



SPEECH

# India: Navigating a contested geopolitical landscape

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# INDIA: NAVIGATING A CONTESTED GEOPOLITICAL LANDSCAPE

## CHECK AGAINST DELIVERY

Dr Michael Fullilove, Executive Director of the Lowy Institute, Members of the Faculty of the Institute, Mr Owen Harries, distinguished guests, ladies and gentlemen.

I wish to thank the Lowy Institute for inviting me to deliver the prestigious Owen Harries Lecture this year. It is an even greater privilege to have Mr Harries personally present in this very distinguished audience. As the founding editor of *The National Interest* journal from 1985 to 2001, he was one of the most influential voices in the US and across the world on issues relating to international security and foreign policy. His writings and speeches reflect realism, but tempered by prudence and sagacity born out of a lifetime of scholarship, deep historical insight and hands-on experience. These qualities mark his valuable contributions to the discourse on international relations. Thank you, Sir, for your presence here today which makes this a special occasion for me.

In my remarks today I will attempt to convey an overall perspective of how India looks at the world around us today, where does India seek to locate itself in a geopolitical space which has and is likely to become even more contested among the major powers and finally what are the prospects for India achieving its objectives as a major emerging power.

Let me begin by addressing a criticism which is often levelled against Indian policymakers, and that is their apparent lack of a strategic culture, even a world view, which provides countries with a consistent framework through which to understand the world around us and engage with it to advance a set of objectives influenced by geography, history, culture, a certain identifiable national temperament. I can do no better than quote from Jawaharlal Nehru, India's first Prime Minister, who articulated the sensibilities that drive the people of India and shape their view of the world and their place in it. He saw India as a civilisational entity, coming into its own after a long and eventful and yes a painful journey, to keep its tryst with destiny. In describing this civilisational essence of India, this is what he said in words of unmatched eloquence:

"And yet India with all her poverty and degradation had enough of nobility and greatness about her and though she was overburdened with ancient tradition and present misery, and her eyelids were a little weary, she had a beauty wrought from within upon the flesh, the deposit, little cell by little cell, of strange thoughts and fantastic reveries and exquisite passions. Behind and within her battered body one could glimpse a majesty of soul. Through long ages she had travelled and gathered

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much wisdom along the way and trafficked with strangers and added them to her own big family and witnessed days of glory and of decay and suffered humiliations and terrible sorrow, and seen many a strange sight; but throughout her long journey she had clung to her immemorial culture, drawn strength and vitality from it and shared it with other lands.”

India's tryst with destiny in 1947 was a culmination of this journey, a chance to dream again. But Nehru saw that these were dreams not just for India but “they are also for the world” because he saw, prophetically, a world too closely knit together to flourish in fragmented isolation. He welcomed the initial achievements of a rule-based multilateral order which the US, in a brief phase of enlightened self-interest, took the lead in creating. But he saw the swiftly emerging divisions of the Cold War as shrinking India's own hard-won space as an independent and sovereign nation. Non-alignment was a means to maintain India's strategic space, to continue on its civilisational journey and not succumb again to having its destiny determined by others. But Nehru is long gone, the Cold War is over and the world around us has been changing in ways that are profound and yet deeply uncertain. But the basic prism through which independent India has sought to engage with the world has remained remarkably consistent.

We are witnessing the relentless dismantling of the post Second World War global order created and dominated by the US and its Western allies, but the change is more rapid and far-reaching in some respects, less in others. For example, the most significant and visible is the continuing shift of the centre of gravity of the global economy, international trade and investment from the trans-Atlantic to the Asia-Pacific. The global financial and economic crisis accelerated this trend. The recent slowdown in the Chinese economy and continuing inability of the Indian economy to regain a higher trajectory of growth may retard this trend. It is unlikely to change it.

