

# 16

## India's Economic Integration with Asia

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I will speak about India's economic integration with Asia something that all of you are familiar with. Everyone has different levels of visionary attitudes and perceptions about Asia, about our role in Asia and the criticality to integration within Asia.

That criticality of integration comes in concentric circles. The closest and the tightest circle, if I may be allowed to say this, is within the country itself, about the way we approach the opportunities and challenges that we face. And then, of course, the larger circle brings in the immediate neighbourhood, the South Asian Association for Regional Cooperation (SAARC) region countries that have either had important historical links with us or they have been a part of the common destiny. Hope, we will have shared destiny and not in the manner in which we shared in the past but in a different way, as we integrate in terms of economics, politics, social behaviour, social contact, ideology and the way of life that brings nations and people together.

There is then a larger circle which brings in other neighbours. China, for instance, brings in distant neighbours, a lot of Central Asia for instance, may be not that distant but it starts close but goes on to a great distance and then countries like Afghanistan, Iran and Iraq. Then on the eastern side, it includes a lot of the closer countries of Association of Southeast Asian Nations (ASEAN) in the largest circle that brings in ASEAN and now, the Pacific as well. We are already beginning to talk about Indo-Pacific.

At the end, is the largest circle that encapsulates the Indian Ocean region, IRAQ region where India is presiding at present, where we will hand over to Australia, is extremely important but I think under-estimated and under explored possibilities that exist in this region. This is the only regional collaboration and cooperation that is conceptually based on water as against every other region in the world that is based on land mass. This is the only region that is based on water in a substantial way. We do have the Pacific islands and there is cohesiveness in terms of planning and thinking but in a substantive way this is a quite unique potential organisational growth area.

These are the concentric circles which examined from any form and from any direction give a pivotal role to India. A pivotal role not in terms of necessarily ideology but certainly in terms of physical attributes. I hope it also means a little more than physical attributes. There is greater intellectual and a greater leadership role that we can provide. In SAARC we do. We do because we have natural advantage over other SAARC countries and therefore greater responsibility along with other SAARC countries because of the size, size of economy, population, etc.

When we speak of all these, for instance, the smallest of all the SAARC countries, there is no concept of big and small. We are equals. But obviously in order to be equal, we have to ensure that we are willing to sacrifice, accommodate and

willing to give more than what we can take. If you are talking in economic terms, what you can get from all these is going to be obviously far less than what you are able to give to them. If you think we are giving more, we therefore demand more in one form or other, then the very idea that is the foundation of SAARC gets demolished or gets undermined or destroyed.

Again a pivotal picture; if you look at the IRAQ region, if you look at the two rims around India, there is the Gulf Cooperation Council (GCC) all the way in the Arabian Sea, Africa beyond that and on the right, if you are looking at India, all the way to Southeast Asia and then beyond into Australia. Australia is a very significant important contributor but can't be the pivot. South Africa and the East coast of Africa or the GCC countries are extremely important, rich in many different ways, culturally, economically, in terms of minerals, oil, gas but they can't be the rim. They can't be the pivot. Pivot has to be India. Then the additional factors, you want to go to Central Asia, where is the stepping stone? The stepping stone is India. You want to travel across the southern parts of the Asian continents the longest road will have to be in India.

Now it is important to convince India and the people of India that we have been placed in this remarkable position in the world and that every time you have been placed in a remarkable position like this you can expect a great deal from those who are engaged, associated, dependent, linked with you but you also have tremendous responsibility to give. So if you don't build the road, we won't have a road running from west to east. If you don't provide a launch pad to deal with Central Asia, of course we won't have the importance of being bridged or linked with Central Asia.

Now, of course there are smaller elements in this. Tapi Pipe Line, for instance, I think is the most substantive forward looking symbol of India's Connect Central Asia policy that connects Turkmenistan, Afghanistan, Pakistan and India. So

India is the destination and the source is Turkmenistan but there is Afghanistan, Pakistan and therefore the pipelines remain a dream for India. Only if you get Pakistan and Afghanistan in a position to be able to ensure that the pipeline brings benefits and goodwill to them and then transmit it into India can India satisfy to some extent its thirst for energy because Indian economy is growing.

When you look towards East, for instance, we are committed to a trilateral Highway between India, Myanmar and Thailand together with efforts from Myanmar, and Thailand. But this is only one part of that grand design to have a grand Asian Highway that will go all the way to Vietnam. There will be a northern branch that will go up Laos, Cambodia and a southern branch that will go into Vietnam. Many of these only need to be linked together. It is not a new project entirely because many of these are already well equipped roads that need to be linked together but linking together physically is the only part of the effort. Linking together conceptually is the real effort.

