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**60 Years of Independence: India's Foreign Policy Challenges**  
**Address by Special Envoy to Prime Minister Mr Shyam Saran at the conference**  
**by the Institute for South Asian Studies, Singapore, 30 August 2007**

I am delighted to join you all this morning at the commemorative event organized by the Institute of South Asian Studies to mark sixty years of Indian independence. This is a commendable initiative, one particularly appropriate to Singapore whose historical ties with us have become even closer in recent years. Let me express, at the outset, my appreciation to Mr. Gopinath Pillai, Chairman of ISAS, for organizing this Conference and to Second Permanent Secretary Bilahari Kausikan, who has been gracious enough to inaugurate it.

2. Sixty years ago, when India gained independence, it joined the international community as a polity fractured by the Partition and as an economy shattered by two centuries of colonialism. The challenges that it faced were so fundamental that they would have been daunting for even a seasoned leadership. Only one which had so determinedly waged an independence movement over half a century could have assumed the responsibilities of governance so seamlessly and articulated a coherent national agenda. It is not my intention to dwell on these domestic challenges except in so far as they are relevant to the formulation of our foreign and security policies.

3. There were three major constraints that India faced on the foreign policy front in its early years. The first was to undertake the internal political consolidation and the economic reconstruction of India. The former process occupied the first decade and the latter is still ongoing. The second, an inevitable consequence of Partition, was a reduction in India's size and reach. There was not only a disruption of many of its historical connectivities but an adversarial relationship with Pakistan which arose from the circumstances of the Partition. The third constraint was the structural rigidity in the international system emanating from the Cold War which significantly circumscribed India's freedom to exercise choices as it set about the task of nation building. Non-alignment was a response to this reality. Six decades later, each one of these factors has in some measure, changed to our advantage, leading to a more optimistic vision for India's future.

4. Let me now focus on India's political and economic achievements since Independence and what these portend for the future. Our consolidation as a national polity has been impressive and no one really doubts India's stability today. This is important to state because that was not how international opinion always perceived us. In the 1960s, for example, there was a considerable body of analyses that predicted very alarming scenarios arising out of the growth of regionalism. Our ability to reconcile competing demands was also questioned, particularly during times of economic difficulties. But today, there is a broad appreciation that the Indian political ethos is accommodative of diversity and respectful of federalism. Indeed, the inherently pluralistic culture of India has actually provided the basis for the working of complex coalitions at both central and state levels.

5. Similarly, internal contradictions and differences – not unnatural in a large, varied and democratic society – have often been misinterpreted. Observers unused to the complexity of our socio-political matrix sometimes tend to believe that this negatively affects the efficiency of our development process. But if there is one lesson out of the last sixty years, it is that the culture of debate that accompanies decision-making is central to the management of the Indian political process. In many ways, the world is revisiting the debates of ‘democracy versus development’ and ‘pluralism versus homogeneity.’ India is increasingly recognized for its successes in simultaneously building an open society and an open economy. That, in itself, has significant repercussions, as much for India as for the world.

6. This recognition may not have been as strongly endorsed as it is today if India’s political achievements were not matched by its economic success. An audience in Singapore needs no convincing of the merits of our reforms, initiated 15 years ago. But even more skeptical quarters have now come to accept that the unleashing of energies in India and growth of our aspirations has the most profound consequences for the global economy. The changes in India itself are visible for all to see. A sustained 9% growth rate is manifesting itself in growing incomes and rising demand. Poverty levels in the last decade alone have declined significantly in both urban and rural areas. Contrary to many expectations, Indian business has proven its competitiveness as our economy integrates with the world.

7. Against this backdrop, how does India see the current global landscape from its own vantage point and what is its perspective regarding its own role in Asia and the world?

