

India in a Future World: Reflections of an Indian Diplomat*

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Abstract

A forecast of the global scenario a decade hence is attempted, and the policies India should follow to gain the most advantage are suggested. The nation state system will continue, but there will be major and continuing change in the capacity and power projection of more important states and hence in their relationship. Power in all aspects will shift from the Atlantic powers to Asia and the Indian Pacific Ocean Region resulting in a multipolar system. To manage this better Asia needs to establish a regional cooperation structure. China has emerged as the single most powerful country in Asia, and the current leadership is seeking to put its own model in place. India can and should ensure a leading role for itself by becoming the most effective power in the South Asian and Indian Ocean region. For this it will have to forge a working partnership with China which will not exclude an element of competition. The boundary problem needs to be resolved. The relations with Pakistan must be managed. Relations with all other neighbours must be improved as speedily as possible. The USA will still remain the single most powerful country and close bilateral relations are crucial even while independence is not surrendered. The growing conflicts in the Middle East and the flux in supply and prices of energy need to be addressed. Enhancing domestic capacity will power India's external projections. The demographic dividend can only be harvested by a determined pursuit of skills innovation and technology to attain excellence in economic production and social goals. This is only possible in a democracy if it moves towards greater inclusion and provides opportunity to all. Success will ensure India becomes a major global power by 2025.

Keywords

India, Asia, World, 2025, Policy

The international system in 2025 will probably consist of about 200 nation states. Globalisation, growing interdependence of economies and continuing jumps in technology, which will expand the reach of

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communications, weapons etc., should require more efficient and rule-based international decision-making. However, sovereign states as ever will remain reluctant to accept this and so will non-state actors. Jehadi groups may not be expected to obey rules, but nowadays banks and corporations, religious academic and professional groups etc. who are the warp and the woof of the civil society are no better (National Intelligence Council 2008). Convergence between states will become more acceptable among more regional groupings and special interest groups, but there will be serious exceptions with the Middle East being the most intractable. Democracy will spread, but never become universal. Civil society will gain leverage but will be resisted by conservative and patriarchal forces, and often by the state. Concerns over environment, climate and limited natural resources will grow, but will be resisted by vested interests and public unwillingness to make sacrifices. Ten years will not bring utopia.

Power and wealth will continue to move from the Atlantic to the Asia-Pacific region. The USA and Russia will become more Asia-centric (National Intelligence Council 2012). The world is returning to the long lived configuration where Asia, its civilisations and economies dominated the planet. The colonial era is firmly behind us, and its legacies in the shape of territorial disputes in South and Southeast Asia have been largely settled by regional arrangements. Enlightened leaderships should now seek solutions to the few remaining disputes including the more recent maritime ones in the China Seas, if they desire to usher in the expected Asian century. It would be eminently desirable if West Asia could follow this lead, but that is less likely. China has recently begun to outline its ideas about its hopes, its neighbourhood should develop. India is already engaged in following suit. The USA, who has always been the major player since the 1940s, has been reacting to the changing scenario.

The Asian Scenario

China is already the major power in Asia, and the second in the world. She clearly hopes to move to the top and regain her 'middle kingdom' role. Most Chinese and some foreign commentators maintain that China believes its destiny is to be the centre of the world rather than its sole hegemon. Chinese history shows no sustained efforts to become an imperial power, although they were made around her periphery. Rather, it was Chinese civilisation that was exported effortlessly and a Great Wall was erected to keep the barbarians out. If Chinese protestations of seeking a harmonious multipolar world and being willing to contribute towards its achievement in Asia by offering help for development and connectivity through the 'One Belt One Road' (OBOR) program are genuine, the foundations of a long-term Asian system might be emerging. At the same time, it would be unwise to dismiss China's muscle flexing in the East and South China Seas as mere posturing. The correct reading would be that she will press in both directions depending on how best her interests will be served in the ruling geopolitical scenario (Council on Foreign Relations 2011)).

China has still to establish unquestioned control over Tibet and Xinjiang. Taiwan's merger into the People's Republic of China (PRC) seems unlikely soon. Hong Kong indicates that there is a restless younger generation which could be replicated elsewhere. The leading role of the Party has been maintained so far by providing development, modernisation and a better life to most citizens along with an enhanced world role with a promise of more to come. Domestic advocates who say that the time has come for a fully democratic system have many supporters abroad. The party leadership that will preside over China's destinies for the next decade disagrees strenuously, and promises instead further if slower growth, reforms with Confucian and socialist characteristics and greater public consultation while actually moving towards more authoritarian control. They appear to have the upper hand, but a creeping

transition to democracy might still overtake them as an educated and informed middle class grows and barriers to information flows can only be partly effective. What could be the best option for China, Asia and the world cannot be perceived or predicted (Council on Foreign Relations 2015).

