



**High Commission of India
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INDIA@75 : RECAP OF INDIAN FOREIGN POLICY IN THE PAST DECADE

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Ladies and Gentlemen;

Namaskar, Salam Aleikum and Shubho Sakal:

Thank you for this opportunity to visit this premier military training institution of the Bangladesh military. As in my own country, the National Defence College is a singular institution that brings together leaders of the future and trains them to be scholar-soldiers by expanding an understanding of the “jointedness” of policy choices. A top-tier NDC, such as this, expends considerable effort to broaden the horizons of future leaders through focused exposure to diverse perspectives and experiences. This is usually driven by the expectation that mature, statesmanlike leadership is generated by developing capacity to consider the widest range of context before determining a course of action.

And so I thank you for this chance to set out a perspective of the drivers and goals of India’s foreign policy, its core objectives, and main axes of action. In doing so, I will try not to get into the thicket about individual bilateral relationships, barring one, concentrating in the main on a ‘big picture’ approach to give you a sense of the whys and whats of Indian policies. It is in this context that I thought it best not to try and squeeze in an assessment of 75 years of foreign policy into 45 minutes of conversation since that is a bit like trying to push a camel through the eye of a needle.

To first principles, then. I think we will all agree that any strategy or policy needs a goal or an objective. The overall goal of India, for which our foreign policy is a key element of the policy toolbox, is to transform India into a prosperous, strong and modern country. At independence in 1947, our subregion had just emerged from trauma of Partition and nearly two centuries of colonial rule. India at the time had a life expectancy of 32 years, literacy of 18.32% and an abysmal growth rate of under 1% per capita economic growth since 1900.

And so, the core goal of India's foreign policy was obviously to enable the development and transformation of the country into a modern nation that enables every one of its citizens to achieve their fullest potential. For this, as our External Affairs Minister has said, foreign policy was geared to facilitate greater prosperity at home, peace on the borders, protection of our people and developing partnerships and influence abroad.

From the outset, our circumstances made it abundantly clear: we would need to work with other countries to achieve our goals. This was obvious, given the significant shortages we faced with regard to resources, capital, technology and capacities at the time. That made engagement with the world a necessity. To answer the obvious next question—on what terms should India engage with the world, the answer too was reasonably evident: these terms would be defined by geography, history and resources at hand. And all three argued in favour of consistent engagement with as much of the world as possible. Simply put: geography has ensured that this subcontinent has always been connected with the world, especially in the coastal areas from the mouths of the Indus system and Gujarat to the Malabar and Coromandel coasts, and the coast of Bengal. Indeed, historically, today's India and Bangladesh have a long history of being international trading regions, exporting goods, services, ideas and people, well before globalization was even a word in the dictionary.

More recently, India's reform and opening up has increased our economy's dependence on the external sector several times over. In 1991, when our economy was liberalized, merchandise trade accounted for 15.3% of GDP. About 25 years later, it was at the 50% mark, at that, of a much larger GDP. Adding services to this takes the total GDP dependence of the Indian economy on the external sector to well beyond 60%.

Geographically too, engagement with the world has also transformed: our trade and economic relations are now more closely balanced in terms of direction of trade and investment inflows. We have more of our trade with countries east of us, ranging from China, Japan and ROK, to ASEAN and Bangladesh, than we do with Europe. We have more non-oil trade with the countries of the Gulf

region, and our trade and investment flows with Africa and North America have expanded rapidly.

The point I make here is that India's development in the last 75 years has also made us more dependent on, or at least more linked to, the rest of the world. Thus, India's own definition of its own needs and interests has also grown.