To be able to do so now we try to encourage thinking on how we can link ourselves together intellectually and emotionally and in ways other than just physical linking through the ASEAN Car Rally. It was enormously successful but obviously it's only something that the very brave can try right now. Hopefully one day one would be able to drive beyond India into Pakistan, Afghanistan and then into Iran. If you want to be able to do it, we need a huge super structure of integrated connectivity, information, science, infrastructure, back-up infrastructure ability to transit and transfer very quickly to be able to get special dispensations so that people can travel easily. You may be SAARC citizens, and therefore you may have an advantage but you may have a friend who is non-SAARC citizen travelling with you.

These are the things on which we need to think out of the box. Traditional thinking is something that has held us back and we need to break that. I think we have made two or three efforts in the last 20 years to break traditional thinking and we have been told by our leadership to think out of the box. I think there are many people who are sitting here who have actually contributed to thinking beyond the box including on the stage but we do have a sense of recoil and we get back into that box periodically. We have been habituated. We have grown up in the box with such degree of comfort and sense of safety that every time there is a crisis, we run back to the box. Now, we need a bold person in public life who destroys this box. So, every time you run back to the box, there is no box to run back to. We have lot of politicians in our country who are trying to do this except that they are destroying the wrong box. So that will be even more traumatic that you run back, there is a wrong box. The right box is being destroyed and the wrong box is still there. When you jump back into the wrong box, you end up being nowhere.

We need to engage with China undoubtedly. If you talk about integration with Malaysia, then we need to engage with China. But to engage with China again is a great challenge but also has great possibilities. In order to engage with China we need to understand that we must speak to China in a voice that has strength and not in a meek voice. When I say meek voice, I am not talking about muscle, I am not talking about armament, I am talking about effectiveness, confidence, faith and belief that we have institutions that would be able to meet the challenges of a strong overdrive in China.

Because China made its move to reform at least a decade before we did and China has an ambition to spread its wings and has a thirst and hunger which is not less than ours and it has got into many places long before we got there.

Except that when China reaches any place in Africa or in South East Asia or in the GCC countries for that matter in Europe, it is my observation and I have a lot of ambassadors sitting here and I hope they will endorse it, when China arrives with a big caravan on wheels you find that there are places with little shoots that remind you of someone from India having come and planted a seed many centuries ago. Those shoots just need to be nurtured. China needs to bring in paraphernalia. India needs only to nurture the shoots that exist in Africa, in Europe and in South East Asia. But the shoots have withered over time because large edifices have taken over, many more events and pre-occupations have dragged the people away. India also from time to time has become insular and has not attended to the very shoots, the green shoots that India can claim to be its own. But those green shoots are there and those green shoots need to be nurtured. And if you are able to nurture them I think we will be able to say that we have a different model of partnership with the world and that includes these concentric circles.

It is a good thing that China has one kind of model and India has another. China has one kind of car and India has another. China has one sort of textile and we have another and that is what I believe competition is about. It is not about don't do this because China is doing it, it is about doing because China is doing it better. And it is for the world and for us to ensure that the rules of the game encourage competition and not discourage competition. It doesn't serve to say we can't do this because China is doing it or Russia is doing it or the US is doing it, as the US does very much but what we do is that we should be able to find a different model. US is now trying to look for another model, we can also look for and enhance the model what we have tried in the past 20 or 25 years.

It is important that there is an engagement with China and I think there cannot be a greater disservice not to India alone but to Asia and to the world that we do not trust the efforts that are being made on both sides. Chinese and Indian leadership need to find a common ground of engagement. And the common ground of engagement cannot be surrendered to the aspirations of the other person. But to be sensitive to the aspirations of the other person, to be cognitive and possibly accommodative from time to time to the extent that our national interests permit. I think it is what we need to do. I believe that this is what I have tried to do in my capacity as Foreign Minister. To be able to hear carefully what China has to say and then to speak clearly so that China will understand and I do believe that our conversation is a very positive and creative. This conversation is the conversation that will allow for a larger picture of Asia to emerge where Asia will be willing to provide prosperity to its own people and competition and advantage to the rest of the world.

