

**Reshaping the World : Challenges for
an India in Transformation**

By
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Hon'ble Chief Secretary Mr. Dange, Mrs Pratima Doshi, Mr Bharat Doshi, other Members of the family, Mr. Premkumar, Mr. Bongirwar, distinguished members of the audience, I recognise so many, very famous citizens of this city, in the front row and behind, Ladies and Gentlemen, Students, Friends:

Thank you very much, Bharat, for that excessively kind introduction. I have to say that, it is a kind of introduction that my late father would have been proud of, but only my mother would have believed. And then of course Bharat confessed at the end of his elaborate collection of generous words that he looked me up on the internet. This is the great danger of public speaking today. You never quite know what they are going to find on the internet about you. At least he is not as bad as my friend in New York who used to look people up and then proceed through these various links on the net to look up the sins of commission and omission of people up the family tree, uncles, aunts, grand parents and so on. Of course, introductions have to be kind. On one occasion, he found the speaker concerned had an uncle who had been electrocuted at the Sing Sing prison (Sing Sing Correctional Facility in New York) for kidnapping, armed robbery or something equally horrible. Having taken the trouble to look this up, he felt he had to use it. He said our distinguished speaker had an uncle who occupied the Chair of Applied Electricity at one of the nation's leading institutions! Just my way of saying, Bharat, that we know that these introductions have to be taken with a pinch of salt. You mentioned that you have introduced me and you have delivered a vote of thanks. What remains to be done, very clearly, is that you must make a speech and I will introduce you. I will look you up on the internet as well.

Annual (sixteenth) Lalit Doshi Memorial Lecture, arranged by Lalit Doshi Memorial Foundation at Mumbai on August 6, 2010

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I do want to say that I am very touched that you mentioned the presence of two fiancé's here this evening. Ms. Hemal (Lalit Doshi's daughter) should not feel too alone tonight. The real story of this is that when the organisers came to invite me they said that last year's lecturer, Dr. Kakodkar, had come with visual aids, power point presentation and so on. They said are you bringing a visual aid? I said alright I will bring Sunanda.

It is indeed a privilege to be addressing you in commemoration of the remarkable life of the late Lalit Doshi. Unlike many of the fifteen previous lecturers, I have to confess I had never met, let alone known, Lalit Doshi. But reading about him, and reading the many tributes expressed by my distinguished predecessors at this podium, I have a sense of what a remarkable individual was the man whose memory we are honouring today.

As well as being an esteemed civil servant, a noted thinker and a committed, honest and effective individual, Lalit Doshi seems to have been a person of whom only admiring words were ever said. Ever since my entry into our country's public life, I have become acutely conscious of how rare such unqualified admiration is, and therefore appreciate all the more what a special person he must have been. Your sixth lecturer, Arun Shourie, said that the important positions Lalit Doshi held were important because Lalit Doshi held them, and not the other way around. No finer tribute can be offered to anyone who has ever held a position in government.

Lalit Doshi spent many crucial years of his career in this city, in addition to going to school and college here, and I have no doubt that he imbibed the internationalism of this great trading port and cosmopolis. So it is all the more appropriate that we are gathered here today to discuss the future shape of the world and India's place in it.

But I have to tell you that it is not as an unqualified internationalist myself that I address you all today. It is true that I have had the privilege of acquiring extensive international experience, especially during nearly three decades

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of service at the United Nations, and I value the perspective this has given me on the world. But my own focus, in the one and a half short years that I have been in public life, has increasingly been on the domestic realities of our country. When I think of the world today, I am conscious of the need to think of it not as a former UN official, but from the perspective of a Member of Parliament from Thiruvananthapuram, which despite being the capital of Kerala is still two-thirds a rural constituency. And I must also remember that the bulk of my time in recent months has been spent in listening, and giving political expression, to the voices of the poor, the marginalized and the downtrodden in my district, a place emblematic in many ways of our ancient land now roaring into life in the 21st century.

What does reshaping the world mean from that perspective? Let me tell you frankly that for me, the basic task for India in international affairs is to wield a foreign policy that enables and facilitates the domestic transformation of India. By this I mean that we must make possible the transformation of India's economy and society through our engagement with the world, while promoting our own national values (of pluralism, democracy, social justice and secularism) within our society. What I expect from my national leaders is that they work for a global environment that is supportive of these internal priorities, an environment that would permit us to concentrate on our domestic tasks. India is engaged in the great adventure of bringing progress and prosperity to a billion people through a major economic transformation. At the broadest level, our foreign policy must seek to protect that process of transformation – to ensure security and bring in global support for our efforts to build and change our country for the better.