Friends,

As our interests have changed, so too has the context around us, especially in the last fifteen years or so. That has also had the net effect of expanding the range of our interests and their geographical extent. So what has changed, with regard to the context around us? In short, the following:

a. At a macro level, India's economic well-being is affected much more by events and markets much further away, and not merely in the region from the Gulf to the Straits of Malacca, which preoccupied the British colonial rulers;

b. At a geoeconomic level, globalization is under siege, including in the countries that were its biggest votaries. This is a pity since its biggest beneficiaries have been developing countries, especially China, India and several others including of course Bangladesh. It is worth noting that in three years since the 2008 financial crisis, China and India alone lifted 232 million people out of poverty, with India accounting for 140 mn. The growing disillusionment with globalization is also feeding a trend of moving away from an organized—if not harmonious—global trading order, and toward dividing the world into regional and subregional trading blocks, with obvious implications for all of us.

c. At a geopolitical level, the post-1945 international political, economic and fiscal order is increasingly not fit for current purpose. This adds to global stress, especially as the system is no longer able to accommodate the aspirations of rising nations, or the reduced appetite for internationalism among both the great powers and those nations that helped establish the current system in 1945. This is visible in the increase in territorial and maritime disputes, political instability and even contestation in the maritime domain in the eastern end of Asia.

d. At a continental level, within an Asia that has risen at the cost of Europe, two large neighbouring nations—India and China—are rising more or less at the same time/. This is also historically unparalleled: even five years ago, China and India accounted for about half of Asia's GDP on a PPP basis. This unique situation is made more complex in the context of a resumption of geopolitical contestation, after a decade of relative peace in the post-Cold war age.

e. At a regional level, and even within countries and regions, the post Cold war trend of a reduction of conflict has been reversed. Since 2010, armed conflict has increased worldwide. As a result, the number of people killed in war, in violent internal armed conflict, or as a result of terrorism has sharply increased. In 2014, for the first time, the number of deaths in battle crossed 100,000, not only the highest since the end of the Cold War but also the Cold War era average. The number of refugees also increased, to 50 mn worldwide seven years ago, and even more today. This is beyond anything in the Cold War era.

f. Megatrends too are changing our world, more often than not in a negative way. These include pandemics—COVID being the best such example-- but also accelerating crises like climate change, the leapfrogging pace of technological change, and the increasing friction within societies, as manifested by social violence, alienation and dissatisfaction with the status quo.

Indeed, if I may briefly dilate on this last point, the one silver lining from this dreadful pandemic has been the fact that a biologically-simple structure like a virus has shown us the limitations of the complex international system that the world had constructed. As our Prime Minister has underlined, a purely economic and technocratic agenda defined globalization so far. Countries cooperated more to balance competing individual national interests, rather than advance the collective interests of all humankind. And so this is a good opportunity for all of us to work to define a new template of globalization, based on fairness, equality and humanity in the post-COVID world. Indeed, this might be a most opportune moment: empirically-speaking, all large-scale crises are succeeded by periods of restructuring and growth. The Great Depression and the Second World War were followed by one of history's most-sustained spurts of economic growth and institution-building. Even large health crises have led to investments in medical science and public health that have transformed our lives. We hope this all nations can do so after the present crisis expends itself.

This then, Ladies and Gentlemen, is the broad framework that policy planners in India see when they look at the horizon.

How has this impacted upon our perspective of the world and actors of interest to us, and indeed, how have the actions of other actors impacted upon us?

Friends,

I am sure you will agree that strategic weight is a consequence of geoeconomic relevance in the international system. Our population, the size and diversity of the economy, and the increasing diversity of our political, economic, and even social interactions with the world have made us more capable, and increasingly

ready, to help work to redefine and re-orient the priorities of the international system , primarily to make it more relevant for the age and circumstances in which we live. Thus, our policy has evolved as our country has, with the goal of ensuring that India can contribute with other partners as a rule-maker and not merely as a rule-taker. This is evident from recognition not only of India's impeccable non-proliferation record but also its responsibility and capacity to contribute to international rules and processes that India has joined three key global export control regimes (Missile Technology Control Regime, Wassenaar Arrangement, and the Australia Group). It is this approach, overall, that drives our initiatives in multilateral fora, from the UN to the G20, and other global and regional multilateral institutions. It also informs our approach to evolving geoeconomic concepts like the Indo-Pacific.

And so, in the past decade or so, India has demonstrated willingness to contribute to shaping global debates on issues ranging from global governance reform, climate change, multilateral trade negotiations, internet governance , cyber-security, trans-national terrorism, piracy and a range of other emerging maritime domain challenges and even to the global fight against COVID. Multilateralism and the concept of leveraging the willingness of the larger community to create conditions for greater global equity, prosperity, security and harmony, including with our environment, is hardwired into the DNA of our foreign policy establishment.

