

India's Soft Power Image: A Case Study of the Indian Economy under Modi

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Abstract

Soft power, being power of attraction, is non-violent and enables behavioral change through tangible and intangible persuasion. Unlike coercive military power, it emanates from the culture, political ideals, strategic aspirations, and economic dividends of a state. Soft power image may require decades to be established but remains vulnerable to state actions. Soft power, as an essentially a fluid concept, involves multiple, multidimensional, and multilayered policies. India's sustained economic growth played a pivotal role in constructing its soft power image. Narendra Damodardas Modi became India's Prime Minister in 2014 with the promise to improve economy - the idea generally known as shinning India. Modi's demonetization decision in 2016 triggered economic meltdown which is worsening till to date. This research study is analytical and descriptive in nature, and endeavors to focus on the Indian economy as a case study vis-à-vis impact of its slowdown on India's soft power image. It hypothesizes that India's soft power

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image under Narendra Modi has eroded significantly owing to his domestic and economic policies.

Keywords: India's Soft power, Indian Economy, Narendra Modi, Hindutva, Bharatiya Janata Party (BJP).

Introduction

National Power is the ability or capability of a nation to secure the goals and objectives of its national interests in relation with other nations. It is the capacity to use force or threat of use of force or influence over others for securing the goals of national interest. Hans J. Morgenthau explained power as "the power of man on others" and as a "man's control over the minds and actions of other men."² However Schwarzenberger in his book *Power Politics* described Power as "the capacity to impose one's will on others by reliance on effective sanctions in case of non-compliance."³ National power is defined as a combination of power and capability of a state which it uses to fulfill its national interests and goals. It is the capability and preparedness of a state to compel her enemy to do something or to deter her from doing something. In contemporary international system war is not cost effective in terms of economic cost, human cost, and destruction. Therefore, modern day warfare is about attaining national interest without fighting. Several theorists have considered it as the supreme excellent strategy. In this context soft power is a force multiplier. It becomes the states' international image which is an important focus of international politics in today's era of image fare.

Known as the power of attraction, the soft power is defined as the

² Mihaela Neacsu, *Hans J. Morgenthau's Theory of International Relations* (New York: Palgrave Macmillan, 2010), 54.

³ ND Arora, *Political Science for Civil Services Examinations* (NEW Delhi: TATA Mcgraw Hill Education Private Limited, 2010), 35.

ability of a state to achieve what it wants through attraction rather than coercion. It enables a change of behavior in others without competition or conflict, by using persuasion and attraction.⁴ Unlike hard core military power, it emanates from the culture, political ideals, and policies of the country. Hence, the soft power remains intangible and difficult to quantify like other powers. However, the effectiveness of soft power increases with effective projection.⁵ It is noteworthy that soft power is not to command others through orders, nor is it the power to bribe or buy their support through economic inducements.⁶

Soft power projection is slow, gradual, non-violent but a persistent process. As per Indian commentators, Mohandas Karamchand Gandhi was able to gain freedom for India through the strategy of non-violence and therein lays the genesis of India's claims that it has been using soft power long before the concept was floated by Joseph Nye in 1990's. Potentially, India's soft power resources include culture, sports, music, art, film, literature, and even beauty pageantry.⁷ However, few scholars also include India's democratic credentials, economy, claims of secularism, multi ethnicity, social, ethnic and religious diversity, active and vibrant civil society and Indian diaspora in the soft power resources list.

Despite possessing considerable soft power resources, Narendra Modi is costing India its soft power image. Modi's mindset, approach and some of his actions have seriously shaken the very foundations of India's soft image. For example, abrogation of Article 370 in Indian Occupied Kashmir on 5 August 2019, and incorporation of Citizenship Amendment Act (CAA) in Indian constitution has had multifaceted

⁴ Khara Nabin Kumar, "Understanding of India's Soft Power Dynamics," *Asian Review of Social Sciences*, Vol.7, no.3 (2018), 126.

⁵ Rohan Mukherjee, "The false promise of India's soft power," *Geopolitics, History, and International Relations*, vol. 6, no.1 (2014), 46.

⁶ Ibid.

⁷ Ibid.

impact on India's soft power image. Such actions made India's claims of democratic credentials, secularism, human rights, and respect for rule of law sound extremely hollow. The situation has not been any different on economic front. Moody's has not only forecast slower real GDP growth of 5.6 per cent in 2019-20, from 7.4 per cent in 2018 but also downgraded India's economic outlook to negative from stable.⁸ The pandemic COVID 19 and Modi's response to it had negatively affected the economic growth and human development indexes in the country.⁹

The year 2014 marked the phenomenal transformation of Narendra Modi from an international outcast, who was barred from entering United States for nearly a decade, into an international wannabe. However, right after Modi became the Prime Minister of India, international community embraced the lifelong member of a militaristic organization Rashtriya Swayamsevak Sangh (RSS), inspired by Nazism.¹⁰ The man who as Chief Minister of Gujarat thrived on fomenting violence to massacre Muslims had been elevated to be the mascot and torchbearer of India's soft power image. Ever since then Modi has been recasting the story of India from that of a secular democracy, accommodating a uniquely diverse population to that of a *Hindu Rashtria* (nation) that dominates its minorities, especially the country's two hundred million Muslims.¹¹

⁸ "Moody's cuts India's GDP growth forecast to 5.6 per cent for 2019," *The Economic Times*, December 13, 2019.

⁹ Hugo Erken, Raphie Hayat and Kanji, "Coronavirus: The Economic Impact of COVID-19 on India March 13," *Rabobank*, March 13, 2020, Available at: <https://economics.rabobank.com/publications/2020/march/coronavirus-economic-impact-covid-19-on-india/> (accessed on 9 February 2021).

¹⁰ Arundhati Roy, "India: Intimations of an Ending, The rise of Modi and the Hindu far right," *The Nation*, November 22, 2019.

¹¹ Filkins Dexter, "Blood and Soil in Narendra Modi's India," *The New Yorker*, December 2, 2019.

