
RAISINA
DIALOGUE
Conference
Report
2017
THE NEW NORMAL
Multilateralism with
Multipolarity
सत्यमेव जयते
MINISTRY OF EXTERNAL AFFAIRS
Government of India
ORF


DIALOGUE

17-19 JANUARY 2017

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# Conference Report 2017

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RAISINA

DIALOGUE

JANUARY 17-19, 2017

THE Raisina Dialogue is India's flagship conference engaging with geopolitics and geoeconomics. It is designed to explore and examine the prospects and opportunities for Asian integration as well as Asia's integration with the larger world. It is predicated on India's vital role in the Indian Ocean Region and how India, along with its partners in the region and beyond, can build a stable and prosperous world order.

This conference is structured as a multistakeholder, cross-sectoral conclave involving policy and decision-makers, including cabinet ministers from various governments, high-level government officials and policy practitioners, leading personalities from business and industry, and members of the strategic community, media and academia. The Raisina Dialogue 2017 hosted over 120 speakers from over 65 countries, with nearly 800 delegates in attendance.

The 2018 iteration of the Raisina Dialogue—Managing Disruptive Transitions: Ideas, Institutions and Idioms—will explore today's dynamic, disruptive times, when old partnerships are fracturing, new partnerships are conditional and the notions of power and sovereignty are being dramatically altered. The Dialogue will foster discussions on institutional and conceptual responses to these contemporary transitions.

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17-19 JANURARY 2017

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**S. Jaishankar**

FOREIGN SECRETARY, MINISTRY OF EXTERNAL AFFAIRS, GOVERNMENT OF INDIA

**Sunjoy Joshi**

DIRECTOR, OBSERVER RESEARCH FOUNDATION

**Santosh Jha**

JOINT SECRETARY, MINISTRY OF EXTERNAL AFFAIRS, GOVERNMENT OF INDIA

**Ashok Malik**

DISTINGUISHED FELLOW, OBSERVER RESEARCH FOUNDATION

**Samir Saran**

VICE PRESIDENT, OBSERVER RESEARCH FOUNDATION

## TEAM RAISINA

**Pushan Das**

PROGRAMME COORDINATOR, GLOBAL GOVERNANCE PROGRAMME, OBSERVER RESEARCH FOUNDATION

**Colonel Naveen Nijhawan**

OFFICER ON SPECIAL DUTY, POLICY PLANNING AND RESEARCH, MINISTRY OF EXTERNAL AFFAIRS

**Shubh Soni**

PROGRAMME COORDINATOR, GLOBAL GOVERNANCE PROGRAMME, OBSERVER RESEARCH FOUNDATION

**Bijay Selvaraj**

DEPUTY SECRETARY, POLICY PLANNING AND RESEARCH, MINISTRY OF EXTERNAL AFFAIRS

**Anahita Mathai**

JUNIOR FELLOW, CYBER INITIATIVE, OBSERVER RESEARCH FOUNDATION

**Priyanka Shah**

JUNIOR FELLOW, HEALTH INITIATIVE, OBSERVER RESEARCH FOUNDATION

*"The security architecture in the region must be open, transparent, balanced and inclusive, and, promote dialogue and predictable behaviour rooted in international norms and respect for sovereignty."*

—**Shri Narendra Modi,** HON. PRIME MINISTER OF INDIA

# 1 Overview

# Globalism, Radicalism, Populism on Raisina Hill

IN many ways, the Raisina Dialogue hosted by Observer Research Foundation and the Ministry of External Affairs, Government of India, set the tone for the year's momentous developments in geopolitics. The year 2017 is yet to complete 50 days, but the events of the last few weeks will have a lasting impact on our times. The Raisina Dialogue, in particular, highlighted the clash between liberal "internationalism" and the radical movements that threaten to upend it. Keynote speeches by three leaders at Raisina stood out for their pronouncements on globalisation. The first, by India's Prime Minister Narendra Modi, sounded a note of caution about the "gains of globalisation" being at risk. "Economic gains are no longer easy to come by," said PM Modi, who went on to cite the "barriers to effective multilateralism." The prime minister's message was direct and simple: that globalisation needs new inheritors who can help promote the projects, regimes and norms of the 20th century. This responsibility would invariably fall on the shoulders of a class of nations that we have come to know as "emerging powers."

**"GLOBALISATION NEEDS NEW INHERITORS WHO CAN HELP PROMOTE THE PROJECTS, REGIMES AND NORMS OF THE 20TH CENTURY."**
**— Prime Minister Narendra Modi**

A second perspective on globalisation came from former Canadian PM Stephen Harper, who highlighted the role that religion plays in these turbulent times. Mr. Harper noted the role that Pope John Paul II, a Pole, played in providing "anti-communists in Poland effective leadership outside the country" in their struggle against the Soviet Union. PM Harper was hinting at the capacity of a religious leader whose tacit support of the Western ethos ensured resistance to entrenched nation-states. In this respect, religion returned to world politics (to destroy the Soviet Empire) in the 80s, long before the rise of the Islamic State. Can tendencies driven by religious sentiment today—whether through the rise of terrorist groups like ISIS, or through the countermovements against migration in Europe—defeat the globalisation project driven by states?

**CAN TENDENCIES DRIVEN BY RELIGIOUS SENTIMENT TODAY DEFEAT THE GLOBALISATION PROJECT DRIVEN BY STATES?**

And finally, British Foreign Secretary Boris Johnson offered yet another take on globalisation, in balancing his full-throated defence of Brexit with his call for greater economic cooperation with Britain. The "selective" or "a la carte" globalisation that Secretary Johnson pushed for at the Raisina Dialogue reflects the desire of many Western states

The Prime Minister's message was direct and simple: that globalisation needs new inheritors who can help promote the projects, regimes and norms of the 20th century. This responsibility would invariably fall on the shoulders of a class of nations that we have come to know as "emerging powers."


(from left to right)
**Boris Johnson,**
**Stephen Harper**

to preserve its economic benefits while assuaging "nativist" tendencies at home.

What do these three speeches at the recently concluded global conclave tell us about the world today? For one, they concede that globalisation of a certain kind has run its course. This was a globalisation spurred by Western leadership in the 20th century, promoting ideas and institutions to salvage economies that had been devastated after two great wars. The urgency and desire to create those linkages no longer exist in the trans-Atlantic universe, so this period is witnessing selective de-globalisation.

Second, the leaders' speeches acknowledge that globalisation is a victim of its own success. In true Hegelian fashion, the "idea" has been destroyed by its "actualisation." Globalised economies today promote the free and rapid flow of information, bringing communities, societies and people together. These connected networks are by no means homogenous. They are miscellaneous groupings that often have little in common, by way of political heritage or intellectual traditions. As a result, they begin to sense their respective differences quickly and conspicuously. To be sure, the world was just as polarised or opinionated before the Information Age. But digital spaces have made distances shorter and differences sharper.

**DIGITAL SPACES HAVE MADE DISTANCES SHORTER AND DIFFERENCES SHARPER.**

Third, their utterances indicated globalisation is in need of new torchbearers, who may not be able to project strength or underwrite stability in the same vein as the United States or Europe, but will preserve its normative roots regionally. These torchbearers will

emerge from Asia, Africa and Latin America: they may not be connected by a lingua franca but their political systems will share a common commitment to free expression and trade. Their rise will be neither smooth nor inevitable. If disruptors today find the cost to destabilise the global system rather low, its custodians realise it is expensive to fix the mess they leave behind.

Prime Minister Modi astutely observed at the Raisina Dialogue that the dust has not yet settled on what has replaced the Cold War. Russian Parliamentarian Vyacheslav Nikonov, one of the speakers at the Dialogue, went one step further: "We may not be the number one military in the world," he said, "but we [Russia] are not number 2 either." With the traditional leadership of Western powers giving way to the rise of regional powers, it is anyone's guess if they will emerge as preservers or destroyers.

Above all, the speeches by Mr. Modi, Mr. Johnson and Mr. Harper at the Dialogue reflect their desire to couch globalisation in normative terms. The Washington Consensus was not only about free markets but also about untrammelled expression and political dissent. The room for promoting such norms, for all the reasons mentioned above, is considerably limited today. The rise of China presents perhaps the biggest challenge to an ideas-based global order. Beijing has pursued with transactional vigour and single-minded ambition the setting up of regional financial architecture to bankroll its infrastructure projects. These initiatives pay little regard for notions held sacred in the international order.

At the Dialogue, PM Modi highlighted the importance of these norms for the continued execution of the globalisation project. "Only by respecting the sovereignty of countries involved, can regional connectivity corridors fulfil their promise and avoid differences and discord," said PM Modi.

"Only by respecting the sovereignty of countries involved, can regional connectivity corridors fulfil their promise and avoid differences and discord."

–Prime Minister Narendra Modi

It should be clear then that there is only one legitimate inheritor to the global liberal order of any consequence: India. New Delhi alone can pursue the expansion of regional and global economic linkages while staying true to the ideals that drive them. The Raisina Dialogue itself was an example of how a global platform can be forged in India, bringing together contradicting opinions and voices from across the world. As the steward of the process, the Prime Minister cited the Rig Veda, inviting "noble thoughts […] from all directions." The future of the globalisation project is intimately tied to India's modernisation and rise. There is no growth without ideas, and conversely, no innovation without prosperity. India is the world's best shot and perhaps the last shot at achieving both in these turbulent times. ■

**—Samir Saran**

# Agenda

## Day 1

| TUESDAY 17 January 2017 | |
|---|---|
| 17:59 | **Ashok Malik** calls the house to order and announces PM's arrival |
| 18:00 | Prime Minister of India, **Shri Narendra Modi** arrives in *Durbar* |
| | ON THE DAIS<br>**Shri Narendra Modi**, Hon'ble Prime Minister, India<br>**M.J. Akbar**, Minister of State for External Affairs, India<br>**Sunjoy Joshi**, Director, Observer Research Foundation |
| 18:00–18:03 | Opening Remarks by **Sunjoy Joshi**, Director, Observer Research Foundation |
| 18:04 | Presentation of ceremonial shawl to the **Prime Minister** |
| 18:05–18:35 | Inaugural Address by **Shri Narendra Modi**, Hon'ble Prime Minister, India |
| 18:35–18:38 | Vote of Thanks by **Samir Saran**, Vice President, Observer Research Foundation |
| 18:38–18:40 | Prime Minister departs (meet and greet with visiting official dignitaries) |
| 18:50–18:55 | Message from **Antonio Guterres**, Secretary General, United Nations |
| 18:55- 20:10 | Inaugural Panel: **Big Power Politics and New Challenges**<br>**M.J. Akbar**, Minister of State, Ministry of External Affairs, India<br>**Prakash Sharan Mahat**, Minister, Foreign Affairs, Nepal<br>**Hamid Karzai**, Former President, Afghanistan<br>**Kevin Rudd**, Former Prime Minister, Australia<br>Moderator: **Ashok Malik**, Distinguished Fellow, Observer Research Foundation |

| TUESDAY 17 January 2017 | |
|---|---|
| 20:10–21:40 | Dinner hosted by Ministry of External Affairs |
| Dinner Conversation: **Making G20 work for SDGs** (for Raisina Young Fellows)<br>**Feride Inan**, Policy Analyst, G20 Studies Center, TEPAV, Turkey<br>**Thomas Fues**, Senior Researcher and Head of Training Department, German Development Institute (DIE)<br>**Theo Acheampong**, Vice President, Ghana Growth and Development Platform<br>**Liu Zongyi**, Senior Fellow, Shanghai Institutes for International Studies, China<br>**Manuel Montes**, Senior Adviser, Finance and Development, South Centre<br>Moderator: **Akshay Mathur**, Director, Research and Analysis, Gateway House | |

## Day 2

| WEDNESDAY 18 January 2017 | |
|---|---|
| 09:00–10:00 | Breakfast Panel: **TALKING CONNECTIVITY**<br>**Kevin Rudd**, Former Prime Minister, Australia<br>**Djoomart Otorbaev**, Former Prime Minister, Kyrgyzstan<br>**Ashok Malik**, Distinguished Fellow, Observer Research Foundation<br>**Astrid Skala-Kuhmann**, Belt and Road Representative, GIZ, Germany<br>**Takio Yamada**, Director General, International Cooperation Bureau, Ministry of Foreign Affairs, Japan<br>**Su Hao**, Professor, China Foreign Affairs University<br>Moderator: **David Malone**, Rector, United Nations University, Japan |
| 10:00–10:15 | Tea/Coffee Break |
| 10:15–11:00 | **THEME ADDRESS**<br>**S. Jaishankar**, Foreign Secretary, India<br>Moderator: **Samir Saran**, Vice President, Observer Research Foundation |
| 11:00–11:30 | **KEYNOTE ADDRESS**<br>**Jacques Audibert**, Diplomatic Adviser to the President, France<br>Moderator: **Samir Saran**, Vice President, Observer Research Foundation |
| 11:45–12:45 | Panel 1: **THE NEW NORMAL: MULTIPOLARITY WITH MULTILATERALISM**<br>**Vyacheslav Nikonov**, Chairman, State Duma Committee on Education, Russia<br>**Seyed Kazem Sajjadpour**, Deputy Foreign Minister, Iran<br>**Ali Naseer Mohamed**, Foreign Secretary, Maldives<br>**Robert Blackwill**, Henry A. Kissinger Senior Fellow, Council of Foreign Relations, USA<br>**Lisa Curtis**, Senior Research Fellow, The Heritage Foundation, USA<br>**Shen Dingli**, Professor, Fudan University, China<br>Moderator: **Shashi Tharoor**, Member of Parliament, India |
| 12:45–13:10 | **MINISTERIAL ADDRESS**<br>**Field Marshal Sarath Fonseka**, Minister, Regional Development, Sri Lanka<br>Moderator: **Kanchan Gupta**, Commissioning Editor, ABP News, India |
| 14:10–14:50 | **MINISTERIAL ADDRESS**<br>**Boris Johnson**, Secretary of State, Foreign and Commonwealth Affairs, UK<br>Moderator: **Samir Saran**, Vice President, Observer Research Foundation |
| 14:50–15:50 | Panel 2: **EVOLVING POLITICS OF THE ASIA-PACIFIC**<br>**VADM Girish Luthra**, Flag Officer C-in-C, Western Naval Command, India<br>**Gen. Sir Chris Deverell**, Commander, Joint Forces Command, UK<br>**VADM Herve de Bonnaventure**, Deputy Director General, International Relations and Strategy (MoD), France<br>**Michael Pillsbury**, Consultant, Department of Defense, USA<br>Moderator: **Indrani Bagchi**, Diplomatic Editor, Times of India |

| WEDNESDAY 18 January 2017 | | | | |
|---|---|---|---|---|
| 16:05–16:45 | **KEYNOTE ADDRESS**<br>**Adm. Harry B. Harris Jr.**, Commander, US Pacific Command<br>Moderator: **Ashok Malik**, Distinguished Fellow, Observer Research Foundation | | | |
| 16:45–17:00 | **KEYNOTE ADDRESS**<br>**Shunsuke Takei**, Parliamentary Vice-Minister, Foreign Affairs, Japan<br>Moderator: **Harsh Pant**, Distinguished Fellow, Observer Research Foundation | | | |
| 17:00–18:00 | Panel 3: **WOMEN IN THE NEW WORLD ORDER**<br>**Smriti Irani**, Minister, Textiles, India<br>**Rosy Akbar**, Minister for Health and Medical Services, Fiji<br>**Adm. Michelle Howard**, Commander, US Naval Forces Europe and Africa<br>**Pramit Pal Chaudhuri**, Senior Editor, Hindustan Times, India<br>**Sakena Yacoobi**, CEO, Afghan Institute of Learning<br>Moderator: **Yalda Hakim**, International Correspondent, BBC World News | | | |
| 18:30–19:30 | Panel 4: **WILL ENERGY TRUMP CLIMATE?**<br>**Michael Shellenberger**, Founder and President, Environmental Progress, USA<br>**Sumant Sinha**, Chairman and CEO, ReNew Power Ventures Pvt. Ltd, India<br>**Erlan Batyrbekov**, Director General, National Nuclear Centre, Ministry of Energy, Kazakhstan<br>**Lydia Powell**, Senior Fellow, Observer Research Foundation<br>**Sony Kapoor**, Managing Director, Re-Define, UK<br>Moderator: **Rathin Roy**, Director, National Institute of Public Finance and Policy, India | | | |
| 19:30–20:00 | **IN CONVERSATION**<br>**Piyush Goyal**, Minister of State with Independent Charge for Power, Coal, New and Renewable Energy and Mines, India and **Sunjoy Joshi**, Director, Observer Research Foundation | | | |
| 20:00–21:00 | Dinner | | | |
| | Dinner Panel: **THE WEST ASIAN PARADIGM** (Delegates and Speakers)<br>**Seyed Kazem Sajjadpour**, Deputy Foreign Minister, Iran<br>**Vyacheslav Nikonov**, Chairman, State Duma Committee on Education, Russia<br>Moderator: **Ashok Malik**, Distinguished Fellow, Observer Research Foundation | Dinner Conversation: **PIVOTAL PARTNERSHIPS FOR THE INDO-PACIFIC** (By Invitation) | Dinner Conversation: **PROMOTING WOMEN'S LEADERSHIP FOR GLOBAL CHANGE** (for Raisina Young Fellows)<br>**Rosy Akbar**, Minister, Health and Medical Services, Fiji<br>**Meagan Fallone**, CEO, Barefoot College International, India<br>**Neera Nundy**, Co-founder, Dasra, India<br>**Sakena Yacoobi**, CEO, Afghan Institute of Learning<br>**Yves Moury**, Founder and CEO, Fundacion Capital, Colombia<br>**Vidisha Mishra**, Lead, Gender Initiative, Observer Research Foundation<br>Moderator: **Vani Tripathi Tikoo**, Member, Central Board of Film Certification, India | ORF-Moody's Dinner Conversation: **INDIA'S INFRASTRUCTURE CHALLENGES**: **DOMESTIC CONSTRAINTS AND GEOPOLITICAL OPPORTUNITIES** (By Invitation) |