- In the current international landscape, there is only one country which has a truly global agenda and also a global reach, which is the United States. However, there is also a cluster of major powers with strong regional profiles but increasingly global impact. These include the E.U., Russia, China, Japan, India, Brazil and South Africa. While U.S. pre-eminence is unlikely to be reversed in the foreseeable future, the relative importance of the other major powers is likely to increase. We are already in a world of what I would call “asymmetric multipolarity” with the asymmetry progressively diminishing over a period of time. India has an instinctive preference for multipolarity and multipolarity globally implies a multipolar Asia as well and this is a trend which is positive from India’s standpoint as an emerging power.
- There is unlikely to be confrontation among the major powers, even though there may be areas of competition and even tension among them. It is our perception that the growing globalisation of the world economy, and the consequent increase in interdependence and interconnectedness among the major powers, makes it unlikely that competition and tensions will be allowed to go beyond a point, since the consequences would be negative for both sides. On the other hand, there will be issues on which there could well be coalitions of powers whose interests may be convergent on specific issues. Examples of this are the six-party talks on Korea and the P-5 + 1 initiative with respect of Iran’s nuclear issue. In this loosely structured concert of powers, India finds greater space for the pursuit of its foreign policy objectives.

- The international agenda today is dominated, as never before, by a number of significant cross-cutting issues that are not amenable to national or regional solutions. They require global responses and this itself would limit the scope for competitive behaviour among major states. These cross-cutting issues include terrorism, drug-trafficking, international crime, global pandemics, environment to name a few. The participation of large developing countries like India and China would be imperative in seeking solutions to such issues, even as multilateral institutions and multilateral approaches become essential tools in confronting these challenges. India will be increasingly engaged in playing a leading role both in the creation of such global institutions and in the fashioning of global approaches.
- While the current global landscape is characterized by the emergence of a number of major powers, there is unmistakably a shift in the center of gravity of global economy towards Asia and with that the relative weight of Asia in global affairs. The most obvious manifestation of this is of course the emergence of both India and China as two dynamic, continental sized economies, but also the continued expansion and maturation of ASEAN economies, and the resumption of growth in Japan. How Asia will manage this historic transformation will be critical to the prospects for peace and prosperity both in our region and the world. There is little doubt that India's energies will be focused to a considerable extent, in managing this transformation and participating in the creation of new political, security and economic architectures in our region.
- Recent trends indicate that development will, in the future, be increasingly knowledge-driven and technology-driven. Countries that demonstrate strengths in innovation, in knowledge creation and applications and have the demographic profile to sustain growth over a period of time, will emerge in the front ranks of the world in the next 30 to 50 years. India has demonstrated strengths in this regard. It has a large and growing corps of skilled and technical qualified manpower. IT is an example. At the same time, it has a young population which will ensure sustained growth over the next several decades.
- As technology and communications continue to shrink the global neighbourhood and interaction among countries and peoples grow in quantum leaps, the ability to handle and reconcile diversities of ethnicity, religion, culture and language, is what will distinguish successful societies. There will be a natural tendency for plural democracies to seek proximity and confront the intolerance and hostility generated in societies unable to adapt to rapidly shifting winds of change. India is an example of a successful, plural democracy, which has by and large, been able to accommodate immense diversity within a liberal political order. It is, therefore, well-positioned to adapt to a more interconnected world.

8. In articulating an appropriate foreign policy for the next couple of decades, it is the parameters detailed above which would be the most relevant. There will be certain significant elements of continuity. The objective of India's foreign policy has long been to expand its strategic space and strengthen the autonomy of its decision-

making. As a large and populous country, and heir to a rich and ancient civilization, India has always had a sense of its place in the world. The experience of colonial domination only strengthened the zealotry with which its people safeguarded their newly won independence. Non-aligned foreign policy was an expression of this ethos and remains so today. What has changed is the context in which this objective is sought to be pursued.