But that is clearly not the whole story. Because as India changes domestically, its changes will have an inevitable impact on the outside world. So if Indians like me contemplate the shape of the world over, say, the next 20 or 25 years, we would also have to ask ourselves what the transformation of India in that time span would mean for the rest of the world.

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Indians can never afford to forget the condition in which we found our country at the onset of independence. We had been reduced by 1947 into one of the poorest, most backward, illiterate and diseased societies on earth. From 1900 to 1947 the rate of growth of the Indian economy was not even 1%, while population grew steadily at well over 3.5%. Imperial rule left a society with 18% literacy, practically no domestic industry and over 90% living below what today we would call the poverty line. The impoverishment of India was the starkest reality that India's nationalist leaders had to face. It was therefore natural that our domestic transformation should be the overriding priority even in the making of foreign policy.

This is where non-alignment came in. At a time of great pressure to join one of the two Cold War alliances, as so many countries had done around us, our first Prime Minister, Jawaharlal Nehru, chose to stay free of such entanglements in the pursuit of our enlightened self-interest. We stayed out of other people's fights, and sought to judge each issue on its merits, rather than taking sides automatically or due to alliance politics. This was not a policy of neutrality, as some wrongly called it. We were not cutting ourselves off from the world or abdicating our international responsibilities. But our leaders were determined that the Independence we had fought so long and hard for should not be compromised.

There is a lovely story that how John Foster Dulles, Secretary of State in the administration of President Dwight D. Eisenhower -- who famously had said that how neutrality between good and evil is itself evil -- allegedly said to Nehru in words that have become more famous when used by a later American President in more recent years "Are you with us or against us?" To which Nehru allegedly replied "Yes". In other words, "we are with you, when we agree with you, we are against you, when we disagree with you". That notion that our sovereignty should be safeguarded and our right to take our own decisions should be unquestioned lay very strongly behind the Indian approach to world affairs. Underlying India's approach from the start

was a firm belief in the importance of preserving our own strategic autonomy, which we have always seen as essential if we are to have a chance to develop India as we wish to.

In practice, this meant that we tried to have good relations with all the major powers irrespective of ideology, including both the US and the Soviet Union, and indeed both China and the Soviet Union. We built economic links wherever we could to serve our development, building the Bokhara steel plant with the Soviet Union when the West refused to help, but also getting PL-480 wheat and Green Revolution technology from the USA. We engaged in an active peace diplomacy on disarmament and decolonization to minimize the risks of conflict as a result of the Cold War bipolar world, and we played an active role in the institutions of global governance, notably the United Nations and the Bretton Woods institutions, to those ends.

Taken together, these actions sought to build a material basis for our strategic autonomy. This was when modern industry and education began in India, and also our atomic energy and space programmes, both aimed at building autonomous national capabilities. It is easy to forget the constraints within which this policy operated. The bipolar world was one of uncompromising superpowers. The means available to us in our foreign policy were extremely limited. And we lacked the traditional sources of international power in terms of military capability or raw materials or geostrategic leverage. But we marched to the tune of our own drummer even if it meant marching alone.

The results of these policies were quite remarkable and helped lay the foundations of our diversified industrial base, of our independent strategic capabilities, and of the over 6% GDP growth that we have enjoyed for the last twenty-five years, since Rajiv Gandhi became Prime Minister of India, and the nearly 8% growth of the last ten years.

On the basis of what was achieved in the first forty years after independence, it was possible for Indian foreign policy to use the favourable international

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situation after 1991 to take major steps in furthering our basic objectives. The reform and opening up of our economy that year coincided with the end of the bi-polar Cold War world. In the nineties and the first part of this decade, the world economy and world trade grew at a pace that was unprecedented in human history, creating favourable external conditions for India's growth. And India was well placed to take advantage of the situation, thanks in no small part to a foreign policy which enabled us to work with all the major powers without exception -- and to get help (if I may be allowed to misquote a 19th century German thinker - Karl Marx - that many of you are familiar with) from each according to their capacity, to us according to our need.

