

SCRIPT

SLIDE 3

Historical Construct

The world order created post World War II (1944-45) was designed to maintain the western domination. It was a **rules based order** with both political and economic institutions. The notable ones being the United Nations Organisation (UNO) to manage political and security matters, the International Monetary Fund (IMF) to prevent the devaluation of currencies and the International Bank for Reconstruction and Development (World Bank) which was primarily set up to finance the reconstruction of devastated European economies (1945). Further, in 1947 the General Agreement on Trade and Tariffs (GATT), later renamed as the World Trade Organization (WTO) in 1995, was set up with the mandate to regulate multilateral trade. It is noteworthy that the *US* was the biggest shareholder in these institutions. So, was the **20th century became known as the 'American Century' or 'Pax Americana'**? You can have your views.

Another aspect of the world order was, the **Cold War rivalries** between the West, led by the US, and the erstwhile USSR. Developing countries were coerced into joining one or the other camp. For example, the Western European countries, Turkey and Pakistan joined western power-led alliances, such as the NATO, and its Asian incarnations, such as the SEATO and CENTO while East European developing countries were more sympathetic to the erstwhile USSR. Larger countries, like India, Indonesia and Yugoslavia pushed back through the creation of the Non-Aligned Movement in 1961. This led to the **creation of a group of states getting integrated into the shared economic, political and institutional elements of the post war order and engaging in broadly order producing behaviour in trade, diplomacy and military affairs.**

The Cold War ended in **1989** with the reunification of Germany and the dissolution of the Soviet Union the following year. US used the unipolar environment to further its political and economic supremacy. However, the post-World War II institutions did not adapt to the changing political realities. There was an expansion of the EU and NATO into the former Soviet satellite states in East Europe. India moved rapidly to strengthen relations with the Western countries, including through market-opening reforms in 1992.

SLIDE 4

Contours of New World Order

The **destabilisation of West Asia aggravated in 1991 with Gulf War I** where Iraq was affected by decade long sanctions. The Twin Tower attacks in September **2001** prompted the global war on terror **in Afghanistan** and **2003 witnessed Gulf War II**. These interventions can also be connected to the Arab Spring that followed in Egypt and Tunisia and the chaos in Libya and Syria **which brought out that regimes could be changed by these means.**

Apart from political considerations, there is a need to acknowledge that the **weight of economic growth has shifted East** with the rapid expansion of developing economies (BBVA Research, Geo World Report 2015), principally China (after its admission into the WTO in 2001) and also India, Indonesia, Brazil and even Russia. The grouping of these in 2006 created BRICS, at the heart of which was the idea that the world needed institutions beyond the control of the West. When the 2008 crisis began with the collapse of Lehman Brothers the G7 was found inadequate and the G20 finance ministers' forum was upgraded to the level of heads of government. **Brexit and trade wars** upto 2018 and COVID 19 in 2019 onwards are the events that are now shaping the global **Geo-Political and Security construct.**

SLIDE 7 - EXTENDED NEIGHBOURHOOD

Africa. Several parts of Africa continue to be in turmoil, be it civil war in South Sudan and Libya; political instability in Congo or Burundi; sectarian violence in Nigeria and Central African Republic; or terrorism in Somalia, Egypt and Mali. Therefore we are concerned about the growing influence of terrorist organizations. Towards developmental initiatives China is investing in the infrastructure sector in African nations through BRI, apart from opening their first **overseas base at Djibouti**. India and African nations have been engaging effectively in political and economic fields (**3rd largest exporter to Africa/ \$62.66 billion bilateral trade 2017-18**), where a vast diaspora in the continent offers greater opportunities for our engagements. While a number of Indian peacekeepers have helped to achieve peace in the region, there is a need to pursue developmental partnerships in the areas of agriculture, health, energy, urbanisation and smart cities.

