY TO STRENGTHENING REGIONAL CONNECTIVITY**

Under the auspices of India's "Act East" program, Prime Minister Modi neighborhood policy has attempted to improve regional integration in South Asia and even more broadly in neighboring regions like East Asia. As mentioned earlier, the heads of all South Asian nations were summoned to Prime Minister Modi oath-taking ceremony, demonstrating a renewed focus

on neighborhood diplomacy in South Asia from the very first day of the Prime Minister Modi administration. As soon as Prime Minister Modi took office, he conducted visits to numerous South Asian nations and negotiated deals to improve regional cooperation (including projects like Bangladesh, Bhutan, India, and Nepal (BBIN) road connectivity deal and the India-Myanmar-Thailand trilateral highway project), adding substance to this gesture's symbolism (Mukherjee, 2015). Further rail, road, waterways, and port infrastructure projects, as well as measures to build regional energy grids and enhance communication and aviation connectivity, were added to these. The settlement of a protracted disagreement over enclaves along the India-Bangladesh border, for example, has created enough goodwill to advance on other problems in the bilateral ties, like access to port and shipping centres and rail transit rights have been made possible by trust-development measures and cordial mannerisms (BBC, 2015). Also, these initiatives have moved forward despite India's strained ties with Pakistan, which have frequently worked to impede the advancement of regional connectedness initiatives under the umbrella of the SAARC. Prime Minister Modi 'Act East' plan, an updated version of the nation's age-old 'Look East' strategy, aims to improve regional connections outside of South Asia. The "*Look East*" program was introduced in the early 1990s to revitalize India's post-Cold War reengagement with Southeast Asia. It aimed to supersede the slow economic cooperation and slower growth of South Asia by combining with the dynamic "*tiger economies*" of Southeast Asia (Rao, 1994). The proposal went through several stages, with its phase 2 springing up in the early 2000s as the geographic focus was broadened beyond Southeast Asia to include a wider East Asian region and as it also went beyond its initial economic dimensions to include wider strategic and political engagement (Mohan, 2003).

Almost half of India's overall trade traverses the Strait of Malacca in Southeast Asia, with only a quarter of that trade presently coming from East Asia (Rajendram 2014). The relaunched "Act East" agenda was announced in November 2014, and since then, India's involvement with East Asia has been stepped up (Parameswaran, 2014). Prime Minister Modi trips to Tokyo and Beijing in May 2015 and September 2014, respectively, provide proof of this (Mallet & Hornby 2015). These trips have also shown the Narendra Modi administration's strategy for maximizing investment pledges from both nations by exploiting the underlying competition between them. For example, numerous agreements were reached during Xi Jinping's trip to the country in September 2014 (followed by Modi's trip to Japan in the same month), such as a 5-year trade and economic development project that calls for the creation of industrial parks and the improvement of India's train system (Economic Times, 2014). While new possibilities have surfaced in other fields, like defense collaboration, Tokyo has also made investments in a variety of high-profile projects, such as the Delhi Metro and the Delhi-Mumbai and Chennai-Bangalore Industrial Corridors (Sen, 2014).

During a formal trip to Japan in November 2016, Prime Minister Modi met in person with his counterpart, Prime Minister Abe. Later, during Modi's trip to Tokyo in 2018, the two leaders released the Japan-India Vision Declaration, reaffirming their steadfast commitment to cooperating to create a "*Free and Open Indo-Pacific*." In September 2021, Prime Minister Suga and Prime Minister Modi held a summit meeting while Suga was in Washington, D.C., for the second Japan-India-Australia-America Summit Conference. Shortly after assuming power in October 2021, Prime Minister Kishida and Modi had a telephonic conversation. After serving as

Japan's prime minister for 4.5 years, Kishida made his first trip to India in March 2022. Modi traveled to Japan in May 2022 to attend the summit meeting with Japan, Australia, India, and the United States. He later returned to Japan to attend the state funeral for former PM Abe. In March 2023, Prime Minister Kishida visited India again and met Modi during the India-Japan Summit. The two leaders agreed to strengthen bilateral ties and collaborate closely to realize a "*Free and Open Indo-Pacific*," reaffirming their commitment to discussing and working on a range of global issues leading up to the G7 and G20 summits.