Today we can take our sovereignty for granted; we know no one would dare threaten it. Our strategic autonomy is a fact of life and no longer something that has to be fought for. We are now in a position to graduate from a focus on our own sovereign autonomy to exercising a vision of responsibility on the world stage, from a post-colonial concern with self-protection to a new role participating in the making of global rules and even playing a role in imposing them.

Internationalism has always been a vital part of our national DNA. Even at that midnight hour when, in Prime Minister Jawaharlal Nehru's memorable words, India awoke to life and freedom, our country was deeply conscious of its international obligations. In his historic speech about India's "tryst with destiny", Nehruji, speaking of his country's dreams, said: "Those dreams are for India, but they are also for the world, for all the nations and peoples are too closely knit together today for any one of them to imagine that it can live apart, Peace has been said to be indivisible; so is freedom, so is prosperity now, and so also is disaster in this One World that can no longer be split into isolated fragments." That was 1947. Think of how much those words mean today and think of that fact that it was typical of that great nationalist that a time when the fires of Partition were blazing across the land, he thought not only of India, but of the world.

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In those six decades, the world has become even more closely knit together than Nehruji foresaw. Indeed, today it is fair to say that even those countries that once felt insulated from external dangers -- by wealth or strength or distance -- now fully realize that the safety of people everywhere depends not only on local security forces, but also on guarding against terrorism; warding off the global spread of pollution, of diseases, of illegal drugs and of weapons of mass destruction; and on promoting democracy and development.

Jobs everywhere, too, depend not only on local firms and factories, but on faraway markets for products and services, on licenses and access from foreign governments, on an international environment that allows the free movement of goods and persons, and on international institutions that ensure stability – in short, on the international system that sustains our globalized world.

Today, whether you are a resident of Delhi or Dili, (the capital of East Timor) Bangalore or Bangor (the capital of Maine, USA) – whether you are from Chennai or China! – it is simply not realistic to think only in terms of your own country. Global forces press in from every conceivable direction. People, goods and ideas cross borders and cover vast distances with ever greater frequency, speed and ease. We are increasingly connected through travel, trade, the Internet; what we watch, what we eat and even the games we play.

These benign forces are matched by more malign ones that are equally global. In my time at the UN, I learned that the world is full of "problems without passports" — problems that cross all frontiers uninvited, problems of terrorism, the proliferation of weapons of mass destruction, of the degradation of our common environment, of contagious disease and chronic starvation, of human rights and human wrongs, of mass illiteracy and massive displacement. Such problems also require solutions that cross all frontiers, since no one country or group of countries can solve them alone.

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The terrorists of 26/11 used the instruments of globalisation and convergence – the ease of communications, GPS systems and mobile telephone technology, five-star hotels frequented by the transnational business elite, and so on – as instruments for their fanatical agenda. Similarly, on 9/11 in New York, rather than as forces to bring the world closer together, the terrorists also used similar tools – the jet aircraft being crashed into those towers emblematic of global capitalism, while the doomed victims of the planes made frantic mobile phone telephone calls to their loved ones.

In other words, the very forces that, through globalization, are pulling us together, seem at the very same time, through international terrorism, to be driving us apart. The terrible notion of a “clash of civilizations” has entered our discourse, as the previously benign forces of religion, culture and society have become causes of conflict in many places, rather than of succour.

Both 9/11 and 26/11 were grotesque reflections of this paradoxical phenomenon of convergence and disruption in today's world. At the same time 9/11 had already reminded us of the cliché about our global village – for it showed that a fire that starts in a remote thatched hut or dusty tent in one corner of that village can melt the steel girders of the tallest skyscrapers at the other end of our global village.

In such a world, issues that once seemed very far away are very much in your backyard. What happens in North America or South Africa – from protectionist politics to deforestation and desertification to the fight against AIDS – can affect your lives wherever you live, in North or South India. And your choices here – what you buy, how you vote – can resound far away. As someone once said about water pollution, we all live downstream. We are all interconnected, and we can no longer afford the luxury of not thinking about the rest of the planet in anything we do.

