

CHAPTER III

NEW CENTURY NEW ACTORS

INDIA AND ITS TRYST WITH DESTINY

SUMMARY: I. *India and the 21st century*. II. *India, the Indecipherable*. III. *India and its arguments*. IV. *Caste and poverty: a gordian knot*. V. *India-China or the dance of the giants*. VI. *India and its tryst with destiny*. VII. *Final considerations*.

India is an ethnographic and historical museum.
But it is a living museum, one in which modernity
coexists with archaisms that
have survived for millennia.

For this reason, it is a reality that is easier
to enumerate and describe than to define. Given
this diversity, it is legitimate to ask: is India
really a nation?

Octavio PAZ

I. INDIA AND THE 21ST CENTURY

The 21st Century awoke to the news of the rearrangement of the global world. Among other notes, it appeared that the four emerging economies of the so-called BRICS group (Brazil, Russia, India, and China)¹ would collapse the paradigms of the 20th Century, and would be placed within the most important nations of the world economy in 2050, where India would occupy third place, after China and the United States, while Russia and Brazil would take up fifth and sixth place, after Japan.

Along with the commotion to which these kinds of predictions give rise (2001, Jim O'Neill, Head of Global Economic Research of Goldman Sachs), a heated debate began over the 21st Century hegemony, which it seems will keep us occupied throughout the first half of these hundred years. It created a need for the world to know not only about the gross do-

¹ South Africa was excluded since it was not part of the initial proposal.

mestic product (GDP) and the trade balance of these countries, but also to understand, within the framework of their strengths and weaknesses, what it was that made everyone publicize, on one hand, the announcement of their amazement, or on the other hand, the skepticism about their success. These are questions that have not been easy to answer because the Western world, in line with its 20th Century achievements, consolidated a period of economic and civilizing success throughout the last five hundred years, forgot Asia in general, and countries such as India and China, in particular. As the Western world let these countries fall off its radar, it continued to maintain an image of social, economic, and political problems that they patented in the last century, and even during previous periods.

Russia, the former Soviet Union, before its fall in 1991 and the loss of 4.5 times its GDP in the nineties, generated the misconception in the Western world, now proven in 2015, that its recovery would take more time. China, with its historical famines that caused the deaths of millions of people during the seventies of the last century, also lent credence to the idea of an underdeveloped China, which would take a long time, not to be, as it is today, the first economy in the world by means of its purchasing power, but to reach the level of a developed nation. India, under its own circumstances, during the 20th Century and even nowadays, evokes first and foremost the idea of a poor nation of enormous social and economic problems, consisting of 1.25 billion inhabitants, over which it is difficult to conclude that within approximately three decades, it will be the third largest economy in the world. With regard to India, as well as with the other BRIC countries (excluding Brazil because of geopolitical and historical reasons), its image before and after its independence in 1947, two years before the victory of the Chinese Revolution, becomes distant and fuzzy, except to the erudite observer who never lost sight of the historical significance and the civilizing value of these nations. Thus, it is difficult to understand what the strengths will be that will make O'Neill's predictions possible.

Of the four original BRIC countries, perhaps India, due to its exuberant nature, is the most difficult country for the Western observer to understand: its historic past full of bends and curves, the powerful force of its religions, the prevailing yet still incomprehensible caste system, and the operation of a democracy of more than 700 million voters. Its successful economic growth with an average GDP of 6.4% from 1991 to 2013, etc., are new topics both for the West and for the everyday life of Mexico and Latin America. India, despite its four millennia history, is presented to the world today as a nebulous country that causes all sorts of images ranging from the idealization of its spirituality to the discovery of its contradictions.

Knowing that India already entered into the Pacific Era in this century, which was the result of the shift from the West toward a new geopolitical world that moved away from the Eurocentrism where it lived comfortably for half a millennium, and that India also enters into a new association scheme (BRIC) that has been showing its vocation for global leadership for this century since 2009, is an exercise that is no longer optional and has become a compulsory task for anyone who is interested in the narrative of the beginning of this millennium.

II. INDIA, THE *INDECIPHERABLE*

In his book “In Light of India”, written by Octavio Paz in the second half of the last century, he gives us a vision of the Asian country that would not be very far from what an ordinary observer would discover on arrival to India in this second decade of the 21st Century. In this regard, Paz tells us:

I ran down the stairs and plunged into the streets. There, awaiting me, was an unimagined reality: waves of heat; huge grey and red buildings, a Victorian London growing among palm trees and banyans like a recurrent nightmare, leprous walls, wide and beautiful avenues, huge unfamiliar trees, stinking alleyways, torrents of cars, people coming and going, rivers of bicycles, skeletal cows with no owners, beggars, creaking carts drawn by enervated oxen, rivers of bicycles, a survivor of the British Raj, in a meticulous and threadbare white suit, with a black umbrella, another beggar, four half-naked would-be saints daubed with paint, red betel stains on the sidewalk, horn battles between a taxi and a dusty bus, more bicycles, more cows, another half-naked saint, turning the corner, the apparition of a girl like a half-opened flower, gusts of stench, decomposing matter, whiffs of pure and fresh perfumes, stalls selling coconuts and slices of pineapple, ragged vagrants with no job and no luck, a gang of adolescents like an escaping herd of deer, women in red, blue, yellow, deliriously colored saris, some solar, some nocturnal, dark-haired women with bracelets on their ankles and sandals made not for the burning asphalt but for fields, public gardens overwhelmed by the heat, monkeys in the cornices of the buildings, shit and jasmine, homeless boys...

At the end of this detailed description of the Indian landscape, Paz already exhausted from so much reality adds, “I sat at the foot of a huge tree, a statue of the night, and tried to make an inventory of all I had seen, heard, smelled, and felt: dizziness, horror, stupor, astonishment, joy, enthusiasm,

nausea, inescapable attraction. What had attracted me? It was difficult to say: Human kind cannot bear much reality. Yes, the excess of reality had become an unreality, but that unreality had turned suddenly into a balcony from which I peered into-what? Into that which is beyond and still has no name..." (Paz, 1995, pp. 13-16).

Presently, India, a melting pot of contradictions, has not changed. At its core, its description would not be very distant from the hyper-realist picture that Octavio Paz draws in the long-gone decade of the sixties. Still, today any first-time traveler who wanders through the streets of old Delhi, through Agra, through its diverse provinces such as Jaipur, Punjab, and even through its "new" technological-cities such as Bangalore, would breathe the same smells and would share the same emotions of a country that is anchored in the time of its traditions. In a perverse combination with its economic limitations, it makes an impact on the Western observer through the long chapters of its history, through the lush arms of its culture, through the wealth and exacerbation of its religions, through the strong evidence of its eroticism, through the crash of its misery and lack of health services, etc., in a syncretism that captivates some, surprises others, and frightens the rest. Paradoxically, the reality described above coexists at the same time with the India-BRIC, with the technological India, with the nation at the vanguard in the fields of intelligence services and computational programming. If instead of asking Paz, we ask Thomas Friedman his current impression of India, he would comment:

"I was standing on the first tee at the KGA Golf Club in downtown Bangalore, in southern India, when my playing partner pointed at two shiny glass-and-steel buildings off in the distance, just behind the first green. The Goldman Sachs building wasn't done yet; otherwise he could have pointed that out as well and made it a threesome. HP and Texas Instruments had their offices on the back nine, along the tenth hole. That was not all. The tee markers were from Epson, the printer company, and one of our caddies was wearing a hat from 3M". "No, this definitely wasn't Kansas. It didn't even seem like India. Was this the New World, the Old World, or the Next World?" (Friedman, 2006, p. 13). For this reason, the Western world and the Indians themselves do not clearly understand of which India they speak or to which India they belong: to the country where approximately 50% of its population lacks drainage and healthcare services, or, to the nation that exports \$12 billion a year of high-technology services? (World Bank, 2012).

III. INDIA AND ITS ARGUMENTS

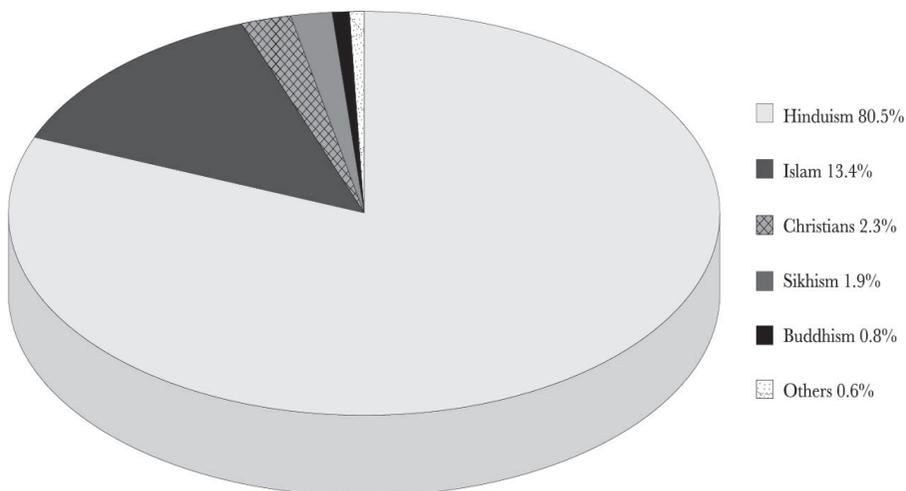
India begins to establish a credible starting economic platform (average GDP annual growth of 6.4%) in 1984 with Rajiv Gandhi as Prime Minister of India and more clearly since 1991 with Narasimhe Rao, but especially beginning with Manmohan Singh during the 2004-2014 period. This has inserted it into the winning forecasts of the beginning half of the century. After 68 years of independence (1947-2015), India began to pull away from the ghost of economic uncertainty that inhabited it during the most representative periods of its modern life. The first period, led by Jawaharlal Nehru (1947-1964) had an average growth of 3.8%, the second, identified by the administration of his daughter, Indira Gandhi (1966-1977/1980-1984) had an average of 4.2%, the third governed by the mandate of Indira's son, Rajiv Gandhi (1984-1989) had an average GDP increase of 5.9%, and the fourth, designated in this essay as an opening, as was already indicated, had an average annual economic growth of 6.4% from 1991 to 2014.

Although the figures of this last period of opening are still far from the average annual growth of 10% that China registers from 1979 to 2013, they begin to shape a project of confidence, both internal and external, that must be confirmed in the framework of what India is and can be. An India that answers to a global world still skeptical, as Paz points out, of whether it is really a modern nation, or if it continues to be a country with many archaisms.

The question is not minor, facing the arrival to power of Narendra Modi on May 26, 2014, who has stood out for being one of the radical members of the Hindu party Bharatiya Janata Party (BJP), currently in power. Since its inception, the main objective of this party has been to convert India into a "Hindu nation" against the multi-ethnic and multi-religious reality of the country; a posture that continues to be presented as an unresolved central issue and throughout its history has caused India countless problems and conflicts. An example of the aforementioned is the revolts that precede its independence in 1947, where it is estimated that between Hindus and Muslims approximately one million people died. Regarding this issue, it is also worth remembering that Gandhi's assassin (N. Godse, 1948) was a militant Hindu, who was a collaborator with V. D. Savarkar, a distinguished Brahman sponsor of an ardent and violent Hindu nationalism, whose ideas had been a cornerstone of the BJP's doctrine since the date of its last political version in 1980. The movement was involved with various attacks, such as the demolition of a mosque in 1992 in the city of Ayodhya, in the state of

Uttar Pradesh, for reasons of religious and political nature, which caused various riots where more than 1,500 people died, mostly Muslims. As another example, the now Prime Minister Modi was directly reproached in 2001-2002 for failing to prevent, as head of the executive power of the state of Gujarat, that the riots against the Muslim population left a toll of more than 1,000 dead, the majority of whom were Muslim. Everything that has been mentioned above is no more than a small sample of the cogency of an often violent millennial confrontation, which has been staged by the different religious-political actors of India, in particular, among the majority population (80%) that brandishes Hindu filiation on one hand, and on the other hand, the group belonging to Islam, which although a minority (13%), represents about 170 million people. With regard to the foregoing, it is not superfluous to recall also from this perspective that the Prime Minister Indira Gandhi was the victim of an assassination of religious-political nature in 1984, at the hands of her own escort detail, formed by members of the Sikh movement. While in 1991, her son Rajiv Gandhi, during his political campaign, was assassinated by a political-religious group belonging to the Liberation Tigers of Tamil Eelam (LTTE).

INDIAN POPULATION BY RELIGION



India Census, 2011

The religious problem is one of the main challenges that the 21st Century India needs to resolve. It is an issue that the country has been dragging along for nearly four millennia, while, at the same time, has enriched its cultural grounding. It has also prevented India's integration as a single nation with its own identity. Religion in India is still a pending issue and one of its most important social and political problems.

Since its origins, India has registered countless religious thoughts that are still part of its current reality. The Indo-European waves (Aryan) that inhabited it in 1500 B.C. already brought with them the written influences that would give life to the sacred books of the Vedas, which constitute the most important philosophical substrate of what is known today as Hinduism. But also, along with these beliefs, India was the cradle of one of the strongest currents of spiritual thought, Buddhism, which was born in Ancient India (now Nepal) in the 6th Century B.C., and continued for approximately 1,000 years until its near extinction in Indian Territory. Although, today this current enjoys perfect health in Japan, Korea, Thailand, China, and in East Asia in general. Likewise, today, Jainism is still practiced in India, which is derived from a branch of Buddhism that is more than 2,000 years old, although it also had important settlements of Judaism (175 B.C.), Christianity (3rd Century A.D.), of the Parsis (6th Century A.D.), Skepticism (3rd Century B.C.), Agnosticism (1st Century B.C.), Atheism, etc. In particular, since the 8th Century A.D, India also received the first influences of the Muslim religion, which were intensified with the first invasions in the 11th Century. Then, during the hegemony of the Mughal domination, it continued to grow and to spread, particularly during the reign of Babur in 1526 and until the fall of Aurangzeb in 1707. However, its direct influence extends for almost a thousand years (from 18th Century B.C. to 8th Century B.C.) with all the consequences that prevail to this day, where around 170 million Indians profess this religion. This figure is higher than any other Arab country except for Indonesia, which has 210 million followers.

India is today a multifaceted country that is integrated by multiple faces drawn by the stroke of different religious thoughts, which do not end tolerating each other spiritually or politically, in spite of its multiple efforts to achieve a public secularism. In the 21st Century, India clearly has failed to accomplish this in light of the BJP's goal of establishing a "Hindu nation" and not an Indian nation, excluding from that nationalism the vision, feelings, and beliefs of the Muslim population, in particular, and of the other religions in general.