9. In terms of the parameters I have spelt out, the contours of India's current foreign policy begin to emerge with a certain clarity. Divested of the bipolarity of the Cold War and the rigidities of East-West confrontation, international relations today offers India the opportunity to simultaneously pursue closer engagement with all the major powers; strengthening of relations with one does not inevitably lead to diminishing returns on some other front. It is possible today to think of flexible and shifting coalitions of major powers to deal with a varied set of challenges. For example, India is part of an India-Brazil-South Africa arrangement called IBSA. It is a member of a Russia-China-India trilateral and an observer at the Shanghai Cooperation Organization, even as it is comfortable pursuing a closer consultative relationship in the quadrilateral format with the US, Japan and Australia. India works together with the EU on issues of energy and environment, but it is also willing to cooperate with the U.S., China, Japan, Australia and South Korea under the Asia-Pacific Clean Development Partnership. India's foreign policy is becoming expansive, with an unprecedented degree of regional and global engagement. The rapidity with which the country is becoming enmeshed in a variety of regional and global networks is truly astonishing. This trend towards more intense engagement with a globalised world is likely to continue in the coming years.

10. Operating at all these levels naturally require an integrated vision. A prerequisite for a multi-polar world, for example, will have to be a multi-polar Asia. Independence of thought and action will remain a dominant feature of India's diplomacy into the future. Even when we were much weaker, India was chary of being used by other powers. There is no cause for that to change. Our approach remains to translate the achievements of one relationship into gains in another. The record of the last few years would bear this out.

11. The transformation in India's ties with the United States in recent years should be seen in this context. The US is India's largest trade, technology and investment partner, a home to a successful Indian community and a large student body. Its value to India lies particularly in its ability to shape global sentiment on a wide range of issues. Our civilian nuclear energy understanding is an appropriate example. Other countries have leveraged their relationship with the US to accelerate their growth and there is no reason why India should not do so. Stronger Indo-US ties not only bring benefits to the two partners but contribute to regional and global stability. They have also strengthened our hand in building many other relationships across the world.

12. Our relationship with China has also expanded noticeably during this very period. While our bilateral trade has grown exponentially, the real story is the rapid broad-basing of our interaction. Today, the two countries have established a commendable record of exchanges in the political, security, economic and cultural spheres. It is not always appreciated how much India and China have in common.

The world should expect to see us work together on the many areas where our interests converge. I would stress that the rise of China is a positive development in so far as India is concerned. It encourages by example the growth of Indian aspirations. Structurally, it compels the international system to change at the very time when India too wishes to alter the status quo to its advantage. Both Indian and Chinese leaders have emphasized that there is enough room in Asia and the world for both India and China to grow and that there is no fundamental conflict of interest between the two.

13. Prime Minister Abe's recent visit to India has highlighted the change in India-Japan relations. This has been a long time in coming. It is apparent that Japan now sees value in going beyond those regions of Asia with which it had historical familiarity. The scale of the economic partnership under contemplation is impressive. We also share a vital interest in ensuring security of maritime trade.

14. We have longstanding ties with Russia and nations of the European Union which too have expanded along the lines of our other major relationships. Russia remains a key security partner, one with whom we also share strong political interests. The engagement with Europe, of course, is dominated much more by economic cooperation and the presence of a large Indian community.

15. While our global engagement is expanding, it is also true that this expansion is increasingly weighted in the direction of Asia, particularly South-East Asia and the Far East. All major indices e.g. growth of trade, investment, transport and communications, point to India's economic resurgence becoming an integral component of the Asian growth story. India has now accepted that its economic destiny is now firmly linked to its fuller integration in the global economy. However, global integration will come increasingly through greater connectivity and enmeshing with the dynamic economies of South East Asia and East Asia. This is precisely what is happening. There has been a steady evolution in India's Look East Policy – from a sectoral to a full dialogue partner with ASEAN and the imminent prospect of an India-ASEAN Free Trade Agreement. The East Asia Summit is an even broader canvas on which such integration could be pursued.

16. India also believes that it cannot make a true success of its economic integration with Asia, unless it is able to realize such integration within South Asia itself. A fractured South Asia would inevitably inhibit the larger process of integration with the dynamic economies of South East Asia and East Asia. Therefore, a major preoccupation of India's foreign policy is the pursuit of a peaceful neighbourhood in South Asia based on shared prosperity.

