

Speech at the Liege University

Indian Foreign Policy – Recent Trends

Good evening!

I am delighted to have this opportunity to speak to all of you. I can assure you that this is one of the more pleasing and interesting duties that I have to fulfill as an Indian Ambassador.

I am happy that the University of Liege has shown interest in India and its place in international affairs. I extend my sincere thanks to Rector Pierre Wolper and Prof. Christian Behrendt for inviting me and for providing this very pleasant opportunity.

Speaking on foreign policy is never easy, especially of a country as large, as complex, and as diverse as India. However, we are taught when we join the Foreign Service that the foreign policy of any country is directed at achieving broadly two goals: first to ensure the best possible security environment and second to help create the most favourable conditions internationally for a country's prosperity and development.

However, foreign policy also operates in a dynamic environment and it needs to constantly respond and adjust to the changing environment around it. So also it must adapt to the evolution of a country's domestic priorities, capacities and capabilities. I also believe that a country's foreign orientation is largely a reflection of its domestic positioning. This is true with regard to its polity as well as its economy. So an essentially democratic country with rule of law within its borders would like to see the same principles also prevail and applied in its international environment. Similarly, a country that is open economically would prefer an open and transparent global economic system. A lot also depends on the tools and instruments available to a country at the domestic level, whether in the realm of technology, economy or military. This determines to a large extent its presence, reach and influence at the global level. Greater the domestic capabilities the greater will be the role and influence in international affairs.

In the case of India, even as we celebrate the 75th anniversary of India's independence in 1947, we are today witnessing a qualitative increase in Indian role and presence at the global level. And this is only a reflection of India's growing capabilities over the last 75 years. Today, I will only draw your attention to two aspects: first our record as an open market economy and second as a democracy.

Not many of you will be fully aware that the British had left India in an appalling state in 1947. A country that had been the world's leading economy throughout history was reduced into one of the poorest and smallest by 1947.

In contrast, today, India is the third largest economy in the world in purchasing power parity or PPP terms or the fifth largest economy in real GDP terms. It has eradicated hunger completely, eliminated extreme poverty, has moved up the global ladder significantly, created significant social safety nets for its most vulnerable population and seems ready to eliminate poverty by 2030. It is also now the fastest growing major economy in the world.

Politically, too, the British left a deeply divided country. Particularly hurting was the religious divide the British had ignited as part of its strategy of divide and rule. This led to a very painful partition in 1947 and the creation of Pakistan carving it out of British India. The consequences of this are not there in the history books that you read in your continent. It led to one of the greatest displacements of human population ever in history with millions of Hindus, Sikhs and Muslims losing their home and belongings and turning into refugees. More heinous was the millions of deaths that took place in the religious riots accompanying this displacement. In fact, India was a deeply divided country with hardly anybody giving it a chance of survival in 1947. However, 75 years down the line we stand tall as the world's largest democracy. Our constitution, which is one of the world's greatest statutes in a democracy, has held firm. We have amongst the highest standards of governance, human rights and fundamental values of freedom. Our elections are a marvel like none other – more than 900 million electorates eligible to vote of which over 650 million actually exercised their right in the last elections; when we also saw men and women in equal measure participate and vote.

I think India today exemplifies openness, whether in the political, economic or cultural domain. That democracy seems to flourish in many parts of the world may not be due as much to western influence as it is because of the influence of the Indian example – as the largest and arguably the most vibrant democracy in the world. Also, unlike the perception that many of you may have, Indian democracy traces its roots to its historical tradition, which is older than the Greek one, going back to the 6th century BCE. In that sense, democratic roots in India are indigenous and not a foreign or western one. It is therefore stronger and deeper than many outside India may think.

These two factors – India being a democracy and an open market economy – have largely determined India's foreign policy trajectory. Other than these internal factors, the Indian foreign policy, like any other, had also to adapt itself to changes at the global level. Even before the current pandemic and the Ukraine crisis, the world had begun to witness a high degree of uncertainty, fluidity and unpredictability. The rise of China, diminishing role of the US, democracies being under stress in Europe and in the US, the Brexit phenomenon were some of the disruptions that we were witnessing. The rise

of China was also accompanied by the rise of other countries too. This is reflected best in the replacement of G7 by the G20 as the premier global platform of great powers. There is also a clear sense of return of strategic competition with growing confrontation between US and China.