Hinduism, Paz comments

Is a conglomeration of beliefs and rituals; although it lacks missionaries, its power of assimilation is immense. It does not know conversion in the Christian or Muslim sense, but it practices, with great success, appropriation. Like an enormous metaphysical boa, Hinduism slowly and relentlessly digests foreign cultures, Gods, languages, and beliefs (Paz, 1995, p. 65).

For his part, Amartya Sen adds: “In reality, the vision of a unified Hinduism as a religion is a relatively recent event. By tradition, the term ‘Hindu’ was used primarily as a signifier of place and country, and not as a homogeneous religious belief. The word derives from the Indus River or *Shindu* (the cradle of the Indus Valley civilization that flourished starting in approximately 3000 B.C.), and the name of this river is also the source of the word ‘India’ itself” (Sen, 2007, p. 368). However, in the expropriation that the BJP made of the term since its first political precedent, in 1925 when it was born as an ultra-nationalist force, it hijacked the word and redrew the history of the country at its convenience. Its aim was to monopolize the inheritance of all, and to build semantics with religious and political purposes beyond a secular and argumentative India; where the original people were the “Hindu” people; the only religion was the one that emanated from the Vedas and their “scholasticism” and their language was Hindi.

In the debate that prevails today about the Vedic ultra-nationalism as the original cradle of India, Lorenzen, and Preciado pointed out when asked who were the first inhabitants of the country, “In the middle of the second millennium before our era, several tribes of nomadic herdsmen who called themselves Aryans (Arya) arrived from the northwest of India, in the territory of present-day Pakistan. They came to India from Afghanistan and the north of Iran, but it is believed that their ancestors would have started their long journey many centuries before from somewhere between Central Asia and Eastern Europe” —adding to the above that— When the Indo-Europeans arrived in India, they brought an already formed religion whose characteristics are impossible to fully know. It is likely that it was a religion where the forces and phenomena of nature were deified. They also brought with them some religious hymns that, over time, would become the basis of the corpus of the Indo-Aryan sacred literature: the Veda (Lorenzen & Preciado pp. 23 and 24). It is clear from the aforementioned (Embree, Wilhem, Preciado, Lorenzen, etc.) that the Indo-European migrations have always played a leading role in the Vedic-Hindu matrix of the country, which was composed by exogenous flows that naturalized themselves through the centuries.

Within this narrative that exalts a pure and indigenous origin as the philosopher’s stone of the new “Hindu” nation, with a religious and cul-

tural component that excludes the rest of the country's religious groups, the position of the Hindu movement ignores the important history of secularism and tolerance, which is an argument that India itself constructed as an advancement in the development of humanity. Let us take as an example the Buddhist King Asoka during the Maurya Period (320-185 B.C.), and the Muslim King Akbar of the Mughal Dynasty (1556-1605 A.D.). Far ahead of their time, and in the framework of two of the three most advanced integrations that India achieved as a nation through its history (the third was the reign of Gupta from 300-500 A.D.), the former spoke of the need for tolerance and the advantages of the heterodoxy of religious thinking; while the latter, Akbar, going even further during his reign, established the benefit not only of religious tolerance, but of the need for the separation of the State from the different religious beliefs as is regulated by the Indian Constitution itself today.

The *sine qua non* conditions to achieve the possible positioning of the country as an important player in the first half of the 21st Century are its political unity as a modern nation where all its citizens dwell with a secular state and the Rule of Law where the diverse forms of religious thought are respected. To force an idea from the power of politics or demography, which goes against its historical composition, will be a powerful motive that might topple or stop O' Neill's simplistic forecast. There is no doubt that the important antecedents of the religious secularism of Asoka and Akbar have been relevant arguments during the construction of the current Rule of Law in India. However, it is also true that despite the two millennia that have passed from the former and the five centuries from the latter; their tenets have not been translated into an everyday social life that has removed the issue from India's political agenda. Certainly, there is a significant advance in this regard. However, the fact that the party and the Prime Minister in power still negotiate a "Hindu Nation", speaks to us about an issue that has not been resolved in the political leadership nor in the majority of the population, either Hindu or Muslim; nor even Sijh or Jains, etc.

Regarding its Asian component, in the framework of the BRIC countries, neither Russia nor China are currently facing this integrational challenge, cultural and religious. In the case of Russia, in spite of maintaining a multi-ethnic configuration because it is a hinge country between regions and cultures, since its encounter with the Byzantine culture and the Orthodox Church in 988 A.D., the former Soviet country defined both its identity and religious beliefs that, for the most part, explain its nationalism up to now. The 70 years of Communism were not an effulgence that troubled, up to now, the collective feeling of unity of the "Mother Russia". As for

China, the secularism of the native philosophy of Confucius, Lao-Tze, and Mencius (600 to 300 B.C.), together with the watered agnostic Buddhism of India, defined from the beginning, more than two thousand years ago, a nation of secular majority and Han ethnicity, centered in a political and economic power, that the Maoist thought only ratified. Despite the fact that Russia, China, and India are all Asian civilizations, only India presents a strong debate on State Nationalism and Religion, as a structural weakness that is awaiting better arguments from the country of the apple tree and roses (El nombre original de India, Embree Wilhelm, 2004).

IV. CASTE AND POVERTY: A GORDIAN KNOT

Nayak comments on the current poverty in India, “In spite of its more than six decades of planned economic growth, more than a third of India’s population remains absolutely poor, with a per capita income of less than USD \$1.25 per day. The learning level of education in India is still below average. Public health spending is only 1.2 percent of the GDP where the world average is 6.5 percent”. “Approximately half of the children between 0 and 5 years old are malnourished. The sanitary conditions are terrible. Approximately 50 percent of the population of India defecate in the open”. “In 2012, India’s place on the Human Development Index was 136 out of 186 countries”. With respect to the foregoing, Professor Nayak goes in depth based on a 2008 report issued by the National Commission for Enterprises in the Unorganized Sector (NCEUS). He states that 92 percent of the economically active population of India is employed in the informal sector. And, when a parameter of 40 cents a day is established as the limit below which a person would be considered poor, 76% of the population of India would be at this level, which would be, “...substantially higher than the poverty figure calculated by the Planning Commission that placed the percentage at approximately 36 percent of the population” (Nayak, 2015). In every scenario provided by this author, the poverty figures for India are enormous, because of the hundreds of millions of inhabitants that are involved.

Poverty in this Asian country, especially from the last three centuries onward, is an issue that has become an endemic problem, whose deepening has been attacking the very viability of the system. In addition, it certainly questions the trends of the BRIC macroeconomic analysis, which draws it as a winning nation of the 21st Century. The enormous poverty in India is not new data. Along with the indigence of China during the 19th and 20th Centuries, it is part of the closest memory of these two nations that the

West has maintained. This has been its greatest obstacle to making a timely analysis of its new attributes in the 21st Century. However, just as there is still a memory of the Chinese famine of the seventies that caused about 30 million deaths, the West has also not forgotten the famines and epidemics of India during the second half of the 19th Century and the first half of the 20th Century; or the famine in Bengal in 1943, which left in its path the death of millions of Indians. As a clear example of the above, using data from Maddison, Sachs points out, "...India did not experience any per-capita growth between 1600 and 1870" (Sachs, 2006, p. 255); or rather, for nearly three centuries the economic situation of the Indian people suffered an atrocious degradation.

As was already indicated, poverty is not a characteristic attributable only to India. China in the 20th Century also faced periods of severe food shortages that collapsed its demography. Russia, even during the nineties of the last century, saw its levels of poverty rise to nearly 60% despite having been a hegemony until 1991. However, the difference between India and the other BRIC countries is that its misery is very closely linked to a perverse formula of the country, marked by class and caste. Where, if one belongs to a lower class and a lower caste, one is condemned from birth to a miserable life, with almost no chance of overcoming this destiny. It is even worse for women.

The caste system is a particular institution of India that goes back to its Vedic origins and whose storyline and functioning are difficult to understand, not only for the Western observer, but for the Indians themselves. On this matter, Paniker comments, "There is no issue about India that is more complex and controversial than the so-called 'caste system.'" The "system" has been criticized ad nauseum and exalted —although less— to the point of paroxysm. However, in spite of the importance that the whole world grants to it, the topic is hardly known, and one could even say that it is poorly understood by the general public; even by many Indologists (Paniker, 2014, p. 7). The point is that in the India of today, in the India-BRIC, an institution that was born more than three and a half millennia ago, and that could be studied for historical, religious, or anthropological reasons because of its impact on the reality that prevails today in the country, has become a determinant category for resolving India's economic development and its excruciating levels of poverty and inequality.

Nayak based his opinion about the caste system on the opinion of Indian experts, "In the Hindu society; the caste of one is determined at birth and is immutable. This is the biggest impediment to any notion of genuine equality that any modern Democratic Republic aims to achieve. With care-

ful public intervention, one can create a favorable atmosphere for the substantial equality of income, but it is not possible that the son of a Shudra father is anything other than a Shudra” (Nayak, 2015). For Banerjee, “... the caste and the social discrimination based on caste are still the main criterion” (Banerjee, 2011, p. 257) of poverty and social backwardness in India.

To date, in the 21st Century, India presents a social structure that has defined it during the last four millennia, whose operation explains many of its differential values, and at the same time most of its social backwardness. Paniker explains that, “During the Vedic period, between -1500 and -500, India was configuring a system of ritual classes (Varnas) with the ideological support of the Purusa-Sukta, which may be dated to approximately -1000. It is likely that this religious scheme had been superposed to a segmented social structure into endogamous groups (Jatis), possibly emerging from tribal lineages. To Irawati Karve, the caste system would be the result of the, ‘merger of two systems, two cultures,’ of the pre-Aryan Jatis and of the Indo-European Varnas” (Paniker, 2014, p. 389).

The caste system, unlike other social schemes around the world, inexorably leads us to a religious origin, a cosmic order that gives support to an entire social building that has remained almost unchanged over time. Hence, as Ghurye says, any attempt to define the caste system is, “...destined to fail due to the complexity of the phenomenon” (Paniker, 2014). Certainly, this is not the place to study in depth such a complex topic. However, the Western observer who is trying to understand the strengths and weaknesses of the India-BRIC needs to peer into this social fabric composed of 4,000 to 5,000 castes (2011), which, like a great honeycomb, is full of inputs and outputs that are difficult to understand.

One has yet to discover its ancestral divine-cosmic origin, which has endowed it with sufficient arguments to millions of millions of Indians for withstanding a determinism of life that depends on the fate they got when they were born. Privileged, when born from a Brahama or Brahma-man; comfortably self-sufficient when one has the good fortune to be born a Chatria (warrior); self-sufficient when a Vaisa (merchant); of economic, social, and political distress, when one happens to be a Sudra (farmer, laborer driver, etc.); or even worse, if one gets the bad fortune to be born a Dalit, or untouchable. This classification is based on a religiously sanctioned idea, which has enjoyed surprising strength with small changes and adaptations. This is the result of the fact that the “divine-cosmic” substrate on which it rests, which is reincarnation, which also justifies, under a logic of faith, the privileges of the Brahman, the *Kshatriya*, and the *Vaishya*, for having been born already several times; as well as the determinism of the

lower classes such as the *Shudra* or Dalit throughout their earthly life for having been born only once. A situation that can only change while one is alive through good behavior, and with death, through the next reincarnation. “Birth (jāti) —Paniker said— is the first feature, and the most evident of the caste. One is born into a particular caste because one is the son or daughter of a father and mother of the same or very similar caste”. “One is born in one and only one jāti. The jāti is inherited, and it is for life. It is not chosen. Nor is it measured —such as the social class— by economic scales” (Paniker, 2014, p. 33).

This determinism or social destiny, which is unacceptable at least in the collective imagination of the Western world, still enjoys today a great validity in modern India, derived, in essence, from its religious seed that operates as sufficient justification for accepting misery for life without alarm. The argumentative India wants to put this religious premise on a secondary plane, where the political or economic power would replace it as the central point of poverty and inequality. However, despite the fact that the oppression is and has been a significant element in the logic of human exploitation, it is clear in light of the social reality of India, that its religious beliefs have been multiplied by infinity in terms of gods, languages, rites, diets, hierarchy, geography, customs, ethics, occupation, family, etc., the ones that have created a socially accepted personal habitat (caste system), from which one can only leave to improve oneself through death. That is why, during the last century, the main disturbances and riots in India, where thousands of people died, have been mainly for religious reasons and not for social demands.

For Manor, the caste system is, “The most durable and resistant social institution of Asia and perhaps of the world”. For Max Weber, “It is the fundamental institution of Hinduism; without castes, there is no Hindu”. For Myrdal, the caste system is the cause for which India, “Remains static, prolonging up to the present a natural and vegetative existence”. Karl Marx also dealt with the issue, pointing out that the castes were “Decisive impediments to the progress of India” (Paniker, 2015, pp. 8-12). The concept of caste was among the topics that most caught Octavio Paz’s attention during the approximately seven years that he had the opportunity to live in India carrying out his diplomatic missions. He indicates that, “The distinctive sign of the caste system is a religious notion, not economical, nor political”, unlike the modern Hindu argument that tries to prioritize its political, economic, or social nature. This, of course, becomes relevant within the explanation of the sustainability and the future of the caste system itself in the global dialogue of the 21st Century between the East and the West. In this regard, Paz insists, pointing out that, “The castes are also elements of the

Hindu hierarchical system, but this order functions based not on the power, nor on the money, but on a religious notion: purity and impurity”. Hence, its determinism and the difficulty in incorporating it into a modern national framework of common effort. For this reason, Paz adds, “The caste is the opposite of our classes and associations, formed by individuals. In it, the primordial reality is the collective. It is not a conglomerate of individuals but a circle of families. But a circle that encloses the individual: one is born, lives and dies in a caste”. Derived from the above, Paz closes his observation by stating that, “The castes were not invented to change but to last. And it has lasted. It is a social organization model thought for a static society. The social changes denaturalize it” (Paz, 1995, pp. 69-72).

The exuberant Hindu culture, with its leafy branches of religions, in a manner that is concomitant to its caste system, are two of the most important axes that explain the reality of the India of today and yesterday, but at the same time, to the Western observer, they are two of the main obstacles to understanding the India of the present millennium. However, what is important to note for the purposes of this work, is that when we talk about the 30% of poverty in India (375 million), its official figure, or 70% (875 million) as Nayak suggests based on empirical field studies, we are not only talking about the people that are living with less than 1.50 USD or 0.40 cents a day, but we are also mainly talking about the “Dalits” and “Shudra”. That is, of India’s lower castes, who consider their indigence a karmic destiny that will only be resolved with their second birth and not in the face of a personal action, family action, or a public policy that improves their economic oppression. Their destiny is cosmic, and their economic and social statuses are based upon the purity and impurity of their karma. Therefore, they bear their economic reality through the position of their family, of the trade which they ended up exercising, and of the place that they ended up living. Their nation is their family. Their country is their caste. Their universe is their “caste system;” hence their lack of empathy with the individualism and the modern concept of Western society and nation.