India's economic growth has decelerated since mid-2018, with real GDP growth slipping from nearly 8 per cent to 5 per cent in the second quarter of 2019 and high unemployment rates.¹² India's retail price inflation in November 2019 jumped to a 40-month high, which shows that the growth in Asia's third largest economy has slowed to a six-year low, prompting some economists to warn that the country could be entering into a stagflationary phase.¹³ Standard & Poor Global Ratings has though maintained a BBB- rating for India, which is its lowest investment grade rating, but has warned to downgrade India's sovereign rating if the country's economic growth does not recover.¹⁴

Given Modi's policies of religious and political polarization aimed at marginalizing minorities particularly Muslims and mismanagement on economic front, it is important to analyze the Indian soft power under Modi. While giving broad brush to different components of India's soft power image, this research study endeavors to focus on the Indian economy as case study vis-à-vis impact of its slowdown on soft power image.

Theoretical Framework

This research study analyses Indian soft power image and economy under Modi as a specific case study. Analysis and quantification of the impact of soft power is challenging task as owing to its very nature, the soft power is both intangible and immeasurable. Hence, a qualitative analysis approach has been applied. Indian soft power image under Modi is relatively under-researched hence there is limited material

¹² "Moody's cuts India's GDP growth forecast to 5.6 per cent for 2019," *The Economic Times*, December 13, 2019.

¹³ "India's rising retail prices stoke worries of stagflation," *The Economic Times*, December 13, 2019.

¹⁴ "S&P to cut India's sovereign rating if economic slump persists," *The Economic Times*, December 11, 2019.

available which can be used as reference. While Nye is known to have coined the term 'soft power' the essence of this theory can be traced back to concepts in Taoism. Lao Tzu, considered to be the founder of Taoism, propagated the idea of soft power in his text 'Tao TeChing' where he states that the best way to rule is not through competitive means using weapons and armies but "indirectly" which benefits all without fighting against each other.¹⁵

It is significant to note that the basic concept of soft power revolves around 'power,' itself. However, it has altered the definition of "power," and broadens it from traditional to non-traditional paradigms. Power can be viewed either through a structural point of view where questions like "who has power and why they have it" or from the procedural point of view which asks, "how the power is exercised."¹⁶ The first viewpoint looks at power structures like superpowers and their qualities.¹⁷ The second point of view, which is more relevant to this paper, includes the ways and means to wield power.¹⁸

Indian philosopher Chanakya Kautaliya, in his famous book *Arthashastra*, wrote that a state is powerful only if it is strong and has the strength to change/influence minds.¹⁹ His ideas of the benefits of wielding power, however, focus on "material gain, spiritual good and pleasures."²⁰ Robert A. Dahl suggests that power is when one entity wields influence over a second entity to make the second entity do

¹⁵ Aditi Tandon, "European Union's Soft Power in India: Opportunities & Challenges," *Theses.cz*, March 2011, Available at:

https://theses.cz/id/u9fvbv/FinalThesis_AditiTandon.pdf (accessed on 20 February 2021).

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.

something which it otherwise would not have done.²¹ Taking these concepts of power into consideration one can assume that power is influencing or wielding control to obtain a desired result.²²

Indian political analyst, Shashi Tharoor also agrees with the definition of soft power by Joseph Nye. He describes soft power as “power of example” and “the ability of a country to attract others because of its culture, its political values, and its foreign policies.”²³ He emphasizes that soft power is not only what a country chooses to display or the attractive image that is built by government efforts, but it is what others see despite these efforts, and decides whether or not the country wants it so.²⁴ Furthermore he considered the contemporary communication age as a key in propagating soft power.²⁵ This point is often missed out by theorists on power and particularly soft power. With rapid advancements in technology and communication, the ways through which a country's values, culture and policies are presented to the world are manifold.²⁶ A state's image is up for viewing and judgment by anyone who has access to communication devices.²⁷

1. India's Soft Power Image

India was once regarded as a cultural melting pot due to its image as a multi-cultural and multi-religious state. India stakes claim to rich and illustrious history with many different people from the Greeks to the

²¹ Aditi Tandon, “European Union's Soft Power in India: Opportunities & Challenges,” *Theses.cz*, accessed on December 20, 2019, Available at: https://theses.cz/id/u9fvbv/FinalThesis_AditiTandon.pdf (accessed on 20 February 2021).

²² *Ibid.*

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ *Ibid.*

²⁷ *Ibid.*

Moghuls and lately the English, Portuguese and French influencing its traditions that were initially set by the Indo-Aryans. People abroad generally thought of India as a country with rich culture, popular cuisines available across the globe, *Yoga* and strong Bollywood's presence. The combination of democratic and post-colonial traditions with the historical Gandhian ideals of non-violence and India's experience with political pluralism and religious diversity, led scholars such as Wagner to state that India assuredly "qualifies" as a soft power.²⁸

Indian economy thrived in last couple of decades. As a large market with huge population, India became the favorite destination for investors. "Incredible India" campaign in 2002 made India a popular tourist destination. Riding the crest of nationalism and promises of shining India, Modi stormed to power in 2014 with thumping majority. As discussed earlier, Modi has been a member of right-wing Hindu nationalist group Rashtriya Swayamsevak Sangh (RSS) for nearly four decades. His involvement in the genocide of Muslims in Gujarat (2002) is well documented. Understandably, ascent of Modi did carry some concerns both at home and abroad. However, international community was quick to forget and forgive Modi's historical baggage due to the soft image of India and relevance of soft and hard power India owes. During his first term as Prime Minister, Modi focused on creating unabashed Hindu India. BJP under Modi contested the elections of 2019 through massive exploitation of Hindu nationalism. They constructed Hindu Nationalism on anti-Pakistan and anti-Muslim rhetoric. Through their policies of division and polarization, they raised

²⁸ Shah Aayushi Liana, "Political Identity as a Soft Power: India in the 21st century," *Universiteit Leiden*, May 23, 2018, Available at: <https://studenttheses.universiteitleiden.nl/handle/1887/65654> (accessed on 24 February 2021).

a wall of hatred to draw a line/wall between 'Muslims, Pakistan and them.' In order to divert public focus from the failures of Modi regime, BJP made non-issues as most important election slogans such as nuclear strike against Pakistan, false pride in coercive power, and surgical strikes against Pakistan etc. Modi made national security narrative based on security dilemma as central theme for the election. As a result, he returned to power with even more majority. It is evident that hatred, false promises and Hindutva have emerged as most important political dividends.

