

Making China and India Great Again?

Why China's and India's Paths to Power May Hit a Wall Part I: Domestic Policy Challenges

By Tommy Lamont

There is general agreement among the pundits and mandarins who study India and China that these two countries will become two of the world's most powerful nations in the near future, if they have not already. Some believe that they may become *the* most powerful nations in the world, relegating the United States and Europe to the status of mere observers of the future course of humanity. Regardless when exactly this may occur, such an outcome could be compared, in a sense, to a return to what Western historians term the premodern world, the world before the Renaissance and widespread European exploration, conquest, settlement, and industrialization, a world in which these two proud and accomplished Asian civilizations accounted for roughly 50 percent of the world's population, at least an equivalent share of the world's GDP, and were the envy of poorer and less developed societies. Today's rise of China and India could indeed make the past 200 years of Western dominance of the globe a mere footnote in world history.

During the past decade, this scenario has seemed increasingly inevitable. Indeed, most of my students at the boarding school where I teach, whether they are American, Chinese, or Indian, believe that within a decade China and India will overtake the United States and Europe to become the world's most powerful countries. They point to China's and India's rapidly growing economies and technological progress, which during the past few decades have made China and India, in some respects—for example, annual economic growth rates—the best-performing large economies in the world, a complete and remarkable reversal of the previous two centuries. My students also point to China's and India's outsized populations, which, they say, will help these countries continue to grow. And they point to the fact that China and India are both nuclear powers that militarily and economically already dominate their own regions, as well as increasingly enjoy a more powerful voice in global affairs, especially on matters of trade.

My students have their facts essentially correct. But are they making the mistake of thinking that today's trends preordain the future? What if the continued rise of China and India is not actually a certainty? What if India faces what Nobel Prize-winning economist Amartya Sen describes as “dark clouds and drenching showers already on the scene”?¹ What if, to paraphrase longtime China watcher Minxin Pei, the only thing rising faster than China is the hype about China?² What if China and India suffer from significant internal contradictions and other weaknesses that could, under certain circumstances, derail—if not erase—these countries' remarkable and laudable progress during the past half-century? Might their very obsession with restoring their perceived birthright as great powers actually hamper their progress, if not fatally undermine it?

Since wresting control of their societies from Western colonial powers in the mid-twentieth century and then experimenting with their own unique paths to power and prosperity, China and India seemed finally to find their preferred paths during the 1980s and 1990s, respectively. Yet new challenges have emerged with these new paths. Today, China's and India's governments acknowledge many of these challenges, some that are primarily domestic, or internal, in nature, and others that are more global in nature. The first part of this two-part article will focus on those domestic challenges.

The leaders of China and India are well aware of the significant domestic challenges they face. For example, China's leaders understand that their country's rapidly aging population may constitute a demographic time bomb that could leave China impotent in more ways than one. Hence, in



Chinese President Xi Jinping and Indian Prime Minister Shri Narendra Modi at an informal meeting in Chennai, India, October 12, 2019. Source: © Xie Huanchi/Xinhua/Alamy Live News

2015, the Chinese Communist Party (CCP) and its leader, Chinese President Xi Jinping, decided to end the infamous but brutally effective One-Child Policy that was instituted in 1979. Meanwhile, on the other side of the Himalayas, Indian Prime Minister Narendra Modi and his right-wing Bharatiya Janata Party (BJP) are well aware that India's economy would be better off if the country's poorer citizens were better-educated and healthier. Thus, recently, India's government supported the development of Aadhaar, a national identity database connected to a person's biometric profile, the stated intention of which is to ensure that government benefits needed by poor Indians actually go to them, instead of to corrupt officials or middlemen. Both China's and India's governments also understand and are concerned about the potential impact of climate change on their societies. Finally, they both understand that an era of global trade, which has greatly benefited their countries, appears to be on life support. However, understanding the challenges that their countries face is not the same as addressing them, at least in the right way. This is where India and China may fall short, dooming their dreams of restored glory.

There is another, even more terrible option that Modi and Xi seem inclined to reach for—the elimination of “the enemy within.”

