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PRESS RELEASE

"Global Rebalancing and India's Foreign Policy"
- Vimarsh talk by the Foreign Secretary Shri Harsh Shringla

The author began the VIMARSH Talk by referring to something that the host for the talk, Shri Gupta, co-wrote in 2013:

"The economic transformation of India and China in the past two decades has transformed the strategic landscape of both Asia and the world. Asia is fast emerging as a geopolitical and economic pivot. It is now widely believed that the 21st century will witness the consolidation of the economic, political and technological powers of Asian states."

This is an apt introduction for the subject of today's talk, "Global rebalancing and India's Foreign Policy".

We meet today a little over a hundred years after the Treaty of Versailles; seventy five years after the adoption of the United Nations Charter; seventy eight years after the Bretton Woods conference; six decades after the creation of the OECD and more than four decades after the creation of the G7; twenty seven years after the conclusion of the Uruguay Round of GATT; and thirty three years after the Montreal Protocol. We are also meeting three decades after the fall of the Berlin Wall.

Each of these landmark events contributed to the creation of what diplomats and international relations analysts like to describe as the international system or world order. The treaties and agreements are what an analyst has called the "mainstream concepts of globalization." They are the intellectual and structural pillars of the world order as we commonly understand it.

We all accept this is changing. The rapid growth of Asia's share in global economic output, the business acumen of Asian companies and their growing revenues, and the growing salience of Asian technological prowess is driving a shift in the global economic center of gravity.

The transition is manifest in the waning of the "unipolar moment" following the end of the Cold War and in the emergence of a multipolar world. The transition is also manifest in doubts about the continuing relevance of the existing structures and pillars to contemporary problems.

The Black Swan event that has been the pandemic, its impact and the efforts to deal with it, have highlighted both transition and inadequacies of the current structure and thinking. There are some who see the pandemic as a full-stop. A punctuation mark that indicates that certain institutions and ideas have come to an end. There are others who liken it to a comma; a break in the flow of events which points towards a change in emphasis.

Be that as it may, there is no disagreement that certain powerful megatrends have been accentuated.

International diplomatic systems are historically created to forestall crises and conflict. They last as long as they are able to contain and defuse destabilizing impulses. The ability of the current system to contain and prevent crises is evidently weak. Even when the will is there, the solutions that are available are often unsatisfactory.

The ideational basis of the current international system is unequal to many of the major global challenges that we need to contend with.

There is a general acceptance that the world has not recovered from the consequences of the 2008 financial crisis.

The fundamental plank of an open economic order has been challenged. This happened in the midst of a slowdown in global trade that is independent of, and predates the pandemic induced slowdowns. The share of trade in global GDP has not grown in the last decade. It is the same when it comes to global capital flows. UNCTAD's World Investment Report says that "flows of cross-border investment in physical productive assets stopped growing in the 2010s, the growth of trade slowed down and GVC trade declined."

The flagship product of economic globalization was the global value chain or supply chain which drove world trade. Not only has trade slowed down, the pandemic has also demonstrated that such supply chains can become vulnerabilities. They generated dependencies that can be crippling even when disruptions are not at pandemic levels.

New and emerging technologies have proven to be disruptive, particularly to democracies and open societies. Completely new challenges have arisen. Political movements are generated and coordinated through mobile phones. The integrity of electoral process can be targeted through artificial intelligence. Global terrorism networks recruit and radicalize through social media. Misinformation and disinformation create social disturbances and disharmony. The pandemic has made us realize how biology can become a global security threat. A whole new spectrum of sub-conventional security challenges has arisen. Solutions to such dangers to peace and security are difficult to find within current systems.

This deficit is complicated by the absence of any clear or compelling alternatives. We are faced, for the first time after the fall of the Berlin Wall, with a battle between schools of thought, and between narratives built on the schools of thought. Unlike in the Cold War, however, the schools of thought are not always divergent. They have significant intersections.

It is in other words, a system where competition and cooperation coexist. It is a system in which rivalries and alliances are non-linear.

The India that operates in this global environment is itself changing rapidly. It is today more populous, younger, more aspirational, more innovative, more diverse and economically more productive than ever before. It is an India that is more consequential. It is an India that is better resourced. It is an India that is on a growth trajectory. It is an India that has survived and will survive many challenges.