While Modi's politics and policies thus far had multifaceted impact both at home and abroad, it is important to explore how Modi's policies and governance priorities have impacted on India's image as soft power. Four factors shortlisted for the analysis of India's image as soft power under Modi are democratic credentials, Hindu nationalism, secularism and economy.

i. Democratic Credentials under Modi

India being the world's largest democracy, considers its successfully-functioning democracy as the biggest asset in terms of soft power which has thrived despite many issues and problems.²⁹ It claims to have demonstrated that democracy can function successfully even in a poor, illiterate country and is not only the privilege of the developed Western countries.³⁰ Shashi Tharoor pointed out in May 2004, that the world's largest exercise of democratic franchise resulted in "a Roman Catholic leader making way for a Sikh to be sworn in as Prime Minister by a Muslim, in a country with 81 per cent Hindus" something that

²⁹ Khara Nabin Kumar, "Understanding of India's Soft Power Dynamics," *Asian Review of Social Sciences*, Vol.7, no.3 (2018), 129.

³⁰ Ibid.

“caught the world’s imagination and won its admiration.”³¹ However, the perception seems to be changing rather fast as Indian democracy under Modi is going through tremendous turmoil.³²

The Muslim-majority state of Indian Illegally Occupied Kashmir (IIOK) has been under the lockdown since 5 August 2019, when Modi stripped away its autonomy by abrogating Article 370 of Indian Constitution through a presidential order. All human rights have been suspended, the region is under lockdown, the Internet has been shut down, and communication has been paralyzed in the IIOK. Thousands of people are under custody, draconian laws have been imposed and state is demonstrating coercive use of force against innocent civilians. It is a state of emergency asphyxiating more than 7 million people.³³ Human rights violation across India in general and IIOK in particular have risen to unprecedented levels under Modi. Impunity for human rights violations and lack of access to justice, and the Armed Forces (Jammu and Kashmir) Special Powers Act (AFSPA) and the Jammu and Kashmir Public Safety Act (PSA) impede accountability for human rights violations.³⁴ The subject constitutional amendment in the Citizenship Act (CAA) is inherently discriminatory as it gives priority to Hindu, Sikh, Buddhist, Jain, Parsi and Christian resident in India before 2014, but

³¹ Shah Aayushi Liana, “Political Identity as a Soft Power: India in the 21st century,” Ibid.

³² For intense statistical analysis see Lydia Finzel, “Democratic Backsliding in India, the World’s Largest Democracy,” *Variety of Democracy*, February 24, 2020, Available at: <https://www.v-dem.net/en/news/democratic-backsliding-india-worlds-largest-democracy/> (accessed on 26 February 2021).

³³ Raj Pushkar, “Fallout from abrogation of Article 370 in Kashmir,” *Asia Times*, September 3, 2019.

³⁴ “India Events of 2018, *Human Rights Watch*, Available at: <https://www.hrw.org/world-report/2019/country-chapters/india> (accessed on 28 February 2021).

excludes Muslims, including minority sects.³⁵ Brutal handling of country wide protests against controversial new Citizenship Amendment Bill/Act (CAA) defies all basic norms of democracy. Delhi police even stormed Jamia Millia Islamia University campus, injuring hundreds of students in a baton charge and firing tear gas shells inside classrooms and the library. In a so-called world's largest democracy, the internet has been shut down 95 times in the year 2019 alone.³⁶ It also saw the world's highest number of internet shutdowns in 2018 with 134 reported incidents. To put this in perspective, the second-highest country on the list was Pakistan with 12 internet shutdowns in the year 2018. Modi is recasting the story of India, from that of a secular democracy to that of a Hindu nation that subjugates its minorities, especially the country's two hundred million Muslims. Draconian sedition and counterterrorism laws are used to bar free expression. Foreign funding regulations are used to target nongovernmental organizations (NGOs) critical of government actions or policies.³⁷ Modi and his allies have squeezed, bullied, and smothered the press into endorsing what they call the "New India."³⁸ Modi's dictatorship considers use of force and violence as panacea for all the ills in India. Space for dissent, right to protest and freedom of speech has shrunk significantly in India under Modi thus massively undercutting her soft power image.

As per a report by digital rights and privacy organization ACCESS, India had world's highest number of internet shutdowns in 2020. Of the

³⁵ "New citizenship law in India fundamentally discriminatory", *UN News*, December 13, 2019, Available at: <https://news.un.org/en/story/2019/12/1053511> (accessed on 4 March 2021).

³⁶ Nazmi Shadab, "Why India shuts down the internet more than any other democracy," *BBC NEWS*, December 19,2019, Available at: <https://www.bbc.com/news/world-asia-india-50819905> (accessed on 4 March 2021).

³⁷ "India Events of 2018," *Human Rights Watch*, *Ibid*.

³⁸ Filkins Dexter, "Blood and Soil in Narendra Modi's India," *The New Yorker*, December 2, 2019.

total 155 internet shutdowns globally, India alone accounted for 109. The next highest was Yemen, with six shutdowns, and Ethiopia with four.³⁹

US-based non-profit Freedom House downgraded India from a free democracy to a "partially free democracy." Similarly, Sweden-based V-Dem Institute⁴⁰ declared India as an "electoral autocracy." Furthermore, India was described as a "flawed democracy," as it slipped two places to 53rd position in the latest Democracy Index published by The Economist Intelligence Unit. Almost all of these reports acknowledged the policies of Indian government under Modi as detrimental and responsible for the down sliding of Indian democracy. These reports highlighted the increased pressure on human rights groups, intimidation of journalists and activists, and a spate of attacks, especially against Muslims and considered it as a deterioration of political and civil liberties in India. Freedom House wrote in its report that civil liberties have been in decline since Modi came to power in 2014, and that India's "fall from the upper ranks of free nations" could have a more damaging effect on the world's democratic standards.⁴¹

The response of Indian government on these reports further indicated authoritarian practices. On the Freedom House report, the

³⁹ Berhan Taye, *Shattered Dreams And Lost Opportunities: A Year in the flight to Keep it on* (New York: Access Now, 2020),26.