## Day 3

| THURSDAY 19 January 2017 | | |
|---|---|---|
| 09:00–10:00 | **BREAKFAST PANEL: BITS AND BYTES: REACHING MONEY TO THE BOTTOM OF THE PYRAMID**<br>**Ajay Kumar**, Additional Secretary, Ministry of Electronics and Information Technology, India<br>**Ben Shenglin**, Dean, Academy of Internet Finance, China<br>**Murli Nair**, Senior Vice President, Market Development, South Asia, Mastercard<br>**Vivek Dehejia**, Resident Senior Fellow, IDFC Institute, India<br>Moderator: **Fatima Karan**, Consulting Editor, Bloomberg TV India | |
| 10:00–10:15 | Tea/Coffee Break | |
| 10:15–10:45 | **KEYNOTE ADDRESS** (venue: *Durbar)*<br>**Adm. Michelle Howard**, Commander US Naval Forces Europe and Africa<br>Moderator: **Santosh Jha**, Joint Secretary, Policy Planning and Research, Ministry of External Affairs, India | |
| 10:45–11:45 | Panel 5: **FUTURE OF EUROPE**<br>(Venue: *Durbar)*<br>**Sujata Mehta**, Secretary (West), Ministry of External Affairs, India<br>**Geoffrey Van Orden**, Member, European Parliament, UK<br>**Christian Leffler**, Deputy Secretary General, European External Action Service<br>**Jozsef Czukor**, Foreign Policy Adviser to the Prime Minister, Hungary<br>**Steven Blockmans**, Head, Foreign Policy, Centre for European Policy Studies, Belgium<br>Moderator: **Ummu Salma Bava**, Professor, Jawaharlal Nehru University, India | **FUTURE OF UNIVERSAL HEALTH COVERAGE IN ASIA: LEARNING FROM EACH OTHER**<br>(By Invitation, venue: *Roshanara*)<br>**Phyu Phyu Thin Zaw**, Research Scientist, Dept. of Medical Research, Ministry of Health, Myanmar<br>**Jayendra Sharma**, Sr. Planning Officer, Policy and Planning Division, Ministry of Health, Bhutan<br>**Mushtaque Chowdhury**, Vice Chairperson, BRAC, Bangladesh<br>**Suwit Wibulpolprasert**, Adviser to Health Minister on Global Health, Thailand<br>**Priyanka Shah**, Lead, Health Initiative, Observer Research Foundation<br>**Shamika Ravi**, Senior Fellow, Brookings India<br>Moderator: **K. Sujatha Rao**, Former Secretary, Ministry of Health and Family Welfare, Government of India |
| 12:00–12:40 | **KEYNOTE ADDRESS** (venue: *Durbar*)<br>**Stephen Harper**, Former Prime Minister, Canada<br>Moderator: **Sunjoy Joshi**, Director, Observer Research Foundation | |
| 12:40–13:40 | Raisina Young Fellows Lunch with **Brian Fishman**, Author and Researcher, Counterterrorism<br>Moderator: **Shashi Tharoor**, Member of Parliament, India | |
| 13:40–14:10 | **MINISTERIAL ADDRESS**<br>**Ravi Shankar Prasad**, Minister, Electronics and Information Technology and Minister, Law and Justice, India<br>Moderator: **Ashok Malik**, Distinguished Fellow, Observer Research Foundation | |
| 14:10–15:10 | Panel 6: **CYBER SECURITY: THE INTERNET OF RISKS**<br>**Gulshan Rai**, National Cyber Security Coordinator, India<br>**Uri Rosenthal**, Special Envoy for Cyberspace, Ministry of Foreign Affairs, The Netherlands<br>**Chris Painter**, Cyber Coordinator, Department of State, USA<br>**Li Yan**, Vice Professor, China Institutes of Contemporary International Relations, China<br>**Patricia Lewis**, Research Director, International Security, Chatham House, UK<br>Moderator: **Angela McKay**, Director, Government Security Policy and Strategy, Microsoft, USA | |

| THURSDAY 19 January 2017 | | |
|---|---|---|
| 15:25–16:25 | Breakout Panel 1: **NEW STRATEGIC ORDER: NUCLEAR CONUNDRUM** (venue: *Durbar*)<br>**Shen Dingli**, Professor, Fudan University, China<br>**S. Paul Kapur**, Professor, Naval Postgraduate School, USA<br>**Chung Min Lee**, Professor, Yonsei University, South Korea<br>**Rakesh Sood**, Distinguished Fellow, Observer Research Foundation<br>**Patricia Lewis**, Research Director, International Security, Chatham House, UK<br>Moderator: **Dhruva Jaishankar**, Fellow, Foreign Policy, Brookings India | Breakout Panel 2: **INDO-PACIFIC: GOVERNING THE CHURN** (venue: *Mumtaz*)<br>Opening Address<br>**Mohamed Shainee**, Minister, Fisheries and Agriculture, Maldives<br>**Luc Hallade**, Ambassador in charge of cooperation in the Indian Ocean, France<br>**Claro S. Cristobal**, Director General, Foreign Service Institute, Philippines<br>**Carlos Leal**, President, Fundacao Getulio Vargas, Brazil<br>**I-Chung Lai**, Executive Director, Prospect Foundation, Taiwan<br>Moderator: **Francesca Marino**, Editor-in-Chief, Stringer Asia, Italy |
| 17:00–18:00 | Panel 8: **Reclaiming the Digital: Countering Violent Extremism Online** (venue: *Durbar*)<br>**Gen. Sir Chris Deverell**, Commander, Joint Forces Command, UK<br>**Sara Zeiger**, Senior Research Analyst, Hedayah Centre, UAE<br>**Ankhi Das**, Director, Public Policy, Facebook India, South and& Central Asia<br>**Irfan Saeed**, Deputy Director, CVE, Department of State, USA<br>**Zafar Sobhan**, Editor, Dhaka Tribune, Bangladesh<br>Moderator: **Sean Kanuck**, Distinguished Fellow, Observer Research Foundation | |
| 18:10–19:10 | Panel 9: **TERROR INC.: COMBATING STATE AND NON-STATE ACTORS** (venue: *Durbar*)<br>**Boris Michel**, Director, Asia-Pacific, International Committee of the Red Cross<br>**Foad Izadi**, Professor University of Tehran and Senior Consultant Ministry of Foreign Affairs, Iran<br>**Christine Fair**, Associate Professor, Georgetown University, USA<br>**Amrullah Saleh**, Former head, National Directorate of Security, Afghanistan<br>Moderator: **Sushant Sareen**, Senior Fellow, Vivekananda International Foundation, India | |
| 19:10–19-50 | **IN CONVERSATION**<br>**M.J. Akbar**, Minister of State, Ministry of External Affairs, India<br>and **Hamid Karzai**, Former President, Afghanistan | |
| 19:50–20:00 | Vote of Thanks | |
| 20:00–21:30 | Dinner | |
| | Dinner Conversation: **COLD WAR 2.0**<br>**Feodor Voytolovsky**, Deputy Director, International Politics, Primakov Institute, Russia<br>**Alexander Gabuev**, Senior Associate and Chair, Russia in the Asia-Pacific Program, Carnegie Endowment for International Peace, Russia<br>**Harsh Pant**, Distinguished Fellow, Observer Research Foundation<br>**Eberhard Sandschneider**, Professor, Chinese Politics and International Relations, Freie Universitat Berlin, Germany<br>**James Wirtz**, Dean SIGS, Naval Postgraduate School, USA<br>Moderator: **Abigael Vasselier**, Programme Coordinator, Asia and China, European Council on Foreign Relations, France | |


ORF
OBSERVER RESEARCH FOUNDATION
RAISINA
DIALOGUE

# Inaugural Address

**by Shri Narendra Modi**

**Hon. Prime Minister of India**

Excellencies, Distinguished guests, Ladies and Gentlemen,

Today seems to be a day of speeches. Just a while ago, we heard President Xi and Prime Minister May. Here I am with my words. Perhaps an overdose for some. Or a problem of plenty for 24/7 news channels.

It is a great privilege to speak to you at the inauguration of the second edition of the Raisina Dialogue. Excellency Karzai Prime Minister Harper, Prime Minister Kevin Rudd, it is a pleasure to see you in Delhi. Also, a warm welcome to all the guests. Over the next couple of days, you would hold numerous conversations on the state of the world around us. You would debate its certainty and prevailing flux; its conflicts and risks; its successes and opportunities; its past behaviours and likely prognosis; and its potential black swans and the New Normals.

Friends,

In May 2014, the people of India also ushered in a New Normal. My fellow Indians spoke in one voice to entrust my government with a mandate for change. Change not just of attitudes but of mindsets. Change from a state of drift to one of purposeful actions. Change to take bold decisions. A mandate in which reform would not be enough unless it transforms our economy and society. A transformation that is embedded in the aspiration and optimism of India's youth, and in the boundless energy of its millions. Every day at work, I draw on this sacred energy. Every day at work, my "to-do list" is guided by the constant drive to reform and transform India, for [the] prosperity and security of all Indians.

Friends,

I am aware that India's transformation is not separated from its external context. Our economic growth; the welfare of our farmers; the employment opportunities for our youth; our access to capital, technology, markets and resources; and security of our nation, all of them are deeply impacted by developments in the world. But the reverse is also true.

The world needs India's sustained rise, as much as India needs the world. Our desire to change our country has an indivisible link with the external world. It is,

therefore, only natural that India's choices at home and our international priorities form part of a seamless continuum. Firmly anchored in India's transformational goals.

Friends,

India is pursuing its transformation in unsettled times, which is equally the result of human progress and violent turmoil. For multiple reasons and at multiple levels, the world is going through profound changes. Globally connected societies, digital opportunities, technology shifts, knowledge boom and innovation are leading the march of humanity. But sluggish growth and economic volatility are also a sobering fact. Physical borders may be less relevant in this age of bits and bytes. But walls within nations, a sentiment against trade and migration, and rising parochial and protectionist attitudes across the globe are also in stark evidence. The result, Globalization gains are at risk and economic gains are no longer easy to come by. Instability, violence, extremism, exclusion and transnational threats continue to proliferate in dangerous directions. And, non-state actors are significant contributors to the spread of such challenges. Institutions and architectures built for a different world, by a different world, are outdated. Posing a barrier to effective multilateralism. As the world begins to re-order itself a quarter century after the strategic clarity of the Cold War, the dust has not yet settled on what has replaced it. But a couple of things are clear. The political and military power is diffused and distributed. The multi-polarity of the world, and an increasingly multi-polar Asia, is a dominant fact today. And we welcome it.

"India is pursuing its transformation in unsettled times, which is equally the result of human progress and violent turmoil."

Because, it captures the reality of the rise of many nations. It accepts that [the] voices of many, not [the] views of a few should shape the global agenda. Therefore, we need to guard against any instinct or inclination that promotes exclusion, especially in Asia. The focus of this conference on Multilaterism with Multipolarity is thus timely.

Friends,

We inhabit a strategically complex environment. In the broad sweep of history, the changing world is not necessarily a new situation. The crucial question is how do nations act in a situation where the frames of reference are shifting rapidly. Our choices and actions are based on the strength of our national power.

Our strategic intent is shaped by our civilizational ethos of:

यथार्थवाद (realism),

सह-अस्तित्व (co-existence)

सहयोग (cooperation), तथा

**सहभागिता** (partnership).

This finds expression in a clear and responsible articulation of our national interests. The prosperity of Indians, both at home and abroad, and security of our

citizens are of paramount importance. But self-interest alone is neither in our culture nor in our behaviour. Our actions and aspirations, capacities and human capital, democracy and demography, and strength and success will continue to be an anchor for all round regional and global progress. Our economic and political rise represents a regional and global opportunity of great significance. It is a force for peace, a factor for stability and an engine for regional and global prosperity.

For my government, this has meant a path of international engagement focused on:

- Rebuilding connectivity, restoring bridges and rejoining India with our immediate and extended geographies.
- Shaping relationships networked with India's economic priorities.
- Making India a human resource power to be reckoned with, by connecting our talented youth to global needs and opportunities.
- Building development partnerships that extend from the islands of the Indian Ocean and Pacific to the islands of the Caribbean and from the great continent of Africa to the Americas.
- Creating Indian narratives on global challenges.
- Helping re-configure re-invigorate and rebuild global institutions and organizations.
- Spreading the benefits of India's civilizational legacies, including Yoga and Ayurveda, as a global good.
- Transformation, therefore, is not just a domestic focus. It encompasses our global agenda.

For me, "Sab Ka Saath; Sab Ka Vikas" is not just a vision for India. It is a belief for the whole world. And, it manifests itself in several layers, multiple themes and different geographies.

Let me turn to those that are closest to us in terms of geography and shared interests. We have seen a major shift towards our neighbours captured in our determined "Neighbourhood-first" approach. The people of South Asia are joined by blood, shared history, culture, and aspirations. The optimism of its youth seeks change, opportunities, progress and prosperity. A thriving well-connected and integrated neighbourhood is my dream. In the last two-and-a-half years, we have partnered with almost all our neighbours to bring the region together. Where necessary, we have shed the burdens of our past for the progressive future of our region. The result of our efforts is there to see.

In Afghanistan, despite distance and difficulties in transit, our partnership assists in reconstruction, by building institutions and capacities. In the backdrop of shifting politics, our security engagement has deepened.

"Our economic and political rise represents a regional and global opportunity of great significance."

The completion of Afghanistan's Parliament building and the India-Afghanistan Friendship Dam are two shining examples of our dedication to forge developmental partnership.

With Bangladesh, we have achieved greater convergence and political understanding, through connectivity and infrastructure projects, and significantly, the settlement of the land and maritime boundaries.

In Nepal, Sri Lanka, Bhutan and Maldives, our overall engagement in infrastructure, connectivity, energy and development projects is a source of progress and stability in the region.

