

## **Speech to Open University of Brussels**

It is my pleasure to speak to students of the Free University in Brussels. I thank Mr. Jonathan Holslag for giving me the opportunity. It is heartening to know that India is part of the curriculum devised at VUB. As the most populous democracy, and one that would soon become the most populous country, interest in India for students on international relations should be natural. However, India studies has not been a focus in European Universities which is baffling and needs some introspection both in India and Europe for why it is so. Jonathan's efforts to bring India to all of you, therefore, is significant and very laudable.

India accounts for 1/6<sup>th</sup> of humanity. Its choice of an open, pluralist, and democratic political system, which respects diversity, fundamental freedoms, and rule of law – all this while being a developing nation - makes this an experiment without any precedence in history. The scale of Indian democracy is reflected in over 900 million eligible voters and over 650 million of them exercising their right to vote in the last elections in 2019. That is more than the voters in EU and North America combined. The quality of Indian democracy is reflected in a balanced and empowering constitution, existence in India of the world's largest and independent print and electronic media, independent judiciary and over a quarter of world's civil society organisations. Its durability is guaranteed by India's tradition of tolerance and its unparalleled diversity, which make the democratic system of governance the only viable choice for India.

Further, India's more than 5000 years of antiquity gives it a distinct civilizational identity, derived from the ethos that developed over several millennia.

So while it is a young nation, India has features which go back in antiquity, making it a uniquely civilizational state rather than a mere nation state in the narrow Westphalian sense. This antiquity also imparts its modern experiment of democracy and economic development a special character. For example, Indian democracy looks back at its own history to seek guidance and inspiration for the so-called universal human values and this gives them a more enduring character than a foreign borrowed idea may have. The antiquity has provided India also with a vision of Vasudhaiva Kutumbakam or the World is one family and guided its modern international outlook with emphasis on rules-based international order. Even its modern nationalism is about making India more global and is different in this respect from the one we have seen recently in the West. It too is derived from principles guided by its ancient wisdom.

The developmental efforts of India, too, are similarly guided by the ancient ethos of inclusiveness and prioritising the weakest. India's economic vision also benefits from the knowledge, as Maddison has pointed out vividly, that it was at various periods in history the world's largest economic power and one that was deeply integrated into global commerce. It had linkages extending beyond its neighbourhood to Egypt, Mesopotamia, Greece, Rome, China and Central Asia deep into antiquity, and this continued through the ages well till pre-colonial times, when it was broken down artificially by British tyranny and colonialism.

The project for India's economic resurgence is also a monumental one whether in terms of scale or complexity or even in terms of impact it can have on overall human welfare. For example, a significant eradication of poverty in India would mean considerably less poor at the global level given India's population size.

The same parameters extend to many other sectors – whether it is gender equality, universal literacy, health security or social empowerment. It is heartening that this project of India's transformation has attained a new urgency, vigour and purpose in recent years especially after the economic reforms in early 1990s and more recently after coming to power of the government of Prime Minister Narendra Modi in 2014.

The idea behind giving you this glimpse of India is to make the point that all this should make India a fascinating subject for study. I hope that the trend I see at VUB will catch up in the rest of Europe in the near future.

I have been asked to dwell on India's foreign policy and I would also add a few remarks in the end on India's recent endeavours to transform itself in all its dimensions.

In recent years, we have seen a distinct new pattern emerging in India's foreign policy which at one level is subtle as it emphasises on essential continuity and at another is transformative as it instils greater energy and vigour. It reflects India's new confidence resulting from 3 decades of high economic growth. This has created new interests over a wider geography and in newer areas. They have also created growing capabilities which are in demand similarly over a wider horizon than was the case earlier. It also reflects the new aspirations, even a degree of impatience, among India's youthful population. This manifests in a desire for greater proactivity and seeks a more dramatic change in how India views the world and interacts with it. Let me dwell on them under separate themes.

The first refers to expanding the canvas. We have seen Indian diplomacy conducting a more intensive outreach with its partners and expanding its coverage to new actors and geographies.