⁴⁰ The Sweden based Institute, *The Varieties of Democracy; (V-Dem)* is an independent organization working in the University of Gothenburg Sweden has published report titled "Autocratization Turns Viral". The V-Dem produces the largest dataset on democracy with almost 30 million data points for 202 countries from 1789 till date, based on local knowledge, it meets the global standards. The V-Dem report findings, based on methodological and theoretical expertise, factual information, have explained that India with 1.4 billion people is no longer an electoral democracy owing to human right abuses and atrocities (though India is not alone in this group).

⁴¹ Soutik Biswas, "Electoral autocracy': The downgrading of India's democracy," *BBC News*, March 16, 2021, Available at: <https://www.bbc.com/news/world-asia-india-56393944>. (accessed on 17 March 2021).

ministry of External Affairs stated that India had “robust institutions and well established democratic practices” and did not “need sermons especially from those who cannot get their basics right.”⁴² The political judgements of the report were “inaccurate and distorted.”⁴³ In parliament, the chairman of the upper house, Venkaiah Naidu, did not allow an opposition MP to pose a question related to the V-Dem report saying: “All countries which are commenting on India should first look inward and then comment on India.”⁴⁴ These reactions reflects the inability of Indian (so-called) democratic forces to accommodate alternate opinion.⁴⁵ The V-Dem report illustrates that the media, academia, and civil society in India are not free enough for them to be called a democracy.⁴⁶

ii. Hindutva

Modi led Bharatiya Janata Party (BJP) stems from an ideology inspired by Nazism, known as Hindutva, an extreme form of Hindu nationalism.⁴⁷ Hindutva stands for the extreme authoritarian rule of Hindus of a so-called “Ancient India,” which they describe as their motherland.⁴⁸ The mother organization of BJP is Rashtriya Swayamsevak Sangh (RSS) is the prime promoter of the Hindutva ideology and the fountainhead of its wing organizations Bajrang Dal,

⁴² “Freedom House report ‘misleading, incorrect, misplaced’: India on ‘partly free’ status,” *The Economic Times*, March 5, 2021.

⁴³ Ibid.

⁴⁴ Soutik Biswas, “Electoral autocracy,” Ibid.

⁴⁵ Ibid.

⁴⁶ Naheed S. Goraya, “Democracy Broken Down India- Says ‘V-Dem’ Democracy Report 2021,” *STRAFASIA*, April 2, 2021, Available at: <https://strafasia.com/democracy-broken-down-india-says-v-dem-democracy-report-2021/> (accessed on 17 March 2021).

⁴⁷ “Exposing Hindutva: An Ideology Of Hindu Fascism,” *ICNA Council for Social Justice*, September 4, 2019, Available at: <https://icnacsj.org/2019/09/exposing-hindutva-an-ideology-of-hindu-fascism/> (accessed on 25 March 2021).

⁴⁸ Ibid.

Vishva Hindu Parishad (VHP), and Hindu Sena.⁴⁹ In a significant move, the VHP and the Bajrang Dal have been considered religious militant organizations by the CIA.⁵⁰ Strategically, the RSS targets vulnerable, illiterate and impoverished populations to promote the agenda of Hindutva. Hindu extremists have been extremely violent against minorities particularly Muslims with mob lynching and hate crimes becoming the norm. Hundreds of Muslims were lynched after being accused of consuming or possessing beef or transporting cattle while Hindu slaughterhouses have made India the largest exporter of beef in the world.⁵¹ From September 2015 to June 2019, *Halt the Hate* has recorded a total of 902 reported hate crimes in India. A total of 181 incidents of alleged hate crimes were recorded between the months of January and June 2019. In 37 reported incidents, the victims were killed.⁵²

In his second term, Modi has unleashed blatant Islamophobia through criminalizing the triple-talaq which effects the Muslim community only as it is a religious issue in Islam and cannot be settled through constitutional amendments, rather such order was against the principle of human rights and religious freedom. Constructing a Hindu temple on a site where a 470-year-old mosque was demolished in 1992 by Hindu protesters, cancelation of Indian citizenship of Bengalis in Assam for regional political gains, changing the constitutional status of Muslim-majority Jammu and Kashmir and detaining its political leaders and CAA to cancel the citizenship of Muslim, are all the continuation of

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² "Hate Crime Reports On An Alarming Rise – Reveals Amnesty International India's 'Halt The Hate,'" *Amnesty International India*, accessed on December 22, 2019, Available at: <https://amnesty.org.in/news-update/hate-crime-reports-on-an-alarming-rise-reveals-amnesty-international-indias-halt-the-hate/> (accessed on 25 March 2021).

same policy.⁵³ It is an edifice that is leaving India increasingly isolated. Japanese Prime Minister Shinzo Abe promptly canceled a visit to India following the citizenship bill's enactment, as did two Bangladeshi ministers.⁵⁴ India is now in the throes of a fervent nationalism that extols every Indian achievement, real or imagined, and labels even the mildest political disagreement or protest "anti-national" or even "seditious."⁵⁵

iii. Secularism

Secularism is a mode of governance in which state remains neutral in religious matters and is not supposed to tilt in favour of a particular religion or impose any specific religious set of beliefs. Secularism also means that religion is a private and personal matter and followers of all religions must be treated equally. Constitutionally, India is a secular state. The preamble of 42nd amendment of the Indian constitution (1976) mentions India as a secular nation.⁵⁶

However, contrary to the Indian constitutional claims, with its penchant for shock-and-awe tactics, the Modi led government pushed through parliament a controversial Citizenship Amendment Bill that fast-tracks citizenship for people fleeing persecution in Pakistan, Afghanistan, and Bangladesh – provided they are not Muslims. By excluding members of just one community, the bill, which was quickly signed into law by President of India, Ram Nath Kovind, is

⁵³ Shashi Tharoor, "Narendra Modi's Second Partition of India," *Project Syndicate*, December 17, 2019, Available at: <https://www.project-syndicate.org/commentary/modi-islamophobia-second-partition-of-india-by-shashi-tharoor-2019-12> (accessed on 25 March 2021).

