

Foreign Secretary Mr. Shyam Saran's speech on "India and its Neighbours" at the India International Centre, New Delhi on February 14, 2005

India and its Neighbours

It is said that the logic of geography is unrelenting and proximity is the most difficult and testing among diplomatic challenges a country faces. Frontiers with neighbours are where domestic concerns intersect with external relationships. This is where domestic and foreign policies become inextricable and demand sensitive handling. It should come as no surprise therefore, that in defining one's vital national and security interests, a country's neighbourhood enjoys a place of unquestioned primacy.

The intertwining of domestic and external interests has acquired a new intensity in this new millennium. Technological change is bringing in its wake a more globalized world where nation states and national boundaries can no longer provide the untrammelled autonomy that is associated with national sovereignty. While globalization has brought many benefits and opportunities for development and for the enrichment of our lives, there are also fears of losing one's identity and of being overwhelmed by powerful and technologically advanced societies. We are faced with the emergence of sub-nationalism and ethnic exclusivity even while a more interconnected world requires mutual understanding and tolerance. South Asia is not immune to these global trends and this forms the backdrop to the challenge we face in formulating our policies with regard to our neighbours.

On what basis does India define its neighbourhood policy? Most recently, did our reaction to events in our neighbourhood, or our decision to seek postponement of the SAARC Summit, conform to an intelligent and well-considered neighbourhood policy?

Let me begin by stating the obvious. South Asia is a compact unit, of sub-continental proportions, but occupying an easily identifiable geographical space, enjoying a broad cultural unity and a wide range of intra-regional economic complementarities. There were mighty empires in our history that straddled this sub-continent and the experience of colonialism more recently, reinforced the legacy of interconnectedness and affinity. Then came the trauma of partition, the growth of assertive nationalism, the drift away from democratic freedoms in some countries of our neighbourhood and the impact of global strategic and ideological rivalries, turning our sub-continent into a region of division and conflict, engendering a sense of siege both among States in our periphery and in India itself. The sub-continent is now home to several independent and sovereign states and this is a compelling political reality.

As a flourishing democracy, India would certainly welcome more democracy in our neighbourhood, but that too is something that we may encourage and promote; it is not something that we can impose upon others. We must also recognize, regrettable though this may be, that the countries of South Asia, while occupying the same geographical space, do not have a shared security perception and, hence, a common security doctrine. This is different from EU or ASEAN. In South Asia, at least some of the States perceive security threats as arising from within the region.

Keeping in mind this reality, our approach to SAARC was the only one logically sustainable – we set aside our differing political and security perceptions for the time being, and focus attention on economic cooperation. Our expectation was that the very dynamic of establishing cross-border economic linkages, drawing upon the complementarities that existed among different parts of our region would eventually help us overcome the mutual distrust and suspicion which prevents us from evolving a shared security perception. This remains our hope today, even though the record of SAARC in this respect, has been hardly inspiring. The fact is that SAARC is still largely a consultative body, which has shied away from undertaking even a single collaborative project in its 20 years of existence. In fact, there is deep resistance to doing anything that could be collaborative. On the other hand, some members of SAARC actively seek association with countries outside the region or with regional or international organizations, in a barely disguised effort to "counterbalance" India within the Association or to

project SAARC as some kind of a regional dispute settlement mechanism.

It should be clear to any observer that India would not like to see a SAARC in which some of its members perceive it as a vehicle primarily to countervail India or to seek to limit its room for manoeuvre. There has to be a minimal consensual basis on which to pursue cooperation under SAARC, and that is the willingness to promote cross-border linkages, building upon intra-regional economic complementarities and acknowledging and encouraging the obvious cultural affinities that bind our people together. If there continues to be a resistance to such linkages within the region, even while seeking to promote linkages outside the region, if the thrust of initiatives of some of the members is seen to be patently hostile to India or motivated by a desire to contain India in some way, SAARC would continue to lack substance and energy.

India already has a set of bilateral relationships with its neighbours, which vary in both political and economic intensity. What can SAARC offer as an additionality to this set of relationships? Clearly, the creation of a free market of 1.3 billion people, with rising purchasing power, can be a significant additionality for all SAARC members. Currently, intra-regional trade accounts for only 5% of SAARC's total foreign trade and this needs to be addressed. But the mere lowering of tariffs and pruning of negative lists do not add up to a true free market. The political lines dividing South Asia have also severed the transport and communication linkages among member countries. The road, rail and waterway links that bound the different sub-regions of the sub-continent into a vast interconnected web of economic and commercial links, still remain severed. Transit routes, which would have created mutual dependencies and mutual benefit, have fallen prey to narrow political calculations. Unless we are ready to restore these cross-border linkages and transportation arteries throughout our region, SAFTA would remain a limping shadow of its true potential.