However, nothing had prepared the world for the Covid pandemic. It accelerated the many trends I have described earlier and created new ones. We now have new terms such as strategic autonomy, the need for supply chain resilience and the need for building trust not just on the basis of military alliances but also through economic engagements. Trusted vectors and networks have entered the lexicon and so also the greater confidence in similar political systems to foster economic engagement and collaboration. All this is reflected in, for example, India and the EU as democracies and market economies choosing to work to build a closer and more intensive partnership. This theme dominated the recent visit to India by the President of the European Commission Ursula von der Leyen, when we launched the Trade and Technology Council. It was a response to the latest challenges that we both are facing from non-open societies and the need to build a nexus of security, economic engagement and technology along a vector of trust and confidence that comes from our open political and economic systems.

Let me now describe to you the specifics of Indian foreign policy along its 4-5 dominant themes.

First, we are witnessing today a new energy and vigour in India's approach to international relations. We are today seeing an India that is focused on playing a greater role in global affairs in keeping with its growing capabilities. It seeks to be a rule maker as much as it has been an obedient rule-taker in the past. It is also increasingly playing a constructive role at the international level on issues such as climate change or covid pandemic seeking to be a part of the solution instead of being opportunistic and self-serving. It is also now approaching the world with a sense of confidence and is presenting itself as it is instead of trying to mold itself in the image that the world would like to see in India.

India is also expanding its compass by reaching out to more countries and regions that it has done before. I can cite many examples. But the most relevant would be to mention that the Foreign Minister of India has held meetings with more than 25 European Foreign Ministers in the 4 months of this year alone. The Prime Minister, too, has devoted more attention to Europe recently than to any other region. His visits to countries such as Ireland, Spain, The Netherlands and Portugal have been the first by an Indian Prime Minister in decades. The Prime Minister will be visiting France and Germany next week. He will also cap his visit to Europe by a visit to Denmark where he would attend a summit with the heads of all five Nordic countries. Similar

regional engagements have been started with Africa, Central Asia, ASEAN, CARICOM, and Pacific Island countries to name a few.

As regards specific vectors of India's foreign policy, India's approach and relations towards major powers comes first. India clearly prefers a multipolar world and its foreign policy is working towards ensuring that favourable trends in this regard are further strengthened and cemented. In keeping with this approach, India follows a policy of building stronger ties with all major powers. However, it would be a mistake to think that each one is considered equally important.

India's relations with the US have seen a remarkable evolution over the last two decades. Strong strategic, security and economic ties are supported and buttressed by strong people-to-people ties. The trajectory of growth in quality and quantity of engagements has grown consistently across different US Administrations. The 2+2 engagement between Foreign and Defence Ministers and the elevation of the QUAD to the Head of State or Government level have been remarkable developments. The US is our largest trading partner, major source of FDI and a rapidly growing defence partner.

Another partner in the same league is the European Union. We have seen a remarkable growth and momentum in our bilateral ties in the last two years. I mentioned earlier the establishment of the Trade and Technology Council to provide a political steer to the growing ties. But the most remarkable development has been the resumption in trade and investment negotiations, announcement of a connectivity partnership, stronger digital partnership and growing convergence on the issue of climate change. Clearly, this is a relationship that is on the move and we will need to assess again where it stands in the next five years. But there is great optimism, strong imperative and a strong sense that we may get it right this time around.

India's relations with Russia and China are somewhat more complex. They are narrower in terms of areas of engagement and in the case of China there are areas that create anxieties and concerns as well. Russia has remained a partner for a long time with particularly strong relations in the defence sector. In the case of China, we have seen a distinct deterioration in relations following the illegal actions it has taken on the disputed border in violation of relevant bilateral agreements.