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To my younger listeners, let me say that in our 21st century world, you are likely to spend a lot of your adult lives interacting with people who don't look, sound, dress or eat like you; that you might work for an internationally-oriented company with clients, colleagues or investors from around the globe; and that you are likely to take your holidays in far-flung destinations. The world into which you will grow will be full of such opportunities. But along with such opportunities, you may also find yourself vulnerable to threats from beyond our borders: terrorism, of course, but also transnational crime syndicates, counterfeiters of currency, drug smugglers, child traffickers, internet spammers, credit-card crooks and even imported illnesses like swine flu.

Wouldn't you want your government to devise policies to deal with such challenges that would affect your, and one day your children's, lives? Should such policies, in an ever more interdependent world, even be called foreign? One of the reasons that foreign policy matters today is that foreign policy is no longer merely foreign: it affects you right here where you live. You want your government to seize the opportunities that the 21st century world provides, while managing the risks and protecting you from the threats that this world has also opened you up to.

Indians therefore have a growing stake in international developments. To put it another way, the food we grow and we eat, the air we breathe, and our health, security, prosperity and quality of life are increasingly affected by what happens beyond our borders. And that means we can simply no longer afford to be indifferent about the rest of the world, however distant some international problems may appear.

India has been directly affected by both global trends, of convergence and disruption. On the one hand, we are a far more globalized economy than most, and more so than we ever were in the days when we raised the protectionist barriers to shield us while we developed our autonomous national capabilities. We are today more connected through trade and travel

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-- much more than ever before – with the international system, and trade and foreign investment accounts for a steadily increasing share of our GDP. Our relationship with each of the major powers has grown rapidly, and China is now our single largest trading partner. With the USA it was possible for us to undertake the civil nuclear initiative, removing the limitations that had been placed on us after the 1974 and 1998 nuclear tests. Today we can admit that our links with the world are one reason for the highest-ever growth rates that we enjoyed between 2003 and 2008.

But the external situation has been changing considerably. Politically, we are entering a period of transition from dominance by a single power to a more balanced distribution of power in the international system, though this still falls short of true multi-polarity. New powers are rising, new alliances are forming, and we are witnessing the rise of a new global power in China. Challenges in our immediate neighbourhood, particularly in Pakistan and Afghanistan, but also in Bangladesh, Sri Lanka and Nepal, have made us conscious that our development is vulnerable to the impact of forces and events beyond our borders.

As the world transitions to something more like real multi-polarity, we should realize that the existing power holders can hardly be expected to easily cede power to others. Even if academic seminarians take the notion of new “rising powers” for granted, no formerly risen power is prepared to fall. Many will seek to stay in place, even if it means continuing the existing inequities in the international order. In turn, this will mean an opportunity for other countries to build new coalitions with each other in their efforts to find a better place in the sun. This could lead to clashes, unless the entire international architecture is reshaped co-operatively – an objective India can, and should, work towards.

We have begun hearing for some years now about global governance, which is rather like Englishmen discussing the weather – it is something everyone talks about, but no one actually does anything to change!

The principal institutions of global governance today are those that emerged after the disasters of the first half of the 20th century. In the first half of the twentieth century, the world saw two World Wars, countless civil wars, mass expulsions of populations, and the horrors of the Holocaust and Hiroshima. Then things changed. In and after 1945, a group of far-sighted leaders were determined to make the second half of the twentieth century different from the first. So they drew up rules to govern international behaviour, and they founded institutions in which different nations could cooperate for the common good. That was the idea of “global governance” – to foster international cooperation, to elaborate consensual global norms and to establish predictable, universally applicable rules, to the benefit of all.

This has worked, but seems increasingly out of date. As we look around the world of 2010, we cannot but fail to note the increase in the number of major powers across the world since the structures of the international system were put in place in 1945. It is an undeniable fact that the emerging powers have moved very much from the periphery to the centre of global discourse and global responsibility, and they have now a legitimate and an increasingly voluble desire to share power and responsibility in the global system. So too, do the so-called “social forces” – NGOs, civil society movements – which have become impossible to ignore in any discussion of global governance.

The dominance of a handful of small industrialized Western countries, especially in the international financial institutions (the so-called Bretton Woods organizations), looks increasingly anomalous in a world where economic dynamism has shifted irresistibly from the West to the East. With all of this, and the emergence of new powers and forces which, unlike China, were omitted from the high table in 1945, we have clearly reached a point where there is need for a system redesign of global governance to ensure that all countries can participate in a manner commensurate with their capacity.