Of course, today, the castes have undergone mutations and the urban and Western elements, among others, systematically bombard their original nature. In spite of this, over the course of four millennia, the caste system has tested its strength since it has not been assimilated or mixed through almost a thousand years of cohabitation and Muslim rule, as well as with more than three centuries of Christian-Britannic influence and hegemony. The challenge of the India-BRIC, within the framework of its deep poverty lines, will be to transform the proven sturdiness of its caste system into an element of strength, not of weakness. Since the beginning of its indepen-

dence, India has been trying to do this through legal and social measures, and the so-called “positive discrimination” through which positions of privilege are kept for the lower castes in both the educational and the political domain. The India-BRIC must put forth an extra effort in this endeavor because, “The castes are still present; the untouchability —though illegal— is still in force; there are political parties that defend the interests of certain castes; and so on. The society of castes is a reality of contemporary India, and, it is much more elusive and adaptive than what was presupposed” (Paniker, 2014, p. 8).

V. INDIA-CHINA OR THE DANCE OF THE GIANTS

The relationship between China and India is a longstanding matter that goes back to the origin of the two nations. They have always known each other because their geographical location and their vicinity have made them coexist, learn from each other, compete, and even have belligerent encounters. Along with the Muslim, Japanese, and Russian civilizations, China and India include, in the Asian continent, five out of the seven civilizations that today are recognized throughout the world (Huntington, 2001), underlining with the strength of their numbers, and the exuberance of their cultures, the significance that the Asian continent has had on the history of mankind. Within this range of civilizing offerings, China and India have stood out since antiquity because of both their vast territories and the weight of their demographics, as well as by their vast cultural offerings.

India, for its part, is a long history of encounters and clashes where a continent full of wealth has struggled at all times to find a common identity and a geographic integration that would give it strength before the other nations, which always have tried to conquer it. The former, the common identity, is a pending issue that fails to consolidate itself to date. And the latter, geographic integration, took nearly four millennia to crystallize itself in a definitive manner in 1947. On this date, the country became independent from the British Empire at a great cost since it lost the territory and the population of Pakistan, which later divided itself to form Bangladesh in 1971.

India, along with the West, still struggles to rescue its origins because according to its nature and its perception of time, historiography has not been one of its priorities. Already in the year 1000 A. D., an Arab historian who complained of this lack of information stated that, “Unfortunately, the Indians do not give much importance to the historic course of events; they are very careless about the chronological enumeration of their kings and when

they are called for some clarification, and they do not know what to answer, they are immediately ready to tell stories” (Embree & Wilhem, India, 2004).

Indian history was born with its name, on the banks of the Indus River, where its pre-Aryan background was developed in its streams (Harappa, Mohenjo Daro, etc.), with more than 4,000 years of antiquity, and where the Indo-Europeans or Aryans (-3500 years), who were the main source of the different cultures that flourished in India, settled. This fact about the origin of the Indian people remains a topic of political discussion. The aim is to determine the purity and authenticity of a majority of the “Hindu” population, which is still demanding an individuality without adjectives, with their backs turned against a time that distinguished itself by the ethnographic richness of all the actors who participated in the composition of the Indian ethos, such as the Muslim civilization. As noted above, the history of India is not an easy subject for the West. In this infinite line of kingdoms that triumph and kingdoms that fall, appeared the Maurya, Gupta, and Mughal Dynasties on the horizon of more than two and a half millennia. They are the most successful attempts to integrate the Indian subcontinent under a single leadership, as a political unit. Although, in fact, it never was completely materialized, and the efforts that were made, in historical times, to achieve this goal were ephemeral. For example, the Maurya reign that stands out for having had one of the most widely recognized leaders of the Indian history, King Asoka (268 B. C.), lasted 137 years. The Gupta Empire had a hegemony that lasted approximately 180 years when all the kings who represented it are counted. The third of them, the Mughal Empire of Muslim origin, lasted 181 years when it is measured from the reign of Babu (1526 A. D.) to the fall of Aurangzeb (1707 A. D.), which really is the time of its domain and splendor (its disintegration occurred throughout the 18th Century). The other factor of integration occurs through the English presence, which since the year 1600, through the decree authorizing the installation of the East India Company (EIC) by the British, slowly scaled its presence in India until its complete domination. In 1689 the company was already almost a State within India, with an army of its own and control over geographic areas. Given its disproportionate growth and the anarchic conditions that prevailed, in 1858 the EIC was replaced by a viceroy who declared India a British Colony. In other words, the geographic integration of India, similarly to the ethnographic, religious, political, or cultural integration, has always been an outstanding issue that has endured through our days in the form of a harsh dialogue, which sometimes has become violent, between the Hindus and the Muslims, or with the other ethnic groups or religions. In an important way, this pulverization is also multiplied internally

among the Hindu population, through all the colors of the broad kaleidoscope of religions, traditions, sects, classes, gods, languages, etc., into which are divided the intricate branches of the tree of Hindu culture.

In the framework of the analysis of the BRIC countries, the trajectory of India and China is often put on the same level with certain easiness because the two countries have a robust demography and an Asian origin. However, on this starting line, despite their vicinity and their historical millennialism, the path of the two diverges since their birth in a bifurcation that separates them in issues as sensitive as political unity, religion, language, integration, etc., that defines them on one hand, and on the other hand, generates both different strengths as well as weaknesses in the 21st Century.

“In the 4th Century B. C., —Pirenne points out— the monarchical imperialism and political realism schools of thought appeared, also from East Asia, which crossing the Asian continent, presided over the foundation of the Maurya Empire in India, and the Ch’in Monarchy in China” (Pirenne, 1979). However, as noted earlier, in the case of India, the Maurya Reign lasted only 137 years. Then, the integration achieved broke into multiple kingdoms until almost 500 years later when the Gupta Dynasty achieved another important integration of the country. After the Gupta Dynasty, it took almost a thousand years for the arrival of the Mughal Reign with its monarch Akbar, the most important reign of the three. This tells us that throughout its history and until its independence, India did not have a sustainable political unity, much less unity as a nation. The majority of its reigns lived inward in a family, caste, class, and kingdom unity that prevented them from assimilating themselves with other trends. The Chinese case is different. Since 221 B.C., when King Chin-Che-Huang came to power, he unified the different kingdoms and laid the foundations of a central administration that ended the feudal domains. This was consolidated in 210. B.C. with the supremacy of the Han ethnic group, which, although with many vicissitudes and some interruptions, has held the power in China up through our times, where 90% of the population registers this ethnographic origin. In other words, India did not achieve geographical unity and the beginning of a nation until 1947, with a cost of approximately one million deaths that occurred in the face of its division from Pakistan. Whereas, China has been working during two millennia on a common unity and on a concept of a nation that has functioned in spite of the invasions of the Huns, Mongols, Manchu, etc., and it has had no problems in finally assimilating them to its culture and political power without losing its national hallmark.

Another important element that distinguishes India and China is the religious component. As already discussed, India has been and is a spiritual

melting pot where countless religions and rites have been practiced. Among them, as philosopher's stones of Hinduism, stand out the four books of the Vedas and the two epic poems the Ramayana and Mahabharata. It has also been the cradle of important religions such as Buddhism, Jainism, the Sikh current, etc. In addition, when Hinduism turned into a cult of castes, each one of them, plus the families that form them, multiplied by infinity the gods, the myths, and the beliefs of these religions. In addition to the above, to the diverse richness of images and creeds, during 1,000 years the country has also been an ardent follower of the monotheistic religion of the god without a face (Muslim), with a liturgy, gospel and symbology totally different from the Hindu. China for its part, has been a country that since the middle of the millennium before Christ found through the ethics of Confucius (551 B. C.), the Daoism of Lao-Tze (4th Century B. C.) and the teachings of Mencius (372 B. C.), among others, each one in its time and circumstances, a path of spiritual development through an ethic of the duty of being that responds more to a natural state of things than to a design or divine favor. Of course, China also had its incursion with the favors of "Heaven" but as Botton points out, "In China, the separation of the human and divine spheres was earlier than in other cultures" (Botton, 2000, p. 81). Buddhism, despite having a strong presence in China until the 9th Century A. D., in its moral part of acting justly, of thinking justly, of giving what is fair, of acting fairly, of fair words, of fair efforts, etc., initially joined the force of Confucianism. However, over time its presence was diminished, among other reasons, because of the persecution of Emperor Wuzong (841-846). The limitations that the Chinese Communist Party (CPC) applied to the religion beginning in 1949 were no more than the ratification of an agnostic spiritual idiosyncrasy, "with Chinese characteristics", that the majority of the Chinese people have practiced, with various adaptations, for 2000 years. In this way, in India, 80.5% of the population practices Hinduism, including everything that was already explained; 13.4% are practicing Muslims, and the rest are Christians (2.3 %), Sikhs (1.9 %), and only 0.8% are Buddhists. Regarding China, more than forty percent of its population is considered agnostic or atheist (42%); the traditional religions occupy 30%, Buddhism 18%, Christianity 4%, the minority ethnic religions 4%, Islam 2%, etc. In addition to the above, as a further element of the Chinese national cohesion, 1.2 billion people out of 1.35 billion inhabitants speak Mandarin; while in the case of India, only 41% speak Hindi, which is one of the 24 official languages established by the Constitution of India, in addition to another 179 languages and 544 dialects that are spoken in the country.

As was already explained, the relationship between China and India is ancestral. There is evidence of their contact and trade since the 8th Century B. C. The pilgrimages of Chinese Buddhist monks such as Faxian, Yijing or Xuanzang, are famous, whose translations from Sanskrit to Chinese enriched Buddhist knowledge. The political and cultural exchange was also a benchmark for the two countries. But there is no doubt that after two millennia, the national identity and common destiny as the engines of the development to come are projects that are more finished in China than in India, which is an important differential asset to take into account during the analysis of the BRIC countries.

Their Economic History or the Abstract of the Two Giants

Within the framework of the change from an Atlantic Era toward a Pacific Era, humanity's economic history would have to take into account the importance that China and India have registered on this issue. This has been most especially true since the beginning of these last two thousand years until the middle of the 19th Century, where it appears that the two Asian giants have shared the economic hegemony of the world throughout 92% of modern times. This figure is overwhelming, but there was a general trend toward oblivion in the midst of both British and American haste from the latter two centuries of Western economic dominance.

SHARE OF THE WORLD GDP
(BILLIONS OF DOLLARS)

Country	1	1000	1500	1820	1850	1870	1913	1950	2008
India	33.8	33.8	60.5	111.4	125.7	134.9	204.2	222.2	3415
China	26.8	27.5	61.8	228.6	247.2	189.7	241.4	245.0	8908
The West	14.4	10.9	44.2	158.9	260.3	366.2	902.1	1396	8698
USA	—	—	—	12.5	42.6	98.4	517.4	1455	9485

Emilio Ontiveros/ Mauro F Guillén 2012

In this historical relevance of everything economic, the role played by India, which held the world's economic hegemony for nearly a thousand years (1-1000 years A. D.), stands out. The following five hundred years

shared this predominance with China, which begins to fade in the 17th Century, then to fall in the 19th Century. Nowadays, the economic importance of India represents only 10% of the American GDP and about 20% of the Chinese GDP (2013, BM). In this regard, Ontiveros and Guillen comment that, “It is important to remember that India was the world’s largest economy during at least 15 centuries (since the year I A.D. until around the year 1500)”, and that, “China occupied the number-one place for three and a half centuries (from 1500 until 1840)” (Ontiveros & Guillén, 2012, p. 148); which breaks with the common idea of an omnipresent euro-centricity. On this topic, Crespo also comments that, “India was the world’s largest economy in the early 18th Century. According to some historians, a quarter of the global gross domestic product came from India’s Mughal Empire. The world’s second-largest economy was China’s Manchu Empire. India and China were also demographic giants, each with more than 100 million inhabitants at that time”. In this regard, the same author abounds, “The wealth of India and China was the result of many centuries of development of the civilizations that had emerged on the banks of the Ganges and the Yellow River, and of the more sophisticated cultures and ways of life that their inhabitants had reached. Their cities and their customs fascinated the Europeans, their palaces and their treasures dazzled them, and their systems of government and their armies imposed a lot of respect. Since medieval times, the Europeans who reached these civilizations were well aware that they were before large civilizations, in some respects superior to their own”. “This is the reason for which the Europeans, initially approached the Indian and Chinese civilizations with great caution, and the methods that they used to colonize the land on which they inhabited would be very different from the others” (MacLennan, 2012, p. 186).

Geography favors both India and China. First of all, there are abundant natural resources in their vast territories. Second, their geographical location, which is distant, but is within the conformation of the ancient world; which although it finds its first expressions in the Sumerian and Mesopotamian Basins that are very close to India, moves quickly towards the Occident pushing the military hegemonies towards Macedonia, Greece, Rome, Carthage; or towards Egypt, Persia, etc. In this regard, India forms part of the ancient world since its beginning, with the advantages that result from it. At the same time, the conditions of its location, as well as those of China, kept it sufficiently far away from the great struggles for the military hegemony of the era. It is true that India was not exempt from this threat through the arrival of the first waves of Indo-European/Aryans, which together with its original populations constructed a Vedic society that remains

to date. However, when Alexander the Great attempted his conquest in 327 B. C., the distance, more than the battle; and the exhaustion of Alexander's generals who were feeling so far away from Macedonia, caused him to fail. Similarly, Rome did not attempt to extend its armed arm to these nations that were so "distant", Certainly, in the case of India, the regional microcosm that surrounded it since its origin, through the central European area, the Russian steppes, or its many northwest neighbors (Mitannis, Huns, Bactrias, Persians, Mongols, etc.), defined its unsustainable political and military development. However, in the framework of this uneasiness, it did not lose its economic hegemony for centuries. Since the conquests of Asoka (268 B. C.), Pirenne comments, "... India became the most populous Empire and the wealthiest of the Earth..."

The huge natural resources, agricultural production, textiles, mineral products, spices, etc., together with its strategic geographic location, for it was the forced route of trade between the Chinese products from East Asia to Asia Minor and to Europe (the Silk Road), were several of the factors that determined India's solvency. Its vast territory and its varied climates, its large rivers, its access to the sea, among others, were the reasons that kept the country's wealth from Azoka until Akbar in spite of the difficult political vicissitudes that it experienced from its origin, which, as was already mentioned, never allowed it, as was the case of China, to build a permanent national political unit. China's governments, through the sustainability of its dynasties and kingdoms, and even in spite of invasions, such as the Mongolian, which founded the Yuan Dynasty (13th Century), and the Manchu that integrates to the Qing Dynasty (17th Century), maintained a central vocation, a provincial organization, an administrative excellence, etc. Nevertheless, despite its greater political, religious, and ethnological cohesion, China was lagging behind, in economic terms, with respect to its "disjointed" neighbor to the south. In the end, over time, the two hegemonies were distinguished by their economic strength because they had a demographic asset, which since the 1st Century of our era allowed them to have sufficient human resources to generate an agricultural wealth that dominated until the pre-industrial age of the 15th Century. Since the first century, when Western Europe had 25 million inhabitants, India stood out with 75 million and China followed it with 60 million people. The same thing happened in the years 1000 and 1500 A.D., in which India continued to maintain a population of almost twice that of Europe and superior to China with an average of 15 million inhabitants.