India's relations with Japan and Australia have also seen remarkable progress in recent years. Japan is today invested in India as never before. India is the largest recipient of Japanese aid and increasingly of its investment. With Australia, too, India has built stronger strategic ties. Last month, Australia became the first developed country in over a decade that India signed an FTA

with. India already has FTAs with Japan, South Korea, ASEAN and is negotiating other FTAs with the European Union, the UK and Canada.

Beyond the major powers, India accords greatest priority to its immediate neighbors in South Asia. We call it the Neighborhood First policy. It is based on 3 Cs – fostering contacts, building connectivity and promoting commerce. And in recent years, we have seen greater emphasis on outcomes and execution. India extends special market access privilege to all its neighbours. It is meant to promote not only stronger integration in the South Asian region but also to enable the countries in its neighbourhood to benefit from India's growth engine. I would venture to say that in this regard India follows a non-reciprocal approach unlike what we see in other regions where large countries or entities do not extend the same level of generosity to their smaller neighbours. Recent years have seen India also building stronger connectivity whether it is transport, energy, digital or people-to-people connectivity. Many instances of success can be cited as compared with the earlier era. I must add that this is a direct reflection of the higher capabilities built within India in building its infrastructure in the last seven years. India has also been the principal trouble-shooter and first responder in crisis situations in the region. We were the first provider of vaccines to the region during the pandemic. We even dispatched mobile medical teams to many of these countries as a first responder to the upsurge in virus. We have similarly been the first to respond to natural disasters or humanitarian situations in the region. Most recently, we have sent assistance to Sri Lanka even as it is witnessing an economic meltdown. Even in an inhospitable place such as Afghanistan, India has been a traditional development partner. We have, for example, supplied all the vaccines that Afghanistan has administered to its citizens.

I can say with confidence that we have strong cordial ties and exchanges with all our neighbours except Pakistan and Afghanistan. The latter is under Taliban control once again and India has refused to recognize the Taliban government unless they comply with UNSC Resolution 2593 which mandates specific actions from Afghanistan's Taliban rulers. In the case of Pakistan, it is their policy of cross border terrorism and a culture of deep hostility towards India amongst its armed forces, which control the country, that is behind a situation of stalemate in terms of our bilateral relations.

Beyond India's South Asian Neighbourhood is what we call the extended neighbourhood. On the east, this includes the ASEAN countries and others such as Japan and South Korea. Since the 1990s, India has pursued a policy of Look East, which has recently evolved into Act East policy towards this region. What began, following India's economic reforms in the 1990s, essentially as an effort to open up to the region and leverage its expertise in advancing India's economic growth and reform, has more recently developed

into stronger strategic and security oriented ties. India has also worked to build stronger connectivity with the region using Bangladesh and Myanmar as the gateway to connect north-eastern India with the countries of South-East Asia.

To the West, India's interest in the Middle East has always been driven by its energy requirements and diaspora ties. The region has been the main provider of hydrocarbons to India. It also has an Indian diaspora of 8 billion sending 75 billion USD as remittances to India. More recently, however, a new security and strategic element has also entered our ties. A deeper strategic partnership with UAE and Saudi Arabia has meant a higher stake in these two countries in supporting India's energy security, large massive investment commitments in infrastructure and a deeper defence partnership. India has also concluded an FTA with the UAE in a negotiation that lasted only three months and is now pursuing an FTA with the Gulf Cooperation Council.

India also maintains strong relations with Iran. Iran has been a traditional supplier of oil to India but this linkage has been disrupted by continuing US sanctions on Iran. We support a return of Iran to the nuclear agreement, not only because it would bring Iran in compliance with its nuclear obligations but also because it can significantly reduce the stress on oil markets following western sanctions on Russia. Iran also serves as a source of connectivity for India to Afghanistan and Central Asia, in particular, as Pakistan denies us connectivity through its own territory. India has also upgraded its engagement with the Central Asian states by starting an India-Central Asia summit at Prime Minister/President level. We also interact with these countries within the Shanghai Cooperation Organization. India has also extended liberal lines of credit and grant assistance to the countries in the region on the same lines that it does for others in Asia and Africa.

