

**Why India Matters: address by H.E. K. Natwar Singh,  
Minister of External Affairs of India, to the  
McGill University and the Canadian Institute of International Affairs, Montreal  
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Mme. Heather Monroe-Blum, President of McGill University, Mr. Toby Gilsig, President of the Canadian Institute for International Affairs, Ladies and Gentlemen,

I am happy to have this opportunity of addressing such a distinguished gathering of scholars and experts in international affairs, drawn from two such prestigious institutions – the Research Group in International Security of McGill University, and the Canadian Institute of International Affairs. It is also a special pleasure to be able to do this in this most elegant of Canadian cities that lives up to its name.

*Why India Matters* is not in the interrogative; it is a statement of fact that needs elaboration and elucidation. India does matter. India has always mattered. From the very dawn of history, whether it is for matters of mind or something more material, the world has recognized that. The spiritual came seeking the wisdom that lay beyond their ken; others did in search of either glory through conquest, or wealth through commerce, or both. Alexander the Great, as you are all aware, was obsessed with reaching the river Ganges. The Romans followed the Greeks, but with trade as their modus operandi. Pliny the Younger started a debate on our trade balance by complaining vociferously that the gold chests of Rome were being emptied so that Roman ladies could bedeck themselves in the finest Indian muslins.

For more than a thousand years, India was at the heart of an intricate trading system in the Indian Ocean– an ‘empire of the monsoons’ that stretched from Java to Madagascar. The ‘fall’ of Constantinople acquired significance precisely because it cut off trade routes to India. Conversely, the great European sea voyages and discoveries became important because they restored them. Persians, Uzbeks and Tajiks were followed by the Arabs and Afghans, and finally came the European seafarers. Columbus sought India and died in the belief that he had found it. Vasco da Gama got his bearings a little more accurately and the European inflow culminated in the British Raj. India matters because historically, it has been a confluence of peoples and civilizations. In a globalized world, this has a particular significance.

Paul Kennedy, the Yale historian, estimates that in 1750, 24.5% of global industrial production was in India. The allure of India was almost mythical – a land of fabled riches, of silk and muslin and ivory and spices. Many who came to India did indeed become fabulously rich, but so was the country itself. But as Europe emerged, it did so at the cost of other continents over which it established dominance. By 1900, India’s share of the global economy had fallen to 1.7%. India had entirely missed the first industrial revolution, and during the fifty years before India became independent in 1947, its annual growth rate a bare 0.7%. Literacy was as low as 14%, as against more than 50% in Japanese- ruled South Korea.

Whether in statistical terms or as regards human resources, the jewel in the British Crown was indeed in parlous straits when the independence struggle led by Mahatma Gandhi made Britannia finally fold up her flag and depart. But even in its distress, India was not without its message. There are few precedents in human history for a peaceful mass movement in support of a political cause being pursued patiently for half a century or more. It was not just the character of our independence movement that set us apart. It was equally its resulting political dispensation. Given the dominance of the Congress party in the movement for independence, India could easily have been a one party state. Many post-colonial nations were. It could also have been non-democratic or a partial one with a limited electorate. By

opting for universal adult franchise and fostering political pluralism, Nehru's India set a powerful example. India matters because its choices half a century ago have made democracy a global norm today.

India matters today as well, perhaps more than ever before. It is an example of hope in our fractured, strife-torn and often fratricidal world. It is a country that has belied the predictions of the prophets of doom who confidently announced, in the 1950s and 60s, the assured break up of India. India matters because never before in history has a billion people constituting 1/6<sup>th</sup> of humanity been shaped into a single political entity, and that too a steady thriving vibrant secular democracy. To have risen above the literally bloody aftermath of Partition in 1947, and built a strong multi-ethnic, multi-religious, multi-lingual, secular nation state was no mean feat. To have maintained and strengthened this nation state in the face of conflicts imposed on us, the enormous natural calamities and the drastic economic and social changes that have affected independent India over the last 58 years was a task in itself. Then, over the past nearly two decades, India stood up to relentless terrorism, stoked and supplied from across our borders, which has claimed more than 80,000 civilian lives, an achievement of which we can be pardonably proud. The West woke up to terrorism only after 9/11 even though this very country knows well the Kanishka aircraft bombing of June 1985.