My vision for our neighbourhood puts a premium on peaceful and harmonious ties with [the] entire South Asia. That vision had led me to invite leaders of all SAARC nations, including Pakistan, for my swearing in. For this vision, I had also travelled to Lahore. But India alone cannot walk the path of peace. It also has to be Pakistan's journey to make. Pakistan must walk away from terror if it wants to walk towards dialogue with India.

Ladies and Gentlemen,

Further west, we have redefined, in a short span of time, and despite uncertainty and conflict, our partnerships with Gulf and West Asia, including Saudi Arabia, U.A.E, Qatar and Iran. Next week, I will have the pleasure to host His Highness the Crown Prince of Abu Dhabi, as the Chief Guest at India's Republic Day. We have not just focused on changing the perception. We have also changed the reality of our ties.

This has helped us protect and promote our security interests, nurture strong economic and energy ties and advance the material and social welfare of around 8 million Indians. In Central Asia too, we have built our ties on the edifice of shared history and culture to unlock new vistas of prosperous partnership.

"Our membership of the Shanghai Cooperation Organisation provides a strong institutional link to our engagement with Central Asian nations."

Our membership of the Shanghai Cooperation Organisation provides a strong institutional link to our engagement with Central Asian nations. We have invested in [the] all-round prosperity of our Central Asian brothers and sisters and have brought about a successful reset to longstanding relationships in that region. To our east, our engagement with South East Asia is at the centre of our Act East Policy. We have built a close engagement with the institutional structures in the region such as the East Asia Summit. Our partnership with ASEAN and its member countries has served to enhance commerce, technology, investment, development, interests and stability in the region. In our engagement with China, as President Xi and I agreed, we have sought to tap the vast area of commercial and business opportunities in the relationship. I see the development

of India and China as an unprecedented opportunity, for our two countries and for the whole world. At the same time, it is not unnatural for two large neighbouring powers to have some differences. In the management of our relationship, and for peace and progress in the region, both our countries need to show sensitivity and respect for each other's core concerns and interests.

Friends,

Prevailing wisdom tells us that this century belongs to Asia. The sharpest trajectory of change is happening in Asia. There are large and vibrant pools of progress and prosperity that spread across the landscape of this region. But rising ambition and rivalries are generating visible stress points. The steady increase in military power, resources and wealth in the Asia-Pacific has raised the stakes for its security. Therefore, the security architecture in the region must be open, transparent, balanced and inclusive, and promote dialogue and predictable behaviour rooted in international norms and respect for sovereignty.

Friends,

Over the past two-and-a-half years, we have given a strong momentum to our engagement with the United States, Russia, Japan and other major global powers. With them, we not only share a desire to cooperate. We also hold converging views on opportunities and challenges that face us. These partnerships are a good fit with India's economic priorities and defence and security. With the United States, our actions have brought speed, substance and strength to the entire spectrum of our engagement. In my conversation with President-elect Donald Trump, we agreed to keep building on these gains in our strategic partnership. Russia is an abiding friend. President Putin and I have held long conversations on the challenges that confront the world today. Our trusted and strategic partnership, especially in the field of defence, has deepened.

Our investments in new drivers of our relationship, and the emphasis on energy, trade, and S&T linkages are showing successful results. We also enjoy a truly strategic partnership with Japan, whose contours now stretch to all fields of economic activity. Prime Minister Abe and I have spoken of our determination to intensify our cooperation further. With Europe, we have a vision of strong partnership in India's development, especially in [the] knowledge industry and smart urbanization.

Friends,

India has, for decades, been at the forefront of sharing our capacities and strengths with fellow developing countries. With our brothers and sisters in Africa, we have further strengthened our ties in the last couple of years and built meaningful development partnerships on the solid foundation of decades of traditional friendship and historical links. Today, the footprint of our development partnership stretches all across the globe.

Ladies and Gentlemen,

India has a long history of being a maritime nation. In all directions, our maritime interests are strategic and significant. The arc of influence of Indian


Ocean extends well beyond its littoral limits. Our initiative of SAGAR—Security And Growth for All in the Region—is not just limited to safe-guarding our mainland and islands. It defines our efforts to deepen economic and security cooperation in our maritime relationships. We know that convergence, cooperation, and collective action will advance economic activity and peace in our maritime region. We also believe that the primary responsibility for peace, prosperity and security in the Indian Ocean rests with those who live in this region. Ours is not an exclusive approach. And we aim to bring countries together on the basis of respect for international law. We believe that respecting Freedom of Navigation and adhering to international norms is essential for peace and economic growth in the larger and inter-linked marine geography of the Indo-Pacific.

Friends,

We appreciate the compelling logic of regional connectivity for peace, progress and prosperity. In our choices and through our actions, we have sought to overcome barriers to our outreach to West and Central Asia, and eastwards to Asia-Pacific. Two clear and successful examples of this are the tripartite agreement with Iran and Afghanistan on Chabahar, and our commitment to bring on line the International North South Transport Corridor. However, equally, connectivity in itself cannot override or undermine the sovereignty of other nations.

Only by respecting the sovereignty of countries involved can regional connectivity corridors fulfil their promise and avoid differences and discord.

Friends,

True to our traditions, we have shouldered the international burden of our

commitments. We have led assistance and relief efforts in times of disaster. We were a credible first responder during the earthquake in Nepal, evacuation from Yemen and during humanitarian crises in the Maldives and Fiji. We have also not hesitated in shouldering our responsibility for the maintenance of international peace and security. We have increased collaboration on coastal surveillance, white shipping information and fighting non-traditional threats like piracy, smuggling and organized crime. We have also shaped alternative narratives on longstanding global challenges. Our strong belief in delinking terrorism from religion, and rejecting artificial distinctions between good and bad terrorism, are now a global talking point. And those in our neighbourhood who support violence, encourage hatred, and export terror stand isolated and ignored. On the other pressing challenge of global warming, we have moved into a leading role. We have an ambitious agenda and an equally aggressive target to generate 175 giga watts from renewable energy. And we have already made a good start. We have shared our civilizational traditions to promote harmonious living with nature. We also brought the international community together to create an International Solar Alliance, to harness the energy of [the] sun to propel human growth. A high point of our efforts has been the revival of international interest in the cultural and spiritual richness of India's civilizational stream. Today, Buddhism, yoga and Ayurveda are recognized as invaluable heritage of humanity as a whole. India will celebrate this common heritage every step of the way, as it builds bridges across countries and regions and promotes overall well-being.

Ladies and gentlemen,

In conclusion, let me say this. In connecting with the world, our ancient scriptures have guided us.

Rig Veda says,

आ नो भद्रोः क्रत्वो यन्तु विश्वतः Means: "Let noble thoughts come to me from all directions."

As a society, we have always favoured needs of many over the want of one. And preferred partnerships over polarization. We hold the belief that success of one must propel the growth of many. Our task is cut out. And our vision is clear. Our journey of transformation begins at home and is strongly supported through our constructive and collaborative partnerships that span the globe. With resolute steps at home, and [an] expanding network of reliable friendships abroad, we will grasp the promise of a future that belongs to over a billion Indians. And in this endeavour, you will find in India, my friends, a beacon of peace and progress, stability and success, and access and accommodation.

Thank you.

Thank you very much.

"Only by respecting the sovereignty of countries involved, can regional connectivity corridors fulfil their promise and avoid differences and discord."


ORF
RAISINA
DIALOGUE
THE NEW NORMAL
MULTILATERALISM WITH MULTIPOLARITY

# Message from Antonio Guterres

**Secretary General,**

**United Nations**

**On the UN:**

"The rules-based international order is under threat. We have a multipolar environment but we need multilateral solutions and the United Nations is the cornerstone of multilateralism.

"Our challenge is to build trust in each other and in institutions including the United Nations…"

**On the need for multilateral diplomacy:**

"It is no longer enough to address crisis situations. People and countries pay too high a price if we only deal with conflicts. That is why I am calling for a surge in diplomacy for peace… [W]e need an integrated approach and changes in our culture, strategy, structures and operations. I am committed to achieving a shift from putting out fires to preventing war and sustaining peace, and partnerships with regional organisations are essential. The Raisina Dialogue can contribute to the preventive diplomacy in Asia."


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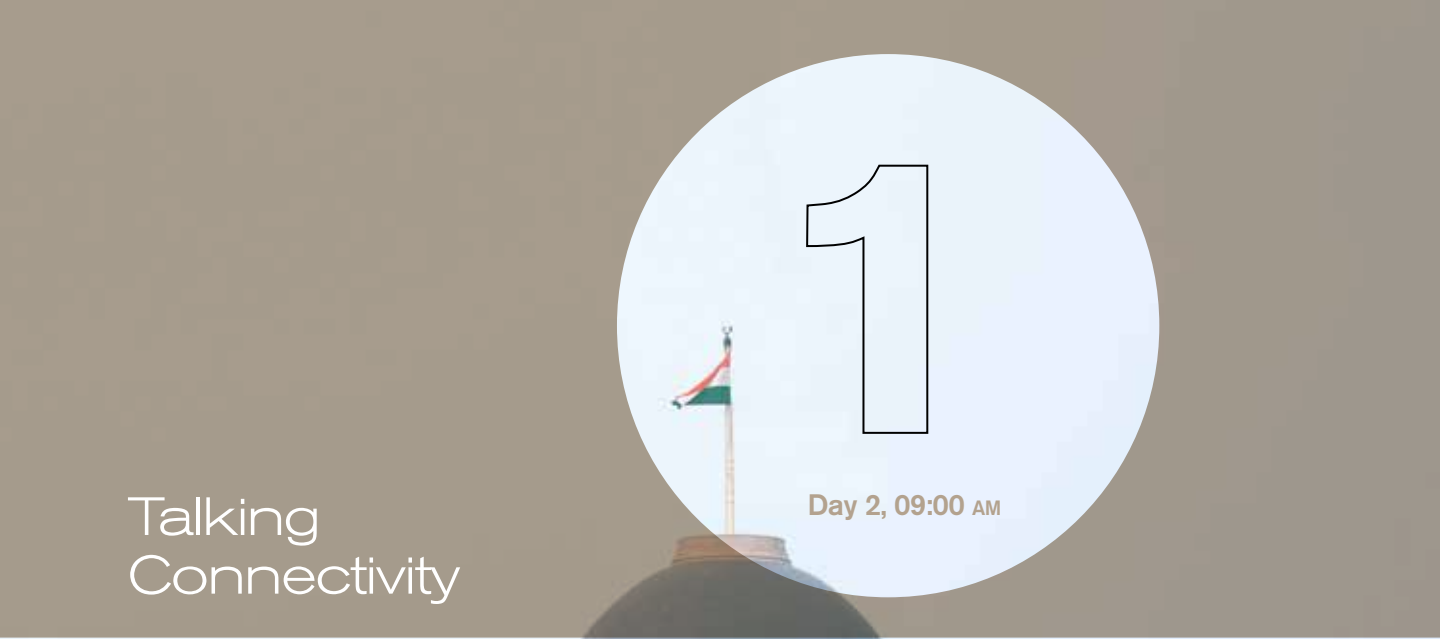
**1.** (from left) **Su Hao, Takio Yamada, Kevin Rudd, David Malone, Astrid Skala-Kuhmann, Ashok Malik, Djoomart Otorbaev**
**2. Su Hao**
**3. Ashok Malik**
**4. Kevin Rudd**
**5. Takio Yamada**



# 1

# Talking Connectivity

Day 2, 09:00 AM

Strengthening connectivity across borders by facilitating seamless movement of goods, services, capital, technology and people is key to fostering economic growth and prosperity.

At a panel on "Talking Connectivity," speakers highlighted that 'connectivity' encompasses three major elements: physical infrastructure, institutional framework and people-to-people exchange. Of these, improving physical connectivity between countries through better transport, energy and telecommunication services holds highest priority. However, economic gains from developing physical infrastructure are contingent upon favourable regulatory environment and procedural coherence among countries.

Take India and Pakistan for example. Trade through the Attari–Wagah border is affected largely due to poor or lack of internet connectivity, warehouses, quarantine testing laboratories, single-window systems and other support facilities.

Connectivity is of paramount importance to landlocked developing countries that do not have direct links to the sea. These countries depend entirely on neighbouring economies for international due. However, due to inadequate infrastructure, coupled with cumbersome trade procedures and lack of direct accessibility to world markets, trading agents experience exorbitant transport and logistics cost. Businesses suffer, too, due to delays and high cost of transit, which make their goods uncompetitive in the global markets.

A study by Radelet and Sachs (1998) estimates that landlocked countries bear about 50 percent higher transportation costs than advanced economies with easy access to sea routes. However, trade facilitation is essential for economic growth.

Central Asia is a cluster of six landlocked countries, namely Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Since landlocked countries experience weaker economic growth and fewer trade opportunities, they have started entering into bilateral/regional trade and transit agreements with neighbouring countries. As Central Asian countries are endowed with energy, natural gas and agricultural resources, other Asian countries such as India, China Russia and Pakistan, too, have invested in pipelines, port development informa-

### MODERATOR

**David Malone** RECTOR, UNITED NATIONS UNIVERSITY, JAPAN

### PANELLISTS

**Kevin Rudd** FORMER PRIME MINISTER, AUSTRALIA

**Djoomart Otorbaev** FORMER PRIME MINISTER, KYRGYZSTAN

**Ashok Malik** DISTINGUISHED FELLOW, OBSERVER RESEARCH FOUNDATION

**Astrid Skala-Kuhmann** BELT AND ROAD REPRESENTATIVE, GIZ, GERMANY

**Takio Yamada** DIRECTOR GENERAL, INTERNATIONAL COOPERATION BUREAU, MINISTRY OF FOREIGN AFFAIRS, JAPAN

**Su Hao** PROFESSOR, CHINA FOREIGN AFFAIRS UNIVERSITY

tion technology projects in Central Asia. The Chabahar Port project between India, Iran and Afghanistan; a pipeline project between Turkmenistan, Afghanistan, Pakistan and India; China's One Belt One Road (OBOR) initiative; and the Russian Pricaspiysky pipeline project are some examples of regional connectivity and cooperation.

Regional trade and transport connectivity is critical for growth, productivity and competitiveness of all countries. Several economies in the world have expedited efforts to establish a well-connected network of transport, energy and telecommunication services. China is one of the biggest providers of infrastructure in Central and Southeast Asia. It is now expanding its footprint in South Asia through investments worth billions in Pakistan, Sri Lanka and Maldives.

India is not behind either. It has invested in large infrastructure projects in several South Asian countries. However, India has reservations about Chinese investments in South Asia, which are driven largely by the latter's geopolitical interests. For instance, Gwadar Port of Pakistan would provide China an access to the Indian Ocean Region as well as open Middle Eastern and African markets for Chinese goods.

Japan–India partnership will be very suitable, a most effective and idealistic pa rtnership to address an acute and compelling need for quality infrastructures in the Indian Ocean region.

**—Takio Yamada**

(from left) **Takio Yamada, David Malone, Astrid Skala-Kuhmanntunga**

Since both India and China are undertaking similar kinds of projects in South Asia, it is recommended that these two Asian powers build political trust and collaborate in their efforts to develop infrastructure. South Asian connectivity needs to be a more consultative process between India and China. India, on its Eastern side, aims to enhance connectivity between South Asia and Southeast Asia through the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). China further aims to improve land connectivity across Eurasia and Africa through its OBOR initiative. If Chinese match their OBOR aspirations with India's BIMSTEC initiative, progress at regional level is guaranteed.

Additionally, building links for people-to-people connectivity through tourism, academic and cultural exchanges is the most viable investment for advancing integration in the world today. Many infrastructure projects have been stalled due to distrust between partner countries. South Asia is a classic case of stymied connectivity projects because of complex relations between India and Pakistan. Investment in human capital through capacity building programmes, skill development programmes, student exchanges and cultural fairs, among others, is therefore essential for strengthened bilateral relations.

