**Interactive Session with Dr. S. Jaishankar, IFS,
President – Global Corporate Affairs, Tata Sons Limited &
Former Foreign Secretary on the occasion of
the 24th Lalit Doshi Memorial Lecture held on 3rd August 2018**

Question:

I have three questions:

(1) What is our action plan for Kulbhushan Jadhav?

(2) Foreign Policy has generally been understood to be bipartisan. To what extant is this working out in Indian context? Especially under the circumstances in which we live today.

(3) Pakistan: Unless we resolve the Kashmir issue with it, it will never get on with us. Something has to be done, if at all what it is being done today?

Dr. S. Jaishankar:

In the case of Kulbhushan Jadhav, who as you know was kidnapped from a neighbouring country and taken to Pakistan. The Indian Government has been completely committed to exploring every method by which we can get him back to India. Which is the way it should be. To that end we have gone to the ICJ (International Court of Justice). We have lot of confidence that the legal case that is being made in that regard has a lot of merit. I have been out of the government for the last few months, so I can't answer for what has happened recently. But I do know that this is a case which evokes very strong sentiments and commitments. I haven't met anyone who does not feel very strongly about this.

On the Foreign Policy and Bipartisanship, it is very interesting. All of us live in times where we believe that Foreign Policy was always bipartisan. If we look back in our history, I am afraid that isn't exactly what the record shows. Whether it is 1950s or 1960s or 1970s, actually we have had a very healthy debate. Part of the partisanship, in a democratic polity you will have different

points of view. You can't say have different points of view on most other subjects, but please don't have different points of view on some parts of the human activity. It is not a realistic expectation. We have to temper the seriousness of the national interest with the effervescence of democracy and find a reasonable mid-path. I wouldn't hold my breath and expect complete bipartisanship; that very rarely happens in any country. But I also would agree that excessive public differences of view on very sensitive issues do not serve national interest.

On Pakistan: We have a number of issues of differences with Pakistan. It is Pakistan's narrative that Kashmir is the central issue. If Kashmir is the central issue, please explain to me why is it that the acts of terrorism take place outside Kashmir? Why was this city (Mumbai) attacked? I am not convinced that Kashmir alone is the issue and settlement of Kashmir will solve all problems with Pakistan. I think Pakistan has a much bigger problem and the manner in which they are trying to bring us to the table is something this country cannot accept. Which country would accept a gun being put to its head and brought to the table? The practice of infiltration and very open support of terrorism, if you compare it to where it was many years ago, today nobody even pretends that this is a secret activity. It happens in the cities of Pakistan in full public view, funds are raised, people are trained; they have to move away from that. I think that is the central issue, more than Kashmir.

Question:

China is now India's largest trading partner, so not signing OBOR (One Belt and One Road) may have been good politics on the ground that it passes through PoK (Pakistan Occupied Kashmir). But was it good economics? Particularly since it would have opened the old ancient trade routes – Sinchian, Kasghar, Yarkhand, and it would have improved our exports from our richer states of Punjab and Haryana. If you wish to recuse this question you may.

Dr. S. Jaishankar:

I am now a private citizen, I have no intention of refusing any question. I would

not have refused this question even if I had been serving. First of all, please don't be dismissive of what you call the political concern. Any conscientious citizen of a country has a commitment to national sovereignty. If there is a project which is violative of national sovereignty, I am not saying just Indian, suppose tomorrow I had a project which is violative of Chinese national sovereignty, what do you think they would do? Talk good economics to me? I don't think so.

Now let's look at the economic part. Underlying your assumption is that the Chinese initiative can be good economics. I think the jury is out on that. Today there is a big debate going on; Pakistan has approached the IMF, there are questions raised about what OBOR is going to cost Pakistan. You look at the OBOR projects in Sri Lanka and look at the state of Sri Lanka's debt situation. When we took our position; we actually had two issues, they kind of juxtaposed. One was that the China-Pakistan Economic Corridor passing through Kashmir. Here I want to make one point. If you look at the countries concerned, the Chinese don't claim that it is part of China, interestingly the Pakistanis don't claim it is part of Pakistan. The only legal claimant actually to that territory is India. That is the claimant whose consent has not been taken. You think of it as a land dispute and there are three parties. Look at the logic of what I am saying. The second part of what we said at that time was that we are for connectivity, because the natural connectivity of Asia was broken up during the colonial era. But if you are to build connectivity, it should be consultative, it must have market viability, it must be commercial, it must be locally sensitive, we actually defined what in our view would be good connectivity principles. If you have projects that meet those connectivity considerations, then to my mind it is a different issue. But if you have projects where you build a harbour but no ships come; you build an airfield and no planes come; then somewhere along the way you start asking yourself what this is all about.