Ladies and Gentlemen,

Moving from the multilateral, let me briefly talk about key bilateral relationships. Obviously, our immediate neighbourhood retains pride of place in our strategic and policy making establishment. Our approach is based on an understanding that our own aspirations for growth and development rest quite significantly on a peaceful and prosperous neighbourhood. In short, we understand that our boats are linked together, and that we must all rise together if any of us is to benefit from the rising tide of prosperity. Fortunately, almost all of our neighbours share this perspective.

Thus, it is in this perspective that one of the most significant initiatives of the current Government of Prime Minister Narendra Modi have been 'Neighbourhood First' and "Act East", which intersect neatly at Bangladesh. Our Former External Affairs Minister, the late Smt. Sushma Swaraj, emphasized this by selecting Bangladesh as the destination for her first visit as External Affairs Minister. She declared during her second visit to Dhaka in 2017 "*Padosi pehle, aur padosi mein Bangladesh sabse pehle*".

Our focus in the past nearly one decade has been to also prioritize the development of ties with our other land and maritime neighbours. In general terms, the initial outcomes of the Neighbourhood First policy have been quite positive, with projects taking off across the region in power, roads, rail and other forms of infrastructure for shared prosperity and growth. The flow of goods and people across borders in our region has also improved visibly, as statistics show. We do need to remember, however, that relationships in all neighbourhoods are a mixture of economics and emotion, and each has its moment of relative priority. The overall trendline however remains positive, and we are confident that transient politics and emotion will not deter us from the goal of creating a region of shared prosperity.

The only major challenge that remains is the one-of-a-kind problem of cross-border terrorism, dealing with which we will remain uncompromising. If positive regionalism—through institutional frameworks or plurilateral ties—are to develop, then this would need not only a positive approach to trade, contact and connectivity but also a substantive commitment to abjuring terrorism as a tool of State policy. This commitment, and indeed strong adherence to a zero tolerance approach to terror, is visible among almost all States in our region, and is a fundamentally common element in the approach of Bangladesh and India.

Beyond our immediate region, we have worked to expand ties with our civilizational neighbours in Central Asia, and in the Gulf and West Asia, where our cultural commonalities are today underpinned by close economic and political ties. India is among the few nations in the world to have deep and qualitatively strong relations with all of the nations of the region, which reflects the depth of shared interests on both sides.

In Southeast Asia, India has expanded its ties in the last two decades from civilizational contact to Summit-level partnerships, both bilaterally, and also with Asia's most successful regional organization, namely ASEAN. We have a Summit-level interface with ASEAN through the East Asia Summit process, as well as an FTA with the group. We also interact on issues relating to peace and security through the ASEAN Regional Forum. Nearby, we have increasingly strong strategic political, civilizational and commercial relations with Australia, with whom we are working to develop an FTA, and with New Zealand.

Moving beyond, the economies of East Asia encompass our largest trade and investment relationships. India has FTA arrangements with Japan and ROK, with whom we also have the closest of political relationships. Japan is also our largest development partner—and India is the leading recipient of Japanese development assistance.

Separately, China is still our largest trade partner in goods. Even though the relationship has come under severe stress in the past year or so, we are clear that the basis for returning to normalcy lies in ensuring that foundational agreements are respected scrupulously and in their entirety, especially with regard to maintaining peace and tranquility on the Line of Control. In general, large civilizational States in close proximity to each other, and are re-emerging, can maintain sustained and cooperative engagement on the basis of mutual respect and mutual sensitivity.

Further afield, India has retained its traditional partnerships with partners in Africa. Most of these relationships began with the anti-colonial movements in Africa, and have since evolved beyond political support to strong development partnerships and trade and economic ties. For instance, we announced a US\$ 10 billion Line of Credit for development projects in Africa during the third India-Africa Forum Summit, and our portfolio of cooperation includes some of the largest numbers of scholarships for close partner countries in the continent. Indeed, it is a sign of the increase in our focus here that we received approval to open 18 new diplomatic Missions, all in Africa. With this, the total number of Indian Missions and Posts around the world will be 204 by the end of 2021.