Economic ties between the two countries have been gradually growing and deepening in recent years. Trade between Japan and India has expanded significantly. In 2021, India was Tokyo's thirteenth-largest trade partner, while Tokyo was India's eighteenth-largest trade partner. Moreover, Japan's direct investment in India has increased, making it India's fifth-largest investor in FY2021. In that year, there were approximately 1,439 Japanese enterprises with branches in India, reflecting the growing interest of the Japanese private sector in the country.

Overall, similar to the "*Make in India*" policy, it will be interesting to see if Modi can achieve his goals for regional cooperation. Limitations arise from India's challenging legislative and operational environment, as well as difficulties in the realm of foreign policy. How long India can exclude Islamabad from regional connectivity projects in South Asia remains a question. To facilitate this process, the administration has thus far relied on diplomatic and ad hoc multilateral exchanges instead of more established organizations like SAARC. However, this approach may prove unsustainable in the long run.

Using India's northeast as a land bridge linking South and Southeast Asia is essential for India's integration with East Asia, in addition to South Asia. Admittedly, this process has been slow due to administrative bottlenecks and security issues related to long-standing separatist movements in northeastern India. Furthermore, despite the discourse around "Look East" and "Act East," there remains significant potential for India to further develop its ties with East Asia. Lastly, India's ambitions may eventually be sidelined or absorbed by China's extensive regional connectivity projects under its Belt and Road Initiative (BRI) (Bajpae, 2016).

## **INDIA'S CREDENTIALS AS A DEVELOPING ECONOMY**

Several aspects of Modi's strategy are undoubtedly less transformative and more aligned with India's development aspirations. For instance, India, along with other developing nations, takes a firm stance on protecting its agricultural industry through subsidies and food stockpiling. This was evidenced by India's obstructionist behavior during negotiations for a trade facilitation deal at the WTO Bali Ministerial Meeting in December 2013 (Hindustan Times, 2014). India and other major emerging economies continue to oppose the inclusion of non-trade concerns, such as labor standards and intellectual property rights, in international trade discussions.

Another example of India leveraging its position as a growing economy is the contentious debates surrounding its pharmaceutical industry. India has long argued that wealthy nations use patent and intellectual property laws to prevent low-cost generic medications from reaching developing countries. Meanwhile, Western hostility toward generic drugs produced in India has derailed a potential EU-India trade deal (Kazmin & Ward, 2015).

Like Beijing, New Delhi is a strong advocate for reforming international institutions to reflect the changing world order. India has sought to reshape global economic systems to better represent the emerging multipolar framework, in addition to its well-publicized bid for a permanent seat on the UN Security Council. For example, the IMF's Executive Board currently favors Western industrialized nations over emerging economies, and both India and China have called for changes to this imbalance. They support the notion that the voting shares of developing countries should be increased. New Delhi has also advocated for the establishment of new organizations that promote a "*South-South financial order*," such as the Asian Infrastructure Investment Bank and the BRICS New Development Bank. While Beijing's dominant position in these institutions receives considerable attention, New Delhi also maintains a significant presence, which is sometimes underestimated. For example, KV Kamath, an Indian technocrat, is the inaugural president of the BRICS New Development Bank, and India holds the second-largest voting share in the AIIB, following Beijing (Wildau, 2015). This underscores the important role India, alongside China, plays in the future of these initiatives.

### **PRIME MINISTER MODI ENGAGEMENTS AND ROLE OF WORLD TRADE ORGANIZATION**

Prime Minister Modi came to power with the promise of economic change and prosperity. It was expected that under his government India will enter more bilateral and regional trade agreements and have more proactive role in international trade organizations. Under Prime Minister Modi, India held similar negotiation positions and policies as before and adopted tougher stance in some cases. It is interesting to note that negotiation behavior and policy priorities that previously ill served India are no longer a liability, for which Narendra Modi government can be credited to an extent. Recent year have shown that globalization and multilateral world order is not always the underlying path for peace and prosperity, the ties that maintain peace among nations may be used for security reasons (weaponized) (Farrell & Newman, 2019). Today trade is conducted through closely integrated supply chains, this allows few countries that have control over production hubs, to have unprecedented power over other players. Thus, such economic integration poses a security threat that requires securitization of foreign economic and trade policies.