India is today one of the most dynamic and fastest growing economies of the world. It constitutes not only a vast and growing market, but also a competitive source of technologies and knowledge-based services. Countries across the globe are beginning to see India as an indispensable economic partner and seeking mutually rewarding economic and commercial links with our emerging economy. Should not our neighbours also seek to share in the prospects for mutual prosperity India offers to them? Do countries in our neighbourhood envisage their own security and development in cooperation with India or in hostility to India or by seeking to isolate themselves from India against the logic of our geography? Some neighbours have taken advantage of India's strengths and are reaping both economic and political benefits as a result. Others are not. If globalization implies that no country can develop in an autarchic environment, is this not true even more for countries within a region? If SAARC is to evolve into an organization relevant to the aspirations of the peoples of South Asia, then these questions will need deep reflection and honest answers.

The challenge for our diplomacy lies in convincing our neighbours that India is an opportunity not a threat, that far from being besieged by India, they have a vast, productive hinterland that would give their economies far greater opportunities for growth than if they were to rely on their domestic markets alone.

It is true that as the largest country in the region and its strongest economy, India has a greater responsibility to encourage the SAARC process. In the free markets that India has already established with Sri Lanka, Nepal and Bhutan, it has already accepted the principle of non-reciprocity. We are prepared to do more to throw open our markets to all our neighbours. We are prepared to invest our capital in rebuilding and upgrading cross-border infrastructure with each one of them. In a word, we are prepared to make our neighbours full stakeholders in India's economic destiny and, through such cooperation, in creating a truly vibrant and globally competitive South Asian Economic Community.

However, while we are ready and willing to accept this regional economic partnership and open up our markets to all our neighbours, we do expect that they demonstrate sensitivity to our vital concerns. These vital concerns relate to allowing the use of their territories for cross-border terrorism and hostile activity against India, for example, by insurgent and secessionist groups. As countries engaged in the task of economic cooperation, we need to create a positive and constructive environment by avoiding hostile propaganda and intemperate statements. India cannot and will not ignore such conduct and will take whatever steps are necessary to safeguard its interests.

India would like the whole of South Asia to emerge as a community of flourishing democracies. We believe that democracy would provide a more enduring and broad-based foundation for an edifice of peace and cooperation in our sub-continent. Half a century of political experience in South Asia has provided a clear lesson that while

expediency may yield short term advantage, it also leads to a harmful corrosion of our core values of respect for pluralism and human rights. The interests of the people of South Asia sharing a common history and destiny, requires that we remain alert to the possible dangers we face when attempts are made to extinguish a democratic order or yield space to extremist and communal forces.

While democracy remains India's abiding conviction, the importance of our neighbourhood requires that we remain engaged with whichever government is exercising authority in any country in our neighbourhood. Our sympathy will always be with democratic and secular forces. We will promote people to people interaction and build upon the obvious cultural affinities that bind our peoples together. We need to go beyond governments and engage the peoples of South Asia to create a compact of peace and harmony throughout our region. To remain relevant, SAARC must begin to function as an effective vehicle to facilitate such contacts, bringing scholars, artists, scientists, youth and sportsmen together in regular events.

India is fully aware that its destiny is inseparable from what happens in its neighbourhood. For our own sustained economic development and the welfare of our people we need a peaceful and tranquil periphery. We also believe that the establishment of a peaceful neighbourhood is integrally linked to economic development in our neighbouring countries, an objective that would be best served by India giving access to its neighbours to its huge and growing market. Economic integration in the sub-continent must restore the natural flow of goods, peoples and ideas that characterized our shared space as South Asians, and which now stands interrupted due to political divisions.

India wishes to reassure its neighbours that it respects their independence and sovereignty. What it regards as unhelpful is the display of narrow nationalism based on hostility towards India that often becomes a cover for failure to deliver on promises made to their own peoples. This inhibits the development of normal relations, including economic cooperation, and prevents our region from emerging as a region of both political stability and economic dynamism.

The people of South Asia are one of the most talented and creative people anywhere in the world. They have won honours for their motherland in distant climes. If these creative energies of over 1.3 billion people were pooled together what heights could we not achieve? Let us make a new compact, therefore, among the countries of South Asia. Let us exorcize the ghosts of the past and join hands together across our borders, to unleash the immense energies of our peoples in a shared pursuit of collective prosperity. Our peoples deserve nothing less.