Clearly, what we in India are looking for is a more inclusive multilateralism, and not, as some foreign observers have suggested, a G2 condominium of

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America and China. There is a consensus in our country that India should seek to continue to contribute to international security and prosperity, to a well-ordered and equitable world, and to democratic, sustainable development for all. This means that, in the wake of the global economic crisis, we must work to redistribute power in the international financial institutions like the IMF and World Bank, as well as in the political organs of global governance such as the UN Security Council. It is simply not reasonable to run the world's premier international organization on the basis of the geopolitical realities of 1945 rather than of 2010.

To start with the UN itself, the issue of UN restructuring must be pursued in an environment in which change is the only constant. If I may be permitted the indulgence of a personal reminiscence, it would relate to how much my old organization, the UN, has been transformed in the career span of this one former UN official speaking to you. If I had even suggested to my seniors when I joined the Organization in 1978 that the UN would one day observe and even run elections in sovereign states, conduct intrusive inspections for weapons of mass destruction, impose comprehensive sanctions on the entire import-export trade of a Member State, create a counter-terrorism committee to monitor national actions against terrorists, or set up international criminal tribunals and coerce governments into handing over their citizens, even their former presidents, to be tried by foreigners under international law, I am sure they would have told me that I simply did not understand what the United Nations was all about. (And indeed, since that was in the late 1970s, they might well have asked me – “Young man, what have you been smoking?”)

And yet the UN has done every one of those things during the last two decades, and more. It is a reflection of how much the world around has evolved since the era when the Cold War seemed frozen in place, borders seemed immutable, and the Soviet Union looked as if it would last forever. If all of those things could change so dramatically within one generation,

shouldn't we work for similar changes to happen in the course of the next generation? And if so, how do we want the world that will emerge to be organized?

This leads me, almost inevitably, to UN reform -- a malady where all the doctors gather around the patient, and they all agree on the diagnosis, but can't agree on the prescription. The diagnosis, I would stress, is clear. To cite just three examples: First, when the UN was founded, the Security Council had 11 members out of a total UN membership of 51; in other words, 22% of the UN's membership was in the Security Council. Today it is 15 out of a total membership of 192; i.e, fewer than 8%. This means that a larger number of states, as well as a larger percentage, feel unrepresented, under-represented, and unheard in the world's premier institution for the maintenance of peace and security. Second, the oddity that Europe, with 5% of the world's population, has 33% of the seats in the Security Council is, to put it mildly, questionable. And third is the fact that the five permanent members of the Security Council enjoy their permanent positions and their right to veto because they happen to have won a war 65 years ago. It is difficult to justify any institutional arrangement in the 21st century by an event of history that took place six-and-a-half decades ago.

There is therefore a clear need for an expansion of the Security Council in both categories – permanent and non-permanent. But beyond the Security Council, many would like to see the UN General Assembly strengthened as the primary intergovernmental legislative body, which it is not yet; it has become too often a rhetorical forum, prone to declaratory effulgences without effect, rather than one which acts as a legislative body driving the action of the UN organisation. The UN's Economic and Social Council too should become a more meaningful development-oriented body, and a serious instrument of development governance. A greater sharpening is also required in the focus and the operational efficiency of the UN funds, agencies and programmes, whose effectiveness is so important for so many

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of the world's vulnerable and developing people.

The international financial institutions set up at Bretton Woods in 1944 are also in need of reform, since they too reflect the realities of a vanished era: Belgium, for instance, disposes of the same weighted vote as China in these institutions. The G20 Summit in Pittsburgh in September 2009 set in motion a process for global redesign of the international financial and economic architecture, and is thus emerging as the premier forum for international economic cooperation. The G-20 has become a meaningful platform for north-south dialogue precisely because the south is not completely outweighed by the north in the composition of the G20. India must use its position in this grouping to pursue a long-term objective of broad parity between the developed countries and the developing and transition economies in the international financial institutions.

After all, the recent global financial crisis showed that the surveillance of risk by international institutions and early warning mechanisms are needed for all countries. In other words, it is important that, in the context of global governance, the developing countries should have a voice in overseeing the global financial performance of all nations, rather than it simply being a case of the rich supervising the economic delinquency of the poor.

The world economic crisis, which started as a financial crisis at the heart of the Western capitalist system, has not yet ended. Fortunately, while India has been affected, it has been one of the few economies that continue to show growth, attaining 7.9% in our last fiscal year. Nor is it clear that the world economy will return to an expansionary phase any time soon. Our search for markets, technology and resources to fuel our growth will be more complicated than it has been in the recent past.