China's territorial claims in the China Seas and diversions of river waters have disturbed her neighbours. The bilateral dialogues favoured by China have yielded almost no results till now, although it must also be noted that almost all land borders have been settled. Even in the case of the India–China boundary while the diplomatic exchanges meander on, and the temperature is often raised by intemperate comments and troop movements, the border itself has remained remarkably free of incidents. Most interlocutors have continued to be patient as the increasing economic exchanges with China are of considerable value. Recent discussions over joint management of the Mekong river flows, removal of an oil rig from disputed waters with Vietnam and reopened discussions with Japan over disputed islands may be signals of conciliatory postures. Chinese proposals for connectivity along the Silk Routes and for financial institutions independent of the Bretton Woods twins come with offers of generous assistance to southern and western neighbours. The PLA (People's Liberation Army) is being reminded to respect party supremacy. At the same time aggressive steps such as the building and garrisoning of man-made islands and notification of Air Identification Zones point in the opposite direction. The most recent White Paper on Defence issued by the PRC government indicates an aggressive posture, especially in the maritime field. There have also been similar pronouncements concerning cyber warfare and space.

Acceleration of the process to bring Asia to the centre of decision-making requires that India and China (and possibly Japan) maintain relatively harmonious relations. For India, boundary settlement remains a high priority. The 'package' or status quo as proposed by Premier Chou and President Deng was and is a reasonable compromise. The Chinese have hardened their position at times. It must also be admitted that our signals have also been mixed. While the position on the Eastern sector is clear, the possibility of a compromise in the Western sector has been left unclear. Boundary settlements with other neighbours like Bangladesh have dragged on interminably, giving rise to doubts about India's capacity or desire to deliver. These have been finally set at rest with the finalisation and ratification of the Land Boundary Agreement after nearly 50 years, and the amicable settlement of the Maritime Boundary by arbitration. After 1985, China has hardened her position on the Eastern sector and the main achievements, thereafter, were agreements on maintaining tranquillity, which have been remarkably successful. However, at no time has the actual line of control been finalised, permitting the PLA to ratchet up tensions during important bilateral negotiations. Now as Prime Minister Modi has indicated during his recent visit to China, the two major powers in Asia need to proceed towards the package with a firm and unswerving posture that does not allow either for appeasement or aggression (Kalha 2014). Needless to say, geopolitical equations are as important if not more important than economic and other considerations. Hence, a muscular security posture and the fostering of economic and security ties in South and Southeast Asia and the Asia Pacific Indian Ocean region with a special emphasis on Japan, Indonesia, Vietnam, Iran and the USA must be balanced with increased economic and regional cooperation and reducing the trust deficit between India and China (Singh 2015). The joint statement issued after the recent visit of Prime Minister Modi would indicate that India has to redress the overall balance in her favour, further before positive results can be expected.¹

China is a valuable economic partner for the whole world. For India, there is obvious benefit in permitting investment in manufacturing infrastructure etc. As domestic conditions in China will force them to move production offshore, India should now remedy her inability to take advantage of the earlier phase when Japan, Korea and Taiwan were seeking offshore collaborators. Genuine security issues do exist and must be addressed, but some are red herrings made up by Indian entities supporting other less competitive partners. A growing economic partnership is certainly possible and compatible with

preserving security interests. There are lessons that India can draw from the Chinese ability to balance security problems by growing economic ties with the US. In any event China as a partner, competitor or antagonist will always be a neighbour of the highest importance. Hence, we need to augment our knowledge and understanding of all things Chinese in our official, business, academic and professional circles, and encourage bilateral exchanges with their institutions at the provincial as well as the central levels. Reversing existing attitudes, the Communist Party, the military and other elite organizations need to be cultivated. People to people exchanges and tourism should be facilitated.

Collaboration in development programs in neighbouring SAARC and ASEAN countries and even further field are an inevitable part of the future as regional cooperation evolves. Our 'Act East' policy based on connectivity, development and economic growth have much in common with Chinese projects for OBOR. We have already joined together in the BRICS (Brazil, Russia, India, China, South Africa) and Asian Infrastructure Investment Banks and the BCIM (Bangladesh–China–India–Myanmar) Economic Corridor and SCO (Shanghai Cooperation Organisation). In our own interest, we need to influence these processes so that we can add Act North and West policies directed towards West and Central Asia and the Gulf to complement the Act East policy directed to Southeast and East Asia and the Indian and Pacific Oceans.