Let's start by examining demographics. Yes, China can see the writing on the wall; the growing proportion of elderly in Chinese society undermines the country's economic health. So how has the end of the One-Child Policy worked out? Not so well, it seems. First, changing the law to a Two-Child Policy does not seem to have been enough. The generally accepted minimum “replacement number,” or total fertility rate (TFR), necessary to maintain existing population levels is 2.1, and five years after instituting the Two-Child Policy, China's TFR is barely inching upward, reaching just under 1.7 last year.³ Would the CCP enact a Three-Child Policy? Perhaps, but even that might not be enough to sustain China's population, because it is evident that most young Chinese, especially women of childbearing age, do not want to have many, if any, children, and certainly not more than two.

Some citizens of the People's Republic of China are having more than two children. Yet they tend to be members of minority groups, including Uighurs and Tibetans, both of whom have long resented Chinese influence and proven stubbornly resistant to government efforts to assimilate them.⁴ In the short term, population increases among these minority groups do not pose an existential threat to Chinese rule, even Chinese control of China's Western regions where Tibetans and Uighurs are far more numerous. This is because China's total population of 1.4 billion is almost 92 percent Han Chinese, and Tibetans and Uighurs comprise barely 0.001 percent of China's population.⁵ Despite these numbers, neither the CCP nor Han Chinese are enthusiastic about the possibility that China's population might consist of more minorities, especially Tibetans and Uighurs. Such wariness of minorities, even those that have at various times for more than a millennia lived within China's official boundaries, is also why China will not turn to immigration as a solution to its demographic challenge, unlike the United States, which until recently has long welcomed and depended upon immigrants. The CCP could decide that rather than encouraging immigration or promoting larger families among its Han population, the solution to its demographic challenge is automation, much as Japan has responded to its own and similar demographic challenge. But this solution would simply highlight the failures of the CCP's family planning approach.

The demographic challenge for India's Modi and his BJP is similar to China's, with one critical difference. As in China, India's birthrate has been falling fast for two decades, and its TFR is currently just under 2.5, the result of massive urbanization, not government coercion, and India's lower birthrates are most pronounced among India's majority Hindu population.⁶ India's Muslims, for many of the same reasons as China's minorities, have far more children per couple than India's Hindus. The idea of Muslims becoming a larger proportion of India's total population is deeply disturbing to Modi and his supporters, especially because Muslims already comprise a huge proportion of India's population, approximately 11 percent. And yet as Indian society becomes more urban, Modi is as unlikely to convince Hindu couples to have more children, as Xi is to convince Han Chinese to do so.

Regardless of its religious composition, a huge proportion of India's population is young, and this is what makes India's demographic challenge different from China's. Many have suggested that because these young Indians are in the midst of their most economically productive years, India will benefit from a “demographic dividend.”⁷ Yet Modi cannot be complacent; manual labor, no matter how inexpensive, is becoming less attractive to industries around the world, as robots and automation become better at manufacturing goods more cheaply than humans and become less costly. If this occurs in India, what will Modi do with all these young Indians, whether Hindu or Muslim? Will these young men riot in the streets, as many did during the Independence movement when Indian manufacturers were further cut off by the British, leaving hordes of young Indians to join Gandhi's movement?⁸

A related problem for India and China is that their populations consist of a lot more men than women, roughly thirty million more men than women in India and roughly forty million more men than women in China. This gender imbalance has come about during the past three decades because many Indian and Chinese couples with a traditional preference for boys have aborted female fetuses, which was made easier through the greater availability of ultrasound technology and safer abortions. Will the “extra” men of China and India, referred to in China as “bare branches” or “left-over men,” destabilize China and India or create international conflict? These “extra” men might do what men have done for millennia when faced with stiff competition for mates—seek partners in other societies. And some studies suggest that societies with smaller average families, such as China, are less likely to go to war for fear of losing an only child. However, many studies point to a disturbing alternate scenario. For example, the author of a 2015 study of China makes a strong case that the abnormally high surplus of young Chinese males will result in an increased likelihood of war with other countries.⁹ This idea is corroborated by other studies that show that single, young men are the demographic most likely to engage in violent criminal and antisocial behavior, and to join gangs or national militaries in pursuit of comradeship and purpose.¹⁰ Recent rising rates of violent crime in India and China, especially against women, may be a harbinger of the effect of these societies' gender imbalances.