Further, multilateral trade agreements such as Trans-Pacific Partnership Agreement and Regional Comprehensive Economic Partnership have helped connect various countries in the world. With such agreements eliminating tariffs and reducing non-trade barriers, there is greater scope for cooperation and connectivity. These multilateral arrangements are expected to integrate smaller and landlocked countries into global production chains. However, special focus remains on developing infrastructure such as transportation, logistics, mobile internet networks, and information and communication technology (ICT) to enable cross-border sharing of growth, knowledge and prosperity.

Panellists at the session agreed that multilateralism has promoted cooperation among a wider and diverse group of countries. G20 is an example of connectivity agenda actively pursued through collaborative efforts by member countries to synergise existing infrastructure connectivity projects. Given the vast infrastructural and connectivity deficit in the Eurasian and Central Asian regions, any kind of financial support is expected to bring benefits in terms of growth, poverty reduction and sustainable development for the countries involved. Asian Infrastructure Investment Bank was established to support infrastructural development activities in the Asia-Pacific region.

It is a common knowledge that building connectivity links with the outside markets brings added growth for the domestic markets, which otherwise would experience suboptimal growth. Therefore, governments must prioritise building infrastructure connectivity in its national agenda and budget. ■

**—Preety Bhogal**

"China is now in the process of discovering what national political risk and country political risk is like in 50 different national markets around the world." **—Kevin Rudd**


# Theme Address

**by S. Jaishankar**

**Foreign Secretary, India**

I am delighted to join you all this morning and share my thoughts on India's approach to Asian connectivity. Yesterday, this Conference heard our broad perspectives on this subject from the External Affairs Minister. I would like to develop in more detail some aspects of the framework that she laid out. We also had the privilege to listen to the views of leaders of Afghanistan, Sri Lanka, Bangladesh and Seychelles. This morning, Minister Li Zhaoxing from China shared his viewpoint. To some extent, my remarks seek to capture some of their concerns as well.

Let me start with the term "connectivity" itself. Like globalisation, it has always existed in human history. What has now changed is that we think of it in much sharper structured terms. It is also more salient in our daily life. And most important, it is less natural and more engineered. In Asia, it has tended to be more state-led. As we heard yesterday, it is both a driver and an outcome of national economic growth, with internal and external dimensions. For the purposes of this conversation, what is also noteworthy is that it has become—not without a reason—a yardstick to measure influence.

Like most things, connectivity begins at home, and let me focus there. Put simply, by contemporary standards, we are a significantly under-connected nation. This is a major constraint on both our capabilities and our competitiveness. Fortunately,

there is growing awareness of this limitation and what we see happening around us, however imperfectly, is a serious attempt to remedy that situation. We are investing substantially in the development of the road connectivity infrastructure with an emphasis on the north east and strategic border areas. The railway policy unveiled last week by the Government outlines an ambitious programme of transformation. Our maritime agenda envisages port development that would harness the capabilities of the private sector. It is also important that the nodes of outward connectivity are linked better to the hinterland. The integrated development of ports and the hinterland, the objective of our SAGARMALA project, would surely have profound consequences over time.

The Digital India initiative seeks to connect another billion alone in India to the Internet, and through it, not only to the larger world but also to its own government. This will have implications for their empowerment and on the quality of services they receive even from their elected representatives. Establishing partnerships with key countries is intended to attract best practices, investments and technology in all these areas. We advocate cooperative partnerships with our partners as much in our connectivity agenda within as without. For a lot of our partners, also for this reason, the promise of an India that is better connected within itself as well as with the world would be a positive development, not just for economic reasons but also strategically.

This effort to accelerate infrastructure building is clearly key to the larger goal of expanding manufacturing in India. That this correction is much needed—not just for its employment impact—is by now widely accepted. It is also central to the spread of digital connectivity, whose implications again need little explanation. These endeavours are linked to the quality of our human resources that, in turn, brings up issues of skilling, social awareness, urbanisation etc. Any assessment of the prospects of internal connectivity must place it in the context of comprehensive modernization, a framework I suggest that is much broader than just next generation reforms.

In this regard, allow me to point to some big picture issues that often tend to get ignored in a domestic connectivity debate. To a considerable extent, we are still struggling with the task of creating a truly integrated national market. Our challenges within the nation are not dissimilar from what normally happens in a region. That, in addition, we also have to cope with our regional limitations is a further complicating factor. This, of course, is a phase of the nation building process that we embarked on since Independence. And it points to an unfinished agenda. We should also accept that our models of economic growth in the past have not laid adequate emphasis on building connectivity. Since competitiveness was not the primary driving force, neither was efficiency the preferred outcome. There are today enough examples that highlight what investment in connectivity can do to propel economic growth and social change. Not surprisingly, this has become a

major focus of the strategy within.

There is also a legacy of colonial history to be considered, since it tended to skew our connectivity to the coastal regions, especially in the west. Restoring that balance is today further impelled by a shift in our own trade patterns towards the east. The partition of India also shrank our natural sense of the region, and it is only an era of robust economic growth that can revive it decisively. It is also worth reflecting upon that an India that will become a stronger trading power—as we should expect from expanded manufacturing—will not only require better connectivity but will have greater resources to put that in place. This, of course, generates its own debate on the merits of our entering into regional and bilateral preferential trading arrangements. But that is probably a diversion today. The short point is that connectivity development will be a very critical aspect of a rising India. As it unfolds, its repercussions will extend beyond our shores. But we are still quite far from the day when it can be said that India is optimally exploiting its locational blessing.

Looking beyond our borders, there is little doubt that connectivity can impart that new momentum to SAARC and propel it to a higher orbit of cooperation. This is happening even as we speak, some of it through SAARC mechanisms, others through sub-regional solutions like BBIN, and the rest through bilateral or trilateral arrangements. In fact, the last two years have been remarkable for a string of developments pertaining to a wide spectrum of activities, many of which have been waiting to happen for years. They are obviously at different stages of conceptualisation and operationalisation. Today, the outcome of interactions among neighbours is replete with examples of road and rail building, power generation and transmission, waterway usage and shipping and so on. More than the achievements themselves, they represent a change in mindset. For us, in India, if there is a lesson, it is to be strategic and outcome driven. External Affairs Minister yesterday highlighted some of the key connectivity projects with our neighbours that will eventually help transform this region. We are convinced that the logic of regional cooperation has indeed finally arrived in the region. It will be increasingly difficult to resist these winds of change.

You will recall that India's first effort to go beyond the region was expressed as a Look East Policy aimed at the ASEAN. There were a variety of factors at play, among them trade and investment considerations. Connectivity really took a secondary place. But over the years, it came into its own and the projects now underway with Myanmar can actually offer significant breakthroughs. The intensity with which we now address South East Asia is sought to be captured in the new terminology of "Act East". Efforts to build physical connectivity should close the gap with economic and security linkages that have raced far ahead. The next goal is to go beyond ASEAN to the Asia Pacific. India's interest in joining the APEC is understandable in that context.

If the eastern front is building upon longstanding policy, the western one is

relatively more recent conceptually, even if India has had a historical presence in the Gulf. The Indian footprint there has resulted in a community of 7 million that is an impressive source of investment and remittances. But it was an evolutionary happening that was relatively autonomous of strategic calculations. Our energy dependence on the region was also dictated more by markets than by policy. That, by the way, is not without its advantages, since unlike many other states of Asia, it locates our foreign policy in entrepreneurship rather than state determinism. It also holds possibilities of building on the inter-dependence generated by market forces, which is likely to make connectivity more sustainable. The point, however, that I wish to emphasise is that we are no longer content to be passive recipients of outcomes. The combination of human and energy connectivity offers immense opportunities, magnified by the prospect that this region can serve as a bridge to nations further beyond. Our growing capabilities and stronger national branding, in fact, makes us a credible partner. We ourselves also have a more nuanced view of recent developments in the region. The interplay among these nations actually offers us new avenues of cooperation. I can confidently predict that "Act East" would be matched with "Think West."

If there are visible obstructions to this picture of growing connectivity, they are primarily on our north west. The absence of transit rights there is an impediment to trade, energy flows and economic integration. Normalisation of the situation in Iran is, therefore, particularly welcome. We are working to invest in the Chahbahar port, join the Ashgabat Agreement and participate in the International North South Transport Corridor. Combined with other ambitious bilateral initiatives, they could be game changers in Central Asia, a part of the world that historically and culturally has strong affinity with India.

The Indian Ocean, once regarded as a maritime frontier, is today increasingly seen as a connectivity pathway. Much of the world's trade passes through it, as does that of India. Its economic potential spans a wide arc that goes well beyond its littoral limits. These waters must not only get better connected but remain free from non-traditional and traditional threats that could impede the seamless movement of goods, people and ideas. The attention that it has got from India's leadership speaks of the promise it holds in our eyes. We take a collaborative and consultative approach to the maritime domain and have initiated the Indian Ocean

Naval Symposium (IONS) as well as the Indian Ocean Rim Association. Our twin objectives are to address common threats while unlocking the potential of the waters that join us.

India, therefore, supports a range of activities to that end, which extend from building coastal surveillance and offshore patrolling capabilities to offering hydrographic services and monitoring white shipping. We work closely with many of our maritime neighbours like Sri Lanka, Maldives, Mauritius and Seychelles. We participate in regional arrangements like ReCAAP and the Straits of Malacca and Singapore (SOMS) mechanism for maritime safety. Exercises that we conduct with different nations reflect our seriousness in ensuring shared security. Our record in providing humanitarian assistance and disaster relief that was alluded to yesterday also speaks for itself. It follows from the principles stated by Prime Minister in March 2015 during his Indian Ocean Yatra that while the Indian Ocean littorals have the main responsibility for what we call Security and Growth for All in the Region (SAGAR), this approach is not exclusionary. The Joint Strategic Vision for the Asia Pacific and Indian Ocean, announced in January 2015, and the IONS are pertinent examples.

As you know, connectivity extends to the realm of ideas as well. Centuries of trading inter-linkages among the Indian Ocean littoral have led to criss-crossings across the seas and helped shape the demography, culture and character of all Indian Ocean countries. We have initiated a collaborative project called the "Mausam", which celebrates these shared heritage, including by registering them with UNESCO through collective effort by the concerned countries. Our emphasis on retracing Buddhist links or on developing joint disciplines of traditional medicines in Asia are other examples of our efforts in this regard. Our celebration of the International Day of Yoga is to bring humanity together to reflect on our common heritage with focus on physical and spiritual well-being. There are more prosaic variants of this intent, which include promoting tourism, liberalising visa and maintaining diaspora links. With its huge human resources potential, there is much that India can do in this sphere.

All these endeavours feed into the changing connectivity scenario in Asia. The interactive dynamic between strategic interests and connectivity initiatives—a universal proposition—is on particular display in our continent. The key issue is whether we will build our connectivity through consultative processes or more unilateral decisions. Our preference is for the former and the record bears this out quite clearly. Wherever that option is on the table, as most recently it did in the AIIB, we have responded positively. But we cannot be impervious to the reality that others may see connectivity

"We are simultaneously seeking to overcome basic problems of physical connectivity, even as we endeavour to leapfrog and strengthen the digital one."

as an exercise in hard-wiring that influences choices. This should be discouraged, because particularly in the absence of an agreed security architecture in Asia, it could give rise to unnecessary competitiveness. Connectivity should diffuse national rivalries, not add to regional tensions. This is an issue that actually resonates beyond Asia because the rest of the world appreciates that the economic centre of gravity is shifting towards the continent. Indeed, if we seek a multi-polar world, the right way to begin is to create a multi-polar Asia. Nothing could foster that more than an open-minded consultation on the future of connectivity.

A constructive discussion on this subject should address not just physical infrastructure but also its broader accompanying facets. Institutional, regulatory, legal, digital, financial and commercial connections are important, as is the promotion of the common cultural and civilizational thread that runs through Asia. Nurturing connectivity also requires a willingness to create arrangements, which lead to higher levels of trust and confidence. A connected Asia must be governed by commonly agreed international norms, rules and practices. We need the discipline and restraint that ensure standards of behaviour, especially by and between States that jostle to widen their respective spaces in an increasingly inter-connected continent. Respect for the global commons should not be diluted under any circumstances. Much depends on the commitment of nations to uphold freedom of navigation and peaceful resolution of disputes. There should be no place for use or threat of use of force.

I think we all recognise the stakes. We are also conscious of the critical role that connectivity will play in shaping the destinies of Asian nations and peoples in the next decade. Connectivity itself has emerged as a theatre of present-day geopolitics. When diplomats get agitated about lines on the map today, they are more likely to be discussing proposed road connections, rail lines, oil pipelines or maritime routes than contesting national boundaries. Who draws these lines; who agrees with them; what are the financial institutions to convert them into reality; what would be the modes of managing and implementing them once built—all these questions carry geopolitical significance. Naturally, every country tends to look at these questions from the viewpoint of its own best interests. Connecting Asia successfully requires the judiciousness and wisdom to reconcile these differing points of view and agree on something that all stakeholders can live with.

The well-known journalist Nayan Chanda ends his particularly insightful book *Bound Together* with these words: "We are in a position to know that the sum of human desires, aspirations and fears that have woven our fates together can neither be disentangled nor reeled back. But neither are we capable of accurately gauging how this elemental mix will shape our planet's future. Still, compared to the past, when thickening global connectedness brought surprises, we are better equipped to look over the horizon at both the dangers and opportunities." That is the assumption on which this Raisina Dialogue should deliberate on its theme. ■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1. Shashi Tharoor
2. Robert Blackwill
3. Vyacheslav Nikonov
4. Lisa Curtis
5. Ali Naseer Mohamed
6. Seyed Kazem Sajjadpour
7 Shen Dingli


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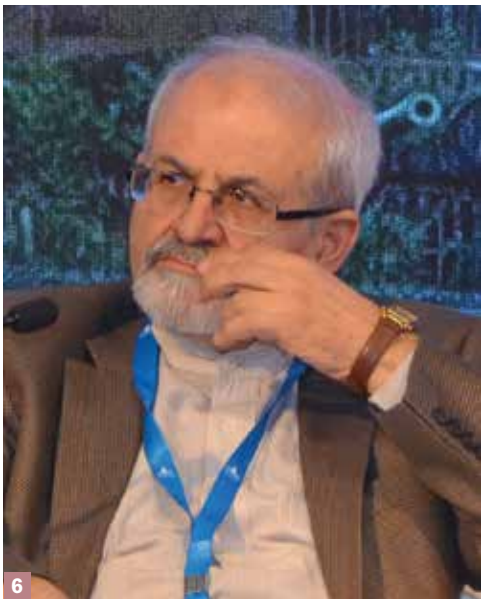
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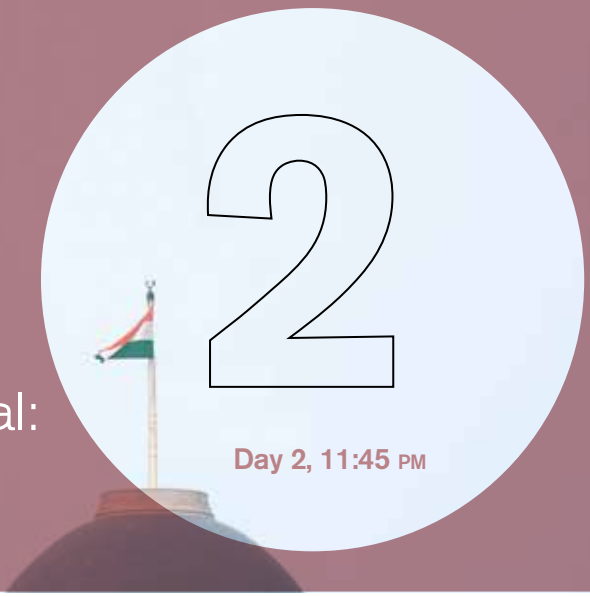


# 2

# The New Normal: Multipolarity with Multilateralism

**Day 2, 11:45 PM**

Major changes are taking place in international politics. A quarter of the century after the end of the Cold War, shifts in global balance of power are quite evident.