The balance of military power is also changing but more slowly. The US retains its predominance and global reach, but the capabilities of other major powers, in particular China, are growing at a faster pace. The use of asymmetric capabilities both by state as well as non-state actors has also exposed the limits and efficacy of traditional military power. This has also led to the eruption of latent inter-state conflicts and tensions and this is evident in several parts of the world. The global landscape today is defined by a sharpening confrontation between the US and China and the revival of tensions between the US and Russia. The Ukraine crisis has given China additional leverage as Russia has overcome its wariness of an emergent China at its doorstep and acquiesced in a virtual alliance with the latter. This has confronted India with a more complex and difficult challenge. In the aftermath of the Cold War, India could count on the support of both the US and Russia in advancing its own interests. That is no longer the case.

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The international financial and banking sector continues to be anchored in the West and operates according to the rules of the game evolved in the West over a considerable period of time. Here, too, change is evident but is more incremental in nature. The international role of the US dollar is being challenged by the steady internationalisation of the Chinese renminbi, while the failure to accord a more influential role to emerging economies is leading to the creation of rival international financial institutions such as the Asian Infrastructure and Investment Bank and the BRICS Development Bank.

The advance of technology is also impacting on the transformation of the geopolitical terrain. The newer domains of cyber and space pervade all aspects of contemporary life. In some ways they have provided states with new and powerful instruments of control but at the same time empowered individuals and non-state actors as well. These new instruments can be put to positive as well as malefic uses. The cyber and space domains remain anarchic and reaching consensus on even limited governance regimes has proved impossible. As the world gets locked in an increasingly dense and interconnected web, across these domains, national or regional boundaries provide no barriers to the swift spread of information and disinformation affecting markets, societies and, therefore, inter-state relations. States with significant capabilities in these domains will have an advantage in navigating the emerging geopolitical terrain.

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Against this backdrop how does India seek to advance its interests? What is the underlying template which guides its foreign and security policies? In my view, the template is India's concept of its strategic neighbourhood and the need to secure this neighbourhood which is seen as a prerequisite to the pursuit of any credible regional or global role. India considers the entire Indian subcontinent and the ocean space around the peninsula as its strategic neighbourhood. This is the core from which historically, political, economic and cultural influences radiated outwards, across the oceans to the East and West and across the mountains and deserts to the North and West towards Central Asia. This extended neighbourhood, in turn, had a major influence in shaping India's identity as a diverse and plural entity but with a strong and enduring sense of cultural affinity. As India's external profile develops and expands, it is along these remembered pathways that it will begin to manifest itself. Nehru's eloquent narrative on India's world view was inspired by its history as a cross-roads culture, enriched by the long centuries of maritime interaction both east and west borne along by the monsoon winds and the caravan routes that linked it to Central Asia and China.

The Indian subcontinent and the ocean space around it constitute a single geopolitical unit, with dense economic complementarities, a common history and strong cultural affinities. This remains a strategic singularity despite being fragmented into several independent and

sovereign states that do not have a shared security perception. However, as the largest entity, India's strategic compulsions are still defined by subcontinental imperatives. It cannot conceive of its defence within the confines of its own borders. The situation is made more complex by the fact that there are overlapping ethnicities, linguistic and kinship ties which spill across national boundaries. There are shared assets like rivers and forests but their use may be contested. Since India's independence, Indian leaders have confronted the perennial dilemma of reconciling the country's subcontinental security imperatives with the reality of a divided polity. A Pax Indica which could enable India to compel its neighbours into aligning their security perspectives with that of India is a remote possibility. The alternative is to use a mix of political, security, economic and cultural policies to create a dense web of interdependencies which, over time, lead to the alignment of security perspectives with that of India. The aim would be to try to transcend borders, not seek to erase them and transform a contested space into one enjoying relative harmony and a broad political consensus. This has been the basic tenor of India's neighbourhood strategy over the past decade and a half but has achieved only partial success.