Perhaps better education is the answer to the gender imbalances in China and India. China has made great strides with state education during the past several decades. Hundreds of millions of poor Chinese since the 1980s have gained access to basic schooling, not simply basic literacy. Yet conservative mores that dampen enthusiasm for girls, and a more recent emphasis on “patriotic” education, in which the martial spirit is promoted, may actually buttress the potential negative outcome of continuing gender imbalances in Chinese society.

Modi and the BJP comprehend why it is important to educate poor Indians; by better educating them, there will be a larger pool of skilled workers who can bring more value to India's economy. However, during Modi's tenure, India's state education has continued to be underfunded, in part because Modi is happy to save the government money and let private education pick up the slack, and this helps Modi and the BJP because private schools can emphasize religion to a greater degree than state schools since the latter are legally required to be secular. Furthermore, at least until Indian elections come around, Modi and the BJP seem more interested in achieving their dream of a Hindu-centric India than improving the standard of living for India's most disadvantaged citizens. During Modi's tenure as prime minister, especially since his reelection in 2019, Modi and the BJP have been conspicuously quiet amid a steady rise in the number and severity of attacks by Hindus on Muslims and by upper-caste Indians on members of India's lowest castes and untouchables, all this despite laws that guarantee religious freedom and the rights of India's disadvantaged.

There is another, even more terrible option that Modi and Xi seem inclined to reach for—the elimination of “the enemy within.” Ideologically, Xi, Modi, and their supporters draw their power from majoritarian rule and have little, perhaps no, sympathy for minorities. Few, if any, Han Chinese have protested the CCP's massive crackdown in Xinjiang, where independent experts estimate that between 900,000 and 1.8 millions of Uighur, Kazakh, Kyrgyz, and other Muslims have been detained in more than 1,300 concentration camps.¹¹ And while many Hindus have protested Modi's unconstitutional abrogation of Kashmir's autonomous status, the passage of a new discriminatory citizenship law (The Citizenship Amendment Act) that granted only non-Muslim refugees from Afghanistan, Bangladesh, and

Pakistan a path to citizenship, and the resulting slaughter of Muslims in Delhi by mobs of right-wing Hindus, these protesters represent a small sliver of India's electorate.

Both the BJP and the CCP gain strength from empowering their "base," and Modi and Xi would not be the first rulers in history to unleash their "base" upon their perceived domestic enemies in an organized and systematic fashion. Of course, in the long run, such a desperate act by the leaders of India and China would be disastrous, and one hopes that Xi and Modi realize this. It would almost certainly lead to unprecedented opprobrium and a consequent collapse in trade and international support as a result of economic sanctions. Furthermore, attacking domestic populations would likely weaken China and India internally by eroding popular support through an erosion of the liberties enjoyed by the majority and the attendant expense of a larger police state.

And China and India are not endowed with enormous resources except their human capital, especially adjusted on a per capita basis. This raises the question of how strong each country's economy really is. Some economists argue that despite the dazzling growth of China's economy and the development of a large domestic market for goods produced at home, China has not yet overcome the "middle income trap," when countries whose economies are dependent on manufacturing goods for export are unable to create a domestic market that can replace export markets should the latter fade. China has created a substantial domestic market for Chinese goods. But upper-class and middle-class Chinese have long preferred Western luxury brands over Chinese ones, and should global trade continue to contract, China may find itself struggling to get over the hump and escape the "middle income trap." India has long been less dependent on exports than China. Yet the challenge for India is simply growing the domestic market in a country where the median income is far less than in China.¹² How many customers a business has is not as important as how much disposable income those customers possess, and widespread poverty in India makes it difficult for



A satellite image of Uighurs who have been detained, blindfolded, and had their heads shaved by Chinese authorities as they are escorted to trains which will take them to detention camps. Images of what occurs in these camps are hard to come by because of suppression efforts by the Chinese government. Source: Screen capture from "Why more than a million Uighurs are being held in camps in China" by Guardian News on YouTube at <https://tinyurl.com/yadfn4e9>.