17. As with India's domestic prospects, the outlook for the region too has improved as a result of economic transformation. India's emergence as a motor of economic growth has opened up opportunities for all our neighbours. Already, its impact is making itself felt on their economies. Those among them who leveraged these possibilities to advance their interests have been well rewarded. Sri Lanka, for example, has emerged as a major logistical hub for peninsular India. It is also benefiting both as an important investment and tourism destination for a more prosperous India. In the north, Bhutan has significantly raised its per capita income as a result of energy exports to India. In the case of Myanmar, infrastructure

projects have opened up new avenues of cooperation which benefit both countries. Even with our other neighbours, the expansion of our bilateral trade – including those routed through third countries – has been noteworthy. Above all, business communities across South Asia are increasingly aware that this is a win-win situation and not a zero sum game. The challenge that we face is to overcome entrenched suspicions and to raise cooperation to a higher level. India will clearly have to take the lead in providing incentives to overcome the old mindsets and our approach at the SAARC Summit in New Delhi in April 2007 was reassuring on that score.

18. Our relations with Pakistan deserve a special mention as they have been the most intractable of our diplomatic problems. Many of you perhaps would be surprised to learn how normal our relationship has become since 2004 despite our continuing differences on major issues. Sentiments of civil society have been very much a driving force in this normalization process. Governments have responded by creating a more helpful enabling environment. Support by Pakistan for terrorism directed against India has long been a particular obstacle to improved ties. The commitment made in January 2004 to desist must be honoured if we are to progress. There, however, seems to be a growing awareness in both countries in recent years that our futures are closely inter-linked and that the present impasse helps neither country. On the Indian side, our Prime Minister has underlined our complete flexibility, short of contemplating territorial changes. There has been a serious search for a solution underway for some time now. Since a middle ground does not exist, political ingenuity has to create one. A lowering of tensions is obviously the basic pre-requisite to do so, followed by as broad-based engagement as possible. We now have to see how purposefully the two countries can move down a road that has never been taken. A dilution in external interests that have perpetuated the differences in South Asia would also be greatly helpful in that context.

19. Some thoughts about our nuclear policy would also be appropriate. Over the last six decades, an India that was a vocal exponent of disarmament was compelled by circumstances to emerge as a nuclear weapon state. The challenge that we will now face is to fashion diplomacy more appropriate to our present strategic posture, while simultaneously pursuing disarmament goals and participating in international nuclear commerce and technology initiatives.

20. A few remarks about our relations with Singapore. An India that envisages in the opportunities that are offered by the changing global scenario the realisation of its aspirations naturally will pursue vigorously cooperation with other economically resurgent societies. As you would have gathered, our world view contemplates both concentric circles of interest and a multi-polar global architecture. Singapore is located in one of the inner circles, and is clearly a priority relationship for India. It is among our top five trade and investment partners. Our privileged relationship is reflected in the Comprehensive Economic Cooperation Agreement (CECA), a framework agreed upon in June 2005. Its results are no mere statistics. Singapore is the favoured location for Indian businesses seeking a global footprint and more than 2600 of them have set up offices there. Most of our large banks have their presence as well and the air connectivity between our two countries is particularly strong. At the Indian end, Singaporean companies have moved beyond financial investment to assume project execution responsibilities. We have strong political and security convergences and are establishing effective institutional linkages to

advance them. Above all, as multi-ethnic and plural societies, we have a natural bonding that can only gain further significance as India globalises.

21. What kind of India the world would see in the next six decades? It would be an India largely focused in raising the quality of life of its people. This will be the basis on which our external engagements would be judged. India's response to the forces of globalization will also be watched closely. We have the cultural strengths and the self-assurance to meet the world on our terms. What augurs well is that India, as a cross-roads culture, has never seen the world in adversarial terms. If the past is a guide at all, the world could learn much from South East Asia's long tradition of interaction with India. That tradition has been very much one of an exchange of ideas, people and commerce. Therefore, one can safely predict that interests of this region would be well served by a more prosperous, confident and active India.

I thank you for your attention and would be glad to answer questions.

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