Geography and history make South Asia the primary area for Indian external interest. In the early decades after the region acquired independence, it has proved a major source of frustration primarily because of the existential confrontation with Pakistan. However, friction with other neighbours did also occur over a variety of issues that arose when a single entity was split into sovereign states whose sometimes inexperienced governing elites were naturally touchy about their independent status, and India perhaps overdoing being the successor to the British Raj. As self-confidence has grown, issues have been resolved; the obvious benefits of bilateral and regional cooperation have become evident at least in business and financial circles, even the suspicions of the political and security establishments have become manageable. The FTA between India and Sri Lanka and the immense benefits reaped by Bhutan following Indian investment in hydroelectric power have opened many eyes to the reality that regional cooperation and open borders, with joint precautions and better intelligence, can provide a win-win situation (Khosla 2014). India's profile in the region is no longer as overwhelming as it has become more accommodating and linkages with outside powers like China, Japan and the West have provided alternative options. Given the advantages of proximity, once the outrageous costs of cross-border transactions are reduced, competition will benefit our producers and their foreign customers. The Indian public and private sectors, banks and airlines etc. have been reluctant to do business with neighbours, sometimes with good reason. However, the climate has improved and they now need to devote much more efforts to do business with immediate neighbours. Our business leaders have to learn to take risks and plant the flag in South and Southeast Asia now and proceed to join 'Act East with Act North, West and South'. There is a good reason to believe that if they are competitive and cross-border costs are normalised, then the response will be good. Government agencies at the Centre and the States must be educated to take a more constructive role as dictated by the national interest. South Asia has many reasons why it can become the next Europe or ASEAN if it so desires.

Bangladesh is not likely to witness fundamental change in the next decade. The democratic setup, the two party system and its Begums seems set to continue. Anti-incumbency could mean that the Awami League and Sheik Hasina could possibly be replaced at the next election by Begum Zia and the BNP (Bangladesh Nationalist Party), which could cause some coolness towards India. It is gratifying that India appears to have finally fulfilled its commitment on the Land Boundary Agreement and that there could be progress on the Teesta River Agreement. There have been welcome agreements on power sharing and the prospects of greater surface connectivity. PM Hasina has gone out of her way to help

India to deal with the anti-Indian elements who had been accustomed to take refuge in her country. With the Governments of West Bengal, Assam and Tripura now more ready to reciprocate, regional cooperation should grow incrementally. The time is ripe for concluding an FTA with Bangladesh as well as implementing SAPTA.²

The connectivity contemplated by the Act East policy, the Trilateral highway and the BCIM Economic Corridor requires considerable investment on road and railway corridors, inland waterways and cross-border facilities. Successive governments have failed to provide resources despite the obvious benefits to the North East states. Now that Bangladesh is considering seamless transit, the plans must be executed within a fixed time frame. China and Japan and other donors are already giving aid for transport infrastructure. We should join in them, in improving Chittagong port and constructing any new deep-sea port. With the maritime boundary with Bangladesh settled, offshore oil blocks are available for auction. India should take an aggressive interest in bidding for these blocks and those in adjacent Myanmar waters. This time we should not neglect to build the pipe lines to bring the oil and gas to the North East states.

The suggestions made for improvement and enhancing relations with Bangladesh can also be applied appropriately to other neighbours except Pakistan. They all have domestic problems but they are no longer at a crisis stage. They have all diversified their external linkages, and are not so fixated on India although it remains a major factor. China has become an important bilateral partner and donor. Many of the projects undertaken by China were within India's capacity and were lost because we did not show sufficient interest. SAARC still remains a talking shop. The time has come to make it a genuine regional mechanism with a time-bound program and adequate resources. This may mean leaving Pakistan out until they recognise that they are not serving their own interests. Sub-regional and bilateral projects may be more effective anyhow in most cases. Generosity and proximity should be used to compete with China rather than exclusion.

Bhutan's relationship with India is the most tranquil. It has steadily strengthened its democratic decentralization and is well-off economically largely because of the revenue accruing from India from the Indian-aided hydro power systems. Its cooperation in handling cross-border terrorism has been spontaneous and commendable.

Nepal has come out of its domestic civil strife, but is still to give itself a constitution and a constructive polity. This is something that the Nepalese should work out for themselves. Domestic governance does need improvement, but is probably not much worse than in some neighbouring Indian states. The promise of hydro power to its economy remains unfulfilled despite much effort, both in Nepal and India. Perhaps, this could be resolved by giving the private sector a larger role or finding another partner from outside. Current efforts to improve connectivity and provide development infrastructure bilaterally are commendable and need to be made into an enduring program. The Modi Government's efforts to give Nepal obvious priority and the instant and effective response after the recent earthquake should improve the climate, provided the big brother attitude is restrained.