February 8, 2020, Muslim women protest the 2019 Citizenship Amendment Act in Kolkata, India. Source: © Shutterstock. Photo by Saikat Paul.

While in power both Xi and Modi have limited the range of voices in the public sphere while extolling themselves as the saviors of their people.

Indian businesses to make significant profits in the domestic market. The continued dominance of the Indian economy by older family conglomerates such as Tata, and the Chinese economy by state-owned enterprises (SOEs), potentially impede economic growth in both countries. Modi and Xi seem unwilling to take on these centers of traditional economic power.

The resistance of Modi and Xi to unleashing truly free enterprise in their countries is understandable because capitalism threatens their ideological basis for governance. Obviously, for Xi, “capitalism with Chinese characteristics” is not the same as capitalism as explained by Adam Smith in 1776. The same could be said of Communism in China today. Few Chinese privately profess faith in the ideas of Karl Marx and Mao Zedong, but many still believe in the Communist Party, or at least its ability to bring them wealth. Over the past thirty years, membership in the CCP has jumped in conjunction with China's economy, and in 2001, the CCP allowed private businesspeople to join. The benefit of being a party member in the twenty-first century is clearly not the ability to confiscate property from capitalists and distribute it among the proletariat, but rather the ability to develop business contacts and make a fortune on the backs of that proletariat. The contradiction of a political party dedicated to eradicating capitalism encouraging capitalism speaks volumes of the obvious hypocrisy of China's one-party state. And yet Xi protects SOEs because getting rid of them would leave too many Chinese unemployed and a threat to social stability. This delicate balancing act by the CCP since Deng Xiaoping took power in 1978 has created a deep cynicism among Chinese. So why do Chinese tolerate it? A significant reason is because since 1978, the standard of living of most Chinese has continued to increase. The more important question is whether China's leaders can continue to dance so effectively and keep the economy growing, thus ensuring the loyalty of China's citizens.

For Modi, despite significant economic liberalization beginning in the early 1990s, the position of traditional Indian plutocrats and state-owned industrial enterprises is similar to that of China's SOEs; their influences reach so far into India's economy that any constraints on them might hobble the economy as a whole. Most countries try to support their “national economic champions,” and India is no exception. Approximately one rupee out of six ends up in “public sector undertakings”—India's name for state-owned enterprises. There are discussions about privatizing public enterprises, but not much evidence of any action.¹³ Related to this is the fact that Modi, like Xi, sees almost all foreign corporations as potential threats to their own corporations. And for Xi and Modi, nothing could be more frightening to them and their publics than to be seen as allowing the return of nineteenth-century colonialism that was the original cause of their nations' previous emasculated states.

Another related problem facing China's and India's economies is the simple fact that economic growth is fueled by more than just hard work and investment. Every major economic growth spurt throughout history has been sparked and sustained by significant technological advancement, and every major economic power in modern history has been powered by concurrent technological advancement. In the late eighteenth and early nineteenth centuries, England did not become the first country to industrialize because it had coal. What England had virtually alone among its peers was a political tradition of limited government that allowed for greater personal space than in probably any other developing society, which in turn enabled a tradition of entrepreneurialism and technological innovation that resulted in extraordinary new technologies, among them the steam engine, the iconic technology of the Industrial Revolution.

While England, and then Western Europe, were industrializing, Qing emperors created mixed results regarding economic development; early Qing agricultural innovations and relatively low tax rates enabled peasant farmers to reach great levels of productivity, but China was rejecting new technologies and industrialization because the Qing emperor followed the long tradition of overseeing careful government control on foreign innovations and trade. Likewise, the Mughal emperors and the various princes of the Indian subcontinent of that era seemed little interested in, let alone understanding of, the great churning taking place in Europe, and they showed little interest in learning how to make better guns because such guns could be purchased with rubies and diamonds that were plentiful. Qing and Mughal emperors failed to appreciate the conditions necessary for technological innovation. Those conditions include personal liberty, especially the right to tinker and innovate, and to sell whatever it might be that your tinkering and innovative thinking have produced. How a government views the role of personal economy is important, and this is as true today as it was during the eighteenth and nineteenth centuries.¹⁴

