

Securing India's Future through its Neighbourhood

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The role of diplomats and intelligence officers supplement each other; the success of one becomes the strength of the other. As someone wisely observed, good diplomacy makes intelligence gathering more intelligent and good intelligence makes diplomacy more effective.

When we look at the world, especially our own neighbourhood, over the past two decades, India has clearly been one of the great success stories. Our nation's resilience and unity has strengthened; our democracy has become more mature; our economy, riding on the energy and enterprise of an increasingly young India, is characterized by strong growth, transformation and a capacity to withstand external shocks; and, externally, our influence, role and prestige has never been higher. During 2010, leaders of all the P-5 countries visited India and we had summits with the EU, Germany and Japan. Leaders of all immediate neighbours except Pakistan visited India during the year. With Pakistan also, there were meetings at the Prime Minister and Foreign Minister levels, though outside India. There is now a constant exchange of visits with countries around the world.

One of the most important determinants of India's future security and prosperity – and one that does not often receive the same attention as internal factors – is the future of India's neighbourhood and our relationships in the region.

India is at the cultural and strategic crossroads of Asia's immense diversity. It has historically always been affected by developments in different parts of Asia and has in turn influenced its near and distant neighbours. For centuries, people have come to India by land and sea in search of knowledge, refuge, kingdoms, wealth or trade. They in turn brought ideas, cultures and

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religions. Indians, too, ventured forth to trade, explore and spread the cultural and spiritual message of India.

The world may be our stage, but South Asia is our home and Asia is our neighbourhood.

For us the Himalayan and trans-Himalayan region, the eastern shores of Africa, West and Central Asia, the islands of the Indian Ocean and the great regions of South East Asia have always been a part of our immediate landscape. If there was a Silk Route that linked India to Central Asia and the Mediterranean, there is the Spice Route that linked India to Europe and South East Asia alike. Two centuries of colonialism and India's partition have disturbed our ancient linkages and constrained our natural interests in the region.

India's neighbourhood is the region where political paths differ significantly and nations are still seeking ways to reconcile their historical differences with the imperative of future interdependence. Some of these differences threaten stability within and even peace between nations.

The arc of proliferation of weapons of mass destruction and missile technologies runs through our neighbourhood. Here we have regional and extra-regional nuclear powers. There are still others with the capabilities to emerge as nuclear weapon states.

Terrorism assisted by state power is incubated in our region. It continues to grow and thrive in the havens and sanctuaries of our neighbourhood. One of India's foremost security challenges of the past three decades has been cross-border terrorism.

The rise of extremism and intolerance in our neighbourhood is inconsistent with the principles of pluralism, dialogue and democracy that constitute the very basic foundation of our own society and polity and will, therefore, always be a challenge, no matter what form it takes and how it manifests itself.

Indeed, one of the great challenges is the role of major powers, from within and outside the region, in our neighbourhood. Neither confrontation nor collusion between major powers, whether between the United States and China, is in our interest.

Peace and stability in the Middle East and West Asia is critical for India's energy security. We face the challenge of reconnecting with the important region of Central Asia across the political barriers that have severed our traditional linkages with the region. In Africa, we are re-investing to build a strong relationship on the strength of our traditional solidarity. In the dynamic

regions of East and South East Asia, our engagement policy is bearing fruit. As the largest littoral of the Indian Ocean, India both affects and is affected by developments in the region.

While India's economic presence extends across the world – from the Pacific to Latin America – its largest footprint is in the Asian region. At the beginning of this century, Asia was the source of just 29 per cent of our imports; last year, after only a ten-year gap, it accounted for 61 per cent. Today, more than 50 per cent of India's exports are to Asia. As a region, ASEAN and East Asia together account for more than a quarter of India's exports, recently surpassing the European Union as the single-largest regional destination. The Gulf region, especially the UAE, has also emerged as a key destination.

Our neighbourhood is among the most vulnerable to the impact of climate change. India is already spending 2.5 per cent of its GDP on adaptation measures alone. While climate change is a global phenomenon and is a result of the historical emissions in the developed world, there are regional challenges and regional approaches that will shape our collective security and prosperity.