As to other regions, Russia remains one of our closest and most trusted strategic partners in a relationship that has remained remarkably close over decades. It is an important partner in a number of sensitive domains, as well as as a major source of energy—India is an active and growing investor in Russia's vast mineral resource opportunities, with economic ties adding ballast to the relationship.

Engagement with Europe, both as a Union and as individual countries, remains a key economic and investment partner, as well as as a close political partner, given the commonality of values and interests. Ties with France have assumed a deep strategic connotation; ties with Germany are traditionally close and mutually beneficial, and there is strong cooperation with the subregions of Europe including the Nordic countries, south Europe and the Mediterranean and East and Central Europe. We also see a strong current refreshing the traditionally strong India-UK relationship, with a significant visit of the UK Defence Secretary this past week, and of a UK aircraft carrier strike group.

As to the United States, the relationship has uniquely attracted bipartisan consensus in both countries, which as observers of politics in both countries will tell you, is quite remarkable. A strong economic and technological complementarity has built upon a foundation established by common values and the yeoman work of a strong and committed diaspora. Compulsions of the global scenario will create stronger convergences that bode well for the future.

Even further afield, from the Caribbean to the South Pacific and the west coast of Latin America, we have stepped up our engagement using bilateral and subregional coordination and contact mechanisms to build ties and extend partnerships. Today, we have an active portfolio of projects and partnerships in each of these diverse geographies.

Ladies and Gentlemen, friends,

A few words about subregional cooperation. India is firmly committed to such cooperation through the Bangladesh-Bhutan-India-Nepal (BBIN) mechanisms, through SASEC (an ADB led initiative) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). Several initiatives, including in the area of connectivity, are being planned under these groupings. These initiatives are also at the important intersect between our 'Neighbourhood First' and 'Act East' Policies. It will be recalled that India invited the leaders of BIMSTEC countries to Prime Minister Modi's inauguration for a second term on 30 May 2019. We were very honoured that HE the Hon'ble President of Bangladesh also graced this important occasion.

A new area of foreign policy interest is what one might call transregional cooperation themes. One such is the idea of a Free and Open IndoPacific. For us, the attraction of a free, non-exclusionary, inclusive and cooperative IndoPacific maritime region is obvious: as a large coastal state more or less in the centre of this maritime construct, and as a nation that is heavily dependent on the sea lanes of communication on which we sit astride, we can ill-afford to ignore the maritime domain. Indeed, our experience of colonialism in this region, and how it started, should emphasize that necessity.

Thus, for us, a **free, open and inclusive** Indo-Pacific that assures all countries in the region and those with interests in it, a stable, secure architecture with cooperation based on existing international rules and laws is essential. Inclusion, openness and freedom of navigation are the central premises of an approach that focuses on enhanced connectivity. Our perspective of the Indo-Pacific is a region that covers 38 major countries including all of Asia's littoral States. Our approach sees this as a unit that spans 44% of the world's surface area; 65% of the world's population; 62% of global GDP; and 46% of the world's merchandise trade. In 2018, the nations connected with the Indian Ocean had a combined nominal GDP of \$54 trillion; 12 of the 16 members of trillion-dollar club are in this region. Indeed, by 2033, the trillion dollar club is projected to have 25 members, of whom 21 will be nations connected by the Indian Ocean. In our view, the overall construct is a logical extension of our structured relationships with ASEAN through the EAS mechanism and IORA, which Bangladesh will soon Chair.

Our approach here was set out by Prime Minister Modi at the Shangri-La dialogue in 2018. He talked about the inclusive nature of our approach and outlined the five principles of our approach, namely, 'samman (respect)'; 'samvad (dialogue)'; 'sahyog (cooperation)'; 'shanti (peace)'; 'samriddhi (prosperity)'. As the PM said, our focus will be on promoting a democratic and rules-based international order; working with others to keep the shared seas, space and airways free and open and to keep our nations secure and our cyber space free from disruption and conflict; keeping our economy open and our engagement transparent; and seeking a sustainable future for our planet, including through structures such as the International Solar Alliance and the Coalition for Disaster Resilient Infrastructure, or initiatives like the IndoPacific Oceans' Initiative.