A unique facet of India's presence in the Middle East is its ability to maintain cordial ties with different players and actors who are at times deeply hostile to each other. Therefore, India maintains strong ties with UAE and Saudi Arabia on the one hand and Iran on the other. And uniquely India maintains strategic and privileged ties with Israel even as we continue to support the Palestinian cause.

An important new vector of Indian foreign policy in recent years has been our Indo-Pacific vision. This new vision is based on an appreciation that interests and challenges in the Indian and Pacific Oceans were seamless, interlinked and interrelated. India has pursued this vision by positioning itself as a net provider of security, a first responder and an important development partner for the countries in the region.

Our response has included building capacities in the countries in a variety of ways. One of the first areas of focus has been to build maritime domain awareness, signing white shipping agreements, building maritime infrastructure in countries in the region and conducting hydrographic surveys in the region. Another has been to increase the military capacity of the countries in the region by supply of equipment, conducting training and holding joint military exercises.

India has also supported the entire Indo-Pacific region as a development partner. In the last decade, we have provided over 10 billion dollars of loans and grants. We have also allocated lines of credit of over 22 billion dollars since 2014. These support infrastructure and connectivity projects in various sectors.

An important element of our approach to the Indo-Pacific has been the establishment of the QUAD, which includes India, Australia, the US and Japan. As far as we are concerned, we see the QUAD as an initiative which is based on shared interests and concerns and common values of the 4 participating countries. The QUAD is engaged in a much broader range of cooperation than what is often attributed to it. For example, under the QUAD vaccine Initiative, India is producing vaccines, based on the US IPR, and funded and logistically supported by all four countries. Similarly, cooperation is being pursued on issues like climate change, decarbonisation efforts in port and shipping operations, and deployment of clean hydrogen technology. Other issues such as ensuring reliable supply chains, and critical emerging technologies like AI, 5G, 6G, etc., are also part of the QUAD. The QUAD is a 21st century way of responding to a diversified, dispersed and constantly evolving global scenario.

India's foreign policy naturally also seeks to advance India's economic interests. In recent years, we have seen a stronger linkage being established between our domestic development agenda and our foreign policy activities. Engagements at highest levels are focussed on promoting trade linkages, bringing greater investments, and attracting the best technology and practices from wherever possible. The resultant rise of India as the leading recipient of FDI is a confirmation of the success of this policy. This has been a result of a series of bold economic reforms and a number of small yet pertinent systemic changes at the micro level. Foreign policy is now oriented towards the three Ts of Trade, Technology and Tourism. New policies to attract foreign partners are being implemented. A most recent trend has been a strategic move towards signing FTAs with democracies and open market economies. Instances of success in this regard have been mentioned by me earlier.

Another recent highlight of Indian foreign policy has been its activism on global issues. First notable area in this regard has been climate change.

Today, India is regarded as the only G20 country that has met all its Paris commitments. At the global meeting on climate change in Glasgow in November last year, the Prime Minister of India announced new commitments which have been described by the President of the European Commission as “very very ambitious”. Our approach is driven by our desire to contribute more than is our due even though we are a developing country and responsible for amongst the lowest per capita emissions in the world. But we are also seeking greater ambition from developed countries on making available financing and technology, where we think that their commitment has been weak.

Another instance of the global role has been seen during the covid pandemic. During the pandemic, we served as the pharmacy of the world. We supplied medicines, equipment, vaccines etc to over 135 countries in the world. We have advocated for IPR waivers so that vaccines can be manufactured in countries in Africa where the coverage of vaccination is despicably low. In the same spirit, we have made available our digital tools for covid monitoring and vaccination coverage to all countries in the world not insisting on copyright fees for use of such digital platforms. Our view has been that we need to create trust among all countries – big and small, rich and poor - in building cooperation to address global and existential problems like covid and climate change. Profiteering and IPR cannot be sole considerations. Others such as solidarity and urgency of action must be taken into account.

I will stop here. I have taken more time than was due. But I will be happy to take a few questions.