The recognition that India has gained on the international plane is only a reflection of the empowerment of India at home. Till recently, overcoming our deficiencies was seen as an achievement enough. Our progress was perceived in an ability to feed ourselves and meet the challenge of providing basic necessities to our people. Considering where we were in 1947, its implications cannot be minimized. But then came a major paradigm shift. The land of snake charmers, sacred cows and maharajas, became known for software BPOs and competitive skills. This did not happen by itself. Building an enabling environment, making the right policy choices, and maintaining a national spirit over a number of decades made it possible. Today, so much of this is taken for granted that it is worth my while to remind you all that when Jawaharlal Nehru endeavoured to industrialise India, he was scoffed at by many. The very Indian Institutes of Technology that are today so well-regarded were considered a luxury. When Indira Gandhi built on this legacy and establishing scientific institutions – including space centres that today provide communications, distance learning and remote sensing – she too did not lack doubters. Rajiv Gandhi met a wall of skepticism when he advocated computerization. Their combined leadership has allowed us to emerge as a knowledge economy and as a competitive society. India matters because it is a testimony to what good governance, sound policies and self-confidence can achieve.

India matters because, far from becoming the basket case that many feared and some hoped she would become, she is today the fourth largest economy in the world in terms of purchasing power parity. The most prestigious financial and business analysts in the world forecast even better times ahead. India will emerge as the third largest economy in the world by 2035, a knowledge hub with 100% literacy and a stabilized population of around 1.5 billion.. The recent performance of the Indian economy justifies such predictions. In the one and a half decades since we began serious economic reforms, our GDP growth rate has averaged 6 to 7%, going up to 8.5% last year. Even more important, the benefits of the growth and economic reforms have gone well beyond the roughly 300 million middle class that is growing at 15 million - the size of Australia - every year. One of India's unsung triumphs, as the World Bank puts it, has been the dramatic progress made in poverty reduction, from 35% in 1993 to 20% today. Rural purchasing power is increasing faster than that in the urban areas, and rural India is changing rapidly – politically, socially, economically and even technologically – as sections of the population earlier left out of the growth stream come on board. In a world that is often graying fast, India enjoys a great demographic advantage of 54% of the population being under 25. India matters because it is the future.

The world today admires how India has nurtured the spirit of freedom and ensured that it permeates all our democratic institutions. It seeks to learn from how India has managed to transform possible fault lines – of religion, language or ethnicity – into bonds that unite and hold us together. India's ancient, resilient civilization has always been not just tolerant of diversity, but has accepted and embraced it. We celebrate diversity and pluralism. There are not many countries where a Muslim Head of State, a Sikh Head of Government, a Christian leader of the largest political party or a minority representative heading the armed forces would be so taken for granted as to barely cause comment. And this in a country with a 84% Hindu population! It is no accident that even with having the second largest Muslim population in the world, not a single Indian Muslim has been found in the Al-Qaeda to date. That it is because we have a genuinely pluralistic culture, one where all faiths are equally respected. This has created a world of fusion and integration with recognition that we are each inheritors of multiple traditions. I myself consider my Hindu origin, my Muslim heritage and my European exposure to be parts that make up my whole. As an individual, I would be an incomplete person if you remove any one of them, and so too would my nation. India matters a great deal, even if it was only for this reason.

The Indian economy has in recent times weathered the East Asian and South East Asian meltdowns, 9/11 and the SARS scare, regional tensions and terrorist attacks, all without triggering a share market collapse, capital flight or runaway inflation. This is a mark of the national and international confidence in the Indian economy, undoubtedly due to the continuity of the economic reform process despite changes in government. The scale of these reforms has been extraordinary, not just for their impact on society but in the manner in which they have been brought about. To introduce change without disrupting the social fabric is a challenging task at best of times. To do that when a significant segment of the society is still poised to emerge from its economic margins is even more difficult. If this has been managed without social upheavals - and that it has as our record demonstrates – there is much to be said in favour of our system of governance.

The advantages of democracy as a buffer against social tensions created due to rapid growth and the inevitably uneven regional spread of this progress must be noted. It is true that the public consensus building that a democratic system strives for may appear to slow down the reform process, but it undoubtedly makes it more durable, indeed irreversible.

Amartya Sen in his latest book *'The Argumentative Indian'* questions whether the British influence alone is responsible for democracy striking such strong roots in India. Instead, he attributes it to a long tradition of public arguments and toleration of intellectual heterodoxy. I share his conviction that India has drawn upon its own heritage of public reasoning to this end. Growth and prosperity in India are products of a process that is not vitiated by loss of human freedoms. On the contrary, they are the results of a healthy continual debate within broad sections of society about the direction of their future. As a politician, I have learnt how strong a commitment the most illiterate and unexposed villager in some corner of India has towards values that in this part of the world are associated with the likes of Locke and Mill.