SHARE OF THE WORLD POPULATION
(MILLIONS)

<i>Country</i>	<i>1</i>	<i>1000</i>	<i>1500</i>	<i>1820</i>	<i>1850</i>	<i>1870</i>	<i>1913</i>	<i>1950</i>	<i>2008</i>
India	75	75	110	209	235	253	303	259	1148
China	59.6	59	103	381	412	358	437	546	1324
The West	25.1	25.6	57.3	133	166	187.5	261	305	401
USA	0.7	1.3	2	10	23.6	40.2	97.6	152	304

Emilio Ontiveros/ Mauro F Guillén 2012

Empires do not last forever, and the history of mankind gives an account of this (Spengler, Toynbee, Huntinton, Kennedy, etc.). For approximately 15 centuries, Western European wealth only accounted for 30% of the economic power of India and China. However, the glimpse of this change, from this civilizing predominance of Asia to a European one is given at the end of the 15th Century. There are many studies and many reasons that attempt to explain the economic decline of India: the change in the importance of the natural resources; the degree of political, economic, and social integration; the level of development; the creation of better institutions, etc. However, the date that marks the beginning of its imperial decline in the second millennium, as well as that of China, was May 20, 1498, when the fleet of Vasco De Gama reached Calicut (Kozhicode) in the current state of Kerala, India, for the first time, opening a direct route from a European port (Portugal) to the Asian country. Together with Vasco Da Gama, a pre-industrial European superiority arrives in Asia, which gradually positioned itself in each and every one of the ancient kingdoms of the area. In different ways, modes, and speeds, Portuguese, Dutch, Spanish, English, French, Russians, etc., arrived to this new geography. While India already had records of contacts and trade with the West, only Alexander the Great, nearly two millennia before, had attempted a rapprochement with vocation and possibilities of control. After Portugal, England installed its first factory in 1612 in Surat, India, as did the French in 1668. Portugal, England, Holland, and France are the four countries that primarily handled the European conquest of the Indian subcontinent. However, this dispute for the hegemony and the resources of India is defined in 1757 in the Battle of Plassey, in West Bengal. There, the English defeated the French in the framework of the Seven Years' War, which at the same time was being

staged on European soil (1756-1763). It also confined the French interests primarily to the area of Indochina (Vietnam, Cambodia, Laos, etc.).

China, at the same time, suffered the European siege, though its encounter with the West, as it is known, significantly differed in time, form, and results with respect to the Indian encounter. The first to knock on China's door through the new maritime route were the Portuguese in 1513: Rafael Perestrello on the south of the Chinese coast, and Jorge Álvares in the north. In 1517, Fernao Pires de Andrade, after waiting for four years to be received by the Emperor, was imprisoned and executed along with his delegation. Finally, in 1544, because of their persistence, the Portuguese succeeded in settling in for commercial purposes in Macao with the Emperor's tolerance. In 1628, China was invaded in the north by the Russian Cossacks, who were expelled in 1685. Unlike India, which the Europeans find divided and disorganized, the Chinese central power represented an impregnable wall to the Western interests in the first centuries of the "conquest". Although in 1544, as was already mentioned, the Portuguese commercial presence was extremely limited and monitored, it was not until 1840, or nearly three centuries after that, that China allows the English to have commercial facilities in its territory, and to keep Hong Kong because of its military defeat in the Opium War and the signing of the Treaty of Nanking. In contrast to India, which was defeated by the West, China never was, and on the contrary, "China remained convinced of being the center of the civilized world and that all the other countries were obligated to pay homage to it. Neither the Emperor nor any member of his court believed that trade with the West could bring them benefits" (MacLennan, 2012, p 191).

The political, religious, and cultural division, that does not allow a national unity, makes India an easy prey for European interest. Through the authorization of various local kings, or the Mughal Emperor in turn, the English were displacing their Western competitors and taking over India, militarily and politically. "The fact that peace and prosperity reigned wherever the British were, while chaos had taken over of the rest of India, led the Mughal Emperor to offer Clive an agreement by which the British took control of the exploitation and management of what remained of its empire, which covered almost the entire north of India" (MacLennan, 2012, p. 188). India was not successfully defended, neither by the Hindus nor by the Mughals, while its huge wealth led to the British East India Company being economically more powerful than the English government itself at some point. This led to its private management passing into the hands of the government under the representation of Robert Clive in 1774. The

English presence in India began in 1600, it deepened throughout the 17th Century, expanded in the 18th Century, and was institutionalized in 1858 through the establishment of the British Raj. China, as noted before, based on its power and organization, rejected the sieges and forced England to take it to the Opium War, where a declining Empire no longer had the strength to withstand Western superiority. After England, and along with it, and following similar strategies, which Fairbank called, “The century of treaties” (Fairbank, 1996, pp. 245-248), France, Russia, the United States, Japan, etc., taking advantage of the weakness of the Chinese giant, conducted multiple raids that resulted in the signing of advantageous international treaties that were against the Chinese interests. Nevertheless, in spite of the fact that in the Boxers Rebellion (1899) a coalition of around ten countries was formed against China, and at that time two of them (Russia and Japan) took part of its territory, China was never completely defeated. It defended its heritage, geography and sovereignty until 1911 when the Era of the Empires ended through an internal social movement. This movement was not resolved until 1949 with the triumph of the Communist Party of China (CPC) commanded by Mao Zedong. This political, economic, and cultural unity of China that thins but never breaks, is the difference between it and an India that was broken, and that contrary to China, was finally put together by the West.

The pre-industrial and industrial knowledge, the technological advances in the military and navigation, and the European Renaissance and Enlightenment in general, tipped the balance of the hegemonies from the 18th to the 21st Centuries toward the Western sphere. Stagnation, division, and isolation, enemies of modernity, among other reasons, caused the fall of the two Asian giants. Their way of dealing with this first clash of civilizations, on the part of each one of them, also helps to explain their strengths and weaknesses in the 21st Century. When Prince Rasselas of Abyssinia (1759) asked why the Europeans were so powerful, his philosopher, Imlac, replied, “They are more powerful, Lord, than we are, because they are wiser; knowledge always predominates over ignorance, as man governs over other animals. However, regarding why their knowledge is superior to ours; I do not know what reason can be given, except the inscrutable will of the Supreme Being” (Ferguson, 2012, p. 50). In the change from the Atlantic Era to the Pacific Era, that the global economy is currently experiencing, we will have to be attentive to the new designs of “wisdom” and the new “knowledge”.

VI. INDIA AND ITS TRYST WITH DESTINY

1947-1964

Beyond the various positions that speak of India as a political unit before 1947, what is certain is that they were never able to achieve this union during the Maurya, Gupta, and Mughal or other Reigns, and even during the English Viceroyalty itself. For this reason, despite the economic supremacy of India throughout its history, it never could exercise that supremacy as an extra-regional power, nor did it comply with the attributes of a dominant hegemony. This is because of its lack of political cohesion and the randomness of its historical cycles; which never ceases to be a paradox in the face of its robust wealth of more than 15 centuries. Hence, the importance of its national awakening in the 20th Century, which Nehru defined in the following manner:

Long years ago we made a tryst with destiny, and now the time comes when we shall redeem our pledge, not wholly or in full measure, but very substantially. At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom. A moment comes, which comes but rarely in history, when we step out from the old to the new, when an age ends, and when the soul of a nation, long suppressed, finds utterance. It is fitting that at this solemn moment we take the pledge of dedication to the service of India and her people and to the still larger cause of humanity (Percival, 2001, p. 340).

In the previous sentence, pronounced the day before India's Declaration of Independence on August 15, 1947, Nehru recognizes an old tryst with destiny that has not been fulfilled; an awakening to life and freedom; the soul of a nation silenced that finds an opportunity for expression; all are challenges to which he dedicated his life until his death in 1964. Jawaharlal Nehru, the son of an aristocratic family from Kashmir, was a key player in both the process preceding India's independence, as well as during the first phase of its economic and political positioning during the period that spans from 1947 to 1964. Together with Mahatma Gandhi in his historical role as the great peacemaker of India, and with Muhammad Ali Jinnah, leader of the All-India Muslim League, they were three personages who coincided in a cathartic moment for the country, when the divided currents of its history tumultuously flowed into a wide sea of a nation in which the waters did not know where to settle themselves. This compelled India to the payment of approximately one million deaths as a result of the internal struggles of its liberalization (Tharoor, 2009), the sacrifice of Gandhi, the loss of 70

million inhabitants who remained in the Pakistani area, the displacement of 17 million people, and the division of the nation into two countries—India and Pakistan—which staged three wars in the following 24 years. This division turned into three countries upon the independence of Bangladesh from Pakistan in 1971. Nor should one forget the still valid issue of Kashmir, which was divided after its independence into an Indian and a Pakistani area; with the Chinese addition after the War of 1962.

The union pact of the Indian nation was not a simple event; it was from the beginning a forced birth that even today battles, in a different way, in the pursuit of its common identity.

The end of the Second World War marked the beginning of the exhaustion of the Western nations' hegemony in the world in general, and in East Asia in particular. The trauma of almost 100 million dead in the first half of the 20th Century was not the best environment in which to re-launch Western hegemony under a territorial blueprint that had already stretched itself a long way. In the case of India, an exhausted England, more than a politically united India, precipitated the events that led to the recognition of its independence just two years after the end of the War, and governing would be left in Indian hands. However, it is not difficult to imagine the chaotic moments that had to pass in order for that to happen. A country that had never been able to reconcile its different interests, whether political, religious, cultural, social, etc., was facing departure from English tutelage and was walking alone for the first time during the birth of a new global world that was in the process of being inaugurated. The violence with hundreds of thousands of deaths would have been larger without the presence of Gandhi, and certainly the national control of the country would have been more difficult without the figure of one of the most prominent men of the second half of the 20th Century, meaning Nehru.

An India with about 95% illiteracy; with 85% of its population living in the countryside; with 90% of poverty; divided into nearly 362 states or provinces, with 390 million inhabitants (1941); divided by religion and culture, mainly between Hindus and Muslims; without experience in the overall management of the country; among many other weaknesses, was a challenge that without the political figure of Nehru, since Gandhi was assassinated in 1948, surely would have implied a greater cost. While attacking religious violence, he had to convince hundreds of small kingdoms to join any of the 29 states and 7 territories into which India was finally being organized politically; to organize its new constitutional status (1950); to launch an economic project, to define its political path; and to lay out its international relations. These were some of the many issues that Nehru's

leadership had to face during the 17 years that he served as Prime Minister. Nehru, politically speaking, is the result of his “enlightened” preparation at Cambridge, England; of his agnosticism that warned him of the danger that, “Religion in India would kill this country and its people if it was not controlled” (Tharoor, 2009, p. 234); of his political conviction on Western values such as democracy and human rights, etc.; of his consciousness of the political world of his time; of his sympathy for Socialism and the non-alignment to the great powers. All these beliefs were chiseling out the new profile of the Indian nation. Although, in principle, Nehru declared to be “...convinced that the key to solving the problems of the world and of India is found in Socialism...” “Nehru’s Socialism was a curious amalgam of idealism (of a Fabian style, particularly English), deep concern –while somewhat idealized—for the needy (that arose as a result of his increasingly Imperial travels among them), Gandhi’s faith in self-sufficiency (learned before the spinning wheel and characterized by his predilection for the Khadi), increasing distrust in Western capital (arisen from his primary anti-colonialism) and ‘modern’ faith in ‘scientific’ methods such as Planning (the initial capital letter is deliberate: Nehru raised the technique to the status of dogma)” (Tharoor, 2009, pp. 178-179).

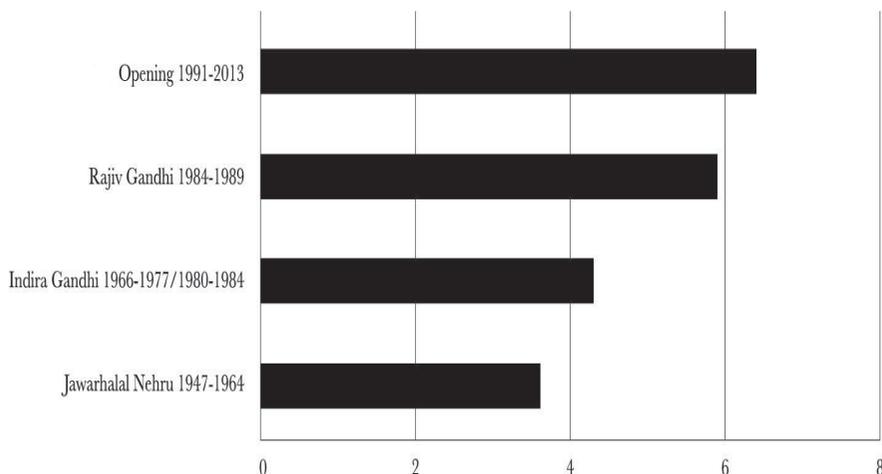
Politically, Nehru deployed a strategy of reconciliation toward all the political and religious forces that were representative of the country, giving them a place in the government. At the same time, he exerted an inflexible heavy-handed policy against violence, regardless of its origin. Internationally, he sympathized with Socialist countries, in particular, with the then Soviet Union and China, as well as headed a movement of non-aligned countries along with Nasser (Egypt) and Tito (former Yugoslavia). He kept at a distance from the Western leaders of the post-war period. Economically, and before the influences of his time, Nehru adopted an eclectic path, which while it was inspired by the examples of the Socialist model, tried to regain a line of mixed development. Under a Socialist idea, he created the Planning Commission in 1950. This was responsible for preparing the first five-year plan in 1951 through which it was structuring a public and private industrial system with a priority state participation in the new companies. In the face of the absence of capital, the scarce technological knowledge and the absence of an industrial structure, the capacity for saving was encouraged, and priority was given to the national industry through import substitution. In order to strengthen the economic area, the State established a dominant role, especially in the heavy industry sector. It regulated the private sector through the granting of licenses, distribution, and price control. Based on the policy established in 1948, the industry was divided into:

a) state monopoly, where nuclear weapons and railway industry appeared, among others; b) basic industries of special importance to the State (steel industry, ships, minerals, airline industry, telecommunications, etc.); c) industries of national interest, where the participation of the State was minor; and d) all the other areas that were open to foreign investment. Although private industrial business was accepted, it was subject to a greater control with the passage of time, and a system of price control was established for products such as metals, cement, medicine, cotton, soap, sugar, public vehicles, etc., where the State, under the idea of maintaining “reasonable” prices for the population, came to have a direct interference (Panagariya, 2008, pp. 32-36). By giving priority to the industrial sector, the Nehru government neglected the agricultural sector where the majority of the population was, perhaps with the idea that India had lived under this blueprint during the last 2,000 years. As in the industry, a mixed model was sought where new co-operatives coexisted with traditional property; intervening in the hydraulic and hydroelectric infrastructure to increase land irrigation. The Essential Commodities Act of 1955 gave the State the power to set maximum prices for field products, which discouraged their production. In the educational domain, Nehru’s most important action regarding public policy corresponds to the creation of his famous Institutes of Technology (1947). This, together with the Institute of Science created by the Tata family (1909), has made the difference in matters of the production of high-technology services between India and other developing countries, including China.