Sri Lanka has solved the problem posed by the LTTE, but still has to ensure inclusion of its minorities in the national mainstream. The Tamil diaspora and most political parties in Tamil Nadu keep harping on making the Sri Lankan Government accountable for human rights abuses which it is unlikely to do. They would be doing the Tamil community a greater service if they were to provide financial and technical aid to set up small enterprises and thus bolster their economic status and increase their leverage. The rivalry between fishermen from the two countries should be resolved by a joint mechanism as they are all Tamils. The present confrontations only give Sri Lankan military authorities unnecessary leverage. The FTA with India has improved bilateral relations very considerably. In future, business circles could become the prime movers, leaving governments to provide facilitation.

The Sinhala majority has become a prisoner of its own triumphalism and the centralisation of authority in the Rajapakse family (See endnotes xxi). This happened once before when President Jayawardene avoided elections for many years with serious consequences. The recent election has brought a change in the ruling dispensation which provides both Sri Lanka and India a chance to recalibrate the relationship, as well as the majority-minority equations within Sri Lanka. One can only hope that all will rise to take advantage of the new situation.

The Maldives has gone through a period of uncertainty. Recent elections did appear to have brought back normalcy, but the Government's anti-Indian posture has not abated. Patience and firmness will be needed till they recognise the real regional imperatives. And that means, finding a way to overcome Pakistani meddling backed by Chinese largesse.

Since independence, Pakistan has sought to destabilise India by direct intervention and using terrorist groups. Kashmir is a ploy to cover the real intention. The turnout in the Valley in the recent elections and the subsequent establishment of a coalition government comprising the BJP and the PDP, a local Muslim party based in the Valley could well show its hollowness. Acquisition of nuclear weapons has blunted India's conventional superiority. Pakistan's allies America and China now face terrorist threats based in Pakistan. A further irony is that many terrorist groups have turned against their creator and Pakistan today suffers more casualties from them than we do. Our dilemma is how to restrain the terrorist threat to India by creating an adequate coercive conventional capacity, and convince enough of the Pakistan's political elite and public that they and the entire region would benefit enormously if peace and stability is restored across the Line of Control as we had agreed at Shimla and maintained till the 1990s. That would be reinforced by opening borders and permitting normal cross-border and transit trade which would benefit the beleaguered Pakistani economy enormously. Another further dilemma to be addressed is how to persuade Pakistan's allies, in particular China and the US, to join with us in this endeavour of convincing the military leadership of their wrongheaded policies and our sincere desire to save Pakistan from ending up as a failed state. This would be entirely consistent with their expressed desires for a more balanced attitude towards the region and even more on the emphasis placed on development, infrastructure, connectivity and stability within Pakistan. Indian policy of steadily improving economic and people to people exchanges while remaining firm on countering infiltration and terrorism, including the latest threats from ISIS, could provide valuable inputs in achieving those objectives. The proposed Economic Corridor from China is not likely to be viable with Pakistan's present economy. It would be immensely more effective if it could be used to connect India with Pakistan as well as both with Central Asia, Iran, Afghanistan and China. Pakistan would be the largest beneficiary. Good sense and statesmanship can guide all concerned into putting aside old attitudes and working together in building a stable, prosperous and peaceful South Asia if only they would recognise their best interests.

Afghanistan represents a possible success story of how a country might regain its ethos after multiple interventions. It has been given a chance to manage its own affairs. There is a need for much foreign assistance so that the reliance on opium for funding is progressively reduced. The many factions, the ethnic groups, the warlords and foreign powers may see different futures. However, many have shared power and made the government work at times, while fighting each other at other times. Some in the Taliban and other rebel groups may be prepared to join them. The armed forces have given a good account of their capacity. Provided with adequate supplies and some support from outside they could enhance the area of stability. President Ghani has obtained Chinese aid and support. He seems to have made a deal with Pakistan for a reciprocal moratorium on supporting rebels from across the border. If the US and China could guarantee these arrangements, even if they are implemented only partially. India should continue and step up existing aid programs to the Afghan Government and other authorities

to improve security, stability and development. There is a distinct possibility of Afghanistan becoming a somewhat anarchical, but inclusive and secular state. If Pakistan can also pick up the same virus, there is a distant prospect they could emulate modern states like Bangladesh, Malaysia and Indonesia (D'Souza 2012).

Iran is an important factor in the Gulf and West and Central Asia. It has almost finalised a deal on its nuclear program with the West, which has become easier because they both face a common threat from the Islamic State. This has created complications as the West faces an uncomfortable choice as do the Sunni stalwarts of Saudi Arabia and the Gulf who had been locked in a confrontation over the nuclear issue as well as Syria, Hezbollah and Hamas.

External support for regime change in Iraq, Syria and elsewhere, marginalisation of the Sunni elites and tribes in Iraq and of the Palestinians have made the rise of Islamic State inevitable. Building secular inclusive states as envisaged by Ataturk, Nasser and the Baath parties is the only real answer. Unfortunately, there seems to be little support for this in the region or in the West. Once upon a time, a Nehru might have proposed it, but I suspect it would be considered quixotic by most in the Indian establishment today. There appears to be little choice while the disastrous drama unfolds. However, those of us who found Obama's Nobel Peace Prize undeserved may now have to think again as he crafts a new US policy towards the Middle East, which seeks to bring Iran and the Shias out of the cold while maintaining the connections with Israel, Saudi Arabia and the Sunni royals and dictators.