⁵⁴ Ibid.

⁵⁵ Shashi Tharoor, "India's democratic dictatorship," *ASIA TIMES*, September 14, 2019.

⁵⁶ Moonis Ahmer, "The myth and reality of Indian secularism," *Express Tribune*, December 14, 2018.

fundamentally antithetical (contradictory to the spirit of) to Indian constitution.⁵⁷

Modi government has a pattern of policies of exclusivism and socio-religious polarization. Since Modi's rise to power, vigilante groups have targeted Muslims accused of seducing and marrying young Hindu women to convert them, a phenomenon some have labeled *Love Jihad*.⁵⁸ This campaign was followed by the *Ghar Wapsi* (homecoming) movement, which aimed to convert Muslims and Christians to the Hindu faith as a reaction to Muslim and Christian proselytism.⁵⁹ The issue of *Gau Rakhsha* (cow protection) was an even more effective way of organizing activists through this movement.⁶⁰ They established an armed militia "*Gau Rakhshak*" to protect cows. This militia patrolled on highways, local markets, villages, and butchers to ensure that Muslims were not taking cows to slaughterhouses. Like most of the radical groups, this was also related to the radical party, "*Sangh Parivar*" and functioned much like the *Bajrang Dal*, a powerful militia that was created in 1984 during the heydays of the *Ayodhya* movement.⁶¹ Reflecting upon the intentions and policies of his government, in December 2014, BJP and RSS leader *Rajeshwar Singh* vowed that "Muslims and Christians will be wiped out of India by December 31,

⁵⁷ Shashi Tharoor, "Narendra Modi's Second Partition of India", *Project Syndicate*, December 17, 2019, Available at: <https://www.project-syndicate.org/commentary/modi-islamophobia-second-partition-of-india-by-shashi-tharoor-2019-12> (accessed on 28 March 2021).

⁵⁸ Christophe T Jaffrelo, "The Fate of Secularism in India," *Carnegie Endowment for International Peace*, April 4, 2019, Available at: <https://carnegieendowment.org/2019/04/04/fate-of-secularism-in-india-pub-78689> (accessed on 28 March 2021).

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*

⁶¹ *Ibid.*

2021.⁶² Similarly, during sixth All India Hindu Convention in Goa held in June 2017, 150 Hindu outfits openly called for turning India into a Hindu Rashtra by 2023.⁶³ BJP's anti Muslim agenda was evident in its electoral politics when they did not give the party ticket to one single Muslim. This was their way to appease radical Hindu vote bank as they rely upon fascist Hindu vote bank. Suffice to say that dream of secular India is dead, and Modi's actions are testifying validity of two nation theory.

2. Indian Economy Under Modi

For about twenty-five (25) years since economic reforms were launched in the summer of 1991, India had a positive image in the world politics. India's unique socio-political attributes, its ability to flourish with its diversity when large parts of the world were struggling with it had enhanced its global stature.⁶⁴ Not to forget that India was a safe and secure market for multi-national. It was not only the second fastest growing economy but as per Global Economic Survey 2010-11, India was ranked fifth amongst 112 countries in wielding economic clout globally after the US, China, Japan and Germany, and ahead of European powers France and the UK.⁶⁵ India moved up three notches from eighth in 2000 to fifth in 2009, thanks to the sustained 9% plus growth in the years preceding the global financial crisis that saw the

⁶² "Muslims and Christians will be wiped out of India by December 31, 2021," *Sabrang*, December 14, 2014, Available at: <https://sabrangindia.in/article/muslims-and-christians-will-be-wiped-out-india-december-31-2021-bjp-leader-rajeshwar-singh> (accessed on 28 March 2021).

⁶³ Ibid.

⁶⁴ Shekhar Gupta , "The economy is India's most potent weapon, but it's losing its power," *The Print*, September 7, 2109, Available at: <https://theprint.in/national-interest/the-economy-is-indias-most-potent-weapon-but-its-losing-its-power/287915/> (accessed on 29 March 2021).

⁶⁵ "India ranks fifth in wielding economic clout," *The Economic Times*, July 25, 2011.

country's share in global GDP rise to 5.4% in 2010 from 4.6% in 2000.⁶⁶ In the period 2011-15, robust economic growths enabled more than 90 million people escape extreme poverty and improve their living standards.⁶⁷

However, Indians had gotten used to taking economic growth for granted. After a decade of annual growth averaging more than 9%, India's economy weathered the post-2008 worldwide recession and grew at a still impressive rate of 7% until 2014-15.⁶⁸ In the elections of 2014, while Congress party was facing one major corruption scandal after another, Modi convinced voters that he was the answer to their economic woes.⁶⁹ He spouted slogans like "minimum government, maximum governance" and promised that the "government has no business to be in business."⁷⁰ On the strength of such promises, he led his Bharatiya Janata Party (BJP) to a sweeping general election victory in 2014 and followed that with a landslide reelection in 2019. However, the election win of the BJP, has surprisingly little to do with its economic track record, which was excellent when Modi was chief minister of Gujrat.⁷¹ Modi has succeeded politically despite—not because of—the economy, which is in the midst of a protracted downturn that began on his watch.⁷² For his second term, the prime

⁶⁶ Ibid.

⁶⁷ "The World Bank in India," *The World Bank*, accessed on December 25, 2019, Available at: <https://www.worldbank.org/en/country/india/overview> (accessed on 6 April 2021).

⁶⁸ Shashi Tharoor, "India languishing in a Modi slowdown," *ASIA TIMES*, October 16, 2019, Available at: <https://www.asiatimes.com/2019/10/article/india-languishing-in-a-modi-slowdown/> (accessed on 6 April 2021).