On economic matters, Nehru’s term continues to be controversial and can be seen from various perspectives. However, if we start considering that the average economic growth of India from 1900 to 1947 was 0.9%, and from 1950 to 1961 was 3.7%; with a per-capita GDP of 0.1% and 1.8%, respectively (Sen, 2013), one would have to accept that its departure from England, along with the arrival of Nehru, widely favored India. Despite this, the criticism of the mixed economy model implemented by Nehru is based on the higher increases registered by Korea, Taiwan, Japan, and other East Asian countries during the same period, which when he died had high levels of State corruption and inefficiency.

Notwithstanding the foregoing, the takeoff period of India’s independence cannot be outlined only by growth and percentages. Nehru’s legacy in the area of creation of democratic institutions, the defense of State secularism, his ability to integrate the multiple kingdoms and religions around a State goal, avoiding the disintegration of the country during its kick-off phase, and endowing it with an international personality of respect in the midst of the crisis, are some of the legacies of a statesman with his tryst with destiny.

INDIAN POPULATION BY RELIGION



Author's own creation based on data from the World Bank & India's Government.

1966-1977/1980-1984

The second period representative of the independent India, for the purposes of this work, corresponds to the two administrations of Nehru's daughter, Indira Gandhi. It includes her first rise to power after her father's death (1966-1977), and her second arrival to power until her assassination in 1984 (1980-1984). Indira did not assume power automatically after the death of her father; L. B. Shastri was elected before her. This is despite the fact that when Nehru was alive, there was a chorus of voices that suggested that he should leave his political testament in his daughter's hands, who prepared herself for the job working closely with him, especially in the last fifteen years of his life. The arrival of Indira to power did not happen within a framework of political normality. It was preceded by turbulent events such as the traumatic war with China. Although the War took place during her father's term (1962), its consequences had not been dissipated in the face of the Indian troops' thunderous defeat since they never expected, within the framework of the "deep" India-China "friendship", "Hindi-Chini bhai-bhai" (Indians and Chinese are brothers), that Mao's Republic would invade Indian soil in such an unexpected manner. India lost 6,500

km² of its territory. Similarly, two droughts occurred in 1965 and 1967, the first war with Pakistan in 1965, and the second in 1971, two more droughts in 1971 and 1973, etc. The droughts forced the country to rely on American aid for the delivery of food, which broke, to some extent, Nehru's legacy of non-alignment and gave rise to resentment on the part of the Indian people against the Americans, who took advantage of its instability to increase their importance in the area. These incidents struck the economy and forced the devaluation of the rupee (36%). Politically, the image of the Congress Party, the historical party of Nehru and Indira, suffered a major loss. This led to the enactment of a 10-point program in 1967, which imposed among other measures: the nationalization of the banks and insurance; set limits on urban property and income; restrictions on the monopolies and concentration of capital; public food distribution; agricultural reform, etc. It was tantamount to orienting Nehru's mixed economy towards a Socialism that was even further from American Capitalism, and closer to the Soviet Bloc, with whom it built an agreement in 1971 for a period of 20 years, increasing its economic and commercial relationship with the Bloc partners.

Indira Gandhi's government did not stand out for its efficiency and clarity. More interventionist politics put pressure on private enterprise through a licensing policy, which politically controlled areas, amounts, sectors, and national and international investors; bureaucratizing industrial activity, reducing dynamism and clarity. In contrast to Nehru's period, agriculture would benefit more through the so-called "green revolution", with new fields, a greater variety of seeds, and the increase in crops, especially in the north of the country. In an important manner, this allowed India to achieve food self-sufficiency in 1970.

The Congress Party, with Indira at the head, lost the parliamentary elections for the first time in 1977 because of natural disasters, wars, and bad governance, among other problems. In spite of this, in face of the lack of capacity of the government in turn, it was necessary to call for elections again in 1980, where Indira came out victorious. However, she was assassinated in the gardens of her official residence in 1984 by two of her private guards, followers of the Sikh religion, who acted after Indira ordered a repression outside the Golden Temple, which is a sacred place among the followers of this "church".

Indira, Octavio Paz points out, "...was not religious but was possessed by the passion and the belief that she belonged to a predestined lineage (the Brahmins of Kashmir!)". "This passion clouded, at the end, her sharp political understanding and her realism". In line with this passion, Indira adopted extreme policies, which at the time shook political groups and the

Indian people. In 1974, she made an attempt to dilute democratic guarantees based on the serious situation that the country was undergoing. In a speech addressed to the people, that may have made her into the only female dictator of the 20th Century, she pointed out that, “Our opponents want to paralyze the work of the government, which places us in a serious position. And we have taken some measures. But many of the friends in the country are wondering, what is Indira doing? What will happen now with the country? But, we see that the country is headed toward disaster and requires urgent healing, and medicine has to be given even though it may be bitter. As if it were a dear child, when the doctor prescribes bitter pills, they have to be given to him for his healing... Therefore, it is necessary to give this bitter medicine to the nation. When the child suffers, the mother suffers with him. For this reason, we are not happy taking these measures... But we will see that they work as a doctor does”. (Guha, 2007, p. 493). These anti-democratic actions, her poor economic results, the encouragement of the extremists in the Punjab, would make Indira, “The first victim of a conflict caused by herself”, and Paz concluded that, “...it seems clear to me that Indira, moved by the demon of politics, lit the fire that burned her” (Paz, 1995, p. 41).

1984-1989

With Rajiv Gandhi concludes the parliamentary dynasty of the Nehru-Gandhi family (37 years). They ruled approximately 50% of the independent India period (1947-2014), and although it is a family line, father-daughter-grandson, in economic and political terms, there were marked differences in each exercise. Nehru inaugurated a mixed economy with Socialist vocation, while his daughter radicalized his approach toward a state's economy. Regarding Rajiv, a first helm of change can be seen during his administration, which is presented as the antecedent of the opening that India would follow from 1991 onward with Narasimha Rao. Rajiv, whose work history was as an airplane pilot, joined the political realm in 1983 as the General Secretary of the Congress Party because of the death of his brother. He comfortably won the 1984 elections (75%) in the face of the assassination of his mother. By putting a personal stamp to his administration, during the first years of his mandate, he began a process of economic liberalization that changed the trend implemented by Indira in her 10-point program. In the industrial sector, starting in 1985, he established terms for the production of manufacturing supply chains such as trucks, carts, supplies, etc., generating more

flexible strategies in various sectors. Similarly, he allowed the expansion of businesses that had reached 80% of their installed capacity; increased the total for industries subject to obtaining a license to the sum of one trillion rupees, benefiting 27 industrial sectors; facilitated and exempted from licensing businesses located 100 km from big cities; freed 82 pharmaceutical products and 30 industries in the sector; granted fiscal exemptions according to sales and assets; canceled price control on cement and aluminum, etc. The launch of these measures caused the industrial GDP to grow an annual average of 6.3% during the period of '81-'88 (Panagariya, 2008, pp 83 and 84). Similarly, liberalization measures were applied in the field of foreign trade and foreign investment, state-owned companies (telegraph and telecommunications), as well as in the area of education. The 5.6% growth during his term, which exceeded that of his grandfather and mother, ratified the antecedent of the policy of economic liberalization, which would be applied in a broader manner starting in 1991.

There is another line of analysis that measures the economic development of India focusing on its period with socialist tendencies (1950-1984) and on the period of opening, which in an initial impetus begins with Rajiv in 1984 and continues to the present with Narendra Modi. The first cycle is characterized by an average annual growth of 3.5% of the GDP and a per-capita growth of 1.4%, and the second, with a substantive improvement of the average annual growth of 5.6% of the GDP and a per-capita growth of 3.6%. This reflects on one hand the economic failure of the first period, as well as the consistent growth of the Indian economy during the period of the measurement. (Uma, 2008, p. 61).

The death of Rajiv Gandhi, also assassinated for religious reasons in 1991, generated a watershed in the political development of India. First of all, because with his defeat, concluded a political dynasty that governed the country during half of its independent life under the protection of the figure of Nehru. Indeed, the absence of the Nehru Dynasty, along with other events, opened the door by which the most important political rival of the Congress Party, the Bharatiya Janata Party, came to power in 1998. This, as was already mentioned, is the radical expression of the Hindu movement, whose tenure in the government was thought to be temporary in the face of its defeat in 2004. However, its return in 2014, with the figure of the Prime Minister Narendra Modi, again opens unconcluded historical themes about the identity and nature of the nation.

The death of Rajiv Gandhi triggered a new political chapter that was preceded by adjustments, in which the different forces did not manage to obtain sufficient majority to be able to govern in a sustained manner. From

Rajiv in 1989 to the arrival of Manmohan Singh in 2004, there have been eight Prime Ministers. Among them, only Rao (1991-1996) of the Congress Party, and A. Behari Vajpayee (1998-2004) of the BJP and the National Front Coalition, were able to finish their term. In addition to the political instability, India had already entered, like China in 1978, and Russia in 1991, a stage where the Socialist lines of its development were exhausted. It faced an urgent need to carry out structural reforms that not only gave more speed to its growth, but resolved its unemployment, poverty, and lack of inclusion problems. A severe financial crisis forced a restructure in 1990-1991 before the International Monetary Fund (IMF) and the World Bank (WB), Institutions that precisely in those years also negotiated with Russia the new lines of its development. There is no doubt that the form and the strategy for economic opening followed as much by China as by Russia and India, have had a lot to do with the major or minor success of their current situation. With a common origin, which means a Socialist economic base, these three countries, each in their own circumstances, initiated their assimilation into the global economy in the seventies (China) or in the nineties (India and Russia). The Chinese experience, the most successful of all three of them, must have been a useful source for a benchmark for India because the timing and the way that the transformation from a Central Planning economy, set up by Mao, to a Market Socialism, imposed by Deng Xiaoping, was carried out, are a permanent lesson for any developing country. The Russians, on the contrary, in the nineties, instrumented a reform strategy that would cost the country the loss of 4.5 times its GDP in the face of the plan's clumsiness. In 500 days, they tried to transform a Communist economic model into a Capitalist one. Fortunately, it did not influence, in a determinant way, the measures taken by Prime Minister P. V. Narasimha Rao, who from the beginning rested on the talent of Manmohan Singh, his Minister of Finance. In this regard, the Indian reform was the construction of an incipient opening that Nehru glimpsed; Indira tolerated; Rajiv launched, and Rao and Singh had to push under a "nationalist" view toward the outside, which paradoxically, despite its contradictions, India has never lost from its sight. It has resulted in the implementation of changes that have not fallen into the precipitation, or the handover, of the country to foreign interests, which framed the Russian opening of the nineties. In this new line, the reforms of 1991 almost completely abolished the economic system of licenses and permits, reduced barriers to foreign investment and foreign trade operations, opened the financial sector to a greater extent, tended to decrease the State's participation and control, gave more freedom to the different market forces, motivated a greater competition, oriented the

economy more toward the foreign market, expanded the special economic zones, reinforced the service sector, increased productivity, etc. Notwithstanding this, none of these changes were precipitously carried out or were fast-tracked as occurred in Mexico; as a result, the Indian State continues to maintain strategic companies (atomic energy, railways, etc.); its regulations on monopolies and restrictive practices have new guidelines that are more liberal (2002), but continue protecting the State's interest. Although the State property is under permanent debate, it has not been eliminated, especially in the countryside and in sensitive matters. The financial liberalization, despite its opening, continues to give the State room to maneuver in the control of banking and its currency. At least formally, the labor regulation has not been defeated by the opening; the countryside keeps limitations on prices, transfers, and collections with direct subsidies from the State, etc. (Uma, 2012, pp. 25-31).

VII. FINAL CONSIDERATIONS

India, like the other BRIC countries, shines and is committed to proving to itself and to the world, in general, that its development is consistent, and that it must certainly be considered within the new hegemonies of the 21st Century; that it has found the keys to its “destiny” and that a “Brilliant India” will illuminate the country in the next decades.

For this reason, it deploys its best arguments and uses the voice of Asoka to prove its ancestral democratic origin, and its secular vocation, where the role of the State is to be the guarantor of respect to all faiths that have always been practiced in India. Furthermore, it turns to the figure of Akbar to show the world its tolerance of thought and its argumentative legacy. This places India beyond the Western-English hegemony, in the modern world of critique and reason, of which the West claims a monopolistic origin. Under these arguments, the instruments of its vast cultural wealth, India sits today at the table of globalization, defends its political present, and claims a preponderant place for the immediate future. This translates under the BRIC language into the third largest economy of the world by 2050.

In the words of Manmohan Singh, India tells the world, quoting Victor Hugo, that, “No power on Earth can stop an idea when its time has come;” and while talking to his parliament, Singh, tells the world, “...that the emergence of India as a global economic power should be taken as this kind of ideas. Let the whole world know and hear loudly and clearly that India has awakened. That we will prevail. That we will triumph” (Uma, 2012, p. 15).

Its permanent economic growth, which has been maintained for more than half a century; its successes in the field of intelligence services and high technology; its scientific infrastructure; its food self-sufficiency; its political strength anchored in the world's largest democracy since its independence; its enormous demography; the exuberance of its history and its culture; are some of the reasons that support the idea of a successful India already trying to be placed beside China, or to overcome it, in terms of the percentage of growth in the coming years.

There is another vision, one that claims, "That the crude campaign of a 'brilliant India' seemed little by little a cruel campaign for the majority of the citizens that were still struggling to survive". This indicates that, "In order to be 'brilliant,' India needs touching stones to cross, ensuring the health and elementary education, as well as food and clean drinking water for its citizens, thereby eliminating social discrimination and alleviating misery, working together instead of competing with its neighbors to create a healthy and economically viable environment in the south of Asia" (Ishita, 2011, pp. 251, 264). It also reports that, "In spite of more than six decades of planned economic growth, more than a third of India's population remains absolutely poor, with a per capita income of less than USD \$1.25 per day. That the learning level of education in India is still below average. That public health spending is only 1.2 percent of the GDP where the world average is 6.5 percent". That, "Approximately half of the children between 0 and 5 years old are malnourished". That, "The sanitary conditions are terrible". And that, "In 2012, India's place on the Human Development Index was 136 out of 186 countries" (Nayak, 2015).