Beyond the aggregate, broad-based developments within India are closely linked to our neighbourhood. Virtually, most of the Indian states have either land or maritime boundaries. In the past, the focus on development of our border regions might have been somewhat less. The development of our border states is closely linked to stability in neighbouring countries. Nepal has a direct impact on Bihar and Uttar Pradesh; Bangladesh is important for West Bengal and the north-eastern states; and Sri Lanka has a bearing on Tamil Nadu and Kerala. The impact of stability in our neighbouring countries on the border states can never be overemphasized. In this regard, the views of state governments are important, but these should not prevent us from taking initiatives in our neighbourhood.

Our approach to the region has been defined by the realities of conflicts and competition, differences and disputes. True, we have a difficult neighbourhood, historical burdens and complex relationships. India's relationship with and in its neighbourhood is one of our foremost challenges and must become a top national priority. I would like to suggest some measures to secure India's future through its neighbourhood. These are divided in two parts: the first deals with engagement and the second with other measures.

Engagement

We need to intensify and sustain engagement with all our neighbours, including those with whom we have differences and disputes and those that are experiencing internal instability and turmoil. Engagement does not always assure us of a desired response, nor does it guarantee success. However, rejecting the process of engagement will not enable us to achieve our long-term goals. During the height of the Cold War, the United States and the Soviet Union never stopped talking to each other. Today, China and the United States seek ways and means to maintain channels of communication, even in times of strain, especially between their militaries. For all their differences they pursue sanctions against Iran; P5 + 1 countries have not abandoned the prospects of engagement with Iran. And recently there was the news that North and South Korea have decided to have direct low-level contacts.

Our most critical engagement is that with Pakistan. Time and again we have reached out to Pakistan for dialogue to reduce tensions, resolve outstanding issues, foster friendship and build cooperation. There have been periods of crises, but also moments of hope. The sense of cynicism about dialogue with Pakistan is understandable especially when those responsible for the blasts of 26 November 2008 in Mumbai roam freely. Pakistan's polity is fragile and its interest in peace at this stage is uncertain. But not engaging a neighbour with 180 million people, strong antagonism towards India, a growing nuclear weapon arsenal and worsening instability is not a wise choice. We can defend ourselves against hostility but instability in the neighbourhood can have unpredictable consequences.

It has been my experience in dealing with six prime ministers of India that there is a far greater appreciation of the situation at that level. Many vital decisions have been taken by prime ministers overriding the recommendations and suggestions made to them. Perhaps, this is because the head of government functions on a much broader canvas. At times it is also true of Pakistan. I remember how on 1 November 1982 a high-level Pakistan delegation was giving a series of arguments against the establishment of a Joint Commission, whereas, in the adjoining room Prime Minister Indira Gandhi and President Zia Ul Haq had agreed to its establishment.

Prime Minister Dr Manmohan Singh has taken measures to improve relations with Pakistan on the principle that "borders cannot be redrawn but we can work towards making them irrelevant". A lot of progress had been made; the ball is in Pakistan's court. We will be willing to pick up the threads.

The future of Afghanistan must and can only be shaped by the people of Afghanistan themselves, with the commitment and support of the international community. Traditionally India has been close to Afghanistan. This changed only briefly in the 1990s. At that time an attempt was made to sidetrack us. I remember when I reached Bonn in November 2001 as the head of the Indian delegation for the conference on Afghanistan, initially even a room had not been allotted to us in the conference hotel. However, by the time the conference ended ten days later, India was amongst the handful of countries present at the midnight session when the Bonn Agreement was reached. Again, as a result of its extraordinary commitment and diplomatic initiatives, India is now consulted on major developments concerning Afghanistan. We need to continue to engage all stakeholders towards a stable and peaceful future for Afghanistan.

As our neighbours Myanmar, Nepal, Bhutan, Sri Lanka and Maldives go through their own political transitions, it is imperative that we stay engaged with them and provide whatever assistance, including economic, they might need.

Nepal is a country with which we share the most multifaceted and closest relationship. We have to stay engaged with Nepal to help it complete one of the most complex but bold political transitions in the world. Equally, we need to recognize the political realities unfolding there. Our focus should be to intensify our economic support through greater access for Nepal to the Indian market along with enhanced investments and development assistance, which would be to our mutual advantage.

Our relations with Bhutan already serve as a model of successful cooperation. Our investment in Bhutan's long-term development is a powerful example of a relationship of mutual trust, respect, equality and benefit, regardless of the asymmetry of size. This must continue.