India matters because we are proof that democracy and development are not choices we make but processes that supplement each other.

In short, today, it is no longer possible to ignore India's voice; without her, no calculus of the 21<sup>st</sup> century would be either complete or viable.

Of course there is much to do, many hurdles to cross, many problems to solve. India is in a confident mood, not one of self-congratulation. We recognize that there are many areas

where the reforms need to be speeded up and expanded. However, what is by now evident is that India is a partner of choice for other countries in an increasing range of economic activities. She has all the makings of a real knowledge power, producing graduates by the millions and highly qualified engineers and doctors by the hundreds of thousands. These human resources are critical for global competitiveness. There are estimates that India produces more than 3 million graduates and 350,000 engineers annually.

And our education system is still growing. We are rising up the value chain as well, not content to be cyber labourers but competing for large contracts. India offers total business solutions, holistic project management, and a unique global delivery model that cuts time and costs substantially. It is the place which one of your graduate students chooses for a summer internship over an offer from a Wall Street firm because India looks good on his or her resume. No venture capitalist or investment banker, in the West or elsewhere, will consider a major business proposal that does not have an India plan.

The knowledge facet of India is not a modern discovery. It has been an intellectual magnet that goes back to the famous Chinese traveler Faxian in the 5th century and the Iranian astronomer Alberuni in the 11th. What is now happening is that a modern educational system is now disciplining the innate ferment, creativity and logic of the mind and making it usable to a contemporary society. In its commercial form, it is responsible for the creation of what we call today as The India Advantage.

This is not limited to IT even though that is the most well-known. It extends from bio-tech and pharmaceuticals, to space technology, auto parts, chemicals, long distance engineering design, and material sciences.

Potential foreign partners today see India as a solutions hub, a remote service provider, a base for sophisticated R&D, and a technology innovator of literally limitless range. Through what *Business Week* proclaims as “one of the great mind melds of history”, Indian brains are helping reshape global corporate competitiveness. India will do to services, what China did to manufacturing - set the benchmarks. And that will surely matter.

The internal pluralism of India has always been matched by its external receptivity. Over the ages, we have welcomed travelers, trade, ideas, faiths and refugees – all with open arms. The eclecticism that they have spawned has been our defining characteristic. We have always valued our interactions with the world and were clearly the poorer without them. It was natural for such a society on regaining its independence to immediately restore the connectivity snapped by colonial rule.

This gave a broad and open outlook to our foreign policy as well. The narrow pursuit of national interest was never our only goal. India envisaged in the achievement of its own independence an inspiration and source of strength for others. This explained our vigorous advocacy of non-alignment, our strong support for decolonization and our unwavering commitment to the United Nations as a forum that represents global opinion. Even when our resources were few, there was a willingness to share with those in greater need.

Our record in both bilateral and multilateral relations bears that out. As our capabilities have grown, so too has our sense of responsibility. On key global issues – strengthening democratic capacities, combating terrorism, preventing WMD proliferation, responding to natural disasters, or addressing health challenges – India is in the forefront of international efforts. We have always been intuitive internationalists and as we integrate into global society, this trait will be strengthened even further. India matters because its outlook is not wholly rooted in the past; it matters because its identity is not defined vis a vis that of others and

because its nationalism reflects the idealism advocated and practiced by Mahatma Gandhi and Jawaharlal Nehru.

We are today committed to energetic political, economic and security exchanges with the major countries and regions in the world. With the United States, we now have a strategic partnership that covers a broad agenda. As our largest trade, investment and technology partner, our interactions can help shape India's rapid growth. Recent initiatives in energy, high-technology and agriculture have imparted a new momentum to the relationship. With Russia, we have broad ranging cooperation that underlines our continuing convergence on key political and security issues.

Ties with China, our largest neighbour, have shown great improvement. As we continue a dialogue on border differences, political, economic, commercial and cultural exchanges have expanded. The new dynamism in India-China relations will have a substantial and growing economic and geopolitical impact across Asia. With the EU, our partnership is only the sixth such that the EU has established – a recognition of India's political and economic significance today. Our engagement covers all aspects of a very productive and mutually beneficial relationship. At the other end of the world, our economic, political and security interface with Japan too is expanding. What is worth noting here is that India has successfully established the best of ties with all the major power and that will surely make us matter even more.