While the geopolitical context has been changing, sometimes in dramatic ways, India's strategic calculations have continued to be influenced by two major developments which took place soon after its independence and have remained a continuing preoccupation with an even sharper edge today. One was the partition of India in 1947 and the subsequent conflict with Pakistan over Jammu and Kashmir. India's access to the Gulf and West Asia and to Central Asia was interrupted. In the East, the creation of East Pakistan, and later Bangladesh, reduced India's access to its sensitive North-East region to a narrow and threatened corridor. Two, was the annexation of Tibet by China in 1950, which made India, for the first time in its history, a contiguous neighbour of a major and inimical power, impinging directly on India's strategic space. Over the past several decades, it is the impact and persistent consequences of these two developments which have imparted a complex dimension to India's effort to resolve its subcontinental dilemma, particularly with the emergence of a hostile Sino-Pakistan strategic alliance which also has a significant nuclear dimension.

During the Cold War years, India's neighbourhood policy was mostly defensive and reactive. However, the adoption of economic reforms and liberalisation in the early 1990s, and the improvement of relations with the US and the West generally, led to the accelerated growth of the Indian economy and its steady globalisation. This also provided the confidence as well as the means to pursue a different neighbourhood strategy. Since the turn of the century, India became a champion of collaboration under SAARC rather than see it as a ganging up of smaller neighbours against its interests. It has opened up its economy to its neighbours on a non-reciprocal basis and this has led to a significant

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increase in trade. However, connectivity is still an issue, as are the cumbersome procedures at border crossings.

It is unlikely that the essentially adversarial relations with China and Pakistan will change in the near future. Neither the issue of Kashmir with Pakistan nor the long-standing border issue with China is likely to be resolved for the time being. The challenge therefore lies in managing both relationships in a manner that prevents any open confrontation or armed conflict. With China, there has been greater success in keeping relations on an even keel and mechanisms are in place to deal with incidents at the border. With Pakistan, the continuing use of cross-border terrorism as an instrument of state policy has made it difficult to develop relations in other fields, including trade, while reserving differences over Kashmir.

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China is one country which impacts most directly on India's strategic space. The unresolved boundary issue, the shadow of the Tibet issue, the Chinese use of Pakistan as a convenient proxy to constrain India and now its increasing presence in the Indian Ocean, these are difficult issues which need to be managed carefully. There is the uncomfortable reality that the asymmetry between the two Asian giants is increasing. China is four times the size of India today and the gap is likely to grow. This imbalance limits India's room for manoeuvre. India has attempted to deal with this challenge through a policy of engagement with China, building on areas of convergence even while constraining its predilection towards the unilateral and sometimes aggressive assertion of power. The latter requires expanding India's deterrent capabilities including upgradation of infrastructure at the border but also strengthening security ties with countries in the region that share our concerns over Chinese behaviour. India has welcomed the US rebalancing to Asia but is unable to understand its posture leading to the crisis in Ukraine. Russia has been pushed closer to China, which is now the pivot in the triangular relationship among China, Russia and the US. For India, the closer relationship Russia has with China reduces the value of our long-standing and cooperative engagement with Russia. In dealing with India–China issues and even India–Pakistan issues in the future, Russia may not be as supportive as in the past.

The US seems to have been concerned about the growing partnership between Putin's Russia and Germany, Europe's pre-eminent power, and the Ukraine crisis has soured Germany's relations with Russia. However, the US may be neglecting the even more serious inroads China has been making in Europe, taking advantage of the continent's persistent economic and financial crisis. China has pushed ahead with its One Belt One Road initiative, acquiring modern infrastructure and logistics bases across Europe. It is using the UK as a key base for developing its offshore financial market. The US has been unable to restrain its European allies from embracing a much expanded economic

partnership with China, which could impact on the trans-Atlantic security relationship.

India's own relationship with Europe has fallen off the radar even as its ties with Germany have expanded. In 2004, India and the EU established a strategic partnership and acknowledged that each had a stake in the other's success as open, liberal and plural democracies. However, with the financial and economic crisis afflicting most European countries, there has been a certain withdrawal from an active international role and India is no longer a European priority. China with its financial resources and large market has proved to be a tempting partner and Europe, in particular the UK, has allowed economic compulsions to override any political scruples. It is not only in Asia that China is attempting to create distance between the US and its allies. The same is happening in Europe as well.