This is reflected in a more intensive calendar of visits and engagements at the leadership level. For example, we have seen 40 visits at the level of India's President, Vice-President and Prime Minister in the last 6 years to Europe alone. It includes visits to countries by the Indian Prime Minister such as Portugal, Ireland or Switzerland, some after a gap of several decades. The same pattern is visible in other regions. A related aspect has been treating relations with the region as a whole instead of dealing with countries in the region piecemeal. India will be among the first few countries to have a summit meeting with EU-27 Heads of States or Governments later this year. A similar approach has been witnessed with ASEAN where all 10 members of ASEAN meet with the Indian Prime Minister, the most notable being their presence for the Republic Day parade in 2018 in India. India is also one of the very few countries that deals with the African Union as a whole with all 54 member states participating in biennial summits, the third edition will take place later this year. This trend has also included new and somewhat remote geographies as manifest in India-Pacific Islands Forum meetings at the level of Heads of states or governments.

The second theme which is not entirely new but a reinforced one under the Modi Government is India's Neighbourhood First policy. This reflects the high priority India extends to its immediate neighbourhood in much the same way the EU does in respect of its Southern and Eastern Neighbourhood. It recognises that all countries in the South Asian region are on the same boat when it comes to their security and prosperity. India as the largest country has sought to set the pace and direction and

shown readiness to lead the outcomes through a new vision which entails routinized exchanges, greater connectivity, and stronger economic cooperation.

It also involves leveraging our common civilizational heritage to build a relaxed relationship, closer contacts and deeper connect within the region. SAARC and BIMSTEC have been the regional vehicles that have been taken forward even though the SAARC continues to suffer from intransigence of one neighbouring country making BIMSTEC the principal vehicle for regional efforts and integration in recent times. Overall, India has adopted a non-reciprocal approach and has demonstrated generosity towards its smaller neighbours. This manifests in non-reciprocal access granted to neighbours to the Indian market and generous grants and assistance for economic and infrastructure development. Bangladesh alone receives about 8 billion US dollars of lines of credit with others such as Bhutan, Nepal, Afghanistan and Sri Lanka also receiving high levels of assistance. Connectivity, like we will see in other regions, has been a main plank of Indian effort with the neighbours and has emerged as a major foreign policy priority in general. Unfortunately, in the region, Pakistan continues to remain a challenge with continued support for terrorism and its refusal to give up a policy of using terrorism as an instrument of its foreign policy.

Relations with major powers is another focus area for India's foreign policy. Here we have seen a shift in policy towards multi-vectoral engagement into what some observers have called a policy of multi-alignment. As India's External Affairs Minister has recently observed, we are moving from a world of alliances to one of states coming together on issue-based convergences. This entails that there would be issue-based alignments rather than treaty-based ones. India has responded by

seeking to develop relations with all major powers simultaneously building on the shared interests and convergences with each one of them.

We have pursued each relationship on its own merit focusing on specific sectors and issues which have the greatest potential for bilateral cooperation based on mutual gain. At the same time, we have not been oblivious of mutual equations and differing sense of priorities that each one of them entails. The relations with the US have developed enormously, acquiring a new stability and maturity, and an upward trajectory that has been maintained despite changes in governments on either side over the past 20 years. Political and defence ties have progressed significantly and efforts to forge a stronger economic cooperation, including through an FTA are being contemplated. Russia remains perhaps the most stable Indian partner through the decades and continues to enjoy high priority. Relations have gone beyond the purely defence domain to include stronger energy and economic ties, with India having offered a Line of Credit to Russia of 1 billion US dollars for the development of Russian Far East. Our relations with China have been more complex where partnership has begun to suffer recently owing to Chinese actions on the border. However, we remain engaged with China bilaterally as well as on platforms like the BRICS and SCO. Our trade relations though extremely lopsided in China's favour have also expanded making China one of India's leading trade partners. A more strategically and geo-politically oriented EU is also becoming more of a politico-strategic partner than being just a trade and investment partner. We hope to continue to explore an early conclusion of FTA with the EU, to further give a boost to our relations with the EU, which is a leading trade partner and a major source of investments , technology

and best practices. Along with the US and Japan, it is seen by India as a like-minded democracy and as a partner of choice for India's developmental endeavours.

Our relations with Japan, too, have grown exponentially with a strong economic and development cooperation now extending into newer areas such as infrastructure, defence and nuclear energy. Australia has also emerged as an important partner in the Indo-Pacific region, sharing India's vision for the region, and now a participant in a quadrilateral dialogue with India, Japan and the USA.