In Asia, India is a source of stability. It has been strengthening its ties with its extended neighbourhood through greater economic, commercial and security engagement. We have both civilisational and strong political links with the Arab world and, while supporting the just aspirations of the Palestinian people also have a friendly and flourishing relationship with Israel. Through our 'Look East' policy with ASEAN, and with Japan, China and South Korea, we seek to create a community powered by Asian dynamism. Our vision is of an Asian Economic Community which by exploiting existing synergies within an arc of advantage, become an anchor of prosperity for our region and beyond. The East Asian Summit to be held later this year will be a landmark in this process. The India-Russia-China Foreign Ministerial meetings, most recently held in Vladivostok, has created a new community of interest among the three major land powers of the world. The India-Brazil-South Africa initiative has also lent new substance to our relationship with Africa and Latin America, bringing three continents together in the pursuit of development.

The real external impact of the changes in India has naturally been felt the most in its immediate vicinity. India has become a motor of regional economic growth, presenting many of our neighbours an opportunity to exploit new openings. Sri Lanka, which has the closest economic ties with India, has clearly leveraged this to improve its own prospects and despite its domestic problems, posted impressive rates of growth in recent years. Bhutan, by supplying energy to India, has significantly raised its per capita income and advanced in its quest for prosperity. Nepal receives considerable remittances from its substantial migrant population in India. The same options are open to our other neighbours and they are only inhibited by their own apprehensions and prejudices. The fact is that in the Indian Subcontinent, irrespective of their national sentiments, all people share the aspirations of raising their living standards. The economic logic, to which India is so central, has already visibly percolated into the popular mindset. Even in Pakistan, which has been historically trade resistant, there are growing voices in favour of greater direct economic contact. This has larger repercussions as it facilitates a process of normalization in the region. We have a vision of an economic community that even as it recognizes that national borders cannot be changed, can nevertheless minimize their negative impact on the lives of the people. India matters because its growth can today provide the basis for a larger regional harmony and prosperity.

The India that I have described deserves a voice in global decision making processes. Our record as a democracy, the growing size of economy, the size of our population, and the contributions that we have made to global causes make a powerful case for our candidature to the Permanent Membership of the UN Security Council. As a nuclear weapon state, we have been exceptionally responsible and are strongly committed to combating WMD proliferation and working towards the eventual elimination of all nuclear weapons. I have only recently attended the 60<sup>th</sup> anniversary session of the United Nations and shared the disappointment of many that reforms so necessary for the future of the United Nations have not taken place. However, I am confident that the voice the world's largest democracy cannot be left unheard for all times to come.

On this occasion, my remarks would not be complete without reference to our relations with Canada, a sister-democracy with which we share many values. We are both federal polities and multicultural societies who are firmly rooted in the Commonwealth ethos. Canada has been particularly welcoming of Indian immigrants and they constitute a special bond between our two nations. Many of the qualities and traits that I have ascribed to India earlier in my talk apply as well to Canada. Our international outlook also has a substantial degree of convergence, particularly in terms of our respective contributions to the United Nations. It is no secret that the growth of our relations has been impeded to some degree by differences on nuclear policy and by the activities of those of your citizens espousing violence against the Republic of India. I believe that it is incumbent on both nations that are keen to take their ties forward to engage in a dialogue of candor and an exercise of respect for each other's sensitivities.

I am glad to inform you that only yesterday, I have participated in one such endeavour with very satisfactory results. It is a positive sign that Canada today recognizes India's responsible non-proliferation record and has agreed to engage in a dialogue on nuclear safety. Similarly, I have conveyed a widely held view in India that 20 years after the event, it is time that the worst terrorist incident in civil aviation history – the bombing of an Air India aircraft – is brought to closure. We expect Canada to do justice in this matter and handle a difficult issue with the transparency that it deserves. My objective is that we should revive the easy warmth and camaraderie of our relationship in the days of Lester Pearson and Jawaharlal Nehru.

Addressing the Constituent Assembly of India at the midnight hour on August 14-15, 1947, Jawaharlal Nehru declared that:

“At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom. A moment comes, which comes but rarely in history, when we step out from the old to the new, when an age ends, and when the soul of a nation, long suppressed, finds utterance. It is fitting that at this solemn moment, we take a pledge of dedication to the service of India and her people and to the still larger cause of humanity. At the dawn of history, India started on her unending quest, and trackless centuries are filled with her striving, and the grandeur of her successes and her failures. Through good and ill-fortune alike, she has never lost sight of that quest or forgotten the ideals which gave her strength. The achievement we celebrate today is but a step, an opening of opportunity, to the greater triumphs and achievements that await us.”

India matters because she has found her voice, has impressive achievements to her credit, and is one with the world. Thank you.

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