I stated earlier that India's extended neighbourhood extends to its western as well as eastern flank. The Gulf and West Asian region is of major interest to India for several reasons. It remains the key source of India's oil and gas supplies even though there is a steady effort to diversify away to Africa and Latin America. There are six million Indians who live and work in the Gulf and any political turmoil and violence would directly affect their welfare and India may face the contingency of evacuating large numbers of its citizens at exorbitant cost. India's access to Central Asia is through Iran and this route is being further developed. This may also be affected by developments in the Gulf. Lastly, the sectarian conflict in the region, the growing proxy war between Saudi Arabia and Iran and the rise of ISIS as a brutal and fundamentalist Sunni entity – all these could have a negative impact on India's own secular social fabric. The spread of ISIS into our immediate neighbourhood, including Afghanistan and Pakistan, would be a very disturbing development. The uncomfortable reality we face is that we may not be able to intervene to influence the course of events in this region. The Indian approach has been to expand its engagement not only with governments in the region but also with the various informal but influential networks that exist in and across countries. In the past, such engagement has often proved critical in safeguarding the welfare of our citizens resident in the region.

It is on its eastern flank that India has focused much of its attention over the past couple of decades. The announcement of the Look East policy in 1992 began a process of re-engagement with its East Asian neighbourhood. This re-engagement is most visible with ASEAN, where the initial dialogue partnership soon led to a summit partnership in 2002 and a strategic partnership in 2012. There has been a significant rise in trade and investment with ASEAN and there is now an India-ASEAN Free Trade, Investment and Services agreement in place. There has also been a significant rise in India's trade and investment relations with other countries in the region including Japan and South Korea, with both

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of whom India has concluded Comprehensive Economic Partnership agreements. A similar agreement is likely to be reached with Australia, hopefully in the next few months. While there is no trade agreement of a similar kind with China, it is one of India's largest trade partners and increasingly an important investor in India. Thus, over recent years, a dense web of economic and trade links has been built up with countries of East Asia and the region has emerged as the most dynamic component of India's external economic relations. This has now been paralleled by a network of defence and security relationships with several ASEAN and East Asian countries, with a particular focus on maritime security. In this respect, the most significant development has been the expansion of India–US maritime cooperation in the Asia-Pacific, with the US conducting the largest number of naval exercises with India. There is a possibility that the idea of a 'quad', including India, Japan, Australia and the US, may be revived despite the strong opposition of both China and Russia. With China building artificial islands and bases in the South China Sea and asserting claims over virtually the entire ocean space, it would only be prudent to have a strong and credible counter force available. However, India continues to advocate, as an alternative, an inclusive security architecture in the region that can take care of legitimate concerns of China as well as other stakeholders.

India has a substantial naval fleet and has increased its presence in the South China Sea and the Western Pacific. This is likely to continue as India plans to devote a larger proportion of resources to its Navy in the coming years. India sees its naval strength as compensating, to some extent, the subcontinental dilemma I mentioned earlier in my remarks.

It should come as no surprise that India's major preoccupations remain rooted in its immediate and extended neighbourhood. Nevertheless, it sees its expanded engagement with other major powers as a positive factor in managing these preoccupations. The Modi government has pursued a remarkably active regional and global foreign policy, which he also seeks to leverage to advance India's economic prospects.