Of the two flanks of India's extended neighbourhood, it is the east that was the first to receive greater attention with the look east policy initiated in the 1990s. This has now been upgraded into an Act East Policy reflecting stronger emphasis on operationalisation and implementation of bilateral initiatives in the region, in particular in the area of connectivity. There is a strong maritime security element as well as engagements with regional mechanisms such as ARF, ADMM+ and ReCAP. India and ASEAN also have a strategic partnership and annual summits are held regularly as mentioned earlier. Our cooperation is based on growing economic cooperation with an FTA between India and ASEAN underpinning this aspect of the relationship. India is also implementing connectivity projects such as the Trilateral Highway which connects India with Bangladesh, Myanmar and Thailand and could in future be extended all the way to Vietnam. There are other similar projects such as the construction of Sittwe Port or the Rhi Dim road project in Myanmar. There is also the Kaladan multi-modal transport project which provide stronger connectivity with Bangladesh, Myanmar and beyond. A major element of the Act East policy is stronger integration and

connectivity between India's north-eastern states with the countries along the rim of the Bay of Bengal.

India also extends technical assistance to the region as well as development assistance most notably to Myanmar and Vietnam in the region. Participation in the East Asia summit provides yet another dimension to building relations with the region.

It is the western flank, however, where the forward movement in our relations have been most remarkable in the last 3-4 years. Like India's eastern flank, West Asia, Gulf and Central Asia have been part of the Indian cultural arc with civilisational interactions going back into history. More recently, since the independence of India, our interest in the region mainly stemmed from strong energy and diaspora ties with over 9 million Indians living in the Gulf and accounting for about 1/3rd or 30 billion US dollars of total foreign remittances received by India. Like for the rest of the world, the region also accounts for a major share of India's oil and gas imports globally. More recently, even as these energy and diaspora linkages have further deepened, new elements have entered the relationship. This is reflected in stronger relations with all major players in the region from Israel to Palestine and Iran to Saudi Arabia and in particular the UAE. It demonstrates India's growing dexterity in managing multiple relationships in the region even those which may be somewhat mutually opposed and contested. We have also expanded the canvas of our relationship with the region which now has deeper security and economic underpinnings than before. On the economic side, this includes a larger and broader basket on trade, stronger investments commitments, and new technology-based endeavours in a range of sectors. The security elements, too, now encompasses our shared interests in combating terrorism, building stronger connectivity, ensuring



maritime security and fostering stronger defence cooperation, including defence-industrial cooperation.

We have also launched a new India-Central Asia Foreign Minister level dialogue and upgraded our development assistance to the region in much the same way we have been doing in South Asia. This includes establishing connectivity with Central Asia through the development of Chahbahar Port in Iran. Defence and security cooperation with countries in the region have also been fostered as well as intensifying trade and investments.

Beyond the eastern and western flank, we have the ocean space. India has historically been a maritime power though the colonial conquest caused a temporary shift in focus inwards towards our land borders. This anomaly continued well after independence largely due to persistent territorial disputes on the land borders with China and Pakistan. However, in recent years, we have seen a progressive rise in India's ocean consciousness. The articulation of the vision of SAGAR or Security and Growth for all in the Region by India's Prime Minister for the Indian Ocean in March 2015 in Mauritius was the first step. This gradually developed into a broader Indo-Pacific strategy. This, too, found articulation in the Prime Minister's speech in 2018 at the Shangri La Dialogue in Singapore. The Indian approach to Indo-Pacific recognises the seamless nature of the waters of Indian and Pacific Ocean and is based on an appreciation that its security, commercial and maritime interests, both in terms of opportunities and challenges, are seamless and indivisible. In the Indian vision, the Indo-Pacific extends from shores of the United States to the waters washing the littoral Eastern Africa. The vision is inclusive and seeks to address the absence of a security architecture for the region, the kind which Europe is blessed with. It

underlines the importance of certain norms and principles, which we have come to accept as standards for international behaviour in other geographies.

Building infrastructure and connectivity, forging economic integration, advancing the Blue Economy, and strengthening people-to-people contacts is one side of the story. Another is building security networks through collaboration on maritime domain awareness, setting up coastal surveillance capabilities, and sharing of white shipping information. Addressing non-traditional threats like marine piracy, smuggling and organized crime are also the focus. Our efforts also include emphasis on cooperation on Humanitarian Assistance and Disaster Relief, where we have emerged as the first responder in the region. There is also a strong emphasis on fighting terrorism in the region and it also includes new approaches to issues related to food, health and energy security in their widest possible sense. Entering into logistics arrangements and regular port calls with major powers and key regional actors have also enhanced operational capacity and cooperation in the region in support of maritime security. Building indigenous defence capacity both through manufacturing platforms as well as sharing capabilities where possible with regional partners have also been part of the strategy. The establishment of quadrilateral dialogue between US, Japan, India and Australia is an important development, where discussions on forging connectivity, and enhancing maritime security and other security issues are taken up. Holding joint military exercises and training with partners in bilateral, regional or minilateral formats have also been integral to the Indo-Pacific strategy. In the region, India also participates in regional initiatives such as the Indian Ocean Rim Association, Indian Ocean

Symposium, and most recently India has launched the Indo-Pacific Ocean's Initiative.