On the delicate gap between the successful growth of India's GDP with regard to sensitive issues such as poverty, health, social security, and education, Amartya Sen comments, "The history of world development offers very few examples, if any, of an economy that is growing so much and for so long with results so limited in the fight against poverty" (Amartya & Jean, 2013, p. 11).

India is an enormous tree whose branches are so thick that they do not let us see with clarity the size of its trunk. Similarly, there is no one, single India; countless cultural, religious, and social Indias coexist in the same territory, which limit all kinds of easy and unifying conclusions. The West battles with this, especially after O'Neil proposed an India-BRIC hegemony for the 21st Century. However, not only for the West is it complicated to understand the political, economic, and social contradictions of the world's most populous democratic country. The Asian specialists themselves struggle to accommodate in a single container the ideal of Rabindranath Tagore

when he said that his being, his person, was, “A confluence of three cultures, Hindu, Muslim, and British” (Sen, 2007, p. 122); at the same time, they struggle to find the key to a more just and inclusive economic development. An India which hopes to be a hegemony will have to start dealing with and solving this unfinished business.

RUSSIA IN THE XXI CENTURY: DECLINE OR RESURGENCE?

SUMMARY: I. *Introduction*. II. *Russia, identity problem*. III. *Twentieth century: a shared leadership*. IV. *Decline or resurgence?* V. *The assets of the future*.

I. INTRODUCTION

Since 2009, when the first meeting of the formal summit of the BRICS countries was held (Brazil, Russia, India, China, and now South Africa) in Yekaterinburg, Russia, after Goldman Sachs launched the acronym BRIC into the world in 2002 in reference to set of countries that, as a result of their strengths, would take economic and geopolitical leadership in the year 2050, the global society reflected once again on an Eastern European country, Russia, which, due to its enormous problems at the end of the 20th Century, had often been forgotten in the international symphony of politics (Oropeza Garcia, 2011, p. 170).

Ever since the precipitous fall of the Berlin Wall (1989), and with it, the great empire of the Soviet Union (1991), the political and economic world was left with the idea of an exiguous and defeated Russia that would take a long time to rebuild the terms of its international relevance. More than two decades after the collapse of the political wall that symbolized the end of the Soviet world, Russia, through consistent work that has been ongoing for a little more than 10 years, has placed itself once again on the international agenda, thus reclaiming the recognition of its role as a relevant nation in the new geopolitical conformation that is being carried out in the first half of the 21st Century.

After its economic collapse that caused the loss of 4.5 times its economic value (GDP) in the nineties, in 2012 Russia has recovered part of its economic value by placing itself as the ninth world economy with a GDP of 2 trillion dollars, a per capita income of 14,302 dollars, reserves that total a sum of 537 billion dollars, an annual FDI of 51 billion dollars, and accord-

ing to the 2009 Nye Soft Power Index, it has 137 thousand foreign students, 42 of every 100 people are Internet users, 3.5% of the global military expenditure; 4,834 nuclear warheads, a 99.5% literacy rate, and its always relevant territory of 17 million square kilometers.

Has Russia truly managed to overcome the path of its economic problems and political instability over the span of a quarter of a century? The answer is not clear for the external observer, nor is it clear for the Russians themselves. What is clear is that the country is experiencing the beginning of an important economic recovery thanks to the strength of its natural resources. Similarly, a new period of political stability can be seen in the hands of the vertical command of President Putin. This, as a whole, has generated the first foundations to regain its role as a relevant international player and improve its economic relationship with the world in general and with the Latin American region in particular, where it increased its commercial business more than 3 times from 2000-2011. In the case of Mexico, trade went from a total of \$83 million dollars in 1999, compared with 2012 when the exchange skyrocketed to \$1.7 billion dollars during the same period (Secretariat of Economy).

Getting to know a BRIC country better, especially one whose geographic distance has been dismantled by technology, is now an obligation as much for Latin America as it is for Mexico. This is because of the importance of its past and the growing relevance of its current economic and political positioning, but above all because of the potential of its strengths in oil, gas, coal, water, food, etc., reserves in a world that will be struggling to replace its non-renewable raw materials in the 21st Century.

II. RUSSIA, IDENTITY PROBLEM

Russia as a theme does more than pass through the identity of a country whose economic importance, whose GDP, or whose trade is once again recognized. Due to its long trajectory and its idiosyncrasy, the Slavic nation refers us to a subject, which, by the nature of its characteristics, places it alongside long-standing nations such as China, India, Mexico, Japan, etc.; with countries that in their journey have generated a historic significance, a civilization. For this reason, when the Soviet Union fell, what was appreciated was not the end of a country or a union of countries, but rather, what could be seen was the “bloodless” defeat of an enormous empire, of a civilization that, in its last phase, prevailed in Eastern Europe and South Asia for 70 years (1921-1991).

Russia, since its origins, has been, as Huntington defines, a “torn” country, a term that he also extends to countries such as Turkey and Mexico, as they are hinge nations or bridges between two cultures or civilizations. “The Russian civilization”, —Huntington points out— was the result of its indigenous roots in the Russia of Kiev and Muscovy, the important Byzantine footprint, and the prolonged Mongol rule. This influence configured a society and a culture that has few similarities with those that emerged in Western Europe under the influence of very different forces”. “Seven out of the eight distinctive features of the Western Civilization indicated above —religion, languages, separation of church and state, rule of law, social pluralism, representative body, individualism— were almost completely absent from the Russian experience” (Huntington, 2001, p. 165).

Within the change of Eras that is proposed by some authors, regarding the transition from the Atlantic to the Pacific Era (Mahbubani, Huntington, etc.), or the clash or encounter between the Western Civilization, and that of East Asia for the prevalence of the 21st Century, the question repeatedly appears in the texts that deal with the debate over whether Russia belongs to the Atlantic or the Pacific area, whether Russia should be aligned with China and the countries of the South East Asian region (ASEAN), or with the United States and the Western countries. The question is not new, as the world, along with Russia, has been permanently confused for more than half a millennium, on whether the Russian Nation should be considered a European country or whether it should be labeled as an Asian country instead. The answer, however, remains unclear, and even the Russians themselves are not really convinced. They have maintained this dichotomy as a pending issue on that path toward the future on which they have been trying to build the beginning of an identity for more than 500 years. Its quality as a border country, a hinge, between Europe and Asia, has determined it to be, since the outset, part of two worlds with different characteristics and customs, with which it shares a vicinity of centuries. Russia, with less recent history than its neighbors, is born as a cultural expression far from the metropolis of both worlds, looking for its own path, but always influenced by the power of these two cultures that had their golden eras before the Russian Nation existed.

Since the formation of the first Russian political unit at the beginning of the 16th Century, the country lives its encounter with Europe through the exuberance of the Byzantine culture. For Russia this was a motivation for a future and for a project, while for Europe this was already a period of decline for the Roman Empire. It is in reference to this separation in cultural times between Russia and Europe that one speaks of the “historical

delay” that has accompanied and defined the Slavic country during the previous centuries. Bremer relates, “In contrast, the alliance with Byzantium will define for centuries the cultural identity of Russia, and its feudal order will become even more rigid”. The Orthodox Church, in its liturgical, not catechetical, conception, did not concern itself with the formation of the people “...Russia did not know of any stimulus that compelled clerics and laity to reflect and reasonably transmit the truths and demands of the faith, as a prelude to its own secularization”. The marriage of political power with the religious world will accentuate these tendencies toward stagnation. On the one hand, an obscure religion from an intellectual point of view that favored the rite of the mysteries, and on the other hand, a centralist and absolute power, found their perfect equation. In the Russian churches, the iconostasis, a beautiful wall of icons, divides the area in which the sacraments take place from the space that corresponds to the public. This divisive wall will find its equivalent in the Kremlin, the barrier that separates the headquarters of the political power from the rest of society” (Bremer, 2006, p. 51). When the Renaissance of the 16th Century was dawning in the West; Russia, looking for the Western future, entered into a stage of political and religious darkness, typical of 6th Century Europe. In the meantime, Ivan IV freed the Russian Central State from the Asian yoke by defeating the Tartars with the conquest of Kazan and *Astrakhan*.

Peter I and Catherine II, the most prominent Russians hegemony of the 17th and 18th Centuries, who ruled the Russian region for nearly eight decades, also envisioned the future and the identity of the country from the standpoint of a European inspiration. This resulted in a new capital (St. Petersburg), born under Venetian influence, as well as by the Western art of the time. Despite these efforts, the modernization work only benefited the upper layers of the population, since, “During their government, the movements in favor of the liberation of serfs were cruelly repressed. Below the surface, the feudal order, the conditions of extreme poverty, and the old archaic structures in economic and political life remained intact. Enormous distances, poor communication infrastructure, the asymmetry between the weak urban population and the rural population, as well as the underdevelopment of the educational system, made it even more difficult for the changes in history to infiltrate the interior of the country” (Bremer, 2006, p. 54).

Notwithstanding the degree of civilization that is attributed to the Russian culture, on the horizon of world history, it appeared in a significant manner several thousand years after other Asian expressions such as the Chinese, Indian, Japanese, and Muslim, this being by far the continent which has the highest number of civilizations. Similarly, in its different dia-

logues with its European example, its approaches are out of step with its encounter with the Byzantine world; as are the approximately 80 “golden years” of the hegemony of Peter I and Catherine II. That is why some authors insist on the “historical delay” of the Russian civilization with respect to European progress (Bremer, Service, etc.). Of course, in spite of these limitations that identified Russia for several centuries, the strength of its geography and its own internal development succeeded in converting the country into a compulsory military reference from the 17th Century onward, when Peter I ended the Swedish Empire in Eastern Europe in the Battle of Poltava.

Russia’s identity problems have not only been produced endogenously. In its exogenous sphere, its character as a hinge nation has been systematically confused by its neighbors. One of the most relevant cases is represented by its war with Japan at the beginning of the 20th Century, when it suffered a crushing defeat by the then Japanese Empire. In 1905, when the Japanese fleet commanded by Admiral Tōgō Heihachirō defeated the Russian naval force in the Tsushima Strait, due to Russia’s historical background it never crossed anyone’s mind that it was a war between Asian countries, nor did the fact that 60% of the country’s area is located in Asia. On the contrary, the Japanese triumph was considered the victory of an Asian country over a European nation. As Mishra points out, the Japanese victory taught Asia the lesson that white men, the conquerors of the world, were not invincible. This motivated countless feelings of freedom in the region, in people like Gandhi, Atatürk, and Jawaharlal Nehru, among others. For his part, Tokutomi Soho declared at the time regarding the Japanese victory over Russia, “We have destroyed the myth of the inferiority of the non-white races. With our power, we are forcing our acceptance as members of the major world powers” (Mishra, 2012, p. 3).

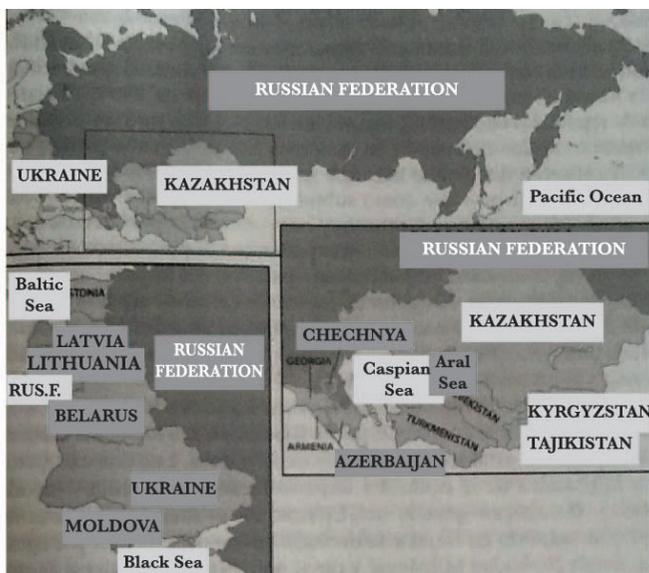
Not accepted by Europe; seen by Asia as European, with historical mismatches; Russia and the Slavic culture in general have had to build, on the strength of their position as a hinge region between cultures, their own civilizing path, on which they still find themselves today. On this cultural disagreement, some Slavic writers such as Czeslaw Milosz “...speak of unrequited love, of those tears that more than one must have spilled. Eastern Europe does not want merely compassion”—he adds—“and support; it wants to be understood and wants to be understood for itself, not for the Western purposes that it might serve” (Judt, 2012, p. 231). In this regard, Judt also comments, “I believe that no minimally sensitive Western observer, who has met any Central European person in the 20th Century, will be able to avoid this experience of unrequited love. We are different, they tell you;

and that in which we differ and that which distinguishes us is unknown to you. And we spend our life alternating between trying to explain it to you, and despairing when we realize that it is impossible for you to understand” (Judt, 2012). When adding to the above its geographical confinement until the 20th Century, its extreme weather, the enormous distance of its territory, and the great ethnic richness of its people, we can appreciate that the path toward identity and the Russian project have been a permanent reasoning, beyond the existential challenge that compromises the entire nation; in a trial-and-error exercise whose goal is to find not only its ethnicity, but also its political profile as well as its economic model, where as Vitaly Korotich says, not infrequently, “Russia has been the guinea pig for all European utopias”.