Today, China boasts a truly impressive technology sector that has produced some excellent new technologies. However, innovation in China over the past few decades, and especially in the Xi Jinping era, has arguably been achieved less by truly independent actors than through careful direction and support from the Chinese government. The question is whether Xi, unlike his eighteenth- and nineteenth-century equivalents, will ever realize that restrictions on personal liberties, especially freedom of speech, will almost certainly dampen the spirit of innovation?¹⁵ Nationalism can spur citizens to make many impressive things for the homeland, but a nationalist police state can make it impossible for the best and the brightest to succeed, even if they actually want to. As China's best and brightest watch their personal space become more tightly limited under an increasing authoritarian, if not paranoid, regime, it seems reasonable to assume that many of these Chinese will either continue to seek better pastures or will wilt under stifling oppression.¹⁶

Unlike China, India has long been a relatively open society that has tolerated foreigners and quirky individuals. There are exceptions—such as the Yuan Dynasty Mongol Emperor Kublai Khan—but generally, since ancient times, foreign travelers and adventurers have generally found India more receptive to outside ideas than China. In the late sixteenth century, the Mughal Emperor Jalaluddin Muhammad Akbar, known to Westerners as Akbar the Great, famously listened for hours in his palace at Fatepur Sikri to theologians of many different faiths, including Christianity and Judaism, as they discussed the beliefs and merits of their respective religions. Today, India hosts its own vibrant and large technology sector that is perhaps more innovative than China's. And the free flow of information between Indian-Americans or nonresident Indians working in Silicon Valley has contributed to India's success in technology. Ironically, so have inept and corrupt bureaucrats who often turn a blind eye to egregious violations of India's notoriously voluminous and onerous regulations.

India, like any society, can regress and Modi's narrow vision of Indian society as a Hindu society has him steadily chipping away at the rights of Indian citizens. Might Modi institute a state of emergency in India, especially during a truly national emergency such as a pandemic, as a way to fulfill his vision? In 1975, Indian Prime Minister Indira Gandhi declared the first and only national emergency in independent India and shut down parliament. In a demonstration of incredible hubris, she ended the emergency after two years in the mistaken belief that India's voters would be grateful and reelect her. Her successors have shied away from even suggesting emergency rule



Chief Minister of Uttar Pradesh Yogi Adityanath visits the National War Memorial in New Delhi.
Source: © Shutterstock. Photo by Naveen Macro.

for fear of alienating the Indian voting public. Fifty years and two generations later, might this episode be little remembered by Indians? And might some, like Modi, believe that Indira Gandhi's mistake was not instituting the emergency but rather ending it? Certainly, Indians should be worried that the massive database and technological wizardry of the Aadhaar biometric program could make it easier for their government to control them.

Obviously, there is an element of speculation here, and there is a good chance that Xi and Modi will not turn to greater authoritarianism. Yet it bears noting that while in power both Xi and Modi have limited the range of voices in the public sphere while extolling themselves as the saviors of their people. Xi himself has amassed far more power than his predecessors, Jiang Zemin and Hu Jintao, and he has acquired a cult of personality not seen since Mao. The long arm of the Chinese state under Xi has increased its efforts to control what Chinese see and read, especially in schools and online. Modi, too, has tried to match Xi's influence by plastering his image on every roadside and placing into positions of power some of his more extreme supporters and allies, including Yogi Adityanath, a virulently militant Hindu nationalist whom Modi appointed chief minister (governor) of Uttar Pradesh, India's most populous state. And Modi has pressured the media and educational institutions for favorable coverage, as well as articles and educational courses that reflect the BJP's narrative of India's history.¹⁷