More importantly, it is an India that will chart its own path and find its own bearings. It is therefore an India that is coming into its own.

Indian diplomacy for this era is based on five pillars.

The first pillar is that it is Indian in thought.

India is home to one of the world's greatest and most ancient philosophical traditions with its own unique characteristics. We are also introspective people who study and assimilate. We admire what is

good in the intellectual traditions of Western thinkers and the cultural roots that underlie the current global institutional framework. We are, however, increasingly guided by bearings that arise from our own thinking influenced over centuries by Kautilya's Arthshastra or ancient texts such as the Mahabharata and the Bhagvad Gita.

I would like to refer to three particularly strong strands in our thinking.

The first is the tradition of the Middle Path that arises from the teachings of Buddhism. India tends to avoid extreme strategic and political behaviour. It is a force for moderation.

From this arises the second strand of our thinking - the need for strategic autonomy or of being atmanirbhar. We believe that centers of power and gravity in the current international system are diversifying, growing and shifting. New players such as non-state actors and business interests have created entirely new diplomatic domains and are often more influential than many nation-states. India's interests, like those of other players, in such a fluid environment, will constantly shift. The comforts of belonging to a bloc - or avoiding it - are gone.

We will in such an environment be guided by a third strand of thought, that of human-centric globalisation. Speaking at the G-20 Summit last year in April, Prime Minister Shri Narendra Modi called for ushering in a new globalization for the collective well-being of humankind and having multilateral fora focus on promoting the shared interests of humanity. The Prime Minister underscored the need to put human beings at the centre of our vision of global prosperity and cooperation.

The second pillar of Indian diplomacy is its multipolar focus.

We place our Neighbourhood First, we Act East and we Think West and we have revitalized our approach to these policies.

Connectivity projects are being implemented at an unprecedented pace in our neighbourhood. Railway projects with Bangladesh and Nepal, Chabahar and Sittwe Ports in Iran and Myanmar, respectively, and inland water projects have created new transport corridors. The energy grids of India, Bangladesh, Bhutan, Nepal and Myanmar are being linked. India has invested in power projects in Bangladesh, Bhutan and Nepal. Power trade in our neighbourhood is a reality. Hydrocarbon pipelines can now link India with Nepal and Bangladesh.

The Prime Minister's vision of SAGAR – Security and Growth for all in the Region – underpins our vision of the Indian Ocean region and the greater Indo-Pacific region.

We believe that the ASEAN countries will be central to realizing our vision of the Indo-Pacific.

Our BIMSTEC and IORA initiatives and frameworks such as Ganga Mekong Cooperation will bring us closer to ASEAN.

India's North East, which is being transformed by connectivity projects, will provide a land bridge with ASEAN.

India's relations with major powers have attained comprehensive strategic levels while maintaining strategic autonomy. We have carefully tended our relationship with the United States. It is an exciting and forward-looking partnership. India and United States have also partnered with Japan and Australia in another forward looking partnership.

The rise of China and our proximity brings its own implications. Chinese attempts over the last year to unilaterally alter the status quo in Ladakh have seriously disturbed peace and tranquility in the border areas. These acts are in violation of our bilateral agreements and have inevitably impacted the development of the bilateral relationship. We have nevertheless maintained dialogue to peacefully resolve the situation. An early completion of the disengagement process could lead to the de-

escalation of forces in Eastern Ladakh, which would hopefully lead to restoration of peace and tranquility in the border areas and facilitate overall progress in the bilateral relationship.

We have an enduring friendship with Russia and that friendship continues to be strengthened.

We will give particular attention to building a 21st century relationship with Europe and a new and transformational partnership with a United Kingdom that has just exited the EU.

Our engagement with Africa has been reinvigorated. This is reflected in the stepped up exchanges at the political level and enhanced economic engagement, including through India's Lines of Credit. We are also committed to intensifying and deepening our engagement with the Global South.

As part of the Think West policy, relations with Gulf countries have acquired new dimensions in the last few years.

We also remain committed multilateralists and believe that human centric globalization must underlie the reformed multilateralism that will inevitably arise in a post-pandemic world. India is currently in the UN Security Council for a non-permanent tenure. Our priorities in the Security Council include working to bring innovating and inclusive solutions to foster development; pursuing concrete action for effective response to terrorism; reforming multilateral systems; bringing a comprehensive approach to international peace and security; and promoting technology with a human touch as a driver of solutions.