Question:

Sir, do you think that by making India prominent on the World Stage or in the

West, we are somewhere losing the grip with our neighbours especially with the see-saw relationships we have with neighbouring countries be it Nepal, Sri Lanka or Myanmar or recently with Maldives that too when you are saying China is having a good weightage and now that Pakistan is also having military backed civil government, don't you think that would be strategically difficult for us now? What is your view when we see from Indian point of view?

Dr. Jaishankar:

I think we had the band-width to do more than one thing at a time. Because we want good relations with the West does not mean you do not want good relations with somebody else or you neglect that region. I specifically underline that it is actually in the neighbourhood that our foreign policy will be tested. Because if a country in a sense cannot secure its neighbourhood then that country is not going to advance in international relations. For every country neighbourhood is always more challenging, it is not an Indian problem. You take any country's immediate periphery that exactly is where the contradictions and insecurities are. We have to find ways of addressing that. I feel today when I say doing it differently, I feel today we have an economic opportunity. I have travelled extensively to all our neighbours, barring Pakistan, which is a peculiar neighbour, every one of our neighbours today is pressing us to invest in power, power transmission, supply diesel, build roads, getting railways in, there is a connectivity demand in our neighbourhood. They do not have the resources for it or enough of it. They expect us to do it. It is in our interest to do it. In my view we should do it as an investment and we should not necessarily over negotiate that. We should not look for reciprocity, I think neighbours need to be handled generously in order to create a larger region which is in our interest. When I invest in a neighbour I am also investing in myself.

Question:

I was in Sri Lanka recently and I found that it has been over-run by Chinese. The harbour has been constructed with Chinese money. Infrastructure – roads

are constructed by Chinese and there are resorts, hotels, all constructed by Chinese. Shouldn't India really be worried about it? Being so close, is there a security concern about that?

Dr. Jaishankar:

There is no point in saying be worried about it. My answer is what are you doing about it? It is easy to be worried. The next step is, once if you have concerns, you cannot tell Sri Lankans do not accept Chinese investments because we are worried. So you have to put an alternative offer on the table. So if you do not put an alternative offer on the table, obviously they will go with the only offer that they have. So across our neighbourhood, frankly beyond our neighbourhood unless we are today willing to do the lines of credit, encourage our businesses to go out, lobby with them and frankly create mechanisms in our system and in our government to deliver on projects. Because lot of our complaints is lack of integration between different parts of our system. You are not assured of financial support for project duration or you did not get the clearances, we have lot of process issues, which, by the way, we have dramatically changed. One of the changes which I have seen. In the domestic projects, we have something called Pragati, where the Prime Minister takes video conference with Chief Secretaries/Secretaries on Wednesday afternoons to focus on project implementation. We have started international Pragati as well. Where projects are getting monitored and I would say, my experience in the last four years has been that there has been very big improvement in the clearances of projects, we had a long list of committed projects which we had not completed, whether it is a dam or Afghan Parliament or a big Stadium in Jaffna or hospital in Kathmandu, our geography was littered with semi-completed projects. We got to learn to do this, we got to learn to fund it better, we got to learn to execute it better, we got to learn to do it along with our businesses, because lot of these are not within government capabilities. So there is a task for us.

Question:

Recently a global event taking place between US & China where there is tariff

war going on between these two countries. Every week we happen to listen that each country is levying tariff on each other on their trade. Two questions based on this particular event – What are the real reasons according to you which spook these kind of tariff wars between these two countries and what are Indian foreign policies being drafted differently to tackle these kind of situations or to create harmonious trade relations with these countries.

Dr. Jaishankar:

This is a tricky issue. Because there are different points of view out here. A lot of the American policy is driven by the belief that the current trading rules have been, in a sense, utilised unfairly by the Chinese; this is American point of view. Whether it is in market access or whether it is in obtaining technology and IPR (Intellectual property rights) and the manner in which the present rules are being implemented no longer work for America. Therefore, US President Mr. Trump has this belief that the solution to that is the instrument which he is using is tariffs. There is no question that, if you look at market access, you cannot say that this a misplaced concern. When you look at some of the terms on which technology is being traded, if I were at the receiving end of that, I would have some issues with that as well. But the solution to that is to radically depart from the only rules that are there, that can create a lot of collateral damage. We also have a very big trade deficit with China. If I am not mistaken, after the United States we would be number two in terms of trade deficit with China. So it is not that we do not share that concern, it is not that we do not have a sense that market access is a problem or that non-tariff barriers are there. But the problem is because the game is being played unfairly, do you actually walk away from the game in entirety? Because if you abandon all the rules then you are actually creating a basis for greater chaos and not necessarily solving the problem that you claim to want to solve. It is a very difficult issue. It is not that we will not have trade problems with the US, we are already having that and how to address them is also related to this issue.

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