There is no reason why India and China will not be able to cooperate. Today we are in competition. Today we run in parallel. Today we run as options, as alternatives but there will be a day that we will be able to co-operate and there is no reason why one cannot look into the future and say there will be a day when we can cooperate. After all we are both very ancient civilizations. They have a five year plan and we have a five year plan. There is no reason to believe that civilizations that run into millions of years are not going to be able to do things together in five years. We are ancient civilisations and we will perhaps have a long view of our destination but our destination and destiny must combine. Till that happens, people will want to play games. Somebody would say we are close to China; therefore we must not do this with India. Somebody will say we are close to India therefore we must not do this with China. I think we should repudiate and reject it. There is

no question of being against somebody because you happen to be for somebody.

Every time, anyone has suggested that India becomes a partner in enterprise to surround China we said no. We may have differences with China but we will not be party to a larger enterprise to surround China and to contain China or curtail China because we believe in free, fair, transparent and open competition and if we lose competition, so be it, we lose in the Olympics too. We try harder, we lose somewhere else. We try harder. We must not accept defeat easily but we must not question somebody else's victory as well. If somebody performs better than us we must accept and we must learn. I think that there is much to learn from China and I think there is much to teach to China. And this two-way process is what I believe, we must encourage, we must fortify and we must consolidate because the integration of Asia and India, integration with Asia, in truth is not possible and not sustainable without the larger picture of Asia which includes China and India being worked out.

Now over the ages there are some interesting things that you need to look at. Turkey is incidentally in Asia as well as in Europe. You can stand on a part of Turkish territory, and say I am in Asia and when you cross to another place 10 minutes later and stand on a piece of Turkish territory, you can say that I am in Europe. Of course in terms of policy and unifications and engagement with Europe, Turkey has a big question. They don't know how to describe themselves. Should they describe themselves as Europeans or Asians? If you want to be in the European Union you will have to be European. But if you want to be participating in SAARC meeting, you will have to say you are Asian. Now I think every rule has an exception and I am not sure about what the great thinkers within SAARC or the Europeans Union will finally arrive at. But I think every rule has an exception and it is an interesting



exception. The interesting exception is that it has elements that actually unite us with Europe. And those elements are in common with us. There is a great commonality between Turkey and India.

When I was in Turkey recently, I said only one thing to them politely. I said, Turkey always imagines an ancient relationship with India but its recent generations seem to assume that the ancient relationship was with a part of India which is today Pakistan. Interestingly Pakistan or what is part of Pakistan today, was largely a passage to India. It was till the caravans or the people coming in from Afghanistan, or Central Asia or Turkey, would pass through Sind and through Punjab but they wouldn't rest till they got to Delhi or beyond Delhi to Agra. We are here in Delhi though CUTS is headquartered in Jaipur. Delhi is preferred when anyone wants to speak to India now as earlier.

There are others as well. Bangladesh has got its own vibrant share, Pakistan has its own substantive share but I think the core succession has come to us, has come to India. And in many ways. I don't want to go in describing how incredible India is but not simply in the fact that Taj Mahal is here, Red Fort is here, the great Mughal places are here, not only because of syncretic that the Mughals brought to this country but many other reasons. I believe Turkey and that region also have to see the real successors to syncretic culture that developed in the medieval ages in India and during the Mughal period basically has come to our side and our share. This is why it is important for people in Turkey to understand us. Hungary understands us, other parts of Europe understand us, Norway understands us, All of Europe understands us. Turkey has started to understand us and I think Turkey has begun to re-discover us. South East Asia realises the importance of India.

I am saying all these not because it makes India more important than anybody else. I am saying this because I honestly

and genuinely believe that we have been placed intellectually, philosophically, historically and physically in a very major seminal role for the future of Asia and I do think that this is a role that we have to share in a dominant way with China but it is the role we also have to share with lot of other contributing countries, nationalities and societies that form Europe today or engage with Europe today. I do believe that the greater example we give to the world and our region, the more successful we will be seen as having contributed and fulfilled our destiny and our responsibility to Asia.

I think it is a critical point and sadly we first got so excited about our own growth rates. We have got so excited about reforming our country and then suddenly so depressed by the disappointment that we could not keep pace. You rise very fast you get to a plateau and till you get to the next rise and to the next plateau, it takes time. You should have faith and confidence. You can't give up simply because day turns to night. You know that after night there will be a dawn again. And if you have seen dawn before then you have to be determined to wait for the dawn to come and not to give up because all around you there is darkness or twilight. We've never had darkness fortunately. We've had very little of twilight from time to time but there is nothing that makes life more beautiful than to know that there is a certain dawn tomorrow.