India has also energised its global leadership. It is a G-20 member and just entered the UN Security Council as a non-permanent member for two years. In a highly splintered global order, which is increasingly becoming multipolar, India has sought to play a constructive role supporting a rules-based international order and respect for international law. It has also been in the forefront in preserving and strengthening multilateralism, which has been under strain in recent years. India has also sought to bring to the forefront the issue of the growing ineffectiveness of the existing multilateral system, as most starkly evident during the COVID pandemic. This has been partly due to the growing unilateralism among major powers in recent years. But the real reason is that they are still structured on the basis of a global system that emerged out of the Second World War and their inability to adapt to dramatic changes in the global power equations that have taken place since 1945. One of India's priority, therefore, has been to seek urgent reforms to reflect present day global realities. The claim of India to be a permanent member of the UN Security Council is indisputably a focus of India's efforts in the direction of strengthening multilateralism. Similar shifts are required in other global institutions.

India has also graduated to a realization that its own interests are closely intertwined with global interests and not apart from the latter. This appreciation has seen India seeking to play a more constructive role in seeking solutions to global challenges, whether it is handling pandemic, climate change or terrorism. India has proposed a Comprehensive Convention on International Terrorism at the UN but has been

disappointed that the UN members are unable to endorse this over the last 20 years because of their disagreement on how to define terrorism.

India played a critical role in ensuring the successful conclusion of the Paris Agreement on Climate Change in 2015. It is also the only G20 country which is compliant with the 2 degree Celsius goal to combat climate change. It is also on track to fulfil its Paris commitments well before the deadline of 2030 making it amongst the best performers on efforts to combat climate change ahead of all major emitters including the EU, the US, and China. India has also launched a highly successful International Solar Alliance and a new Coalition for Disaster Resilient Infrastructure to promote global efforts in these areas. On the pandemic, India again has been in the forefront to promote global cooperation by contributing medical supplies to over 150 countries even while it was suffering from the pandemic. Given its preeminent position as a vaccine producer, India has sent supplies of vaccines to over 70 countries even as it has rolled out inoculation programme for its own citizens.

India has a similar constructive approach to new and emerging technologies where fostering innovation cooperation for business development has been coupled with efforts to develop international norms and standards to create a more open, stable, safe, resilient and secure domain in areas such as digitalization, artificial intelligence and other similar new and emerging technologies. Sharing its developmental experience and making available its growing national capacities to the countries of the South has always been an Indian priority and efforts in this direction have been intensified further in recent years globally. This reflects in our efforts to expand our diplomatic presence and activity in Africa and even scaling up our efforts in Latin America, where India earlier had a marginal presence.

Overall, India seeks to present itself as a responsible and constructive global actor seeking to strengthen global solidarity and promote global solutions to ever growing global challenges.

While economic diplomacy was always important, in recent years, making India's economic and commercial projection the centerpiece of its foreign policy, and to anchor it more closely to our domestic development agenda has been an important preoccupation of the government in recent years. This has meant that international engagement has now become a vehicle for securing and advancing domestic objectives. Transformational initiatives by the government such as Digital India, Skill India, Make in India or Start Up India and clear articulation of their objectives have led to a major diplomatic effort being mounted to seek partners in countries that have the required technologies and best practices.

However, merely showcasing a huge domestic market or announcing flagship programmes cannot be the only selling point. Our partner countries and their leaders first have to be convinced that India's rise is in their own interest and that it is a good investment to make and to build a stake in India's rise and growth. The government's foreign policy has undertaken this complex challenge through concrete measures to facilitate investments, building closer security linkages, and creating strategic alignments based on convergence of values and interests. In brief, India has offered assurances presenting itself as a reliable, trustworthy and democratic partner.

Our partners must also be assured of a better climate for investments in India. To this end, the government has undertaken a series of economic

reforms, including some during the Covid pandemic, to create the right conditions.