Multilateralism and plurilateralism must complement and supplement each other and must be relevant to contemporary challenges. The SCO RATS - Shanghai Cooperation Organization Regional Anti-Terrorism Structure and the BIMSTEC National Security Advisors Meetings are two examples of our priorities as are the recent initiatives on trade with the European Union and the United Kingdom.

The third pillar of India diplomacy is its actions as an international force multiplier for the Government.

The Ministry of External Affairs is the global arm of the government and has a global footprint and presence. A pandemic of this nature has necessitated not just a whole-of-government approach but a whole-of-society approach. It also requires us to source solutions and capacities on a global basis.

A word about our response may be in order to provide a live example of how we scaled up our operations and acted as the international adjunct to an essentially domestic process.

A de novo vertical, the COVID Cell, that worked 24*7 to coordinate our COVID related operations, was created. This was resourced appropriately with some of our finest and youngest officers and was able to scale up rapidly on demand.

Our diplomatic posts worked with multiple stakeholders on the Vande Bharat Mission, the largest logistical mission of its type ever undertaken.

We were an integral part of the Government of India's Empowered Group system to procure essential medical supplies for COVID-19. We have, throughout the pandemic, identified and connected with potential suppliers of essential medical equipment across the world. We also intervened to source medical products, machinery, and components that were vital for enhancing our domestic manufacturing capabilities.

During the first COVID wave last year, a global sourcing operation was launched to procure ventilators, PPE kits, masks and testing kits. These helped us tide over the situation till domestic manufacturing increased to meet demand. This effort to procure essential medical supplies intensified during the second wave. We worked closely with other Ministries and agencies, our Armed Forces and State governments, during the massive procurement operation to secure supplies of critical items. We have been a vital part of a global effort to source liquid medical oxygen and cryogenic ISO tankers to

transport it; critical inputs for oxygen generating plants such as zeolites; and essential medicines like Remdesivir, Tocilizumab and Amphotericin B.

Our Missions in Russia and USA facilitated discussions with major vaccine manufacturers about procurement and possible local manufacturing of their vaccines.

I do not believe that this is the last time an inter-agency response of this magnitude will be required. This capacity to react flexibly and to scale up rapidly will be central to our effectiveness in the years to come.

India helped several countries in the early days of the pandemic by providing essential medicines, vaccines and other COVID related assistance. This generated immense goodwill for us and was reflected in the support and assistance we received from our partner countries during the second wave. We will continue to share our resources, experience and expertise with others, to the best of our abilities.

All economic downturns are followed by growth. That will inevitably happen after the current pandemic wanes.

Indian diplomacy must be able to work with domestic partners and bridge them with international interests to exploit the opportunities that will inevitably arise.

India has received record FDI inflows in the midst of the pandemic. It has also shown extraordinary vitality in the start-up and innovation space. Our ability to leverage these business and innovation trends, through initiatives such as the QUAD partnership on vaccines and several dialogues of supply chain resilience are critical to our ability to rebalance.

The future of India is digital. Technology offers solutions that can solve and leapfrog generations of problems. New geo-tech regimes and arrangements are arising that deal with a complex and fast changing world of standards and regulatory regimes. Data regulation, e-commerce regulation, cyber warfare and cyber security, digital enablers - which include some developed in India such as IndiaStack, Aadhar, UPI - and the newest technologies are acquiring salience in international discussions. Some characteristics of the space in which these conversations are occurring are reminiscent of earlier geo-political contestations. Our capacity to navigate this geo-tech world and its intersection with geo-politics and geo-economics and link it with domestic priorities is a key priority. We have added divisions in the Ministry to deal with cyber diplomacy and new and emerging strategic technologies and will continue to augment them.

A recent illustration of our pro-active and people-oriented initiatives in the digital domain is the Co-WIN portal, which forms the technological backbone of India's vaccination drive. This is a scalable, inclusive and open platform that can be customized and ramped up for health interventions across the globe. We are working closely with the National Health Authority to share this platform with partner countries for the public good. Several countries, particularly from the SAARC and BIMSTEC region, have shown interest in adopting this platform. The National Health Authority and Ministries of External Affairs and Health are also organizing a Co-WIN Global Conclave next week.