Israel has been a good friend, a valuable source of defence equipment and technology. It provides an example for the region as a modern democratic state whose gifted people coming from very diverse origins have made the desert bloom and given themselves a good and relatively secure life. It is a pity that its present leadership is wedded to the marginalisation of the Palestinians and the negation of the two state solution envisaged by the Oslo Agreement. Israel and her friends need to consider whether Israel's long-term interest might not be better served by joining those promoting a region of inclusive secular states.

Energy prices and consequent flows are set to undergo great changes. Gulf producers will find their markets restricted to East and South Asia as North America and Europe obtain supplies nearer home. Competition will come from Russia if her European markets dry up. Stability in the Gulf will be the concern of mainly China, Japan, Korea, and India rather than of the whole world. For India, the problem is further complicated by the millions of NRIs and the economy's dependence on their remittances. The main producers in the Gulf could ensure their internal stability as their security forces are well equipped. But as outlined above, there are other looming threats to regional stability. The four major buyers have a stake in coordinating action to safeguard stability and ensure steady supplies.

India's relations with the original members of ASEAN were once very close. After considerable distancing on both sides after 1962, ASEAN's meteoric economic rise and its emergence as regional fulcrum for cooperation in the 1980s and 1990s, India's steady growth since the early 1990s and changing geopolitical equations in East Asia has rekindled some of the warmth. India is now a full Dialogue Partner, member of the ARF Forum, and the East Asian Summit. India has committed herself wholeheartedly at the ASEAN Summit in Myanmar in 2014. This could have been reiterated by the prime minister attending the recent commemoration of the Bandung Summit in Indonesia. The Look East Policy dates back to PM Narasimha Rao but remained a rhetorical statement for long. Implementation of such rhetoric is a chronic failing of Indian policy and it needs to be corrected. For instance, agreement on the Regional Economic Cooperation Partnership would provide the necessary mechanism (De 2014). However, it is necessary to also recognise the need to alter some mindsets in the Indian establishment. The economic ministries and the private sector have not yet accepted the potential of the erstwhile 'South'. They prefer the developed world. Hence, not only South East Asia, but Africa and Latin America

are not taken too seriously. This has to be remedied. Indonesia, Vietnam, Singapore, Malaysia, the Philippines, and Myanmar are growing fast. They have problems with China and welcome Indian cooperation. Another problem is that surface connectivity must go through the Northeast states. This has been opposed by security agencies without any effort to allow viable solutions which are entirely possible with modern intelligence and regional cooperation. Local elites and communities have been misled into believing that they would be bypassed when their cooperation is necessary, and would benefit them too. The central and state bureaucracies also have been opposed as they saw no political returns as they were incapable of factoring in the benefits accruing from increased commerce, movement and stability. The gains Myanmar has been able to make from tourism should be an eye-opener. The mentoring of programs by the prime minister's office could restore momentum into what is a large field of opportunity, provided adequate resources are provided and the local communities are brought on board.

Myanmar's opening up internally and externally provides a crucial entry to ASEAN and China by land. The country has rich resources and is hungry for development. Myanmar appears ready to welcome bilateral and regional cooperation to balance its other major neighbour. India has to make good on its promises starting with connectivity and go on to energy, infrastructure and overall economic development. Like elsewhere, rhetoric must be followed by implementation, and given the rush of foreign investors, the clock is already ticking.

Vietnam has also shown special interest in economic as well as defence cooperation. A crucial issue will be continuation of joint offshore oil exploration. The agenda is agreed, the welcome is assured but we will have to deliver. Indonesia under its new President would appear to be another country with whom the signs are propitious, and there is a need for early exploitation of the potential. Malaysia and Singapore are well connected and the existing ties need only to be given a fillip. The Philippines like Indonesia, will probably respond quickly to any overtures. Thailand is in domestic quandary, but ties are good. Laos and Cambodia are closer to China than the rest of ASEAN, but would not be immune to cultivation. As ASEAN is a springboard to the Pacific, and abuts on the Indian Ocean which we would like to make into an especially close neighbourhood like SAARC, the need to put in effort and resources is self-evident. PM Modi's recent visits to the island nations of the Indian Ocean must be an overture to a much deeper engagement.