⁶⁹ Milan Vaishnav, "The Strange Triumph of Narendra Modi," *Foreign Affairs*, November 4, 2019, Available at: <https://www.foreignaffairs.com/articles/india/2019-11-04/strange-triumph-narendra-modi> (accessed on 18th January 2021).

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² Ibid.

minister has doubled down on the grand economic promises he made in his election campaign 2014, and gone still further, setting a goal of turning India into a US \$5 trillion economy by 2024.⁷³ But his government has struggled to articulate just how it will bring about India's economic renewal.

Notwithstanding the tall claims and objectives, the inequality in the Indian socio-economic paradigm is strikingly high. The growth in the Modi era has been non-inclusive as 1% of the wealthiest in India increased their share in wealth to 60% in the last five years, and the richest 10% in India own more than four times wealth than the remaining 90%.⁷⁴ The unemployment in India is 7.8%,⁷⁵ highest in forty-five (45) years. Inequality was worsening before the present administration took office, but with growth slowing down and unemployment rising, the effects are more painful.

Quarterly economic growth has hit a six-year low at 5%, down from 8% a year earlier.⁷⁶ For a government given to bragging that it runs the world's fastest-growing large economy, this is a serious embarrassment.⁷⁷ The setbacks are on all fronts, the manufacturing sector saw just 0.6% growth in the April-June quarter 2019, with key sectors like automobiles reporting sales declines of over 20%. Tax revenue has remained well below target, while unemployment figures

⁷³ Ibid.

⁷⁴ "Economic Slowdown and its fix," *drishti*, September 17, 2019, Available at: <https://www.drishtiiias.com/daily-updates/daily-news-editorials/economic-slowdown-and-its-fix> (accessed on 9 April 2021).

⁷⁵ "India Unemployment Rate," *Trading Economics*, February 2021, Available at: <https://tradingeconomics.com/india/unemployment-rate> (accessed on 9 April 2021).

⁷⁶ Ninan T N, "Indian economy will struggle through Narendra Modi's second term," *NIKKEI Asia*, September 5, 2019, Available at: <https://asia.nikkei.com/Opinion/Indian-economy-will-struggle-through-Narendra-Modi-s-second-term> (accessed on 9 April 2021).

⁷⁷ Ibid.

had been suppressed until the April-May elections.⁷⁸ Foreign investors have been pulling money out of the stock market, prompted in part by a sharply higher rate of tax announced in the July 2019 budget.⁷⁹ Modi government is clearly in state of denial, even as growth rates have fallen, the government has held out the prospect of India becoming a US \$5 trillion economy in five years, from less than US \$3 trillion this year.⁸⁰ That implies a sustained rate of growth not achieved in the last decade.⁸¹

i. Reasons behind the Decline of Indian Economy

Few of the major reasons behind the nosedive of Indian economy⁸² under Narendra Modi are:

a. Demonetization

Prime Minister Narendra Modi announced demonetization of ₹500 and ₹1000 notes in November 2016 in order to wipe out black money from the country. Demonetization is considered as his biggest economic blunder, as it took 86% of India's currency abruptly out of circulation.⁸³ Millions of jobs were lost and hundreds of thousands of small and micro enterprises – employing people dependent on daily cash flow to sustain themselves – went under.⁸⁴ This showed up Narendra Modi to be a whimsical

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ Ibid.

⁸² AFP, "Indian economy nose diving under Modi," *Global Village Space*, August 23, 2019, Available at: <https://www.globalvillagespace.com/indian-economy-nose-diving-under-modi/> (accessed on 15 April 2021).

⁸³ Shashi Tharoor, "India languishing in a Modi slowdown," Ibid.

⁸⁴ Ibid.

stuntman with no regard for due process or consequences.⁸⁵ This was a completely misguided policy misadventure; as much as no doctor would ever recommend taking out 86% of a patient's blood to cure a disease, no economist, whether a Marxist or a free-marketeer, would recommend a shock to the total currency supply in the economy to the tune of 86%. Predictably, the consequences for economic activity were severe than the prior assumptions.

b. Poor Execution of Tax Reforms

Before the economy could recover from the currency ban shock, the government enacted a transition to a new indirect taxation system of the Goods and Services Tax (GST) in 2017.⁸⁶ If demonetization was a bad idea badly implemented, GST was a good idea badly implemented.⁸⁷ Modi's reputation as a capable administrator was also dealt a severe blow by the hasty and ill-conceived implementation of the GST, even though as a policy this was a sound one.⁸⁸ The constant bickering with states highlighted his inability to work with members of a team and finally when the plan was rolled out, the entire system froze up because of the numerous glitches in the format.⁸⁹ Rates were rationalized several times to plug the original holes in conception. The GST is a classic example of how not to go about a much-needed taxation reform.⁹⁰

⁸⁵ Maitreesh Ghatak, Udayan Mukherjee, "The Mirage of Modinomics," *The India Forum*, May 16, 2019, Available at: <https://www.theindiaforum.in/article/mirage-modinomics> (accessed on 15 April 2021).

⁸⁶ Parveen Chakravarty, "Viewpoint: How serious is India's economic slowdown?," *BBC NEWS*, August 27, 2019, Available at: <https://www.bbc.com/news/world-asia-india-49470466> (accessed on 15 April 2021).