West Asia and Persian Gulf. The West Asian and the Persian Gulf region is the **principal source of our energy requirements**. It also **hosts 8 million Indian diaspora whose safety and security is an important national interest**. Uninterrupted oil flow from the region is crucial for stability and economic growth of India since around **65% of our oil** and about **80% of our gas supplies** come from there. The region is presently in a state of instability. Civil wars in **Yemen and Syria; war against IS** in Iraq and the **Israel-Palestine conflict** have fractured the internal cohesion of countries. However, India has had traditionally very cordial relations with many West Asian and Persian Gulf countries, including the UAE with whom there is growing convergence on tackling terrorism. Relations with Israel and Palestine, Saudi Arabia, Qatar and Iran are also progressing. We notice that, **the expanding Chinese footprint in the IOR and dependence on energy resources from West Asia have had a strategic impact on the dynamics of the region. Safeguarding vital sea lanes and important choke points, and facilitating free flow of trade and energy merits our collective attention.**

Central Asian Region (CAR). Central Asian Region continues to be of interest due to its **strategic location of being a bridge** between different regions of Asia, between Asia and Europe, other than being rich in hydrocarbon and mineral resources. The region is being **targeted by radical groups** that seek to undermine the governments in these countries. China has overtaken Russia as Central Asia's largest trading partner. On the other hand, being landlocked, CAR's poor connectivity has contributed to **miniscule trade between India and Central Asia**. India has started to look at the Central Asian Region for its growing energy needs (Coal, Oil and Gas - **Kazakhstan having more than 23.5 K Mtoe coal and 3.93 billion tonnes oil reserves; Turkmenistan having more than 15.7 KMtoe gas reserves and Uzbekistan having more than 1.33K Mtoe coal, 81.4million tonnes oil reserves**). The unstable situation in the Af-Pak region has deprived India from the benefit of relations with Central Asia. **India, through various efforts, needs to consolidate its geopolitical and geo-economic presence in the region. PM Narendra Modi's visit to five Central Asian countries in 2015 emphasises what Central Asia means to India.** We may need to build greater relationship not only through SCO dialogue but also in bilateral engagement with individual countries.

East Asia & ASEAN. East Asia forms part of India's extended neighbourhood and is integral to India's economic development. A **substantial volume of India's trade** is with the countries of this region (**ASEAN 10.6%, 4th largest trading partner, China 10.3% & South Korea 2.5%**). It is important that there is an agreement on the principles of international law, peaceful settlement of disputes, freedom of navigation and over flight to facilitate lawful commerce in this region. India strongly opposes any hegemonic desires to extend territorial claims, particularly when it concerns the global commons. **ASEAN is central to India's Act East Policy and the Indo-Pacific construct.** Further, **apart from the ASEAN engagements, initiatives like the MILAN and IORA, Indonesia's Global Maritime Fulcrum (GMF) and longstanding bilateral relations with all countries in the region should be the cornerstone for India to protect our interests. Enhancing cooperation with countries (like Vietnam (Strategic Partner), Japan (Strategic Partner), Singapore (Strategic Partner) and the Philippines) should then continue to remain our focus.**

Indo-Pacific. Indo-Pacific is the geographical area covering the West Coast of India through Indian Ocean upto West coast of USA. We feel it should encompass areas upto the East coast of Africa. The Indo-Pacific region has many choke points, which are vital for international trade. With the global economic power shifting from the West to East the region has gained geostrategic significance and has become a **theatre of Great Power competition**. Most of South Korea's energy supplies, Japan's crude oil imports, Australia's exports and China's crude oil imports and India's significant trade in goods is routed through the South China Sea. The region also has traditional disagreements over maritime territory, sovereignty and resources between China, some ASEAN countries and Taiwan in the South China Sea and between Japan and China in the East China Sea. **India needs to engage with the region factoring her trade and strategic interests.**

SLIDE 8 - Present Milieu

Present Milieu

Salience of Geo-Economics. The contemporary world can best be defined by the **existing contradictions**; while **democratic institutions, economic interdependencies** and **globalization grow stronger**, there are revisionist forces which want to push the world into conflict and chaos. A global outreach for economic development defines **India's interests** achieved through **multilateral forums** and **strategic partnerships** with a number of countries including the **US** (2005), **UK** (Sep 2004), **France** (1998) and **Russia** (Oct 2000). India sees the **world as a global village** where mutual respect and desire for ameliorating human suffering must be championed. However, this yet requires a pragmatic and realistic approach to the challenges that exist. The world has moved into a **new geopolitical phase**. Widely differing themes are emerging including **state-centred politics, major power tensions, smaller state disruptions** and **geo-economic risks**. State-centered politics range from China's calls for "**the great rejuvenation of the Chinese nation**", the United States seeking to "**make America great again**", efforts of France to restore "Jupiterian" presidency, the United Kingdom's desire to "**take back control**" by leaving the European Union, stronger nationalism in Japan, focus on **rebuilding Russia's international status** and the **erosion of pluralism in Turkey** to tide over domestic and international opponents. This intensification of nationalist and strong-state narratives is creating risks both domestically and internationally. As each of the states becomes increasingly assertive of its own interests, consensus is fraying on the rules that govern their interactions and the directions in which the world might converge. Increasing geopolitical fluidity and intensifying strong-state policies increase the risks associated with economic interactions between states contrary to economic interdependence in an era of globalisation. Internal policies of countries are also affecting international relations. The danger that long-term strategic rivalry could spill over and harm economic relations is becoming more real as has been seen in the North Korea and Iran crisis. Further, **China's determination** to press territorial and maritime claims, and its extension of the **Belt and Road Initiative** (BRI), have triggered responses among neighbouring powers.