The USA

The USA is still the major world power. It has long played a dominant role in the Asia Pacific region. America can easily overcome any direct military challenge in the next decade or more. A continuing erosion of American political will has become evident since they took over Iraq but failed to attain their goals of restructuring politics in the Middle East. Congress and the public will now only countenance air strikes and drones, but not the deployment of ground forces. Unquestioned support to Israel is no longer to be taken for granted. Iran will be admitted as a major player in the Middle East under certain conditions. The once familiar rhetoric of the American President rallying the Chinese or other peoples on democracy, human rights etc. has been absent since the APEC Summit. After his recent Indian visit, he only reminded us of our own commitment to our constitutional obligations to maintain our diversity. US foreign policy appears to be undergoing subtle but fundamental change. The strategic vision statement issued before Republic Day invites us to partner the US, but not in the exclusive manner of earlier alliances. Relation with Cuba has been re-established, normalising a major divide in Latin America.

The pivot to Asia is a reality, but it will not be a US-dominated SEATO. Rather, it is a partnership where Asians will be expected to contribute substantially and where the TPP (Trans Pacific Partnership) economic arrangements will help ensure American interests. Obama seems to be accepting the reality of a multi-polar system, giving major states a greater role in world management. There is grudging acceptance of this concept among the US foreign policy elite, but the process will not be smooth. This is evident in the cold shoulder given to the G-20 and the return to stressing G-7 solidarity. Also it does not seem that China is willing to concede a special status to the US, and this will influence many others. The rush of US allies to join the Chinese-inspired Asian Infrastructure Investment Bank is mute evidence of the current state of play. The front runner to succeed Obama still seems to be Hillary Clinton. However US electoral politics are difficult to predict, and it is doubtful whether that any successor will have better cards than Obama.

The US economy has been rescued from crisis and may be in better shape than those of other OECD (Organisation for Economic Cooperation and Development) members, but it lacks its characteristic buoyancy and optimism. Almost alone among the post-industrial states, there will still be a young generation consisting more and more of minorities empowered by a great education system and a spirit of innovation. They will have to recreate the middle class, the real driver of the American dream. The role of the Indian diaspora will continue to be disproportionate to its numbers. The US will almost certainly remain India's most valuable foreign partner for a long time. It is and will remain a major market, the major source for investment, innovation and technology, for defence supplies and training, and home to a large prosperous and helpful Indian diaspora. The pivot to Asia will continue to be there (Mohan 2015). However, in a multi-polar world exclusivity in relations would not always be possible, and we should carefully assess our interests and balance our relationships. There is a need to improve and intensify our security linkages with US after eradicating the coolness that has remained during the heyday of their Pakistani linkage, especially in the Pentagon and some groups in Congress and the State Department, and their crusades against our Soviet leanings and insistence on maintaining our nuclear options. It will be necessary to review cooperation between the countries radically. This will have cover training and interoperability and some other taboo areas with both sides. Although this will be a major step as India's defence production has to be done at home and the best partner is America. Planning for these needs to be given high priority. It also has to be borne in mind that American corporations are generally multinationals who tend to follow their own agenda and will target India over intellectual property issues, financial services etc. They have become adept at lobbying the US Administration and Congress and other governments too. Outsourcing and the transfer of jobs is a major subject used incorrectly by many politicians to woo voters. In addition, there are many religious and other interest groups who have sponsored legislation placing foreign countries on watch for a variety of causes, not always very worthy. As India's penetration of the US economy increases and as our political, security, academic and social linkages grow, we could and should increase our leverage. However, like all other partners of America, we will have to accept some pinpricks as long as the overall partnership benefits us. We also need to ask ourselves if we need to be so assertive about imposing retrospective taxation on foreign investors, and in targeting foreign NGOs whose record in assisting India's development is superlative. After all, even close allies like Germany have found their Chancellor subjected to personal surveillance. Acceptance of the invitation to be the Chief Guest at Republic Day by President Obama is unprecedented as no US President has ever visited twice in his tenure and signalled that the climate for cooperation remains upbeat.³ The ball will never be entirely in our court, but we will have to seek to put ourselves at a point of advantage, as that is how the game of international politics is played.

The Pacific Ocean

Japan has been a steady partner in India's development, but the level has been modest as the Japanese have found us too slow, too bureaucratic and too corrupt. The Delhi Metro shows the bright side of cooperation. Major infrastructure projects like the Delhi–Mumbai Corridor are already under way, and the Modi–Abe summit decided to raise cooperation to a much higher level, and undertake projects in the Northeast. In Japan, close cooperation exists between government and industry in planning and undertaking projects, and there is ready availability of capital, and very high technology. Once the investment climate is considered satisfactory, there can be more rapid progress. The decision to undertake strategic cooperation establishes another bond, which now only requires extending to the nuclear field. PM Abe undoubtedly has had a special feeling for India as he seeks a larger role for Japan after decades of stagnation. However, even after his departure, there should be little change as the above perceptions are widely shared in the Japanese establishment, although they may be less willing to change established economic policies without which Japan's role in Asia and the world will remain less effective. India needs to deliver completely from its side to ensure that the bilateral engagement can reach its full potential (Tatsumi 2015).