Bold reforms such as establishing a Single Market like there is in Europe, and passage of Bankruptcy and Insolvency Code have considerably improved ease of doing business and raised India's investment attractiveness. More remarkably, during the Covid pandemic period, the government has begun to unveil second generation reforms, including in education, labour and agricultural sectors, following the first generation reforms that began in the 1990s. Other steps such as announcement of a major disinvestment or privatization programme and opening or easing restrictions on investments in areas such as insurance, railways, defence and infrastructure sectors have opened new opportunities. To address deficiency in infrastructure, the government in India has launched a 1.5 trillion dollar national infrastructure pipeline seeking to build highways, railways, metros and airports across the country. The government has also taken steps to remove 100s of antiquated laws and regulations in what I call micro reforms that have removed impediments to investing and operating a business in India. All this has seen India leap 79 positions, rising from a position of 142 in 2014 to 63 in 2019 on the World Bank's Ease of Doing Business Index. India's ranking by globally reputed agencies on investment attractiveness, innovation or competitiveness have also risen significantly in recent years. All this is reflected in about 300 million dollars of Foreign Direct Investment in India in the last 5 years. Even during the Covid period in 2020, FDI into India has grown at an unprecedented level compared to previous years. India's economic growth though having suffered a setback due to the pandemic is poised to return to high growth from 2021 and India will regain its mantle of

being the fastest growing major economy in the world. In GDP terms, India is already the 5<sup>th</sup> largest economy having risen from 11<sup>th</sup> position in 2011 and is likely to become World's 3<sup>rd</sup> largest economy by 2030.

To achieve this objective, the government has also announced an Atmanirbhar Bharat or Self Reliant India initiative backing it up with new reforms, as mentioned above, and announcing investment incentive schemes and one of the world's largest economic stimulus programme aimed at quick economic recovery following the pandemic. This economic vision is similar to the EU's emphasis on strategic autonomy and should not be confused with autarky. It is aimed at turning India into a supply chain and manufacturing hub which is more capable of contributing to global supply chain resilience and is better integrated into the global economy. India's recent decision to not sign the RCEP trade agreement, too, is not an indication of its overall approach towards globalization and free trade. India did not sign the RCEP deal because the deal negotiated finally did not serve India's interests as an open market economy. In fact, overall, India remains a strong supporter of human-centric globalization where openness in goods, capital and services sectors are combined with regulated mechanisms for talent mobility and migration. Our desire to resume negotiations for an FTA with the EU and US confirm our desire to continue to integrate more closely with other economies, especially open ones.

The ongoing economic transformation in India is accompanied by an equally strong emphasis on achieving India's constitutional objective of creating a truly welfare state with strong government delivery systems and robust social safety nets. In this sense, India is decidedly moving towards a more liberal social welfare system aimed at protecting the poorest and weakest. For example, India has implemented the world's

largest medical insurance scheme, which brings free medical care to 500 million of the most underprivileged.

We are on track to construct 100 million green and affordable housing for the homeless by 2022, thereby, ensuring housing for all. Following our success in bringing electricity to every village, we are now on track to bring tap water to every home before 2022. Constructing toilets for 100 million families and providing cooking gas to 80 million women, who were dependent on hazardous firewood for cooking, all in the last 5 years seem unbelievable but are true. The government has also brought banking to the poorest, by opening over 400 million bank accounts (more than 50% of this for women) in the last 6 years. This has ensured that every Indian family now has a bank account. With the 1.2 billion mobile phones and having created biometric ID cards for 1.3 billion Indians, the government has been able to use the newly created bank accounts of the poorest to implement a Direct Cash Benefit Transfer to transfer cash benefits under various welfare schemes directly to the intended beneficiaries. During the pandemic, this digital infrastructure enabled the government to supply food rations to 800 million and transfer cash benefits to 420 million of the most needy. This database will now be critical when India begins to inoculate its citizens with a vaccine to tackle the pandemic. I must admit that these numbers look large because of the large population that resides in India. But at the same time, we do not have many other global examples of implementation of welfare schemes in a transparent and effective way to such a large number.

India seems to be beginning to fulfil its unrealised promise and potential as a rising power. The new energy and vigour that I referred to at the beginning when talking of India's foreign policy is visible even more in



India's domestic context. It is this domestic transformation that is feeding into India's foreign policy.

India's growing reach and capabilities at the global level, as is the case with other countries, is truly a reflection of its rise domestically.

I will end here. I thank you for your patience. I will be happy to take questions.