Spoilers. Recent trends emphasize that while **large scale conflicts seem unlikely, the era of conflict is far from over**. The **spectre of terrorism**, the epicentre of which continues to be the **Af-Pak region, Al-Qaeda, Taliban, ISIS, JeM and LeT** some of the dominant terror groups in the world, continues to be a scourge for humanity manifesting itself in myriad ways to the detriment of civilized society. With nation states undertaking terrorism as an instrument of State Policy, turbulent times in the **hybrid domain** are likely to remain an issue of grave concern in the foreseeable future. In fact emerging domains like **cyber-space** and **social media** which are open to manipulation, are not bound by the physical limitations posed by national boundaries, are taking centre-stage. India is profoundly impacted by these **trends and events** and we are deeply committed to address **these challenges with resolve and determination**. India is also impacted by developments beyond its immediate neighbourhood and the Indian Ocean Region (IOR). Development in West Asia, Central Asia and the Indo Pacific have a direct bearing on India's interests.

SLIDE 9 - NEW CHALLENGES

Three important developments in **2016** had a significant impact on the global order. By 2016, the global order had been weakened certain countries reluctant to reform institutions that were failing to cope with new political and economic realities. These were: the **Rejection** of the judgment of the tribunal of the Law of the Seas against its claims in the South China Sea, the **vote for Brexit** in the UK and the **election of Donald Trump** in the US. President Trump has proven to be a completely different type of leader. The old global order has been shaken up, much to the chagrin of western allies who depend on NATO for their security and their global market access. The US has since pulled out of the Human Rights Council and **prefers bilateral deals** to multilateral trade agreements. The North American Free Trade Agreement is being re-negotiated and the US has out of negotiations on the Trans Pacific Partnership (TPP) agreement and the Transatlantic Trade and Investment Partnership. **Global supply chains** and trade flows stand disrupted due to **re-imposition of sanctions** against **Iran**, tightening those against **Russia and North Korea**, and a **US-China “trade war”**. US has threatened to apply a **10% tariff** on **\$ 300 billion** worth of Chinese goods from **01 Sep 19** and in response China has already devalued its currency to the psychologically **7 renminbi (RMB)** mark to limit the impact of the trade tariffs.

SLIDE 10 - TECHNOLOGY

The nature of competition between states is changing increasingly due to technological advancements. The pursuit of **disruptive technologies** like **Artificial Intelligence, robotics, nano technology, big data analytics, drone technology, autonomous unmanned systems, militarisation of Space, cyber warfare, quantum communications, extraordinary surveillance capabilities**, and the use of **social media** are blurring the material boundaries and further complicating the security environment.

SLIDE 15 - INDIAN CONSTRUCT

Indian Construct

The global security environment and its impact on India's defence and security comprises numerous seamlessly inter connected issues. **Extra – regional influences** and **tacit support from states to non-state actors** only compound the complexities in the environment. Notwithstanding our regional and global endeavours towards peace and stability, threats and challenges remain. The need to address consequences of instability and volatility in part of the immediate and extended neighbourhood remains a key priority.

Articulate, Agile & Purposeful. Building upon India's strategic location, our growing global interactions have ensured that our foreign policy has acquired greater visibility. India has increasingly come to occupy a new role in the world, as a confident and articulate power. In the context of global peace, India needs to fulfil a larger responsibility which reflects the resolve of more than a billion people.

To Do. We must not remain content to merely react to international developments, but frequently act to shape and even initiate them. Today India's voice plays a more pronounced and prominent role in shaping the global debates on topical issues like world economy, cyber security and dealing effectively with terrorism while ensuring minimum collateral damage.

As per SS Menon, in his book **Choices – India will continue to seek to enlarge its strategic autonomy, remain fiercely independent and remain convinced of its exceptional status and interests in the international system.**