The dialogue with Russia cannot depart from its new launching point that resulted from the arrival of Vladimir Putin to the government in the year 2000. The Russian government, its idiosyncrasy, its culture, its legal reality, its economic strategy, etc., are part of a complex reality in which the Slavic country has been involved during its half-millennium of political life. Its verticality and political authoritarianism, are part of the Russian DNA; the consequence of a Caesarism (Caesar-Czar) soaked in Byzantium, reinforced by a closed culture that prevailed until its revolutionary movement in 1917, as well as by a central, monopolistic, political figure, which has survived in different ways and forms in the majority of the Asian nations, as is the case with China and Russia. Its culture, its identity, is still a hot melting pot where an endless blending of languages, cultures, races, and traditions are cooking, which had its greatest expression throughout the duration of the Soviet Empire from 1921-1991; similarly, it suffered its largest dismantling as a result of its break-up in the early nineties. As Crespo informs, “In less than a year, a good part of the empire created by the czars and extended by the Soviets went up in smoke. First, the Baltic Republics of Lithuania, Estonia, and Latvia declared their independence in 1991. After the treaty, several republics were created. In the south of the Soviet Union the nations of Uzbekistan, Kyrgyzstan, Kazakhstan, Turkmenistan, and Tajikistan were born; in the Caucasus area, Armenia, Georgia, and Azerbaijan; in Eastern Europe, Moldova; and further north two large nations, Ukraine and Belarus”. “Around one-third of the Soviet Empire territory, the majority acquired between 1700 and 1945, was lost in 1991. The break with the Caucasian Republics was relatively easy, since these nations of Muslim majority, and with customs that were so foreign to the Orthodox Russians, would have been the most unruly and difficult to integrate into the Russian world. On the other hand, the independence of Ukraine and Belarus, that would have formed part of the old Russia and contributed to the identity of the Russian

people, was particularly painful for the Russians. By contrast, the distant Siberia, despite the physical distance that separated it from Moscow and the differences of its inhabitants from the White Russians, would remain loyal, thereby showing the success that the colonization of this vast Asian territory had” (Crespo MacLennan, 2012, p. 393). In the face of the strength of its imperial disintegration in the 20th Century, we can appreciate the great ethnic richness, and hence the difficulty, in finding and defining the Russian prototype. In spite of the pulverization of the Soviet Empire, the ethnic richness has not diminished. In its attempt to manage this reality, the Russian Constitution recognizes 83 entities: 21 republics, 9 territories (krays), 46 provinces (oblasts), 2 federal counties, 1 autonomous province, and 4 autonomous districts (okrugs). Regarding this topic Crespo adds, “The disappearance of the Soviet Union failed to put an end to the identity and sovereignty problems, as it was still the largest country on the planet. The Caucasian people of Chechnya aspired to be declared independent and the Russian negative would cause two wars and a serious problem with terrorism. The border difficulties with Georgia were going to be another of the great lessons that the gigantic Russian Empire would leave after its precipitous decline” (Crespo MacLennan, 2012).

SUCCESSOR STATES OF THE USSR



SOURCE: Crespo MacLennan, 2012).

To speak with Russia is a polyphonic exercise that requires from the start an understanding with regard to a culture and a civilization that kept itself at a distance from the contemporary flows of history for centuries. Similarly, the arbitrariness during the definition of continents and borders condemned Russia to be an inhabitant of two cultural worlds that have not completely integrated their sense of belonging. At the same time, from a distance, to date Russia has not been able to build its own, sustainable, geographical area that allows it to face the challenges of the 21st Century with greater strength. Just as in 988, when it officially adopted Byzantine Orthodoxy as its official religion; at the end of the 15th Century and the beginning of the 16th Century when it consolidated the first foundations of the Russian Central State; in 1682 with Peter I and in 1762 with Catherine II when Russia managed to become a major player in European events; in 1917 when it led the European Communist utopia of the 20th Century. At the beginning of the 21st Century, Russia again faces the difficult task of economic reconstruction and political stability, as well as the historic challenge of resolving in a convincing manner the attributes of its identity and sense of future.

III. TWENTIETH CENTURY: A SHARED LEADERSHIP

The 20th Century was the century of Russia. Its longing to be a “primus” power among equals on the European Continent was coming to fruition starting with the beginning of the period, when in the face of the geopolitical restructuring that the two world wars brought about, Russia knew how to place itself at the center of history to play a leading role that it had not been able to perform in spite of the major successes of its czarist stage. On the one hand, just as with its obligatory guide that is China, the two empires entered into a stage of exhaustion and decline starting with the 19th Century. In the case of China, it culminates with the end of the Qing Dynasty in 1911, and in the case of Russia, with the end of the czarist era and the explosion of the Bolshevik Revolution of 1917. In contrast to China, Russia concluded its revolutionary stage more quickly. What took China 38 years (1911-1949), took Russia less than 1 year if one counts starting with the overthrow of the provisional government of Alexander Kerensky by the Bolshevik; or 4 years when the triumph of the Communist Party in 1921 is considered; or 13 years when the seizure of power on the part of Stalin, in the face of the expulsion of Trotsky (1930), is considered. In any case, the Russian Revolution consolidated itself more rapidly than the Chinese, to become, in the words of

Hobsbawm, “An event that shocked the world”, or in the thoughts of John Reed, “The days that shook the world”.

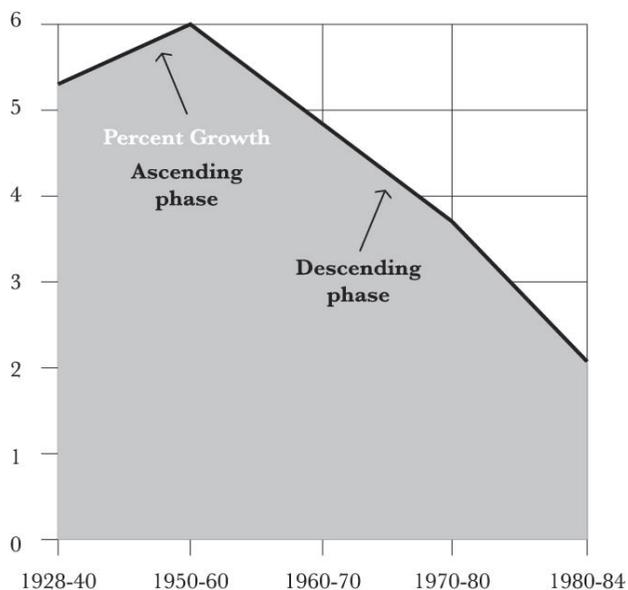
Through the deep lines of its social revolution, Russia placed itself in the leadership of the European reshuffling of the time, which it moved through freely without repose from the war of 1914 until peace from the Second World War was signed in 1945. Its social advancement, which should not be considered a “step back” as far as the reality of the other European countries is concerned, allowed it to face the major upheaval that shook and impoverished the rest of the Western European nations from the “advantage” of its geographical dimension and national political control. Based on its strength and commanded by an unscrupulous politician of steel (Stalin), it became, along with the United States, the winning nation of World War II. Of course, the Russian loss during the armed conflict was not minor; it is estimated that in the battle of Leningrad alone around 2 million Russian and German soldiers died; and, that by the end of the war, Russia had lost close to 20 million people between soldiers and civilians. Notwithstanding the foregoing, “In 1950 the Soviet industrial production was almost double that of 1945, and was well above the pre-war level. Despite the serious agricultural problems, the standard of living seemed to have regained the toll it lost during the War and the Reconstruction” (Frieden, 2007, p. 303). In a significant way, in the midst of the turmoil of the first half of 20th Century, of the collapse of the czarist empire and the social revolution, the country knew how to rebuild its empire, the largest that it had ever had, which competed with the United States until December 26, 1991, the date of its dissolution.

In its prime, Russia, through the empire built by the Soviet Union, managed to add an area of 22.4 million square kilometers (one-sixth of the earth’s surface), which gave it a large domestic market and an arable land area similar to the USA and Canada together. Similarly, the richness of its soil provided it with the largest set of raw materials in the world, with the consequent advantages in the area of production supplies; making it the area with the largest production of iron, nickel, lead, oil, and natural gas in the world, as well as the third largest producer of coal. Soviet scientists came to announce that they had 58% of the world’s reserves of coal, 59% of oil, 41% of iron ore, 77% of apatite, 25% of the timber lands, 88% of manganese, 54% of potassium salts, and 30% of phosphates. Furthermore, in the industrial segment, it came to be the world’s leading producer of machines, tools, trains, fertilizers, tractors, textiles, etc.; in addition to having an extensive rail network, merchant navy, and the largest deep-sea fishing fleet of the world. Likewise, in 1989 the empire came to integrate 288 million people with the highest levels of education rates, especially in technological areas. The Rus-

sian Empire in its prime came to be the world's second-largest economy and the second military power in the world (Kennedy, 1993, pp. 296-297).

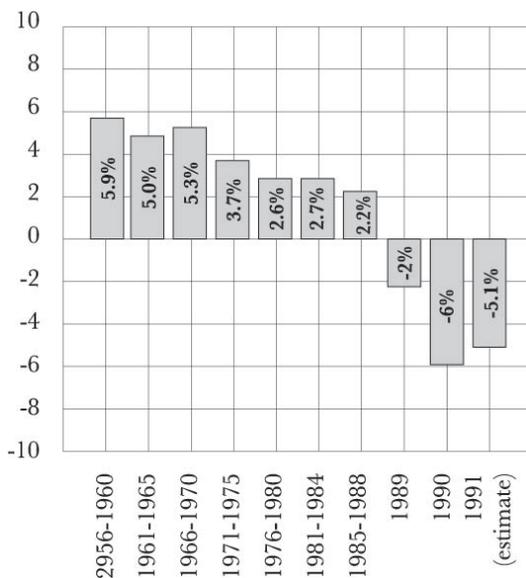
What happened, then, to the Soviet Empire? How could it pass from being the second-largest economy in the world during the eighties, to being one-twentieth of the American GDP in the nineties and to representing in 2012, 20 years after its dissolution, one-eighth of the U.S. economy? Every facet of Russian development results in an academic incitement that arises outside the context of this work; however, Kennedy tells us in his studies on this topic that, “The enormous scale of the economic crisis was not perceived until recently—1993—in part due to the Kremlin’s secretiveness, in part due to the fact that the West overestimated the effectiveness of the Soviet economy. It is now clear that even before the present crisis, a long-term deceleration of growth took place”. “So, according to a central plan, large quantities of iron and steel, cement, locomotives, machines, tools, tractors, textiles, and prefabricated buildings were produced. While the objectives were met, this fierce Socialist planning paid little attention to costs, protected management from competition, just as it protected workers from unemployment, and did not worry about the consumer” (Kennedy, 1993, p. 299).

DECLINE OF THE SOVIET GDP GROWTH RATE



SOURCE: Paul Kennedy, 1993.

THE “LONG CYCLE” OF THE SOVIET ECONOMY



SOURCE: Paul Kennedy, 1993.

For Burbank and Cooper, “The Soviet repertoire of imperial strategies helped it to shape the way in which the USSR worked, the way in which it failed, and the way in which the power was transfigured starting in 1991” (Burbank & Cooper, 2011, p. 586). For Frieden, “The growth of centrally planned economies was declining steadily since the late 1960’s and early 1970’s; moreover, this growth had not served to raise the standard of living sufficiently to satisfy the population. The Soviets were increasingly hated in Central and Eastern Europe, and the economists were losing support even among the Soviet public”. “In the 1960’s, the advanced Capitalist world was adapting a circle of new electronic technologies...” “But the Socialist countries were falling behind technologically, apparently as a result of systematic deficiencies in the centrally planned order”. “Central planning did not give administrators many reasons to develop and to adopt new technologies”. “The Soviets and their allies tried to fill the technological gap by importing from the West. Among these technological imports, there were complete plants, already set up and in operation, that Western companies sold” (Frieden, 2007, pp. 470 and 471). It is evident that this strategy was not sufficient to close the economic and technological gap between Western development and Soviet growth.

The route of the Empires according to Quigley comprises seven stages ranging from its conception, gestation, expansion, time of conflict, universal empire, decline, and invasion. Regarding the Soviet Union, although its applicability must be framed into the long trajectory of the Russian civilization, in its Communist period, it quickly exhausted the previous stages of its decline in order to precipitate itself without any support into a political, social, and economic collapse that surprised the whole world. In the political arena, since 1953, the leaders who followed the death of Stalin, the hegemon that maintained the Empire through the imposition of state terror, were not fit for the historical moment in which they lived: a dubious Khrushchev, who did not believe even the advance news of his removal; a dictatorial Brezhnev, who with authoritarianism and corruption tried to imitate Stalinist control for about two decades, but who did not address the substantive issues of the economic problem, that together with the drop in oil prices and the war with Afghanistan, paved the way for the arrival of a “reformist;” Mikhail Gorbachev, who believed that he had read the Soviet people’s feelings of tiredness, as well as the exhaustion of a Communist model that was about to crash spectacularly in front of its American nemesis, with which it held an ideological, political, and economic dispute that awakened expectation, morbid fascination, and the hope of countless countries throughout the 20th Century.

Robert Service comments on the fall of the Russian Empire, “The Empire of the Soviet Union did not end with a shot, it ended with a moan. Its Communist Party, its ideology, its flag, its State anthem, and the October Revolution disappeared. All this happened very abruptly. Nobody, including those who were at the top of public power, has had the opportunity to consider the general meaning of the events in their full dimension” (Service, 2009, p. 509). Similarly, in accordance with this feeling of surprise at the way in which the fall of the Soviet Empire occurred, O’Clery points out, “On December 25, 1991, an event comparable to the fall of the Austro-Hungarian Empire in 1918 or the collapse of the Ottoman empire in 1923, both of which occurred without a war against a foreign nation or a bloody revolution, presented itself. The Communist Yugoslavia disintegrated in flames, but the Soviet Union collapsed unfazed before the incredulous eyes of the world” (O’Clery, 2011, pp. 9-10). As Chou Enlai said when they asked him what he thought about the French Revolution, applied to the fall of the Soviet Union, “It is too early to evaluate its results”.

IV. DECLINE OR RESURGENCE?

Mikhail Gorbachev assumed power in 1985 in light of the death of Leonid Brezhnev in 1982, Yuri Andropov in 1984, and Konstantin Chernenko in 1985, in an atmosphere of tension and economic breakdown, before a society that was exhausted and that was looking for the solution to their basic needs. The conditions under which he received the Soviet Empire, were such that they forced a charismatic, but inexperienced, president to set into motion one of the most relevant political and economic processes in history, due as much to the dimension of the Soviet Power, as to the consequences that it unleashed for more than 100 nations and nationalities, and an approximate number of 280 million people. As for the reasons for the change, in the words of the Gorbachev himself, he explains “Perestroika is an urgent need arising from the processes of development of our Socialist society. This society is ripe for change. It has longed for it for quite some time. A delay in starting Perestroika could have led, in a near future, to an exasperating internal situation, which, to put it bluntly, would have been loaded with a very serious social, economic, and political crisis” (Gorbachov, 1987, p. 15). From this moment of transformation of the Soviet Society arise a number of questions on a topic that will be polemical for many decades more; but in the social, and geopolitical, arena it had immediate consequences, such as the great social crisis that the Russian people have had to navigate, as well as the dismantling of the Soviet Empire, which led it from being the second-largest economy in the world and the obligatory reference in geopolitical leadership, along with the U.S., to being displaced by other Asian civilizations such as China, Japan, and even India.

Perestroika passes through at least three stages: embryonic, from March 1985 to the Summer of 1988; political reform, from 1988 to 1989; and the crisis stage from the Summer of 1989 to the disappearance of the Soviet Union on December 26, 1991 (Bremer, 2006, pp. 24 and 25). However, without diminishing the political transcendence of this period, it stands out in a special way due to consequences that it generated in the Russian people’s economy, the detrimental process of economic opening, implemented to resolve the crisis of the Soviet model, which it followed in the nineties.