We have always encouraged free travel. For instance, travel to and from Nepal and Bhutan had been taking place without passports long before the EU eased travel between its member states.

Sri Lanka requires our continued political and economic support for achieving a durable and inclusive political settlement. It is important that in any eventual settlement the legitimate rights of the Tamil minority are given due recognition.

We share close cultural ties with and wide-ranging interests with Bangladesh. The recent changes in our bilateral relations create an opportunity to work together more intensively to address concerns, especially in the areas

of security, water sharing, power trading, transit and trade. Bangladesh is now sensitive to our security concerns and we must take creative steps to intensify our contacts.

We must sustain our dialogue and engagement with China despite all the challenges that emerge from time to time. There is a need to find ways in which the people of the two most populous countries, often facing similar challenges and harbouring the same aspirations, can become more familiar with each other. Since China also has a rapidly growing influence and presence in our immediate and extended neighbourhood, engagement with it should include emerging developments in the region.

Besides China, other major powers have a vital stake in the region. A new element is the presence of NATO forces in our neighbourhood. We have to devise ways in which to deal with the interests that these powers have in our neighbourhood, some of which could be convergent and others inconsistent with ours. In recent years, we have, therefore, substantially deepened our strategic consultations with the United States, Russia, European and Asian powers with regard to our extended neighbourhood.

Other Measures

The other measures besides engagement, which are suggested, are: *One*, the process of the economic integration of our neighbourhood needs to be enlarged and intensified. This may even call for our willingness to implement significant measures favouring our neighbours. We have seen the impact of duty concessions on agriculture to the Afghan farmers; how Nepal's economy sustained itself during the insurgency period because of integration with India; how Bhutan has radically transformed its fortunes through judicious hydropower development and trade with India; and how the Sri Lanka-India Free Trade Agreement has boosted bilateral economic ties. We must make offers to our neighbours which they cannot refuse. We must consider removing non-tariff barriers where they are hindrances.

SAFTA, BIMSTEC, Comprehensive Economic Cooperation Agreements with ASEAN as a group, and with Korea, Singapore, Malaysia and Thailand, and discussions which are at an advanced stage with Japan are examples of the initiatives that support integration with our neighbourhood. In 2004, our Prime Minister articulated a vision of an Asian economic community. While this may at this juncture be seen as a distant possibility, a virtual economic

community is already emerging through a web of trade arrangements in the region. We must explore similar avenues in West and Central Asia.

Two, to fully realize the benefits of trading arrangements, we must increase connectivity with our immediate and near neighbours. This would necessarily mean not only expanding and upgrading infrastructure on our own borders but also building regional road networks, rail links, air connections, telecommunication links and power grids. These will require both concerted and sustained initiatives apart from innovative methods of financing and implementation. A decision taken several times but not implemented so far is to have direct air flights to all SAARC capitals.

Three, although India is a country of modest resources, our economic assistance is making a difference to the lives of people in many countries of South Asia and Africa. We must continue to intensify our partnership through both financial and technical development assistance in a way that contributes to stability, prosperity and expanded economic links. An element of our strategy should be to encourage and facilitate Indian businesses, both in the public and private domain, to invest in our neighbouring countries, with emphasis on livelihood projects. Prosperity in our neighbourhood and increased linkages with India will enhance our security and act as a trigger for the development of border states.

Four, we need a new approach to manage water resources. Across the political boundaries in the region, we are bound together by the rivers that flow from the great Himalayan region in an interchanging relationship of upper and lower riparian states. We are all aware of the unique features of the Himalayan river system as also its capacity to nurture or its propensity to devastate. The water-stressed and flood-prone regions of India and the hungry power grids of northern and eastern India could benefit greatly from a regional cooperative framework on water resources. In the past, our approach has been bilateral, but we must also increasingly think in terms of a regional strategy. Indeed, in some cases, the required cooperation is so critical that we need to think of new forms of trans-boundary financing and institutional mechanisms. We can hardly expect to have effective flood control and management in Uttar Pradesh and Bihar without working jointly with Nepal.