The fourth pillar of Indian diplomacy is to be a force for global good.

It is to be the Vasudaiva Kutumbakam in action.

Historically, diplomatic efforts to improve security have been about negotiating security alliances. A concept of human security that takes a broader view of security has, however, gained ground. This calls for a new kind of security diplomacy and a new set of measures and arrangements. They are preventive in nature and are based on cooperative mechanisms. They promote sharing of information and interoperability. They are more about policing and law-enforcement than about the military.

India has made an enormous effort in improving the security situation in its neighborhood and extended neighborhood. A wide range of activities by India such as anti-piracy patrols; pollution control and maritime search and rescue operations; joint exercises; capacity building of partner countries etc. improve security in the Indian Ocean.

We also participate in a growing number of maritime dialogues. We are active in ASEAN led-mechanisms; the Indian Ocean Rim Association (IORA) and the Indian Ocean Commission.

The phrase that "India is a net provider of security and first responder" acquires substance in this context.

We deploy large amounts of resources through development partnerships with our friends.

This is a practical demonstration of our goodwill and our capacities and of our belief in the principle of "Sabka Saath, Sabka Vikas".

Indian development partnership is a full spectrum operation with a presence in Asia, Africa, South America and in the Pacific.

Whether it is a parliament building in Afghanistan or a Supreme Court building in Mauritius or hospitals in Nepal and better connectivity, India exports its values through such partnerships.

We will continue to calibrate partnerships in order to meet the needs of our friends as per their developmental priorities.

Our focus will continue to be on executing viable projects and on strengthening capacities in local communities.

The fifth pillar of Indian diplomacy looks to the future.

Our efforts at rebalancing include our endeavor to participate in the search for solutions to common problems.

I have already spoken about the digital diplomatic space and the opportunities and vulnerabilities.

I have also referred to the opportunity that has arisen due to the need for resilient supply chains. This is a space for a newer economic diplomacy that is driven not just by financial efficiencies but assigns value to reliability.

Climate change is one of the defining challenges of our time. India is amongst the front rank of nations with climate ambition. Despite our development needs, we have shown strong commitment to climate action.

Energy is at the centre of India's ambition and agenda. Massive investments have been made in augmenting India's renewable power capacity. 24% of India's installed capacity comes from renewable sources. In absolute terms, India ranks within the top 5 globally when it comes to power generation from these renewable sources.

India will not just meet its Paris commitment targets but exceed them. According to Climate Action Tracker, India is the only G20 country with "2°C compatible" targets.

This transition to a climate resilient economy will generate economic output and place the country on a sustainable growth path. A green economy makes for good economics and India is on the path to creating a green economy which is integrated with a global economy that is headed in the same direction.

These priorities are apparent in what may be described as "next-generation" agreements that we have entered into with Denmark, the United Kingdom and the European Union. We have a Green Strategic Partnership with Denmark. We have a comprehensive 'Connectivity Partnership' with EU which is focused on enhancing digital, energy, transport and people-to-people connectivity. We have a Global Innovation Partnership with the UK and a partnership that focuses on new and emerging technologies.

India's record in creating and establishing international organisations such as the International Solar Alliance and the Coalition for Disaster Resilient Infrastructure with forward facing agendas speaks for itself.

I would like to refer to India's participation in the recent G7 Summit under the UK presidency. India outlined its thinking on the four priorities outlined by the UK Presidency which were leading the global recovery from Coronavirus while strengthening resilience against future pandemics; promoting future prosperity by championing free and fair trade; tackling climate change and preserving the planet's biodiversity; and championing shared values and open societies.

The Prime Minister in his interventions recalled that democracy and freedom were a part of India's civilizations ethos. He shared the concern that open societies are particularly vulnerable to disinformation and cyber-attacks.

India is an open society and a democracy. These are values that will remain at the heart of Indian diplomacy,

I would like to end by referring to an old military saying which states that no battle plan survives the first contact with the enemy.

Diplomatic strategies are similar. They do not lend themselves to neat and tidy categorization of problems and solutions. They require constant adjustments and course corrections.

It is possible, however, to point the ship of state in a broad direction and I have attempted to describe that direction. We will certainly face turbulence. As and when it happens, we will be able to find our bearings from our values and our aspirations and our desire to not only contribute to solving the problems of today but to build the world of tomorrow.