Australia is another Pacific country that has warmed up to India remarkably in recent years. China's aggressive postures in the South and East China seas have not gone unnoticed in the Pacific region, and the US pivot to Asia has an active component involving Australia. Besides Australia's economy depends on raw material exports, and a growing India provides a major market and potential investment. An agreement to sell uranium was a welcome bonus.

The Pacific is opening up and we must ensure opportunities are not missed. Initiatives to Fiji, South Korea and Mongolia have been welcomed and must be consolidated and expanded. The low key engagement with Taiwan should also be given further content as part of the geopolitical game in which India has entered. With all partners the pace should never be allowed to slacken

The Rest of the World

Europe is in a process of decline which it seems incapable of reversing. Its accumulated manufacturing and technological capacity, its financial reach and the soft power spread over many planes will however ensure its role remains considerable. Most Europeans recognise the need to use these assets to increase their partnership with the emerging economies of Asia in order to reverse their decline. The recent visit by Prime Minister Modi has shown that there is synergy that can be established with major countries like France and Germany. The UK Prime Minister has been prompt in putting out the welcome mat as soon as he was returned to power after the election. Unfortunately, the European Union (EU) bureaucracy does not appear to be as forthcoming as its major members.

Russia also retains considerable assets, but with aging industry, fast greying population, and over dependence on petroleum exports, it also is in an even steeper decline. With disputes increasing with the West, it will become more dependent on China. The Europeans should seriously consider whether following the Anglo-American lead in antagonising Russia in Ukraine and other former Soviet republics is in their best interest. The partnership of the Soviet era cannot be regained with Russia today, but its natural resources could be valuable for India's future development. They are all avid to gain access to the large and growing Indian market. Europe should not be written off as a serious exploration of mutual benefits could prove to be a worthwhile exercise.

The time available makes detailed comments on Africa and Latin America impossible (see endnotes xxi). Both regions play an important role in world affairs and our bilateral relations have increased and multiplied to our benefit. Listening to some of their representatives here, it is evident they are becoming more and more self-sufficient in managing their affairs and do play an important role through international agencies and groupings. It must be emphasised that we must increase our efforts to build relations there. Apart from the obvious economic and cultural exchanges, could we consider more emphasis on disaster management? Our small efforts after the tsunami show that these do pay off. China and Cuba are actively in the field in Africa to counter Ebola. Should a country that is a leader in peace keeping, not be able to send out medical teams or at least support NGOs like *Medecins Sans Frontiers*?

The world hankers for international order. From Westphalia through Vienna the world has tried manipulation, diplomacy and compromise which provided periods of relative tranquillity before collapsing into world wars. Idealists have promoted the League of Nations and the United Nations without much success. The persistence of the sovereign nation state has made it difficult to establish rule-based systems in the more sensitive areas of security and even economics. Functional agencies such as the postal, telecommunications and civil aviation organisations do work. The UN Security Council gives five nations veto power, and the Bretton Woods financial organisations take decisions using weighted voting, which over time have made them servants of the powerful rather than of the entire international community. Settlements of major conflicts or on disarmament have had to be made outside the UN in Geneva or Helsinki and once in Dayton etc. Reform of the Security Council was seriously discussed at the turn of the century, but never got off the ground. Despite the fact, the P5 system is widely accepted as obsolete today. The world badly needs an updated United Nations but this is proving an unattainable dream given that those in the seats of power will not yield their place despite their obsolescence, and the new claimants cannot agree among themselves or with the general membership on an effective working new order.

The role of the Bank and the Fund will remain large but slowly become less relevant as new financial institutions are created. The G-20 was a commendable effort to establish a more representative economic forum, but has been sidelined by the G-7. They wish to preserve the dominant position of the developed world. The recent APEC summit in Beijing apparently endorsed FTAAP (Chinese sponsored) and discussed TPP (US sponsored). India has to seriously consider how to balance her need to maintain high standards in her products while resisting Western cartelisation in deciding on the institutions she is in or intends to join. There is a good case for India to join APEC and SCO as a full member. It would be worthwhile to enhance the role of G-20 as much and as fast as may be possible both in economic and security issues. This could be a way to finally reform the UN.

Elsewhere the dominant position of the West is being challenged regarding control of the Internet and cyber space, especially after the Snowden revelations. The Ebola crisis highlights the unwillingness to allocate resources for social problems mainly affecting the developing world. The intellectual property rights regimes are used to safeguard profits rather than deliver health or knowledge to poorer societies. Recognition is growing that human security like human rights in their widest sense still need to be delivered. India was once an active champion on such issues. Our representatives once worked hard to eliminate colonialism and discrimination. Today it is still necessary to build coalitions to ensure there is no 'third world' in a globalised world.