Ladies & Gentlemen,

Given my current charge, it seems only appropriate that I set out some of the key elements through which the contours of India's foreign policy find direct reflection in our relations with Bangladesh.

I. Strategic priority of the neighbourhood: We have amicably resolved both our maritime and land boundaries; no mean achievement when we recognize that this required the actual exchange of enclaves of land. In other words, both sides spent political capital to make these arrangements possible.

II. Strategic trust: We have built a framework for strategic trust by concluding and operationalizing a number of security agreements (Mutual Legal Assistance in Criminal Matters; Transfer of Sentenced Prisoners, Combating International Terrorism, organized Crime and Illicit drug trafficking, MoUs on Prevention of Circulation of Fake Currency Notes and Prevention of Human Trafficking and Extradition Treaty) to ensure that as neighbours, we can manage the complexities of human frailty while ensuring national security for both sides.

III. System-wide cooperation: In an all-of-Government approach, we have concluded nearly 100 MoUs and Agreements in the last five years, with mechanisms being set up for cooperation in almost every area of activity, ranging from security to policing; technology areas like space to trade management mechanisms like customs.

IV. People-centric policies: The increase in trust and cooperation has facilitated a significant easing of restrictions on trade, connectivity and people to people contact. Multimodal transportation links—coastal shipping, inland waterways, road, rail and air--are supported through a complex web of mechanisms and infrastructure including two Integrated Check Posts (ICPs) and 26 functional

Land Customs Stations (LCSs) along the border. There is also in place a significant effort to facilitate travel, with Bangladesh today being the host of our biggest visa operation in the world: over 1.7 mn visas were issued in 2019.

V. Mutuality of benefit: Trade and investment ties are rising. Bangladesh is our largest trade partner in the region, and two-way trade is growing. Contrary to the impression that the trade relationship is structurally flawed, India offers duty free, quota free access for Bangladesh to India's market for all but three types of goods—liquor, arms and tobacco products. And while it is true that the trade is skewed in our favour, a very large amount of India's exports constitute inputs, upon which considerable value is added to earn a large share of Bangladesh's export income. Indeed, today India is Bangladesh's largest export destination in Asia, averaging over US\$ 1bn a year in the past three years. And we are keen to make progress toward a Comprehensive Economic Partnership Agreement (CEPA), which will safeguard Bangladesh's trade opportunities in the Indian market beyond your graduation from LDC status.

Another growing sector of our partnership is investment. Indian investment proposals registered with the Bangladesh Investment Development Authority exceeded US\$ 5 billion by 2020. In addition, more than US\$ 10 billion of Indian investment in power & energy, logistics, education, IT and medical sectors is in the pipeline. The upcoming Indian Economic Zones in Mongla and Mirsarai will further facilitate Indian investment in Bangladesh.

VI: Appropriate technology interventions: Our development cooperation is being effected through nearly US\$ 8 bn in highly concessional Lines of Credit—which does not include other concessional credit lines, worth another US\$ 1.8 bn approximately. It is noteworthy that out of a total commitment of US\$ 27.11 billion in LoCs extended to 63 countries, India's largest development partnership is with Bangladesh. And these LoCs are effected at uniquely low costs and preferential terms, solely for Bangladesh. And we are undertaking grant projects in Bangladesh in diverse sectors like health, water, urban development, disaster management, etc. Our development cooperation also covers capacity building programmes for judicial officers, police specialists, civil servants as well as scholarships for students in everything from engineering to the arts.

Friends,

To conclude, I think it is appropriate for me to reiterate that India and Bangladesh share a very special relationship: a shared history, culture, family and even a unique privilege in having fought shoulder to shoulder in the liberation of a people from tyranny, in the face of state-sponsored mass atrocities.

As nations whose destinies are as inter-linked as our geographies and historical roots, we are today at the cusp of realizing the promise of a '*Sonali Adhyay*' or a 'Golden Era' in our ties.

And so I hope that as you graduate from this course in the next few days, and proceed to occupy important positions, and contribute to the evolution of Bangladesh's foreign and security policies, I am confident that many of you will be architects of future chapters of our '*Sonali Adhyay*' .

I once again thank the Commandant and the NDC for giving me this opportunity to present my thoughts to this distinguished audience. The floor is now open for questions.