⁸⁷ Sashi Tharoor, "India languishing in a Modi slowdown," *Ibid.*

⁸⁸ Ghatak and Mukherjee, "The Mirage of Modinomics," *Ibid.*

⁸⁹ *Ibid.*

⁹⁰ *Ibid.*

c. Auto industry

The auto industry, seen as a bellwether for activity, is facing worst crisis in last two decades and has reportedly laid off 350,000 workers since April 2019.⁹¹ India's automotive industry which accounts for around 40 per cent of manufacturing GDP suffered a contraction in passenger and commercial vehicle sales of 23 per cent year on year from April to September.⁹² Sales of motorcycles and other two-wheelers — often a leading indicator of the strength of the rural economy — contracted 16 per cent.⁹³

For a man who made false promises regarding sustainable economic development, the current economic environment does not present an encouraging picture.⁹⁴ India was ranked 58th in 2018 in the annual Global Competitiveness Index compiled by Geneva-based World Economic Forum (WEF, only in one year, has moved down 10 places to rank 68th in 2019.⁹⁵ India is among the worst-performing BRICS nations along with Brazil. Narendra Modi's basic approach to rely upon the heavy-handed measures of command-and-control in administration,⁹⁶ could not bring about the desired results. Modi has almost irreparably damaged social cohesion through his actions and policies which is central to sustainable economic growth. Social cohesion is of paramount importance in a country as diverse as India in terms of religion, ethnicity, language

⁹¹ Tish Sanghera, "India's economic growth hits six-year low," *Aljazeera*, August 30, 2019, Available at: <https://www.aljazeera.com/ajimpact/indias-economic-growth-hits-year-190830163732276.html> (accessed on 13 March 2021).

⁹² Amy Kazmin, "Indian economy: problems pile up for Narendra Modi," *Financial Times*, October 9, 2019.

⁹³ *Ibid.*

⁹⁴ Ghatak and Mukherjee, "The Mirage of Modinomics," *Ibid.*

⁹⁵ "India slips 10 spaces on global competitiveness index; Singapore on top," *The Economic Times*, October 9, 2019.

⁹⁶ *Ibid.*

and caste and lack of it can seriously impair economic vitality.⁹⁷ If rampaging mobs can get away with murder with impunity, and crowds can dictate who can buy or sell what, irrespective of what the law might be, what kind of environment does it create for commerce and industry?⁹⁸ Such situation is discouraging for foreign direct investment, if they feel like being hostage to mob decisions. For example, the cow vigilantes have undermined the rural economy by literally creating a mass of abandoned cows that are raiding farms for food because farmers simply abandon cows when they no longer give milk, and they can no longer be sold for slaughter.⁹⁹ Here it would be significant to note that India is second largest beef exporter in the world. India exports 18.14% of total beef exports in the world.¹⁰⁰ The policy of Cow Vigilantism may cost India a good amount of foreign exchange. This also reflects upon the dichotomy within the policy making structure of India. On one hand Modi is capitalizing its radical Hindu vote bank and on the other hand he is exporting same 'holy cow meat' to run Indian economy.

Banks in India are reeling under a huge burden of Non-Performing Assets (NPAs), with debts exceeding US \$150 billion and one financial institution after another coming under the scrutiny of regulators and law-enforcement authorities.¹⁰¹ Loans have dried up, owing to banks' leeriness of piling up more NPAs; investment has slowed to a trickle as a result. With sinking demand for new housing causing a slump in the residential property market, many builders are struggling to repay their

⁹⁷ Ghatak and Mukherjee, "The Mirage of Modinomics," Ibid.

⁹⁸ Ibid.

⁹⁹ Ibid.

¹⁰⁰ Rob Cook, "World Beef Exports: Ranking of Countries," *Beef2Live*, March 22, 2020, Available at: <https://beef2live.com/story-world-beef-exports-ranking-countries-0-106903> (accessed on 12 February 2021).

¹⁰¹ Sashi Tharoor, "India languishing in a Modi slowdown," Ibid.

loans to banks, worsening the crisis. With consumers lacking resources, banks unwilling to lend, and investors afraid to borrow, it is unclear where the much-needed fillip to economic growth will come from.¹⁰²

Impact of Indian economic slowdown on Soft Power Image

In year 2014, Narendra Modi made economic development as core theme of his election campaign. The phrases like “*Acche Din*” and “*Sabka Saath, Sabka Vikas*” were coined and everyone could immediately relate to them. Hoping for better economic future, they all rooted for him.¹⁰³ Little did Modi realize that campaigns are run on promises, but governance is judged by performance. As the US politician Mario Cuomo put it: “One campaigns in poetry but governs in prose.” It is easy to make promises but hard to keep them. Like the stock market, one can create a bubble by stoking expectations. However, at some point the numbers need to add up. That is why it is wise to under-promise and over-deliver.

Before May 2019 elections, realizing his failures on economic front, Modi opted to turn to Hindu nationalism to bolster his poll numbers, a decision that helped him perform better than expected in national elections in spring 2019.¹⁰⁴ After securing re-election, Modi continued exploiting Hindu nationalism, while neglecting issues of genuine public concerns like land reform, reducing trade barriers, addressing mass corruption, implementing economic policy etc. Since fascist nationalism is overshadowing the government’s orientation, the gap between have and have nots is widening on religious, ethnic, and social spheres. This leads to deepening conflict fault lines within structure of Indian society.

¹⁰² Ibid.

¹⁰³ Ghatak and Mukherjee, “The Mirage of Modinomics,” Ibid.

¹⁰⁴ Bremmer Ian, “I Argued That Narendra Modi Was India's Best Hope for Economic Reform. Things Have Changed,” *TIME*, December 20, 2019.

The Modi government has compounded its economic fecklessness with political recklessness, plunging India into turmoil.¹⁰⁵ The combination of ineptitude and bigotry that has laid the country low has left long-time admirers of the Indian model speechless in disbelief¹⁰⁶ and making mockery of India's much acclaimed soft power image.

India's economic meltdown under Modi has and continues to seriously damage her greatest asset of past two decades which was the soft power image. Over the years preceding Modi era, India had mustered tremendous global goodwill and her image as rising 'good guy' was gaining ground. It was partially because of India's stable democracy but predominantly because of her rising economic strength. India has always been a democracy, but her soft power image only began to improve once its economy started getting better. With its penchant for shock-and-awe tactics,¹⁰⁷ Modi has completely shaken important pillars of Indian soft power empire in short span of few years. He has not only undermined Indian democratic credentials but has destroyed very fabric of Indian proud claim of secularism and has sent the economy in downward spiral. Impact of economy on the soft power of a country has best been explained by famous Indian journalist Shekhar Gupta: "When your economy is growing at 8 per cent or above, it is a case of what you might call *saat khoon maaf* (you can get away with seven murders). At 7 per cent, it becomes *paanch khoon maaf*. But once your growth is 5 per cent, you are in a dodgy zone."¹⁰⁸

For about 25 years since economic reforms were launched in the summer of 1991, India had been acknowledged by the world.¹⁰⁹ India was not only the second fastest growing major economy even in a

¹⁰⁵ Shashi Tharoor, "Narendra Modi's Second Partition of India," Ibid.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

¹⁰⁸ Shekhar Gupta, "The economy is India's most potent weapon, but it's losing its power," Ibid.