The Domestic Imperatives

Every country's projections abroad depend on its domestic capacity (Verghese 2006). By 2025 India's population will have equalled that of China at about 1.4 billion. The GDP estimates vary putting India

between no 3 and 5 in the world. Official projections that education, health, power, drinking water, sanitation and housing will be available to all will probably have been met.⁴ The current policy to increase the manufacturing sector is long overdue if we are to transform India from a nation of traders to an industrial economy living in urbanised rather than an agricultural society. Indian products today are largely made to minimum standards. Transition to quality production is essential to acquire and retain markets. East Asian experience suggests that specific industries be identified to turn out outstanding products. Current exports indicate that pharmaceuticals, biotechnology, automobiles and components, computer hardware including chips could be chosen. A limited number of the best producers could be identified. Assisted by the best research and development facilities and unimpeded access to foreign technology, they should produce items of the highest quality mainly for export. Slowly but surely, we need to ensure the highest possible standards not only for products but also for services. In tandem as we work for the best governance with least government that will require a democratic society that lives up the highest ethical and moral standards not because of laws and policing, but because of its inherent commitment to the community and all fellow citizens.

Long-term coordinated planning of the economy by government and business and industry ensuring the best technology and innovation inputs are sorely needed to provide the stable climate for production to grow. Upgrading of education institutions especially in the tertiary sector and the grant of sufficient autonomy to their managers and teachers is essential to secure the development of skills to obtain the maximum return on our demographic dividend. The NitiAyog should ensure that the whims of the Human Resources establishment do not derail this. A nation operates best when there is a broad consensus about its future. If development is to be paramount and it is to be universal, political parties of all persuasions will have to eschew divisive electoral politics.

Foreign policy is made by the Ministry of External Affairs under the guidance of the PM and the Cabinet. Policy makers, administrators and managers must be equipped with a twenty-first century mindset. Coordination of policies by all our agencies abroad must rest with the Ministry while the Ministry ensures consultations with appropriate agencies. Professionals in the field need academic support. Research institutions in international studies do exist in India and produce admirable work. But there are many gaps that must be identified and filled. While respecting the autonomy of these institutions coordination about agenda must be done and adequate resources provided. The resources presently made available are totally inadequate. Indian civil servants (and many politicians) have insufficient respect for professional inputs and believe they are infallible. This is dangerous and a balance should be restored between professional inputs and administrative implementation. The diplomat is himself professional and other ministries should be made to acknowledge this. The diplomatic option even in security confrontations does work most of the time and costs only a fraction of any other form of external intervention. Speaking as a professional diplomat who has engaged his peers in almost all major countries, we have done it in the past; our serving colleagues are doing it now; and I am convinced will do it better in the future.

Conclusion

Forecasting can be risky. No one anticipated 9/11, and very few the economic crisis of 2008 before they actually happened. I do not claim especial credit for making predictions. India has weathered many storms and difficulties in reaching where we are today. The promise of the future is much brighter. By 2025 India will have become the challenger with China and the US scrambling for the

No1 slot (Wolf, 2011). There can be no illusions that this is a low hanging fruit waiting to be snatched. Rather it will have to be earned by diligence and hard work in improving every aspect of national endeavour and governance. The Indian dream to reach the top well before 2050 can become a reality.⁵

Notes

1. Joint Statement after PM Modi's Visit to China Ministry of External Affairs New Delhi 15 May 2015
2. World Bank Blogs What will South Asia Look Like in 2025?
3. The White House: Statement by President Obama and Prime Minister Modi; US-India Joint Strategic Vision for Asia-Pacific and Indian Ocean Region 25 January 2015
4. Planning commission.nic.in/reports/sereport/ser/vision 2025/conclusion pdf
5. The Indian Council on World Affairs has sponsored several publications which cover ground which could not be done in this lecture. They are

Transforming South Asia Rajiv Bhatia et al ICWA 2013
 India and Russia Rajiv Bhatia et al ICWA 2013
 India and ASEAN Delhi Dialogue ICWA 2014
 Indo-Pacific Region ICWA Rajiv Bhatia et al 2014
 India and Central Asia Rajiv Bhatia et al 2014
 Indonesia's Rise Vibhushan Shekar ICWA 2014
 Change in Myanmar Rajiv Bhatia et al ICWA 2014
 India's Engagement with East Africa Dr Nivedita Ray ICWA 2015
 Latin America, the Caribbean and India Deepak Bhojwani ICWA 2015
 ICWA Oral History Record Vol 1 Eric Gonsalves 2012

For US Engagement with the subcontinent see

Denis Kux India and the United States; Estranged Democracies US National Defense University Press 1992
 ibid
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