The US unipolar moment is witnessing its dusk. New major powers, especially of the likes of China, are asserting themselves more forcefully. Many observers, however, conclude that the world does not seem destined for a Cold War-style bipolar system consisting of two global wars. Meanwhile, regional powers such as India, Russia, Japan and Iran are waiting to break through into the league of major powers. Multipolarity, in other words, seems to be on the anvil. A dominant thought in international politics associates multiple power centres with conflict and chaos: the more the number of players, the more competitive international politics may become.

Competition is a basic feature of international politics. Devoid of an ultimate authority, which could shape state behaviour, sovereigns depend upon their own individual abilities for survival and expansion. This competitive nature is further reinforced if there is a disaggregation of power. Concentration of power in the hands of a few—either hegemonic systems or bipolar world order—allows certain amount of order in the system. When the power is dispersed among multiple actors equally, it is often difficult to manage interstate relations.

Multipolarity infuses disorder largely on two accounts. First, it introduces diversity in the system where different actors pursue multiple interests in often different ways. Multiplicity of objectives, when combined with differences in approaches to achieve them, creates a scenario where cooperation becomes harder to achieve; and international politics increasingly looks like a zero-sum game.

Speaking at a panel on "The New Normal: Multipolarity with Multilateralism," panellists underlined that diversity would not be a major issue unless it is accompanied by power transitions. Shifting patterns of global power provide heft to such diverse interests as new players amalgamate power to pursue their objectives. A power transition, therefore, automatically challenges the established rules and norms of state behaviour. It also affects institutional mechanisms, and multipolarity, by its very nature, introduces strategic flux in

**MODERATOR**

**Shashi Tharoor** MEMBER OF PARLIAMENT, INDIA

**PANELLISTS**

**Vyacheslav Nikonov** CHAIRMAN, STATE DUMA COMMITTEE ON EDUCATION, RUSSIA

**Seyed Kazem Sajjadpour** DEPUTY FOREIGN MINISTER, IRAN

**Ali Naseer Mohamed** FOREIGN SECRETARY, MALDIVES

**Robert Blackwill** HENRY A. KISSINGER SENIOR FELLOW, COUNCIL OF FOREIGN RELATIONS, USA

**Lisa Curtis** SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION, USA

**Shen Dingli** PROFESSOR, FUDAN UNIVERSITY, CHINA

global politics.

If such is the nature of a world with multiple powers, cooperation among sovereign states becomes problematic. The most important question that a multipolar global order has to confront, therefore, is how to achieve cooperation among diverse actors in a system that is undergoing rapid changes. For one, even in the state of multipolarity, there exists a commonality of interests among stakeholders. Such commonality of interests may range from avoidance of conflict to issues concerning public goods, such as climate change and free navigation.

Multipolarity, even when it encourages diverse interests and provides additional power to new participants, does not necessarily entail fierce competition. Second, unlike hegemonic global orders, a multipolar system also entails greater responsibility on the part of emerging powers as solutions to global problems require both their participation and their resources. A multipolar world order is therefore defined by three factors: diversity of actors; changing pattern of global rules and norms; and commonality of interests.

Cooperation under conditions of multipolarity can be achieved either through a concert of power or through multilateralism. A concert of power would allow major powers to redesign the global system in a way that their strategic priorities are adequately addressed. This is clearly inspired by the 18th-century European model of the Concert of Vienna, where European powers divided the continent among respective spheres of influence. This allowed Europe to witness, what American diplomat Henry Kissinger had later called, a "100-year peace."

Assigning autonomy to major powers may help in avoiding conflict among them. The only problem with such a system is to decide who would participate in such a concert and on what basis. Smaller states would, obviously, suffer the most as concerts of power are implicitly based upon a recognition of power capabilities. The other approach is one of multilateralism. If concerts are based on the logic of balance of power, multilateralism emphasises upon democratic processes, widespread representation and consensus. Multilateralism, however, suffers from two major problems. Just like all democratic processes, it is highly inefficient; and it declines to admit the reality of power in international politics since states remain highly wary of sharing decision-making ability.

The current discourse on multipolarity emerges out of the current transition of power. Multilateralism is also an off-shoot of the same phenomena. Yet, the nature of international politics does not incentivise states to share power; it rather forces them to compete.

Hegemony, as political scientist John Mearsheimer argues, is the only viable recourse in international politics. The future of global order will consequently depend upon the concentration of power rather than its dispersal. Both multipolarity and multilateralism may ultimately prove to be more transitory than either is currently envisaged. The case in point is the increasing competition between US and China; the former being a declining hegemony and the latter a rising challenger. In the near future, this may lead to a more bipolar world order. Yet, China will continue to compete to replace the US hegemony in the long run.

Multilateralism therefore does not appear to be the "new normal," it should rather be seen as the "abnormal" in the long history of international politics. ■

**—Yogesh Joshi**

# 3

# Evolving Politics of the Asia-Pacific

**Day 2, 14:50 PM**

At the Raisina Dialogue 2017, several key themes took centerstage during a discussion on the "Evolving Politics of the Asia-Pacific." One of them was Freedom of Navigation (FON) in the region and the expanding role of navies in the increasingly contested waters of the Indian Ocean, the South and Western Pacific Oceans.

FON operations assume particular salience, not only because of the volume of commercial activity carried out in the Indo-Pacific but also due to military competitions in the maritime domain. It is because of this economic interdependence and security competition that a complex interplay manifests in the region.

Expanding naval strength of specific countries and their competing maritime claims have caused a subversive effect on stability in Asia-Pacific. The legitimacy of undergirding maritime rights of states are under stress. Thus, by shifting the focus away from competition to cooperation, states in the Indo-Pacific region will have to accept or share common conception of the rules-based orders and norms underpinning FON in Asia-Pacific. Arbitrary maritime claims, which disregard international laws, will only open sluice gates for maritime territorial claims by various states.

The South China Sea is a case in point where Chinese maritime claims undermine Beijing's self-declaration of rising peacefully. Expansion in Chinese naval power constrains FON operations in two ways: it allows China to press its latent maritime territorial claims, and it enables Beijing to control critical waterways and maritime territory through its Anti-Access/Area-Denial (A2/AD) strategy.

Today, navies across the region are gearing up to protect Sea Lines of Communication (SLOC) and secure—what they deem to be—their rightful economic and territorial rights. Given the high level of merchant traffic plying through the waters from the Western Pacific to the Indian Ocean and beyond, strategic Indo-Pacific waters are not only becoming increasingly congested but also a target for potential conflicts. Even navies from distant Europe have stakes in maritime stability in Asia-Pacific or Indo-Pacific. The UK has opened a base in Bahrain and holds military presence in Japan through its deploy-

**MODERATOR**

**Indrani Bagchi** DIPLOMATIC EDITOR, TIMES OF INDIA

**PANELLISTS**

**VADM Girish Luthra**, FLAG OFFICER C-IN-C, WESTERN NAVAL COMMAND, INDIA

**Gen. Sir Chris Deverell**, COMMANDER, JOINT FORCES COMMAND, UK

**VADM Herve De Bonnaventure**, DEPUTY DIRECTOR GENERAL, INTERNATIONAL RELATIONS AND STRATEGY (MOD.), FRANCE

**Michael Pillsbury**, CONSULTANT, DEPARTMENT OF DEFENSE, USA


(from left) **Michael Pillsbury, Vice Admiral Hervé de Bonnaventure, Indrani Bagchi, Vice Admiral Girish Luthra, General Sir Chris Deverell**

ment of typhoon fighter squadron. France, too, is actively engaging in the region.

The US, however, is among the most consequential vectors of power in Asia-Pacific. The core role of the US in the last seven decades has been preservation of balance of power in Asia-Pacific. Possessing a potent navy with unlimited force projection capabilities, Washington has become vital to FON operations in Asia-Pacific. However, the rise of Chinese military strength leaves Washington with the unenviable and daunting task of balancing its significant economic ties with its allies in Asia-Pacific.

It is evident that trade will be a major source of contention between Beijing and Washington. A skewed trade imbalance favourable to China and its variable currency manipulation could trigger a trade war in due course. Beijing, for its part, sees its rise as bequeathing to it a natural and rightful place under the sun in Asia-Pacific, especially since Western and Japanese imperialism for the last 200 years have denied it the privilege it once enjoyed.

Meanwhile, Washington, particularly under the administration of US President Donald Trump, is likely to act unpredictably as long as China remains wedded to "Bùkě zhuǎnràng" (which translates in English to non-negotiable) and "Héxīn lìyì" (which translates to "core interest"). It is understood that when the two are paired, they are likely to become a recipe for confrontation. Unless well calibrated, the Trump administration's converse policy of acting unpredictably could lead to the sowing of seeds of miscalculation.

"The Chinese will hope that the United States would suspend freedom of navigation operations or at least not do them with two carriers at once or seeming to challenge Chinese waters."

**—Michael Pillsbury**

(from left) **Vice Admiral Girish Luthra, Vice Admiral Hervé de Bonnaventure**

It therefore cannot be denied that some key areas will remain contentious between China and the US, such as the One China Policy. The US has supported the One China Policy for decades now, but the US military sales to Taiwan is a contentious area. It tugs at the gut of Chinese sovereignty because it is viewed in Beijing as Washington's attempt to undermine Chinese claims over Taiwan, even if Washington expressed intent to support Taiwan's peaceful reunification with the mainland. Beijing, on the other hand, views the reunification of Taiwan as the unfinished business of the Chinese civil war. Nevertheless, political trajectory and evolution of Taiwan as a democratic entity places steep pressures on Washington to come to Taipei's aid in the event of a Sino-Taiwanese war. Washington, for its part, has practised dual deterrence between the mainland and Taiwan. Washington's dual deterrence posture has, for now, fostered caution and restraint in both Beijing and Taipei, but dual deterrence could become unsustainable for Washington since Chinese military power has grown exponentially over the last two decades. In this regard, the A2/AD strategy has been specifically developed towards negating any third-party intervention on behalf of Taiwan, thereby doubling or even tripling the costs and risks for Washington today than what they were two decades ago.

Further, there is the vexed issue of Tibet where the US sees a pressure point against China. Giving the Dalai Lama visitation rights and an opportunity to meet the president will strike a raw nerve in Beijing. Having said that, Tibet assumes particular salience for New Delhi because competition between China and Washington could become an invitation for military confrontation between India and China. ■

**—Kartik Bommakanti**

# Keynote Address

**FIELD MARSHAL SARATH FONSEKA**
MINISTER OF REGIONAL DEVELOPMENT, SRI LANKA

**On Indian Ocean governance:**

"…a framework for regulating power in the Indian Ocean and beyond is required. Of course, such a framework must be flexible enough to respond to strategic changes. For example, if unexpectedly fast Indian growth shifts the regional balance of power, [the framework] must also effectively constrain, channel and process the exercise of power. Such a framework will need to maintain and uphold the rules based upon international order and the principles that undergird them."

**On Sri Lanka and geopolitics:**

"Sri Lanka needs to take the pro-action and inform all the major geopolitical players of its position... In the past, Sri Lanka has also practised a polity of friendly relations with all states, India, China and the United States and West. This has been the most beneficial to Sri Lanka with least negative consequences.

"…just as Singapore, over the years, helped stakeholders come together and work towards their common interests in South East Asia, Sri Lanka, the gateway to South Asia—which is also fast becoming the hub of the Indian Ocean and who maintains excellent relations with all relevant stakeholders—too will play a constructive role in promoting dialogue and cooperation for peaceful development in the region.

**On the Asian century:**

"Perhaps the most significant policy question for the Asian century is ensuring the realisation of human value. How will demographic realities in Asia translate into economic and, by extension, political transformations? The region hosts the youngest as well as the most rapidly ageing population in the world, suggesting that demography can both be a dividend and a disaster. Growth models of decade passed are being rendered obsolete by technological advancements and digitalisation… What are the livelihood avenues available to 21st-century Asians? Will unemployment continue to fuel the high-octane nationalist and sub-nationalist? movements that Asia is witnessing? Does this detract from the ability of Asian actors to sacrifice and compromise something that multilateralism demands?"

**JACQUES AUDIBERT**

DIPLOMATIC ADVISER TO FRENCH PRESIDENT FRANCOIS HOLLANDE

**On interventions:**

"[France's intervention in Mali] is exactly a good illustration of what we have in mind in terms of contribution to the stability: Taking risk, because it is risky to intervene militarily… not hesitating to use force when we have a legal basis, but making sure that all these efforts are immediately, by definition, embedded in a multilateral dimension, again, African Union, European Union and, of course, United Nations."

**On UN Security Council reform:**

"We have to think together how to have a more effective and representative multilateralism. We all know that we have an issue with the Security Council. What is at stake is the credibility of the whole system. You know that France's position is to enlarge the Security Council to take into account the new reality because we believe that major partners as India not only deserve to be part of the Security Council—I mean, permanent, but also need to be there for the sake of the credibility of the whole system.

"…France has also proposed a reform of the veto right. What we have been witnessing… on Crimea, but mainly on the conflict on Syria and Iraq, is the use of veto preventing United Nations from doing [its job]."

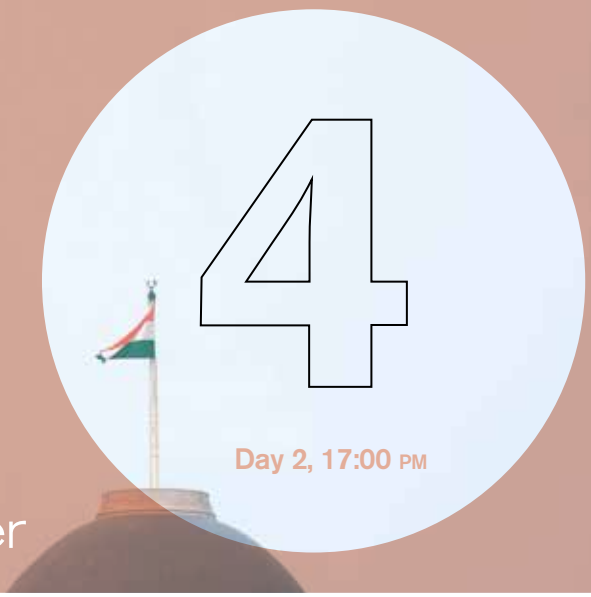
**On freedom of navigation:**

"…the multilateralism we starve for, which is a multilateralism based on respect for international law. But we also need to make sure that the rights of the states are respected… The principle of freedom of navigation and air traffic [is] a crucial issue, and we are particularly attached to it… The respect of the Law of the Sea in the seas of China is crucial because if it is not respected, it would be threatened tomorrow in the Arctic, the Mediterranean and elsewhere. We must defend this law and defend ourselves by the law."

**On the India–France bilateral:**

"A country with strategic independence, such as France and India, [must] much more than ever, do things together. First, to support multilateralism… Second, to act together for regional stability. The maritime security cooperation in Indian Ocean is a good example for that.

"…beyond this bilateral cooperation, there is an interest in ad hoc formats between countries with capacity and sharing the same concerns… We have also to respond together in a concrete way to universal challenges such as terrorism… but also climate change…and also to find innovative solutions to foster a development partnership between French and Indian companies on technology transfer, Make in India or smart cities."



# 4

# Women in the New World Order

Day 2, 17:00 PM

**MODERATOR**

**Yalda Hakim** INTERNATIONAL CORRESPONDENT, BBC WORLD NEWS

**PANELLISTS**

**Smriti Irani** MINISTER, TEXTILES, INDIA

**Adm. Michelle Howard** COMMANDER, US NAVAL FORCES EUROPE AND AFRICA

**Pramit Pal Chaudhuri** SENIOR EDITOR, HINDUSTAN TIMES, INDIA

**Sakena Yacoobi** CEO, AFGHAN INSTITUTE OF LEARNING

Women are increasingly moving from the side table to the negotiation table in global governance processes. Yet, barring notable exceptions, international politics remains a "man's world."

At a panel discussion on "Women in the New World Order", the extent of women's underrepresentation in political leadership is demonstrated by the fact that although, statistically, the percentage of women in parliaments has nearly doubled in the last 20 years, only 22.8 percent of all national parliamentarians were women as of June 2016, a slow increase from 11.3 percent in 1995. As of January 2017, 10 women were serving as heads of state and nine as heads of government.