¹⁰⁹ Ibid.

world growing at express speed, but it was also grabbing global attention for its rising tech prowess, innovation, friendliness to foreign capital, stable markets and tax regime. India also drew global admiration for the way it shepherded itself out of the 2008 global downturn.¹¹⁰ Foreign direct investment provided big powers and their multi-national corporations a stake in India's stability and security. This is how a red-hot economy became India's greatest soft power strength in a period when its military spending lagged, and modernization lost pace and direction. A growing GDP was now more powerful than all the mega-tonnage of nuclear weapons. The Nobel laureate economist of Indian origin, Dr. Abhijit Banerjee has warned that the Indian economy is going into "a tailspin" and his prescription is for the government to focus to increasing demand rather than on deficits or stability. He considered Indian economy in really bad shape.¹¹¹

As long as Modi government was able to maintain the momentum of economic growth, both India and Narendra Modi benefited from it in terms of image and global stature. Indian global influence only started to wane when Indian economy started its journey on slippery slope with Modi's decision of demonetization. India's downward economic spiral coupled with Hindutva centric political decisions have massively dented India's image as soft power. Shekhar Gupta even attributes Trump's repeated offers of mediation on Kashmir between India and Pakistan to reduced Indian clout due to her economic meltdown. Notwithstanding the unpredictability of Trump, it is highly unlikely that he would have made this bold offer if Indian economy were as strong and thriving as earlier.

P.V. Narasimha Rao started economic reforms in the summer of 1991, markets, GDP and trade boomed, and India's friends appeared in

¹¹⁰ Ibid.

¹¹¹ ET Bureau, "Economy in tailspin...doing very badly, says Nobel laureate Abhijit Banerjee," *Economic Times*, October 16, 2019.

unlikely global capitals.¹¹² Note the contrast between the first Clinton Administration (which included Assistant Secretary of State Robin Raphel who questioned the Instrument of Accession), and the second term when Bill Clinton declared that lines on the subcontinent's map could no longer be redrawn with blood.¹¹³ If a fast-growing economy was a decisive strategic asset even in the early 1990s, a slowing one is bound to be a liability in 2020.¹¹⁴

Former Indian Prime Minister Manmohan Singh has warned of “social disharmony, economic slowdown and a global health epidemic” facing the country. He termed Indian economic situation as “grim and morose.” He further wrote, “Social unrest and economic ruin are self-inflicted while the health contagion of COVID-19 disease, caused by the novel Corona Virus, is an external shock. I deeply worry that this potent combination of risks may not only rupture the soul of India but also diminish our global standing as an economic and democratic power in the world.”¹¹⁵ While analyzing the latest Muslim killings in India by Hindu radicals, to mitigate anti-CAA protests he wrote, “Social harmony, the bedrock of economic development, is now under peril. No amount of tweaking of tax rates, showering of corporate incentives or goading will propel Indian or foreign businesses to invest, when the risk of eruption of sudden violence in one's neighborhood looms large. Lack of investment means lack of jobs and incomes, which, in turn, means lack of consumption and demand in the economy. A lack of demand will only further suppress private investments. This is the vicious cycle that our economy is stuck in.”¹¹⁶ He cautioned Indian policy makers and write, “The India that we know and cherish is

¹¹² Shekhar Gupta, “The economy is India's most potent weapon, but it's losing its power,” *Ibid.*

¹¹³ *Ibid.*

¹¹⁴ *Ibid.*

¹¹⁵ Manmohan Singh, “India has slid to being a majoritarian state in economic despair, writes Manmohan Singh,” *The Hindu*, March 6, 2021.

¹¹⁶ *Ibid.*

slipping away fast. Willfully stoked communal tensions, gross economic mismanagement and an external health shock are threatening to derail India's progress and standing. It is time to confront the harsh reality of the grave risks we face as a nation and address them squarely and sufficiently."¹¹⁷

Conclusion

This research study explored following findings:

- a. Soft power projection is a slow, non-violent, and persistent process which takes time to achieve the desired outcome or create the requisite impact but only a few actions can undo all the hard work.
- b. Soft power arises from the attractiveness of a country's culture, political ideals, and policies. Soft power of a country is enhanced when her policies, both foreign and domestic, are seen as legitimate in the eyes of international community.
- c. Prior to Modi's rise to power, India's soft power image across the globe was on the rise primarily due to her economic strength, democratic credentials, cultural expansion, promotion of yoga and secularism credentials.
- d. Modi's mindset, approach and some of his actions and policy decisions have seriously shaken the very foundations of India's soft image empire.
- e. Modi has removed the mascot of secular democratic India to show the real face of Fascist Hindu Nationalism.
- f. Fear of the eruption of unprovoked violence, the rise and strengthening of Hindu Radical violent pressure group and their influence on decision making has made India a risky investment. The economic risks have multiplied by economic meltdown,

¹¹⁷ Ibid.

which has negatively impacted the consumer ship and reduced the middle class.

- g. Façade of Indian claim of secularism has been completely exposed in Modi's India thus vindicating the validity of two nation theory.
- h. Indian economic meltdown was triggered by Modi's ill-conceived policy of demonetization which took 86% of India's currency abruptly out of circulation.
- i. India's economic downward spiral under Modi has and continues to seriously damage her greatest asset of past two decades which was the soft power image.
- j. Economic situation of a country has huge impact on her soft power image or global stature as in this context growing GDP could be powerful than all the mega-tonnage of nuclear weapons.
- k. Due to lack of effective economic policy, there are high chances of devastating effects of the Corona pandemic on economic-social and security realms in India.