The six years that covered the period of Gorbachev’s government that went from 1985 to 1991, is one of the most interesting periods of global geopolitics due to the conditions that prevailed before Perestroika, during its implementation, and after the dissolution of Soviet Power. Surely, studies on this period will continue to be produced as a world-class example of

what should and should not be done in the face of the framework of a political and economic crisis that may be confronted not only by a country or an empire, but even by a civilization, which is what the culture of Eastern Europe represents for the world. However, along with the great political and power issues that occurred during the innocuous, bloodless, and even nonchalant dismantling of an empire that had been characterized by the radicalization of its geopolitical actions in the world, appears the exit strategy in the economic sphere that was adopted both by the Russian leaders who were unable to stop the economic devastation (Khrushchev, Brezhnev, Andropov, and Chernenko), as well as by those who did not have the sensitivity to understand the global world in which they found themselves (Gorbachev, Yeltsin) in reference to the particularities of the Soviet Project, and who made decisions that instead of solving the problem accelerated the Union's economic collapse.

Although what was being said in the world, in those moments of Russian defeat, was about the political triumph of the United States, its 20th Century and Cold War opponent, trying to imitate the American model without further reflection was an act of naivety or perversity, internal and external, which in the first place disintegrated the Union and in the second, returned it to the economic levels of an underdeveloped country. Unlike the above, ten years before, China had faced the same challenge of incorporating itself economically into the global world, but operated a radically different strategy that explains today why China is the second-largest economy in the world and is projected to displace the United States in the next lustrum, while Russia is today one-eighth the size of the American economy and one-fourth the size of the Chinese economy.

Adopting a shock therapy, and in coordination between Russian (Gaidar, Chernomyrdin, Fedorov, etc.) and American (Sachs, Allison Fisher, etc.) experts, Russia launched itself into an economic adventure applying draconian measures with a plan that was called the "Four Hundred Days" Reform. It included, among other measures: monetary policies to control the volume of money and credit in circulation, the abrupt cut of tax subsidies, the reduction of the financial deficit, lifting the control that it had over prices, the cancellation of consumption subsidies, the establishment of a free exchange system, the breakdown of industrial monopolies, the accelerated privatization of public enterprises, etc. Along with the aforementioned, Russia removed the price control over 90% of consumer goods, as well as 80% of the means of production. It gradually lifted the price controls on real estate rental income and on public services, as well as on transportation and fuel. As one of the first consequences of these measures, over the

course of one year, the inflation percentage rose to 2600% and the price of commodities rose 6187% from 1991 to 1996. The money that people had saved in the bank to buy themselves a car turned out to be barely enough to buy three or four bus tickets. For Russia, the economic consequences derived from this enormous economic error were greater than those caused by World War II. By the end of 1996, the sum total of unpaid wages reached 472 billion rubles, and of unpaid pensions 110 trillion rubles. The losses caused by the privatizations of public companies, rose to 9500 trillion rubles from 1992 to 1996. In this regard, some authors estimate that the damage caused to the Russian economy during 1996, was 4.2 times its gross domestic product, which represents 2.5 times the loss suffered by the Slavic country during World War II, causing a direct economic damage to 60% of the population, and poverty to 40% (Mengkui, 2003, pp-18-20). “The most reliable estimates —Sachs points out— indicate that about one hundred billion dollars in oil, gas, and other valuable raw materials went into private hands in exchange for a figure that perhaps did not exceed one billion dollars, received by the Treasury, thanks to privatization. “Overnight, billionaires were created, the arrogant owners of the Russian oil and gas industry, now converted into the nouveau riche” (Sachs, 2006, p. 212).

Regarding the “Big Deal”, the project that consisted of Gorbachev trying to carry out an economic reform and a fast-paced democratization, or Yeltsin’s idea that Russia would be a “normal” power, thereby it was understood that Russia would adapt itself to a democratic system and a market economy, Sachs, who was a main external advisor of the project for two years, in relation to the issue of its implementation and its consequences, comments, “Could it work? I believed so. Of course, I thought it was worth a try, at the end of the day, what alternatives were there? Civil war? A rapid return to tyranny and anarchy, a new conflict with the West? I assumed the role of advising Gaidar and his team, not because I was sure, nor even because I was confident, that the reforms would work, but rather, because I thought that it was necessary to try them. They offered the best opportunity for peace, democracy, and economic prosperity”. He answers the question himself, “When the time came, I had little success in promoting the initiatives in which I believed, in particular, the idea of using external financial support to soften the worst consequences of the Russian reforms” (Sachs, 2006, pp. 201 and 211).

For his part Stiglitz, with the still valid questioning of, “Who lost Russia?” points out: “After the fall of the Berlin Wall began one of the most important economic transitions of all-time, it was the second boldest economic and social experiment of the century. The first was the deliberate transition

to Communism, seven decades before. Through the years, the failures of this first experiment became clear. As a result of the Revolution of 1917 and the Soviet hegemony over a large portion of Europe after World War II, eight percent of the world's population was living under the Soviet Communist System, lacking both political freedom and economic prosperity. The second transition in Russia and in the East and Southeast of Europe is far from finished, but one thing is clear: Russia has fallen quite short with respect to what the market economy supporters had promised or expected. For the majority of those living in the former Soviet Union, economic life under Capitalism has been even worse than what was warned by the old Communist leaders. The prospects for the future are melancholic; the middle class has been devastated; a crony and mafia capitalism has been created and the only achievement, the creation of a democracy with significant freedoms, including the freedom of the press, now seems fragile at best, particularly when the independent television stations are closed one after the other. Although the Russians hold a large part of the responsibility for what has happened, the Western advisers, particularly the United States and the IMF, which were quick to preach the gospel of the market economy, were also guilty. At least they provided support to those who took Russia and several other economies along the paths that they followed, proposing a new religion, the market fundamentalism, as a replacement of the old, the Marxism that had shown itself to be so defective" (Stiglitz, 2002, pp. 173 and 174).

Since the mid-nineties when the terrible economic results of the Reform began to show up on the books, the question of, "What, who was responsible for the Soviet economic breakdown?" began to be a matter of debate in the Russian forum, as well as internationally, and it surely will remain so for the coming decades, since it has become a case study for economic dogmatism in the framework of the deepening poverty of the hundreds of millions of people that comprised the Soviet Union at that time. In this regard, the Chinese opening model will continue to be a bothersome benchmark as much for the figures who lived through the historic moment as for the analysts who today follow closely the debate that is maintained about the Russian and Chinese strategies. This includes all those developing economies that aspire to a sustained growth, as well as the overwhelmed developed economies of Western Europe and the United States, which today are seriously reviewing the terms of their economic strategy. The economic dogmatism, on the basis of these profound experiences that arose from the Russian case, will continue working on the best attributes that could be part, or not, of the new post-neo-liberal strategies.

V. THE ASSETS OF THE FUTURE

The interesting thing about today's Russia, as noted above in chapter 1.3.1, is that despite the economic events that impoverished the country's economic life, a little more than 20 years after these events occurred, the Russian nation's assets have come to operate in a positive way in the recovery of its economic positioning within the international context.

Facing toward the future of the 21st Century and not the past at the end of the 20th Century, is the way the new Russia should be visualized, the Russia-BRIC that looks through the strength of its natural resources to recover the political and economic space that it came to have in the past. Russia registers the world's largest gas reserves; with about forty-three trillion cubic meters, that is to say, 23.4 % of the world total. Regarding coal, which is a product that is more scattered in the different countries of the world, Russia occupies the second place after the United States with 19%. As for water, which will be one of the supplies that will be causing serious problems to the majority of nations during the 21st Century, Russia, along with Canada, maintains the largest global reserves of that 3% of freshwater that runs through the Earth and of which 70% is used for agriculture. Climate issues must be added to the aforementioned, where some studies establish that the temperatures could rise between 3.5 to 5 degrees for 2080, 2100. They establish that one of its consequences will be that the northern area of the Earth will be the area that receives the greatest benefits of the climatic crises, which will present themselves in the middle parts of the globe, where it also appears that Russia will be a beneficiary country of said changes with the corresponding increase in its agricultural production. Most especially, all the potential that this climate change is generating for the Arctic Area appears where Russia opened a route to the North Pole starting in 2007 and planted a flag indicating that the Arctic, "belongs to Russia". This region of the future that will surely represent the richest potential of resources for humanity in the coming years, opens naturally to a country that for centuries, for geographical reasons, has had the need to get to know it and adapt itself to its extreme conditions. It is estimated that the Arctic may contain one-fourth of the hydrocarbons that are yet to be discovered on Earth, as well as other raw materials that will be disappearing or diminishing in the 21st Century. In the new Arctic Ocean may be found the most complex food webs and the prospect of new fisheries; of gas hydrates, of oil, and of natural gas, where it is estimated that there could be 22 trillion cubic meters of gas, which are three times greater than the reserves that the three North

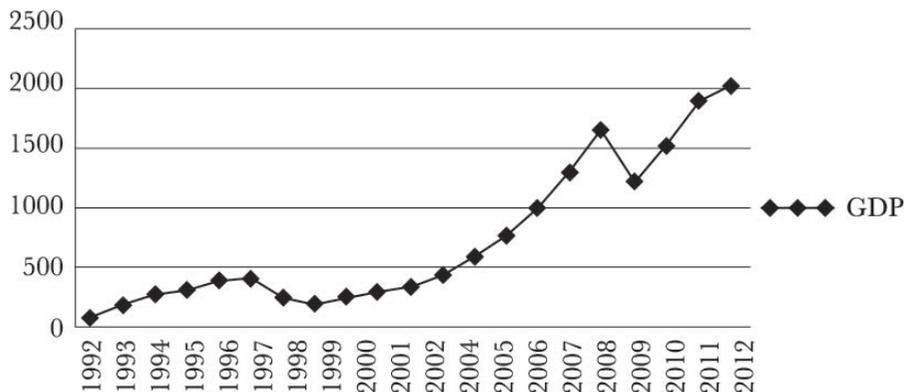
American countries currently have. Russia has the longest coastline and the widest continental shelf of the Arctic Ocean, which gives it sovereignty over large portions of the seabed and the majority of the natural gas from the hydrocarbon estimates registered in the area; at the same time, it has the three most important ports in the Arctic Region to operate the exploitation of its raw materials. Beyond the ecological debate on the Arctic's sustainability, where the utmost seriousness from the countries involved must be expected, Russia appears as the most profitable player in this new area. It must be added to the above that large reservoirs of oil and gas that are found to the west of Siberia, in the regions of Samotlar, Fedorovskoye, and Mamontovskoye, among others, which have resuscitated the Russian economy by providing it with one-fifth of the oil and natural gas that is utilized in the world. Thanks to these reserves, the Russian Federation has been able to meet its financial requirements, while at the same time, they have made it into the largest producer of natural gas and the second largest producer of oil. On the importance that this type of raw materials may have, the Secretary of the General Council of Russia pointed out that, "The Arctic should become the main base of strategic resources of Russia", and that, "It cannot be ruled out that the battle for raw materials shall be settled by military means" (Smith, 2011, pp. 242-255).

Notwithstanding the foregoing, the promising future of Russia that could be substantiated through its large stock of raw materials that gives it a differential value before most of the countries of the world that do not have these potential inputs, which does not belong to the North Circle (title that defines those nations that throughout the 21st Century will see themselves benefit from the climate changes that will provide a greater facilitation toward the new banks of raw materials, among which will be the United States, Canada, and the Nordic countries). By contrast, regarding demographics, Russia faces one of the darkest challenges upon registering 16 deaths for every 10 births, which is generating a depopulation of the country at an approximate rate of 800 thousand people per year. One of the main problems that Russia has faced since its foundation is precisely its population development, which has been limited as much by its geographical position as by the nature of its climate. As early as the 18th Century, Catherine of Russia stimulated waves of migration toward the Volga River Valley and Peter I directed them toward the swampy area of what is now St. Petersburg, which was done with both the native population and with groups from other countries such as Greeks, Bulgarians, Polish, Jews, etc., to start generating a sustainable population throughout its territory. In a special way, because of its radical conditions, the settlement of its south-

ern and eastern parts has always been a state issue for Russia, particularly in the Siberia Region, which has a reputation for its tough climatic conditions, which not infrequently has been considered as a punishment area, where during the times of the Revolution and Stalinism, the currency to increase the area's demography was political exile. In the eastern part of Russia; its extension on the Asian continent covers approximately six million square kilometers, which represents two-thirds the size of the United States and three times the area of Great Britain, France, and Germany together. Russia has less than 5% of its population within this large territory, with one person per square kilometer, and where its great border with the People's Republic of China, approximately 3000 kilometers, contrasts in demographic terms. This is because the Chinese border towns have a population density 15 or 30 times greater than the Russians border towns, where more people live in the city of Harbin than in the entire Far East of Russia. This will be a permanent challenge in the decades ahead that both countries need to solve. The demographic problem in Russia is an issue of future perspective, of alcoholism, of suicide, of migration, of low birth rate, which has always defined it, where Russia had approximately 157 million inhabitants when its Revolution started in 1917, 16 million people more than it has on record today (141 million in 2012). To the foregoing, must be added the fact that, "The present-day Russia would have reached a life expectancy at birth of 69 years in the early 1960s, very close to that of the Western countries; however, that trend has been halted, and then it has been reversed with a rapid involution: in the middle of the 1990's, life expectancy had declined to 65 years, a loss of 4 years with regard to the sixties, which contrasts with an increase of 7 years in the Western countries. The collapse has been stronger for men, whose life expectancy has dropped to 59 years at the beginning of this century, below the levels of half a century before, and below those of the poorest countries in Latin America, such as Bolivia and Guatemala" (Bacci, 2012, p. 288).

Since the year 2000, the political and economic panorama of Russia, although full of challenges, has changed due to another possibility, where through a more efficient management of money coming from oil and gas (approximately 50% of the budget), the country has been able to solve its previous debt burden and the social debts that were not allowing it to construct a project for the future.

GDP OF RUSSIA 1992-2012



SOURCE: Prepared with data from UN <http://data.un.org>).

Although the economic model is still a project under construction, where adjustments are made every day in a mixture of a market economy with a State that has not finished defining the new face of the Russian economic model, the main variants of income and expenditure have been placed under control, as have the issues of debt and inflation. This has allowed Russia to exercise rationality in the areas of agriculture, education, and exploitation of raw materials that has allowed food self-sufficiency and an important exportation of products overseas, although it is still defined by commodities and raw materials. The industrial part of the country, which continues in a phase of reengineering, investment, and incorporation of new technologies, has yet to be re-launched. Despite these limitations, Russia has been able to recover an important part of its economic output after its serious setbacks, and has been able to raise the per capita GDP of its inhabitants from its reduced total of \$575 dollars to which it fell in 1992, to the \$14,500 dollars that it recorded in 2012. Due to its geographical extension, its status as a civilization for humanity, its importance in the supply of raw materials, its military development, and its geopolitical importance, the topic of Russia, both economic and legal, will be representing a major challenge for the World, within the framework of the development of a century that will not give rest to the different figures in the global society.