So while India's strategic goals must remain the same, to enable the domestic transformation of India by accelerating our growth, preserving our strategic autonomy, protecting our people and responsibly helping shape the world -- achieving these goals in the present economic climate will be a challenge to

our skill and ingenuity. As protectionism grows and closes markets, and as credit is sucked back into developed economies for their own stimulus and recovery, we will have to rely much more on growing our own domestic market. This brings me right back to where I started: the importance of pulling poor people in rural India out of poverty and into the 21st century globalized economic system.

We are determined to do this now, and to do it responsibly. The energy demands this process will make on the world will be huge, and I am conscious that we must pursue them responsibly, through a mix of efficient and environmentally-friendly means (hydro, solar, wind and nuclear, in addition to the still-unavoidable thermal and petroleum or gas driven forms of energy). Our foreign policy must serve this objective too: the Indo-US nuclear agreement was a step in this direction. So too will be an Indian policy on climate change that respects the world's anxieties about global warming while preserving the capacity to do what it takes to connect the deprived and excluded amongst our people to the opportunities the 21st century offers.

Our demand for food will inevitably rise as well, perhaps by 50 percent in the next two decades, as a result of our growing population, their rising affluence, and the improved dietary possibilities available to a larger middle class. We will need to multiply our sources of food, including acquiring agricultural land abroad, in Africa and even Latin America. Lack of access to stable supplies of water is reaching critical proportions, particularly for agricultural purposes, and the problem will worsen because of rapid urbanization over the next 20 years. I come from a State – Kerala - which boasts of 44 rivers and you can see how many of them are essentially dry during the summer. We will need skilful and creative diplomacy to ensure that interruptions in the flow of water across our borders do not bedevil relations with our neighbours.

All this underscores my initial point, that foreign policy is basically about

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fulfilling domestic objectives. Let us never forget that if we succeed -- when we succeed -- in our national transformation, we will be including more and more of our people in the great narrative of hope that has been the narrative of social and economic development in the West over the last two hundred years. We will be connecting 500 million Indians to their own country and to the rest of the world. Half a billion Indian villagers will join the global village. That is an exciting prospect and I am sure, for some, an alarming one.

So what does this all mean for the reshaped world that is the focus of this year's Lalit Doshi Lecture? What can we project for the world of the next twenty years?

It follows from what I have said that the international system—as constructed following the Second World War—will be almost unrecognizable by 2030 owing to the rise of emerging powers, a transformed global economy, a real transfer of relative wealth and economic power from the West, or the North, to other countries in the global South, and the growing influence of non-state actors, including terrorists, multinational corporations and criminal networks. In the next two decades, this new international system will be coping with the issues of ageing populations in the developed world; increasing energy, food, and water constraints; and worries about climate change and migration. India's transformation will mean that resource issues -- including energy, food, and water, on all of which demand is projected to outstrip easily available supplies over the next decade or so -- will gain prominence on the international agenda.

The need for increased, more democratic and more equitable global governance cannot be denied. Let us look even further than the next two decades. Growth projections for Brazil, Russia, India, and China (the BRIC countries) indicate they will collectively match the original G-7's share of global GDP by 2040-2050. All four probably, and certainly India, will continue to enjoy relatively rapid economic growth and will strive for a

multipolar world in which New Delhi is one of the poles.

The experts tell us that historically, emerging multipolar systems have been more unstable than bipolar or unipolar ones. The recent, indeed ongoing, global financial crisis underlines that the next 20 years of transition to a new system are fraught with risks. Global policymakers will have to cope with a growing demand for multilateral cooperation when the international system will be stressed by the incomplete transition from the old to the new order. And the new players will not want to co-operate under the old rules.

The multiplicity of actors on the international scene could, if properly accommodated, add strength to our ageing post-World War II institutions, or they could fragment the international system and reduce international cooperation. Countries like India have no desire to challenge the international system as did other rising powers like Germany and Japan in the 19th and 20th centuries, but wish to be given a place at the global high table. Without that, they would be unlikely to volunteer to share the primary burden for dealing with such issues as terrorism, climate change, proliferation, and energy security, which concern all of us.