Prime Minister Modi applauded Gujarat Model and pledges of poverty alleviation and growth hinted that India would become increasingly active at WTO and will take on new responsibilities. When Modi came to power WTO was not a very active organization, the Doha Development Agenda (DDA) remained unresolved and with President Trump coming to office in 2017 difficulties for the organization increased further. During the time when President Trump trade wars against China and other countries, polices of Narendra Modi administration at WTO better indicated India's medium- and long-term goals. India's negotiations at under Prime Minister Modi government are characterized by three general features. First, India uses defensive and trade sceptic narrative, prioritizing reforms in international rules Second, India uses distributive strategy while negotiating, which is using tactics like threats and penalties, unwilling to make concessions, and holding issues hostage. Integrative strategy is widening issue space and finding common solutions (Odell, 2000). Third, India's influences its WTO allies to have same narrative. India

often leads coalition of developing countries and relies on collective action and individual leadership for achieving its demands.

Indian Ambassador to WTO said that the figures demonstrate massive gap between development of developing and developed members. India has a poverty rate of 35.6% compared to 38% in all developed countries combined, and 24% of global undernourished population. About 61.5% Indian population depends on agriculture for livelihood yet figures from 2016 demonstrate that in the US each farmer has 267 times higher domestic support than in India. Keeping in view this stark divide it would be very iniquitous and unfair if India is not exempt from certain obligations (Bartels, 2019). Such a narrative has been greatly opposed by major powers mainly the US, especially after India has recognized as a rising power and it has gained membership of BRICS. Though other countries like Singapore, South Korea and Brazil have shown willingness to leave the status, India has been persistent in retaining it. India has adopted distributive strategy in this matter as well. It said that all developing countries have non-negotiable rights to SDT, it is an extreme form of distribution strategy. India also said that considering huge gap between developed and developing countries it would totally unfair if developing and developed countries have same obligations (Narlikar, 2021). Responding to this, the US cherry picked economic indicators for denying claims of dividing between developed and developing members. Moreover, while making its case, India talks about all developing members collectively.

Prime Minister Modi economic policy have both limitation and achievements. His government achieved major success, particularly in certain aspects of domestic policy. Its foreign economic policy is more cautious and aligned with policies of the past. Over the year, India has learned to negotiate effectively at institutions like WTO. Narendra Modi did not espouse any transformative policy, rather there was continuity India's in narrative and negotiation behavior, which was also obvious in its in-coalition formation and bargaining strategy. Previously, India has been labeled as having difficult behavior and had mixed outcomes at WTO.

## **CONCLUSION**

India is becoming increasingly confident about its economic growth, and it is obvious by its 2047 goal to surpass China and the US and become world's largest economy. Though it may appear wishful, but on ground reality endorses India's self-perception of leading world in next 25 years. During recent years, India's growth in terms of GDP, exports, foreign reserves, remittances, tourism, and IT show that it will economically surpass Japan and Germany by 2028. Nevertheless, for making this happen, India will have to tackle its fault lines, mainly the rise in communal violence against minorities.

From being underdeveloped, poor and impoverished, India has managed to become fifth largest economy in the world within the span of thirty years. Moreover, India's military and geographic importance will grow in the coming years and its vibrant democracy and cultural diversity may rival the UK and US in coming years. Narendra Modi must be credited for implementing modern policies in India and sustaining its growth. His economic reforms (tax reforms and demonetization) and infrastructure development (electricity, roads, sanitation, education and digital infrastructure) has given a major boost to Indian economy. Initiatives for

accelerating manufacturing and improving IT and tech have led to significant economic performance. Ordinary Indians can experience the results of Modi economic policy. Improvement in digital and physical infrastructure has created opportunities and ease for citizens.

Moreover, India will be able to invest in infrastructure and human development without affecting defense budget. Such an enormous domestic and foreign growth of India increase regionally and internationally.

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