The traditional western view of international relations—heavily focused on high politics of war and realpolitik—has continued to emanate from men's experiences. Existing literature and common perception continue to associate power, security and war with masculinity. The consequent absence of women's voices contributes to the exclusion of experiences of half of the world's population, and leads to an in-built self-selection mechanism that favours men in the world of foreign policy and in the academic field of international relations.

In the words of philosopher and activist Simone de Beauvoir, "Representation of the world, like the world itself, is the work of men; they describe it from their own point of view, which they confuse with absolute truth." Thus, the continued exclusion of female actors and women's experiences in global politics radically alters the field itself.

Further, studies indicate that this selection process impacts the nature of politics itself. For instance, in a 2013 article titled "Sex and World Politics," authors found there exists a strong correlation between gender inequality and levels of conflict, and although the nature of this relationship fuels violence and instability, the reverse is true as well. While in some cases, women attempt to further their strategic interests during times of conflict, this is usually followed by the reconstruction of more unequal gender roles afterwards.

Speaking at Raisina Dialogue 2017, Admiral Michelle Howard contextualised underrepresentation and meritocracy in the


(from left) **Smriti Zubin Irani, Sakina Yacoobi, Yalda Hakim, Pramit Pal Chaudhuri, Admiral Michelle Howard**

armed forces and pointed out that calls for increasing women's presence in international security are often treated as tokenism. Women's biological weakness is touted as one of the reasons for keeping them out. Strongly disagreeing with the view that the presence of female soldiers dampens team spirit in combat situations because male soldiers feel protective towards them, Admiral Howard said gender distinctions disappear in combat as female soldiers, having made the cut to serve, are just as meritorious and driven as their male counterparts.

In the last few years, particularly since the global financial crisis, efficacy and legitimacy of the current international order has been questioned. At present, the world is going through a geopolitical and geoeconomic transition. Emerging economies have increasingly raised concerns about being led by incumbent actors and outdated institutions. Indeed, exceptional women leaders have made a dent in the international sphere.

Seconding the point, Indian Union Minister Smriti Irani highlighted that critical portfolios such as trade and external affairs are headed by women ministers in India. Germany's Angela Merkel and Britain's Theresa May are leaders of two of the world's biggest economies. However, Irani also underlined that the interplay between gender and meritocracy remains complex in politics and governance. While women leaders are typically expected to work harder and take implicit and explicit sexism in their stride, they also have to make deliberate efforts to refrain from playing the "gender card."

Though there is recognition and glob-

While women leaders are typically expected to work harder and take implicit and explicit sexism in their stride, they also have to make deliberate efforts to refrain from playing the "gender card."

**—Smriti Irani**

al consensus that new actors and voices need to be included in multilateral forums, this conversation does not adequately address the persistent gender gap in multilateral forums. BRICS and G20 suffer from an obvious lack of equal female leadership as well as gender-inclusive agenda. Despite BRICS's repeated commitments to promote women in key positions, the New Development Bank (NDB) leadership is exclusively male-dominated. The board of governors, board of directors and senior management do not include a single woman. Similarly, not even one-third of the G20 leadership or nominated Sherpas are women.

Since the future of technology, financial and trade regimes must be scripted by forums like these, women's unequal participation and persisting gender gaps are likely to deepen existing inequalities.

The emergence of new multilateral institutions was intended to reshape the distribution of global power. However, on a fundamental level, they have not been successful in dismantling the internal power structures that drive gender inequality and hinder societal progress. Without this, new multilateral institutions and instruments are likely to replicate the existing unequal and hierarchical world order. For the realisation of a new world order, women must play an equal and active role in framing ethical imperatives and defining prosperity, responsibility and accountability in international politics for global common futures. Moving forward, the push to update conceptions of diversity and inclusivity in global leadership must be amplified. ■

**—Vidisha Mishra**

**1. Sakina Yacoobi and Pramit Pal**
**2. Admiral Michelle Howard and Yalda Hakim**


# 5

# Will Energy Trump Climate?

Day 2, 18:30 PM

In late 2015, more than half the world came together to sign an agreement declaring that they would not allow global temperatures to rise by more than 1.5 degrees Celsius by 2100.

While the goal itself was modest, the agreement was hailed as a milestone in the fight against climate change. More than 140 countries submitted their Intended Nationally Determined Contributions, outlining specific actions designed to reduce carbon emissions over the next 50 years. India, too, used the opportunity to establish itself as a leader among emerging economies by setting ambitious goals, pledging to reduce the emissions intensity of its GDP by 33–35 percent by 2030. It also stated that that by 2030, 40 percent of the total installed power generation capacity in India would be from non-fossil fuel sources.

However, India and other emerging economies face a larger existential question when it comes to energy and development, panellists underlined during a discussion on "Will Energy Trump Climate?."

Between 1950 and 2000, $847 trillion of wealth was created, largely through the use of surplus fossil fuels that have contributed to social, economic and technological progress of the world. Under the Paris Agreement, however, India and its fellow emerging economies are expected to develop without the use of cheap forms of energy that were available for industrial catalysation of developed nations. Thus, expecting emerging economies to use expensive forms of clean energy is untenable.

Having said that, recent developments have provided some good news for the fight against climate change. Participating in the panel, CEO of ReNew Power, Sumant Sinha, pointed out that the energy debate no longer needs to be framed in the context of development versus climate conservation. Courtesy recent technological advances, renewable energy is quickly becoming the cheapest form of energy available, but there are macroeconomic implications associated with the use of renewable energy.

The largest contribution—close to 70 percent—to India's trade deficit comes from fossil fuel imports; the situation is mirrored across many non-oil producing countries of the world. Managing Director of Re-Define,

**MODERATOR**

**Rathin Roy** DIRECTOR, NATIONAL INSTITUTE OF PUBLIC FINANCE AND POLICY, INDIA

**PANELLISTS**

**Michael Shellenberger** FOUNDER AND PRESIDENT, ENVIRONMENTAL PROGRESS, USA

**Sumant Sinha** CHAIRMAN AND CEO, RENEW POWER VENTURES PVT. LTD, INDIA

**Erlan Batyrbekov** DIRECTOR GENERAL, NATIONAL NUCLEAR CENTRE, MINISTRY OF ENERGY, KA-ZAKHSTAN

**Lydia Powell** SENIOR FELLOW, OBSERVER RESEARCH FOUNDATION

**Sony Kapoor** MANAGING DIRECTOR, RE-DEFINE, UK



(from left) **Rathin Roy, Sony Kapoor, Micheal Shellenberg**

Sony Kapoor, stated during the panel that this dependence on fossil fuels leaves countries at major macroeconomic risk due to the uncertainty associated with oil import prices.

Renewable energy, however, should not be looked at as a panacea for the ills of climate change. Environment policy expert Michael Schellenberger pointed out that solar and wind sources are intermittent, only producing energy 10–20 percent of the time. Pointing towards Europe, Schellenberger shared that Germany increased its wind turbine capacity by 11 percent and solar capacity by 2.5 percent last year, but it only led to the generation of 1 percent and -1 percent of energy respectively, during the year.

"Nuclear is much more expensive than renewables are right now, and so, to us, the natural path forward really would be in the dimension of renewable energy."

**—Sumant Sinha**

Additionally, macroeconomic risk might be amplified rather that reduced due to a shift in renewable energy, according to Dr. Rathin Roy of the National Institute of Public Finance and Policy. Considering the Chinese monopoly of solar panel manufacturing—75 to 80 percent of all solar panels are produced in China—the sources for future energy material might actually be less diversified, leading to greater overall energy security risk if there is a large scale shift towards renewable energy.

Schellenberger believes there are only two countries in the world that have scaled up low-carbon, pollution-free power at a pace to deal with climate change: France and Sweden. The impetus behind scaling up of clean energy has not been renewable energy but nuclear energy, which contributes to 75 percent of energy produced in France. Nuclear energy does not face the intermittency issues associated with renewable energy; it produces negligible amounts of waste and does not have any energy securi-


(from left) **Erlan Gadletovich Batyrbekov, Lydia Powell, Sumant Sinha, Rathin Roy, Michael Shellenberger, Sony Kapoor**

ty issue that are associated with fossil fuels and renewables, he pointed out.

It is, however, important to mention the massive downside associated with nuclear energy. The chances for large-scale disasters such as Chernobyl and Fukushima remain small, but their potential implications are tremendous. The calculated financial cost for the two nuclear incidents currently sits at $500 billion. This number does not take into account the massive cost of human lives and environmental damage the tragedies caused. There is also the issue of financial viability; nuclear power has not yet shown itself to be viable in any country without the help of implicit subsidies. Nuclear plants that have been built recently in the UK have, however, come close to being stranded assets due to the massive leap in solar technology, which has dramatically undercut the price of nuclear energy, leading to massive losses for nuclear power stalwarts such as Westinghouse.

Moving home, India's future energy usage remains complex and difficult to navigate. There is no single solution that will allow India to meet its developmental goals while reducing the carbon intensity of its economy. While there are hopes that future technological leaps will produce a battery and storage system that reduces intermittency of renewable energy, any current solution hinges on the right mix of renewable energy, nuclear energy and fossil fuels to propel the country into a new age. ■

**—Aparajit Pandey**

"We forget the difference fossil fuels has made to the livelihoods and quality of life."

**—Lydia Powell**

**BORIS JOHNSON**

SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS



# Keynote Address

**On populism and globalisation:**

"…they may feel worried about the security of the world or about terrorism, and they may feel that they aren't allowed to hold widespread opinions and that they are being sneered at or disapproved of, and they look at this great glittering globalised economy, and they see some people getting very rich indeed, and they wonder why their own families aren't keeping pace and they fear that they may be the first generation not to be overtaken in prosperity by their own children. I don't think that these people should be dismissed or patronised and they should be listened to. But nor should we draw the wrong conclusions about this wave of populism… Of course, the answer is not to put up barriers or to weaken our trading systems. The answer is to use our international systems to give those people the jobs and the self-respect that they need and to show how trade can work for both sides and how fair exchange benefits everyone and is not zero sum… that means not going back to the 1930s with strong men in power everywhere, autarchic and beggar-thy-neighbour policies of tariffs and other barriers to trade."

**On Britain's role:**

"[Shrinking and retreating in the world] is not the UK's approach, not the UK's ambition. We… have just decided to restore our military presence east of Suez with a £3 billion commitment over 10 years, a new naval support facility in Bahrain. We have commitment to the wider world.

"…Britain remains one of the handful of countries able to deploy air power 7,000 miles from home… Our strategic defence and security review makes clear that the Royal Navy's new aircraft carriers will be present in Asian waters. The Five Powers Defence Arrangements, which join Britain with Malaysia, Singapore, Australia and New Zealand, remain the only permanent and multilateral defence pact in Asia."

**On India–British economic interdependence:**

"…the single biggest employer in Britain is an Indian company… the curry restaurants in Britain manage to employ more people than the ship building, coal mining and steel industries combined… There are four JCB factories here in India. We have British scientists teaming up with Indians to tackle the latest superbugs, one in 20 private-sector jobs here in India is in a UK company and our trade is growing 3 percent a year.

"But I don't think it is good enough… Population of Ireland is less than 5 million and Britain somehow does more trade with Ireland than it does with the whole of India…. I think the time is fast upon us when we need to turbo charge this relationship with a new free trade deal…"

**ADMIRAL HARRY B. HARRIS JR.**

COMMANDER, US PACIFIC COMMAND

**On the new normal:**

"There is a tendency to accept the new normal, whatever that is, as fait accompli and that the way to things are fixed in time and place and the new normal then becomes the basis for the future actions and activities. Ladies and gentlemen, I simply don't accept this premise. I think this view is complacent, and it is even pessimistic. I believe that the United States and India can truly shape the new normal. Indeed, must shape it because I guarantee that our adversaries, China, do that very same thing…"

**On challenges to the "global operation system":**

"Urgently, the self-proclaimed Islamic State is a clear threat that must be destroyed… But as ISIL is eliminated in [the Middle East and North Africa], some of the surviving foreign fighters will actually return to the countries where once they came. What is worse is that they will be radicalised and weaponised. We have seen the beginning of this trend in the Indo-Asia Pacific… In the past year alone, ISIL has made its murderous intentions clear in places such as Bangladesh, Indonesia, in the Philippines, Malaysia and the United States.

"North Korea [is another immediate threat]. Very ambitious and volatile dictators are nothing new in the long dark history of mankind. But what is new is the way in which these volatile dictators have their fingers on a nuclear trigger."

"Other significant challenges are posed by a revanchist Russia and an increasingly assertive China. Both Moscow and Beijing have choices to make. They can choose to disregard the rules-based international order, or they can contribute to it as responsible stakeholders."

**On Indo-US ties:**

"Our leaders have affirmed and I too believe that the deepening US–India relationship will be the defining strategic partnership of the 21st century.

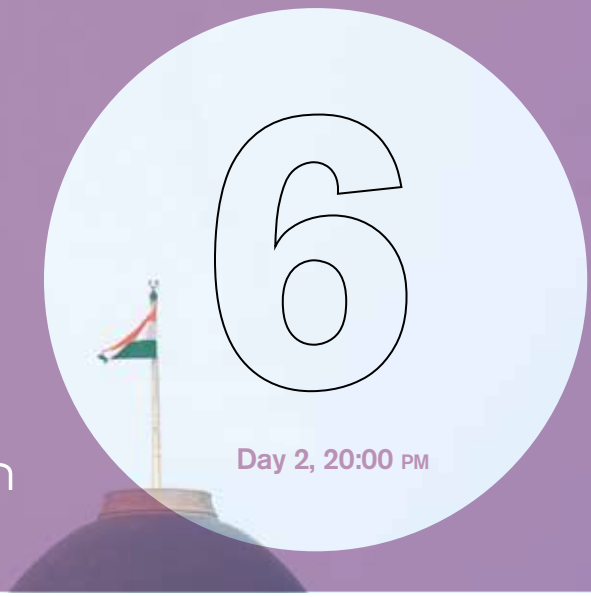
"There are those who question the motives with this increasingly cooperative relationship between the US and India. They say that it is to balance against and contain China. That is simply not true in my opinion. Our relationship stands on its own merits."

**On Indo-US defence ties:**

"…just last month, Secretary of Defence Carter met with Indian Defence Minister Parrikar and designated India as a major defence partner. In our recent history, our two nations have indeed sharpened many tools that will improve our efforts to defend the global operating system, and the sharpest of our tools include the Defence Technology and Trade Initiative or DTTI, the Logistics Exchange Memorandum of Agreement or LEMOA and our robust military cooperation…

"I am eager to continue our work on the other foundational agreements that will make our armed forces even more interoperable such as the Communications Compatibility and Security Agreement or COMCASA and the Basic Exchange and Cooperation Agreement for Geospatial Information and Services or BECA.

"Our interoperability is improving fast as we… put platforms and exercise them on a regular basis. Two shining examples of this close relationship are Yudha Abhays and Malabar exercises."



# 6

# The West Asian Paradigm

Day 2, 20:00 PM

**MODERATOR**

**Ashok Malik**
DISTINGUISHED FELLOW,
OBSERVER RESEARCH FOUNDATION

**PANELLISTS**

**Seyed Kazem Sajjadpour**
DEPUTY FOREIGN MINISTER, IRAN

**Vyacheslav Nikonov**
CHAIRMAN, STATE DUMA COMMITTEE ON EDUCATION, RUSSIA

Raisina Dialogue 2017 offered a rare chance for an all-encompassing debate on possibly the most pertaining global topic of interest: West Asia (or the Middle East, as most refer to it). Much of literature and academia consumed on West Asia comes from a lens of studies conducted by Western institutes in English language, more than often sidelining local academic and scholarly views from Tehran, Kabul, Riyadh and other neighbouring regions. One of the reasons for the success of the panel on "The West Asian Paradigm" and its mindful yet open debate was perhaps the lack of a direct Western perspective.