These issues will remain key concerns even as resource issues move up on the international agenda. Terrorism is the tragic blight of our times, but its appeal could diminish if economic opportunities for youth are increased and greater political pluralism is offered in many societies.

But in saying this, I am conscious that India's story could be seriously affected by the failure of other countries in our neighbourhood to do either. A failing Pakistan, with a burgeoning population of uneducated, unemployable and frustrated youth prey to the blandishments of radical religious fanatics, and ruled by a military-dominated system that sees its security in destabilizing others, could be a major threat to India. I am not saying this is inevitably what Pakistan will be. In fact, if you want a more detailed account of my views on Pakistan, please go on the net and see my piece on Pakistan published today in the Deccan Chronicle and Asian Age.

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Inevitably, Pakistan will remain a major preoccupation of Indian foreign policy for the foreseeable future. I would hope that it becomes a different kind of place from the one that I have described just now.

The risk of nuclear weapon use over the next 20 years is greater now with the potential emergence of new nuclear weapon states and the increased risk of the acquisition of nuclear materials by terrorist groups. Pakistan's willingness to allow its territory to be used for attacks against India like the assault on Mumbai on 26/11 inevitably carries the risk of sparking off a larger conflagration. Pakistan's refusal to agree to a “no first use of nuclear weapons” pact with India is grave, and its brinkmanship in such matters as the attacks on our Embassy in Kabul raises the spectre of continued hostility between our two nuclear powers. This is why our Prime Minister has made such an extraordinary effort to sustain dialogue with Pakistan. There are also genuine questions regarding the ability of a state like Pakistan to control and secure its nuclear arsenals in the event of internal disruption.

This is one more reason why India will remain a strong proponent of universal nuclear disarmament. India's approach to nuclear disarmament, nuclear non-proliferation, and by extension to arms control, is essentially based on the belief that there exists close synergy between all three. Non-proliferation cannot be an end in itself, and has to be linked to effective nuclear disarmament. Nuclear disarmament and non-proliferation should be seen as mutually reinforcing processes. Effective disarmament must enhance the security of all States and not merely that of a few.

India had set out goals regarding nuclear disarmament as far back as June 1988, when the then Prime Minister of India, Rajiv Gandhi, presented to the United Nations an Action Plan for ushering in a nuclear weapons-free world. He argued that the “alternative to co-existence is co-destruction”. Even today, India is perhaps the only nuclear weapons State to express its readiness to negotiate a Nuclear Weapons Convention leading to global, non-discriminatory and verifiable elimination of nuclear weapons.

Whether global institutions adapt and revive will be determined by whether those in charge are capable of showing the necessary leadership. Right now many of us would suggest that there is a global governance deficit. Reversing it would require strong leadership in the international community by a number of powers, including the emerging ones.

India must play its due part in the stewardship of the global commons (including everything from the management of the internet to the rules governing the exploitation of outer space). We can do it. India is turning increasingly outward as a result of our new economic profile on the global stage, our more dispersed interests around the world, and the reality that other countries, in our neighbourhood as well as in Africa, are looking to us for support and security. The “problems without passports” that I have referred to need blueprints without borders – blueprints that require rules which India can contribute to making. The creation of global public goods is a new challenge, and it is one that a transforming India can rise to.

While global institutions are adapting to the new world, regional ones could emerge. The world economic crisis should give us an opportunity to promote economic integration with our neighbours in the subcontinent who look to the growing Indian market to sell their goods and maintain their own growth. But as long as South Asia remains divided by futile rivalries and some continue to believe that terrorism can be a useful instrument of their strategic doctrines, that is bound to remain a distant prospect. We in South Asia need to look to the future, to an interrelated future on our subcontinent, where geography becomes an instrument of opportunity in a mutual growth story, where history binds rather than divides, where trade and cross-border links flourish and bring prosperity to all our peoples. Some will say these are merely dreams; yet there few worthwhile achievements in the world that have not been preceded by ambitious aspirations. But dreams will only turn into reality if all of us – India and its neighbours -- take action to accomplish

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this brighter future together.

We must work to create a world in which Indians can prosper in safety and security, a world in which a transformed India can play a worthy part. That is the aspiration that Nehruji launched us on when he spoke of our trust with destiny. As we embark on the second decade of the 21st century, the time has indeed come for us to redeem his pledge.

Thank you and Jai Hind!