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In addition to a sense of itself as a civilisational entity, India has an area, population, resources and capabilities which assure it a global profile. While its indices of per capita and social welfare may still lag far behind developed countries, it has a large global and macro impact because of its sheer weight in the global economy. Choices India makes on its energy security or the progress it achieves on global health issues such as the eradication of polio have a decisive impact on tackling a range of global challenges such as climate change or the ability to handle global pandemics. In areas such as cyber and space, India has developed substantial capabilities which could place it among the front-ranking nations of the future. In any rule-making in these domains India will have a role to play. And importantly, in an increasingly globalised and densely interconnected world, managing diversity and plurality will increasingly become the hallmark of successful societies and India fortunately retains

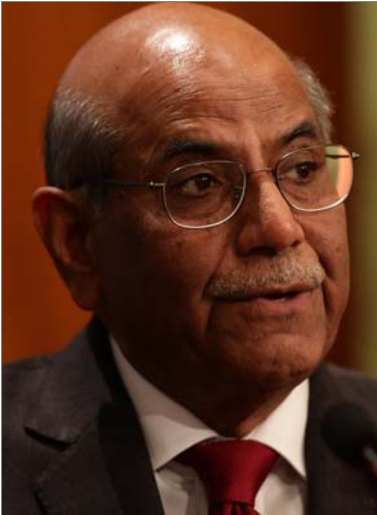
its cosmopolitan temper. If success in the future will belong to knowledge societies which can manage plurality then India remains a promising candidate.

It goes without saying that global interest in India will be linked to its economic performance. Should India be able to regain a high growth trajectory of 9–10 per cent per annum for the next 20 years and achieves this without sacrificing ecological sustainability, it will become one of the leading powers of the current century. The election of Prime Minister Modi with an unprecedented parliamentary majority in 2014 has opened up prospects for India finally delivering on its acknowledged economic promise. It would also demonstrate that plural and sometimes messy democracy need not be a constraint on rapid development. Indeed, it may prove to be the one key ingredient of sustainable and inclusive development.

I thank you for your attention.

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## ABOUT THE SPEAKER



*Shyam Saran*

Ambassador Shyam Saran is the 2015 Telstra Distinguished International Fellow.

Ambassador Saran is a career diplomat, having joined the Indian Foreign Service in 1970. He has served in several capitals of the world including Beijing, Tokyo and Geneva. He has been India's Ambassador to Myanmar, Indonesia and Nepal, and High Commissioner to Mauritius. In the Ministry of External Affairs, New Delhi, he headed the Economic Division and the Multilateral Economic Division and also headed the East Asia Division which handles relations with China and Japan. As a Joint Secretary in the Prime Minister's Office in 1991/92, he advised the Prime Minister on foreign policy, nuclear and defence related issues. After a career spanning 34 years in the Indian Foreign Service, he was appointed India's Foreign Secretary in 2004 and held that position until his retirement from service in September 2006. Subsequent to his retirement, he was appointed Prime Minister's Special Envoy for Indo-US civil nuclear issues and later as Special Envoy and Chief Negotiator on Climate Change. During his last two assignments, Ambassador Saran served as Prime Minister's personal representative or 'Sherpa' at the Gleneagles and St. Petersburg G8+G5 summits and was present at the Toyako and L'Aquila Summits as an advisor on Climate Change issues. He also attended the Pittsburg G-20 summit as a member of the Indian delegation.

Currently, Ambassador Saran is Chairman of the National Security Advisory Board under the National Security Council. He serves as Chairman, Research and Information System for Developing Countries, an autonomous think tank specialising in studies on economic and trade related issues. He is also Senior Fellow with the Centre for Policy Research, a prestigious think tank which covers a wide range of political, social and economic issues, including foreign policy related issues. He speaks and writes regularly on a variety of subjects.

Ambassador Saran is Co-Chair on the Indian side on the India-Asean Eminent Persons' Group. He is currently serving as an Independent Director on the Boards of Wipro, ONGC (Videsh) and Indian Oil respectively. He is a member, Board of Trustees of World Wildlife Fund (India). He has recently been appointed as Chancellor of the Garhwal Central University.

In January 2011, Ambassador Saran was awarded the Padma Bhushan by the President of India for his contribution to Civil Service. The Padma Bhushan is the third highest national award in the country.

Ambassador Saran holds a postgraduate degree in Economics. He speaks Hindi, English and Chinese and is conversant in French.

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