Speaking at the dinner panel on the sidelines of Raisina Dialogue, Iran's Deputy Foreign Minister Seyed Kazem Sajjadpour and Russia's Chairman of State Duma Committee on Education Vyacheslav Nikonov looked into predominantly grey areas in the fractured political and social structures of the region.

The Iranian foreign minister highlighted the crowded "interventionist" space in the region's affairs, describing three categories of actors that he believes operate in region: global actors, regional actors and transnational actors. Keeping in mind that both Iran and Russia are collaborating in aiding the Syrian regime of Bashar al-Assad, Sajjadpur's comments perhaps presented a rare glimpse into the fact that Tehran may not be very comfortable with a long-term military presence of Moscow in the region.

From an Indian perspective, whether the three regional poles of West Asia—Israel, Iran and Saudi Arabia—like it or not, India's interests via demographics and economics will be part of the dynamics. While New Delhi's posture in the region is correctly non-interventionist, a policy that is expected to survive for a long period, the reality of protecting the interests of more than eight million of its citizens working in the larger West Asia region—a population responsible for more than $50 billion in annual remittances—will push policy towards "challenge management" more.

Until now, a lot of challenge management in the global sphere for India has been done more than often in the dance with Russia. While this is slowly changing, with the India–US dynamic and bilateral strategic engage-


(from left) **Vyacheslav Nikonov, Ashok Malik, Seyed Kazem Sajjadpour**

ments with West Asian powers increasing significantly, direct policy outcomes will become more important between India and West Asia than just multilateral spheres, and clearly, both Russia and Iran—one a regional power and the other a global actor—will have important roles to play. However, of course, Iran has a distinct advantage of being a power that is not overtly reliant on foreign actors but is largely militarily and economically self-sufficient.

With high-level representations from both Russia and Iran, the panel delved into a more important question: What is Russia's end game in Syria? And Nikonov's answer was quite straightforward: to make sure the tentacles of Islamist jihad do not spread in Central Asia and Russia's more restive regions in the south.

The Russian representative explained that the strategy to align with Assad—who he called "a natural ally"—and perhaps even Iran has been led by the idea of backing the "strongest and the most legitimate" political force in the region.

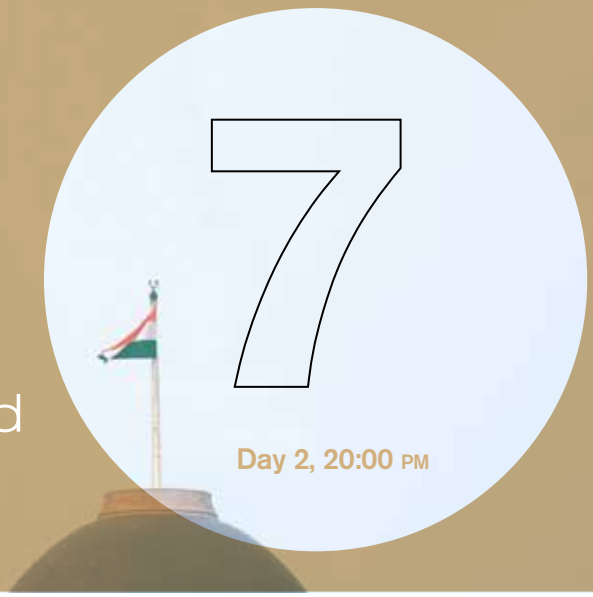
Meanwhile, it was established at the panel that much of the debate on West Asia and India's role in the same is lost in the global foreign policy circles and hidden in domestic foreign policy due to the hectic neighbourhood it finds itself in. Despite that, it is imperative to bring these debates into the public sphere to understand just how important India's relations in West Asia are today, and how much more important they are going to become over the coming decade. ■

**—Kabir Taneja**

Russia's official position is that the fate of Syria should be decided by the Syrian people, one way or another.

**—Vyacheslav Nikonov**

# India's Infrastructure Challenges: Domestic Constraints and Geopolitical Opportunities



7

Day 2, 20:00 PM

**MODERATOR**

**Mihir Sharma** SENIOR FELLOW, OBSERVER RESEARCH FOUNDATION

**PANELLISTS**

**Sharmila Chavaly** MINISTRY OF FINANCE, JOINT SECRETARY

**Deepak Amitabh** PTC INDIA LIMITED

**Rohit Kumar Singh** MINISTRY OF ROADWAYS AND TRANSPORTATION

**Terry Fanous** MOODY'S

**Sumant Sinha** RE-NEW

**Shailesh Sathak** CITYINFRA CAPITAL

"India is transforming" is a refrain that echoed throughout Raisina Dialogue 2017, and numbers backed it up.

The seventh largest economy in the world, India is set to overtake China's population and become the most populous nation by 2022. With an average age of 29, India will also become the youngest nation in the world by 2020, and changes in the demographic and economic makeup of the country will lead to the doubling of its urban population by 2030.

Over the last few decades, India's hyper growth has led to an aspirational population with needs that have stretched the resources of the nation to its brink, infrastructure being the major requirement. India's infrastructure gap has been studied ad nauseam, with economists all over the world agreeing that bridging India's infrastructure gap would act as a catalyst for its economic and development leap. To bridge this gap, however, an investment of $1.5 trillion over the next 10 years is needed.

Having said that, as was pointed out during a roundtable discussion, it is not feasible to expect the Indian government to finance this alone. With $80 trillion available in international long-term capital for investment, there is no dearth of funding that India can tap into to bring its infrastructure insecurity to an end. However, attracting this capital to India is a challenge.

Sovereign wealth and pension funds have limited appetite for what is viewed as regulatory uncertainty when it comes to India. Regulatory risks can manifest themselves in various forms, whether tariff entries based on differing interpretations of government provision or lack of enforcement when it comes to upholding purchase agreements. Additionally, concerns about the legal system also tend to dissuade investors.

Harkening back to the days of the East India Company, one of the roundtable participants reminded everyone that the private sector had proved to the fail-safe for services that the government was unable to provide back then. While robust frameworks have been created and implemented for infrastructure development over the last few decades, India is ranked 172 out of 190 countries when it comes to enforcement of contracts. Often, the private sector signs

agreements made under the aforementioned robust framework, with no intention of honouring the contract because they know it will not be enforced in court. It cannot be denied that a common tactic by the private sector in India has been to press for renegotiation of contracts for infrastructure projects by using threats of delays and cost overages. This—inherent delays in Indian infrastructure projects—is another significant concern for investors eyeing India.

While comparing the Indian and Australian public-private partnership model, it was brought to attention that the latter country has a predefined criteria for infrastructure bid processes, with a time frame of 15 to 18 months from initial interest to financial close. India, on the other hand, recently employed the Swiss Challenge methodology to award project contracts to redevelop 23 railway stations, which will force the government to wait for 18 months before the bid can be even awarded. Further, an additional eight to 12 months would be required for financial close, leading to actual construction only beginning after 20 months since the bid opened. That's twice the duration of the Australian timelines.

It cannot, however, be denied that steps have been taken by the Indian government to address institutional investor concerns. An innovative solution that has come to fruition in the Indian markets has been credit enhancement. Even the best-rated projects are capped in their credit evaluations by the sovereign's credit rating, a high-ranking government official pointed out at the roundtable discussion. For a higher rating of a project, it can be sent to the credit enhancement fund to obtain a guarantee for a certain portion—say 30 percent—of the project value. The guarantee effectively boosts the credit rating of the project past the sovereign credit rating, often making it attractive enough for

insti tutional investors.

Another innovative solution employed by the Indian government has been the formation of Infrastructure Investment Funds (InvITs), which takes contributions from several investors and uses the funding for a multitude of infrastructure projects. This lowers the amount of risk for investors since their money is not focused on one project but invested in various projects across sectors such as sanitation, roads and renewable energy, among others.

The most promising step taken by the Indian government has been to encourage international institutional investment through the implementation of toll-operate-transfer (TOT) model. The TOT model essentially takes infrastructure assets that are currently operating and generating steady profits, and auctions them to international investors. The infrastructure projects that are being auctioned off generate annual revenues of INR 2,700 crore and are expected to rise between INR 25,000 to 30,000 crore in the next 30 years. Essentially, the TOT model trades in 30 years of future annual flows for a lump-sum payment, which can then be used to fund new infrastructure funds that the country needs.

While there is no doubt that India's infrastructure needs remain great and many, institutional investors are wary of committing to fill the gap in this need. However, the steps that have been taken by the government and the vision that its leaders across ministries hold show that it is possible for India to catapult into the future. ■

**—Aparajit Pandey**

(from left) **Sumant Sinha, Vivek Dehejia and Sharmila Chavaly**

# Keynote Addresses

**SHUNSUKE TAKEI**

PARLIAMENTARY VICE PRESIDENT FOR FOREIGN AFFAIRS, JAPAN

**On Japan–India in the Indo–Pacific:**

"Japan is committed to work together with India to realise the common goal of ensuring open and stable seas and the prosperity and stability of the Indo-Pacific region.

"Japan and India are guardians of diversity and trust in this region and also over the rule of law, the essential foundation of diversity and trust."

**On international cooperation and maritime architecture:**

"The first [task to realise open and stable seas] is further promotion of international cooperation in order to realise the rule of law in the region. Countries need to value rules and take unified actions. Japan, together with India, is strongly determined to promote cooperation among the countries through the multinational framework of ASEAN, the East Asia Summit (EAS) and ASEAN Regional Forum (ARF). We will also advance trilateral dialogues such as the Japan–India–US and Japan–India–Australia dialogue."

**On the PQI/QII:**

"Japan will intensify flow of people and goods and build a foundation for economic prosperity. We will do so by strengthening physical connectivity of sea ports, bridges, railways etc., as well as strengthening institutional connectivity, including foundation of customs procedures. …Japan will assist the creation of an era in which countries surrounding the Indian Ocean—India, Bangladesh, Sri Lanka, ASEAN countries and furthermore the Middle East and African countries—are connected by quality value chains."

**On maritime law enforcement:**

"Japan spares no effort in providing assistance to world effort made by coastal states in Asia… We will serve the underlying cause of piracy and robbery at sea, illegal, unreported and unregulated fishing, maritime crime and terrorism. To this end, Japan will combine various options within its assistance menu, including ODA, defence equipment and technology, and cooperation and capacity building assistance."

**PIYUSH GOYAL**

MINISTER OF STATE WITH INDEPENDENT CHARGE FOR POWER, COAL, NEW AND RENEWABLE ENERGY AND MINES, INDIA

**On the 'new normal' in India's power sector:**

"…what really helped change the scenario from one of perpetual shortages and the pessimism of never being able to change what was happening for decades… [was a change in] mindset. The difference was in our ability to be bold… accept the challenge and… find solutions to change the situation… And while trying to change the situation, the only thing we did differently from the past was to look at things with a clinical business management approach. We prioritised the challenges, the problems the industry faces… [some] monitoring of various government programmes to hold people accountable, broaden a few initiatives, expand financial models to help stalled projects get back on stream."

**On generation and distribution:**

"On any normal working day, our day is consuming about 136GW of power at peak levels… if you were all to demand 50 percent more power starting tomorrow, today India has the capacity to generate 50 percent more power from tomorrow itself. I think it is that mindset, that confidence, that has come into the system that we can meet any amount of power the country needs.

"We are committed that before 2022, every home in this country will have 24x7 power. On a personal note, I'm trying to do it even earlier. By the end of 2019, we can take power to every home in this country."

**On the Paris Agreement:**

"Paris truly was an outstanding experience. I had the privilege of being there when PM Modi was spearheading process of consensus and getting all the world leaders to come on one page. And I recall his approach that India will not be the problem, India will be the solution…

To my mind, the single largest contribution of India, apart from building consensus… was to bring in the concept of sustainable lifestyle.

India mentioned when we joined the Paris Agreement [that] we will certainly be looking at how the developed world comes up to its commitments made in Paris. After Kyoto, they have not yet fulfilled the commitments that were made, particularly related to finance. I hope the same history is not repeated post 2020."

# Bits and Bytes: Reaching Money to the Bottom of the Pyramid


A historical ordinance issued by the Government of India to demonetise old currency notes of higher denominations on 8 November 2016 was not just a strike on black money hoarders but also an attempt to transform India into a less-cash economy by promoting digital payments.

Moderated by Bloomberg TV India, Consulting Editor Fatima Karan, the panel on "Bits and Bytes: Reaching Money to the Bottom of the Pyramid" provided a forum to discuss the impact of demonetisation on Digital India, an initiative of the government that aims to build a digitally empowered society by focusing on three key areas—infrastructure as a utility, governance and services on demand, and digital empowerment of citizens.

Post-demonetisation, use of various segments of digital payments such as mobile banking, payment through point of sale, m-wallets, and electronic fund transfers, among others, experienced a significant growth. However, this scenario was limited to a period of two months. Once sufficient currency began to flow back into the economy, the use of digital platforms for transactions declined once again. According to the Reserve Bank of India's Payment and Settlement System, the volume of digital payments grew by 46.3 percent between November and December 2016, and then dropped by 7.1 percent in January 2017.

Digital payments were used extensively immediately after demonetisation due to lack of other options. Consequently, use of debit and credit cards at point of sale increased by 75 percent and 18 percent respectively. However, use of cards at ATMs increased only marginally during this same period, owing to the unavailability of sufficient cash in the machines. Prepaid Payment Instruments (PPIs), including m-wallets, PPI cards and paper vouchers, have meanwhile continued to see a rise in user base since November 2016. This is due to several government initiatives and schemes launched or promoted under the Digital India initiative. These include the Aadhaar identity platform, Bharat Interface for Money (BHIM), Unified Payment Interface, Direct Benefit Transfers, e-NAM and the Geographic Information System.

India is undergoing a digital revolution in its payment landscape. This transformation

**MODERATOR**

**Fatima Karan** CONSULTING EDITOR, BLOOMBERG TV INDIA

**PANELLISTS**

**Ajay Kumar** ADDITIONAL SECRETARY, MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY, INDIA

**Ben Shenglin** DEAN, ACADEMY OF INTERNET FINANCE, CHINA

**Murli Nair** SENIOR VICE PRESIDENT, MARKET DEVELOPMENT, SOUTH ASIA, MASTERCARD

**Vivek Dehejia** RESIDENT SENIOR FELLOW, IDFC INSTITUTE, INDIA

is driven predominantly by improvements in digital infrastructure, comprising widespread internet connectivity, creating digital identity through Aadhaar, increasing mobile and smartphone penetration and rising digitisation of banking transactions. Today, India has over 1 billion mobile phone subscriptions, and 0.2 billion smartphone users. With internet connectivity expanding rapidly, the number of internet users across rural and urban areas is expected to grow from 300 million in 2015 to about 650 million by 2020.

The foremost step towards a digital payment economy is to provide a digital identity to every individual in the country, which was carried out through Aadhaar. Another prerequisite is greater financial inclusion, which has been achieved through the Pradhan Mantri Jan Dhan Yojana. And a third but integral step is to provide an affordable interface to link digital identities with bank accounts to ensure easy payment and transfer of funds. The JAM trinity, therefore, has been one of the most essential measures taken by the government in the ongoing digital payments revolution.

Having established that, despite numerous government efforts to popularise digital transactions, India continues to be a cash-dependent economy. This is because the transformation to a less-cash society requires attitudinal and behavioural changes, which is a long-term process. Customers in India resist adopting digital payments due to fear of insecure transactions while merchants prefer cash payments to avoid taxes. To tackle these, the government has started incentivising customers, merchants and service providers through schemes such as hourly gala lotteries, cash backs, discounts

(from left) **Murli Nair, Vivek Dehejia, Fatima Khan, Ajay Kumar, Ben Shenglin**


(from left) **Vivek Dehejia, Murli Nair, Fatima Khan, Ajay Kumar, Ben Shenglin**

and tax benefits to encourage use of digital payments. Additionally, the government is also organising digital literacy programmes to create awareness about the benefits of digital payments, especially among lower-income groups. These programmes are essential for achieving universal financial inclusion and enabling money to reach the bottom of the pyramid.