Like most nationalists, Modi and Xi often argue that restrictions on speech and other areas of personal liberty are done in the interest of national

security. A more united nation, they claim, is a stronger nation. And they maintain that their nations' horrible experiences at the hands of the West during the nineteenth and twentieth centuries point to the need for a strong country that can defend its people. It is a powerful argument that resonates deeply with many Indians and Chinese. But is it correct? Chinese and Indian nationalism might actually weaken India and China by exacerbating existing security challenges. Foreign policy and national security will constitute the second and final part of this essay. ■

NOTES

1. Amartya Sen and Jean Dreze, *An Uncertain Glory: India and Its Contradictions* (Princeton: Princeton University Press, 2013), 1.
2. Xinxin Pei, "The Dark Side of China's Rise," *Foreign Policy*, October 20, 2009.
3. *The World Bank*, accessed March 30, 2020, <https://tinyurl.com/y4d339kk>.
4. In the last few years the PRC has cracked down, often mercilessly, on members of minority groups who have ignored the One Child, and now Two Child, policy. There have recently been reports of widespread forced sterilizations of child-bearing age women in Xinjiang province. For a prescient and insightful analysis of the historical relationship between Han Chinese and Tibetans, Uighurs, and other minorities, see Ross Terrill, *The New Chinese Empire* (New York: Basic Books, 2003), chapter 9 ("Steppe Empire").
5. "Chinese Ethnic Groups: Overview Statistics," *China Studies Resources, University of North Carolina, Chapel Hill, North Carolina*, accessed March 30, 2020, <https://tinyurl.com/y4star6w>. There are many who dispute these figures because most of the data originates with studies done by the Chinese government.
6. *The World Bank*, accessed March 30, 2020, <https://tinyurl.com/y4d339kk>.
7. According to the CIA, in 2017 the median age in China was 38.4, and the median age in India was 28.7. CIA, *The World Factbook 2017*, accessed March 29, 2020, <https://tinyurl.com/y5pcv9mw>.
8. At various times during the Indian Independence movement, Gandhi hinted to the British that younger Indians might not always be receptive to his message of non-violent protest. See Thomas Lamont, "Give Me Blood, and I Will Give You Freedom": Bhagat Singh, Subhas Chandra Bose, and the Uses of Violence in India's Independence Movement," *Education About Asia* 19, no. 1 (2014): 5–10.
9. Kathryn Hillegass, "China: Aftermath of the One-Child Policy," *Georgetown Security Studies Review*, November 21, 2015, <https://tinyurl.com/yycj85ay>.
10. See Brian Nichiporuk, "The Security Implications of Demographic Factors," *Rand Corporation*, 2000, accessed March 30, 2020, <https://tinyurl.com/y5flsaeb>.
11. See Facts About Asia from the Spring 2020 issue of *Education About Asia* at <https://www.asianstudies.org/publications/eaonline-supplemental-materials/>.
12. According to the CIA, in 2017 the median income in India was approximately \$7,000, and the median income in China was approximately \$18,000. CIA, *The World Factbook 2017*, accessed March 29, 2020, <https://tinyurl.com/y5pcv9mw>.
13. "Most of India's State-Owned Firms are Ripe For Sale or Closure," *The Economist*, June 1, 2017, <https://tinyurl.com/y32gr75s>.
14. For more on the importance of governmental attitudes towards economics, see Daron Acemoglu and James A. Robinson, *Why Nations Fail, The Origins of Power, Prosperity, and Poverty* (New York: Random House, 2012).
15. Amy Chua doubts that China will ever become more of a magnet for talent, but this was her position before Donald Trump perhaps made America less great again for immigrants. See Amy Chua, *Day of Empire: How Hyperpowers Rise to Global Dominance—And Why They Fail* (New York: Doubleday, 2007), ch. 11.
16. Some argue that innovation occurs more often in places where manufacturing and construction is taking place because those places are more likely to encounter challenges that require new solutions, and thus China is more likely to see increased innovation, at least in the short term. See Clyde Perry and Jeff Perry, "The End of the Global Supply Chain," *Boston Globe*, March 29, 2020.
17. India's Supreme Court, which agreed to hear immediately a challenge to government restrictions on the press, ruled in favor of Modi's position that the Indian press must print the government's view on the Coronavirus situation.

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