Five, we must build on our recent strategic, political and commercial initiatives to improve our access to natural resources in our region. This necessarily includes energy security, whether it is access to fossil fuels from Central Asia and West Asia or hydropower from Nepal and Bhutan. Our needs

are growing rapidly and the competition for resources is growing more intense by the day. Decisions that are made or not made today will have a vital bearing on our long-term energy security. It is for this reason that the issue has become one of the key strategic priorities in our regional engagement. We must leverage our strengths and use them to improve our access to vital resources.

Six, our goal in the Indian Ocean region must be to enhance security of and access to sea lines of communication; counter new and asymmetric threats, including piracy and proliferation; and foster development and economic cooperation among the countries of the region. There should be three elements of our strategy – security engagement, economic integration, and cooperation in disaster management. We should be able to render effective assistance to the littoral counties during natural calamities as we did during the Tsunami of 2004. We should also work with the regional countries and the major powers to work out a cooperative arrangement and rules of the road.

Seven, we must take the lead in working with countries in Asia and the Pacific as also with other stakeholders in building an open, balanced and inclusive architecture of cooperation in the region. The President of South Korea was the chief guest at our Republic Day celebrations in January 2010. And this year, it was the President of Indonesia. This is a sign of intensification of our engagement with this region. Arrangements like the SAARC, the 2004 Declaration on India-ASEAN Partnership for Peace, Progress and Shared Prosperity, the ASEAN-India Summit, the East Asia Summit, the ASEAN Regional Forum and the ADDM+ Meetings reflect our participation in the evolving strategic architecture in the region which, we hope, will unify the diverse regions of Asia in a shared quest for stability, security and prosperity.

Eight, we must significantly expand our cultural diplomacy to leverage the strong and enduring cultural affinities that we share with our neighbours. On a recent holiday to Vietnam and Cambodia, I experienced what we had always known about our cultural closeness to this region. The tourist guide in a temple in Hanoi proudly informed us that their most cherished gift was a branch of the Bodh Gaya tree planted there by President Rajendra Prasad in 1959. The temples of Angkor Wat are a reminder of our historical cultural contacts with these countries.

Nine, we must place emphasis on tourism, Bollywood and soft power. In Vietnam I found that in 2010 alone they had received 5 million tourists and their target for 2015 is 15 million. We will have to make ourselves more tourist-friendly. The intensification of people-to-people contacts and student exchanges should get high priority. The proposed Nalanda University and the

recently established South Asian University in New Delhi are pointers in the right direction. Universities in border states must be encouraged to undertake more studies on countries adjacent to them as they have firsthand information of developments there apart from sharing cultural and linguistic affinities. Our think-tanks should focus more on neighbouring countries. We must also support the evolution of democratic and pluralistic values and the principles of justice and equity in our region, without being prescriptive or intrusive.

Ten, concomitant with the growth in our economic and political engagement in the region, we must substantially increase our defence cooperation with the countries in the region. One of the most important developments in our national security strategy has been the growing defence exchanges, especially naval, with countries from West Asia all the way across to the Pacific region. This is apart from the defence exercises that we now conduct with extra-regional powers, including the United States. We have had multilateral exercises, such as the one involving India, United States, Japan, Australia and Singapore in 2007. Like the Indian Ocean Naval Symposium that the Indian Navy launched in February 2008, we must look for similar regional arrangements. Defence cooperation with our neighbours should also include training, capacity building and, wherever required, equipment supply to the defence forces of friendly countries.

This is an enormous agenda, but a critical need of our time. Our task will not be easy and we cannot assume that everyone will share this vision.

Our regional strategy would require more resources – diplomatic, intelligence, financial and technical – and even higher levels of attention. We would have to think of leveraging India's emerging strengths, including those in its private and non-government sectors, to pursue our objectives. And we could involve the political leadership in our border states in crafting our policies for countries adjacent to them.

Our engagement strategy in the region cannot be at the expense of our investment in defence preparedness. Indeed, the stronger our defence capabilities, the more assured we would feel of taking care of our security, the more assured we will feel in our diplomacy and in our regional initiatives.

In conclusion, I would like to say that our future security and prosperity depend as much on what we do within India as what we do beyond our borders. Thus, India's own position on the global stage and its capacity to influence the direction of the world at large will depend both on our own evolution and how we manage the neighbourhood.

What happens to one-sixth of humanity will be of great consequence to the world in the twenty-first century. In turn, our own future, our destiny, our prosperity and our security are linked to our neighbourhood. This reality must be a constant guide to our national development and national security policies.