India has thus a lot to learn from experiences of developing economies such as Kenya, China and Sweden in the digital space. Despite being a low-income economy, Kenya has been successful in transitioning to mobile payments at a mass scale by capitalising on high mobile penetration, robust mobile networks and low-cost transaction systems. China, too, has created similar online payment systems, known as Alipay and WeChat Pay, to overcome major barriers of lack of trust between buyers and sellers, and low credit card penetration. Taking a cue from them, Indian start-up firm Paytm has replicated the QR code services, popularly used by the Chinese, for digital payments. However, a major barrier in India has been the lack of interoperability of QR code services between networks. This was considerably overcome earlier this year by Bharat QR, an integrated payment system that uses mobile phones to pay through debit/credit cards by scanning a code at the merchant's place. As of now, RuPay, MasterCard, VISA and American Express cards can be linked to pay through Bharat QR.

What India needs right now is a well-connected, secure and interoperable digital ecosystem to accelerate large-scale adoption of digital payments. According to World Bank estimates, India can save 1 percent of its gross domestic product annually from digitising payments. This makes it imperative for India to provide incentives to customers, merchants and service providers to expedite adoption of digital payments. ■

**—Preety Bhogal**

"In the longer run, digitisation and formalisation of the economy are going to be the most important medium to long-run benefits of demonetisations."

**—Vivek Dehejia**

# Keynote Address

**ADMIRAL MICHELLE HOWARD**

COMMANDER, ALLIED JOINT FORCE COMMAND, NAPLES; COMMANDER, US NAVAL FORCES EUROPE; COMMANDER, US NAVAL FORCES AFRICA

**On unity and interoperability:**

"Unity has driven principles of interoperability and common procedures, and I find it fascinating that NATO pioneered standards that are ubiquitous both within and out of the military community, such as the phonetic alphabet and a common system of aircraft so that allied aircraft can use other nations' bases. Today, NATO has proven systems and processes for interoperability tested with real-world experience. We continue to develop and enhance our efforts to work together."

**On the Atlantic and the Pacific:**

"Enshrined within the spirit of the original North Atlantic Treaty so eloquently articulated with the words "common heritage," the Atlantic bond has been significant to European and American history. It is an important link that has shaped world history. However, it would be myopic to suggest it is the only link around the world.

"During the 1980s trans-Atlantic and trans-Pacific trade, merchandised trade from the Americas across the Atlantic-Pacific was roughly equal to about a $150 billion a year… Today trans-Atlantic merchandise trade is worth $1 trillion, yet trans-Pacific is almost double at $1.9 trillion per year… [I]t is no coincidence that we have seen several… issues in the body of water in the Pacific, which NATO and EU have tackled much closer to Europe, such as mass migration and piracy. Consider the nexus point, i.e. the Mediterranean for NATO: in 1994, NATO initiated a Mediterranean dialogue… [A] promising and fruitful area for cooperation is NATO's engagement with the African Union, critical when you consider Africa's position with these global sea connections."

**On new security challenges:**

"The sea and land scapes have evolved to include new challenges to our security systems. Take, for example, the rise of religious extremism or the threat of hyper warfare… and, in addition, we all have the vulnerabilities of the cyber domain… [T]he sharing of intelligence and threat information is an area where NATO is extremely well-versed, [and] offers us a significant advantage within a multilateral construct. And we all benefit when all of us are fully cognizant of indicators and warnings that are observed by partners.

"…we need to be aware that belligerence has now become a sliding scale rather than a definitive state, warfare is a continued rather than a binary on and off activity. Antagonists within this multipolar order will be able to change their approach at a speed which will be eye-opening to some. NATO's close work with partner organisations… provides new skills and complementary capabilities that will become decisive in mitigating hybrid threats."

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Day 3, 10:45 AM

# Future of Europe

As the European Union faces existential pressures from both within and outside its boundaries, there is a strong need for the Union to reinvent itself once again. This was established at a panel discussion on "Future of Europe" during Raisina Dialogue 2017, the year that marks the completion of 60 years of the signing of the Treaty of Rome that laid the foundations of the European Economic Community (EEC).

The formation of EEC was an unprecedented move and came from the same continent that gave to the world the enduring template about the state in 1648. Thus, at a time when the rest of world was embracing sovereignty with open arms, Europe did something unprecedented by taking steps towards supranationalism. Over the next few decades, EEC evolved from a purely economic community into the European Union (EU), spanning policy areas, ranging from climate, environment and health to external relations, security, justice and migration.

It cannot be denied that the EU is a great experiment towards political and economic integration. At the peak of its prosperity, it underwent the largest round of expansion in 2004 to include countries in central and eastern Europe. This, in itself, was an achievement since eight of the 10 countries that joined the EU came from the former Communist Bloc. By fulfilling the Copenhagen criteria that included a free-market economy, a stable democracy and the rule of law—along with acceptance of all EU legislation—their membership became symbolic in attracting other countries towards a prosperous Union. The European approach to international issues was also regarded as the ideal one. This prosperity was, however, short-lived as the 2008 financial crisis opened the Pandora box of EU's problems.

By 2009, it was apparent that Greece would most likely default on its debt. Something that began as a debt crisis in Greece soon escalated into a broader economic Eurozone crisis, subsequently transforming itself into a political crisis for the EU. As the Union struggled to cope with Eurozone, other challenges in the form of neighbourhood instability, refugee influx and rise in populism, among others, began to crop up. While the Union is now nearing a decade of crisis, the most severe blow came in 2016 with the

**MODERATOR**

**Ummu Salma Bava** PROFESSOR, JAWAHARLAL NEHRU UNIVERSITY, INDIA

**PANELLISTS**

**Sujata Mehta** SECRETARY (WEST), MINISTRY OF EXTERNAL AFFAIRS, INDIA

**Geoffrey Van Orden** MEMBER, EUROPEAN PARLIAMENT, UK

**Christian Leffler** DEPUTY SECRETARY GENERAL, EUROPEAN EXTERNAL ACTION SERVICE

**Jozsef Czukor** FOREIGN POLICY ADVISER TO THE PRIME MINISTER, HUNGARY

**Steven Blockmans** HEAD, FOREIGN POLICY, CENTRE FOR EUROPEAN POLICY STUDIES, BELGIUM


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vote on the UK's exit from the Union.

A series of crises since 2009 have raised questions about the sustainability of the project. Optimists argue that obituaries for the EU are premature as it is likely to survive, given its ability to reinvent itself. For them, the crisis is an opportunity for the Union to integrate even stronger while undergoing reforms. Pessimists, on the other hand, cite the example of the Soviet Union's demise, which was perhaps unthinkable to policy-makers in the 1970s. They argue that the break-up of the EU could be an "unintended consequence of the Union's long-term dysfunctioning, meddling tendencies and misguided reforms compounded by the elite's misreading of political dynamics."

In the current phase of globalisation, where uncertainty and disruption have become the new norm, Europe is no exception. Irrespective of the ongoing crisis, the Union is considered as one of the most successful models of regional integration. Former diplomat Sujata Mehta stated that the layers or multiplicity of institutions, with which the integration of Europe has been pursued, has often intrigued other actors in the world,

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**1.** (from left) **Steven Blockmans, Jozsef Czukor, Christian Leffler, Ummu Salma Bava, Sujata Mehtam Geoffrey Van Orden**
**2. Ummu Salma Bava**
**3. Geoffrey Van Orden**
**4. Steven Blockmans**

(from left) **Jozsef Czukor, Sujata Mehta**

who tend to have similar agendas but find it difficult to pursue and maintain even a single regional integration process.

However, it is important for the European consensus to include a lot more voices to gain its footing back as an integration model for the rest of the world.

The Head of EU Foreign Policy at Belgium's Centre for European Policy Studies, Steven Blockmans, used the forum of Raisina Dialogue to propose ways for the EU to redeem itself. He suggested that the EU should first maintain unity among big and small states to lead towards stability. Second, it should stop being an elite-driven European project that does not have many takers among the masses who are drawn to the populist narrative. Third, the Union needs to stress on its role as an actor capable of adding value, both in terms of bringing prosperity to its citizens as well as soft and hard security for the nations. As of now, the Brexit referendum has proven that the EU is drifting away from its citizens who are either ignorant of or unsatisfied with the direction in which EU policymaking is progressing. ■

**—Himani Pant**

"One of the prime causes of people in the United Kingdom voting for Brexit [is] because they were very concerned, among other things, about the whole concept of free movement."

**—Geoffrey Van Orden**


# In Conversation

**Ravishankar Prasad,**

**Minister of Electronics and Information Technology**

**and Minister of Law and Justice**

**On Digital India:**

"Digital India… is basically based upon three premises. It is inclusive… It is developmental centric but [with] a clear preference for pro-poor initiative. Thirdly, access of technology, [it] must be available for all… Therefore, Digital India is an enabler and also an equaliser…

"Th[e] JAM trinity (Jan Dhan-Aadhaar-Mobile) is a shining example of th[is] initiative… What happens is we linked up the mobile phone to the Jan Dhan account, then properly vetted by Aadhaar, and we started delivering subsidies to the poor, underprivileged, which was delayed in the quagmire of bureaucratic rules and hassles, pilfered by middlemen and fictitious claimants… we have given this benefit to about 325 million Indians in 84 schemes….

"We have got a proper portal eTaal, where we record every digital movement in the country. It was 295 million per month in 2014. It became 550 million per month

in 2015; it has become 840 million per month in 2016. I am sure when we end this year, it is going to cross 1,000 million plus and even more. The logical impact of this was in that UN E-Government Index of Nations India has climbed from 124 to 107. That is the real achievement of our government in the last more than two years."

**On mobile-based wallets:**

"Today, we came with alternative technology from BHIM to various mobile-based wallets, to UPI to USSD… We are going to soon launch Aadhaar-based payment, again a new technology for India, which the world can notice and also follow."

**On digital multilateralism and India's role:**

"We have supported the multi-stakeholder model in the ICANN, internet governance scenario. Why? Multi-stakeholder model is a logical corollary of the pluralistic tradition of India, unity in diversity…

"India today has become a big player on the digital multilateral exchange. Why we are doing so? We missed the industrial revolution for a variety of reasons; we were also under imperial subjugation. We missed the entrepreneurial revolution, which set the world in the 60s, 70s, 80s, and 90s. We don't want to miss the digital revolution, we want to become the leaders in that. This... India's experiment in a democracy of great noise and poise, yet profound unity, is going to become a big beacon for the [rest of the] developing world."

# Further of Universal Health Coverage in Asia: Learning from Each Other

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Day 3, 10:45 AM

**MODERATOR**

**K. Sujatha Rao** FORMER SECRETARY, MINISTRY OF HEALTH AND FAMILY WELFARE, GOVERNMENT OF INDIA

**PANELLISTS**

**Phyu Phyu Thin Zaw** RESEARCH SCIENTIST, DEPT. OF MEDICAL RESEARCH, MINISTRY OF HEALTH, MYANMAR

**Jayendra Sharma** SR. PLANNING OFFICER, POLICY AND PLANNING DIVISION, MINISTRY OF HEALTH, BHUTAN

**Mushtaque Chowdhury** VICE CHAIRPERSON, BRAC, BANGLADESH

**Suwit Wibulpolprasert** ADVISER TO HEALTH MINISTER ON GLOBAL HEALTH, THAILAND

**Priyanka Shah** HEALTH INITIATIVE, OBSERVER RESEARCH FOUNDATION

**Shamika Ravi** SENIOR FELLOW, BROOKINGS INDIA

While health was always a priority under the Millennium Development Goals (MDGs), the new Sustainable Development Goals (SGDs) have taken it a step further and made provisioning of healthcare absolutely imperative for nations.

SDG Goal 3 states, "Ensure healthy lives and promote well-being for all at all ages." This, along with the 16 other goals, directly or indirectly impact health. One key focus area of the health component under SDGs is Universal Health Coverage (UHC). This is crucial since, every year, approximately 400 million people are deprived of one or more essential health services, and 150 million people around the world undergo great financial hardships due to high out-of-pocket expenditure.

The prime objective of UHC is to extend health services of sufficient quality and effectiveness to all, with special focus on the "worst-off" groups in a country. Speaking at a panel on "Further of Universal Health Coverage in Asia: Learning from Each Other," panellists agreed that while countries across the world are striving towards UHC, only a handful have successfully rolled out schemes to truly achieve it. The rest of the world continues to grapple with challenges of finding a balance between allocating necessary resources, deriving political will and ensuring high standard of health services.

Like other democracies of the world, public health is a state subject in India, thereby making it the government's responsibility to provide quality healthcare services to its people. One of the biggest challenges for low-and middle-income countries such as India to achieve the health goal, however, is the failure to develop a sustainable financial model for healthcare. Budgetary constrains hold such countries from meeting the requirements. It is, therefore, important that the centre maintains a flexible financing model to help states meet this budget gap. Further, given the size and diversity of India, with its multiplicity of healthcare challenges, it would be impossible to resolve any issue by simply implementing a one-size-fits-all policy.

Moderating the session, Former Secretary of Health and Family Welfare Dr. Sujatha Rao said, "Universal health coverage is really a health system issue. It is not a scheme, it

is not a programme, it is not a vertical set of technical guidelines that can simply be implemented by some doctors or a facility. It has much to do with all aspects that go into health and well-being."

A health system issue such as UHC would require a multi-sectoral approach, which would include access to sanitation, water and other basic needs. Further, all key stakeholders and players—from the public and private sectors—must be involved in framing a realistic model for the country. Since the private sector is, at present, the largest provider of healthcare services in the country, the government must take steps not only to regulate but also to create innovative public-private partnership models that help in building a robust UHC system.

An important step in laying the groundwork for implementing UHC would be to list the different healthcare services packaged under the UHC system. This would require the creation of a comprehensive database of all prevalent diseases in the country. As India's healthcare priorities expand, such a database would help policymakers gain perspective and prioritise. This database will also help the government identify services that require subsidisation under the UHC model; the cost of services, diagnostic tech-


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1. Dr. Rajiv Tandon
2. Dr. Anjali Bhardwaj
3. Dr. Soumya Swaminathan
4. Dr. Suwit Wibulpolprasert
5. Dr. Shamika Ravi



(from left) **Jayendra Sharma, Mushtaque Chowdhury, Helmut Hauschild**

niques and essential drugs prices will need to be taken into account as well. Only by performing such a tedious exercise can the budgetary requirements for UHC be calculated and sources of funding be determined.

While providing health coverage remains a goal for many countries, there are some, such as Thailand, that have managed to successfully achieve it. In 2000, Thailand was undergoing a major health crisis with high under five-mortality rate (most of which were preventable deaths), high out-of-pocket expenses and a large number of uninsured citizens. This pushed approximately 20 percent Thai people into poverty. The introduction of the Universal Coverage Scheme (UCS) in 2001 dramatically reformed the country's healthcare system and, a decade later, 98 percent of Thai citizens were covered under health insurance schemes. However, it is important to acknowledge that it took several decades to develop the capability and care required for a universal healthcare system in Thailand; and the real work towards UHC actually began in the 1970s when free medical care was made available to poorer sections of the society. The government also froze and reallocated funds from urban hospitals to rural areas to ensure improvement in the primary healthcare system. This was a crucial step given that most developing countries, such as India and Thailand, suffer from weak primary healthcare systems. The most important factors that led to the success of UHC in Thailand were long-term political commitment and a leadership dedicated to the cause, something that has so far been largely absent from the Indian political establishment.

While Thailand may be a great example to learn from, India and Thailand have different challenges. Therefore, merely duplicating the Thai model in India would be foolhardy. An important prerequisite for India's UHC model would be to establish a sustainable financial system and increase investment in healthcare infrastructure with a focus on primary healthcare system. By adopting a multi-sectoral approach with key stakeholders, the central government should play a leading role in combining efforts across departments, agencies and ministries to provide healthcare for 1.25 billion Indians.

Given India's vast population and wide geography, public health policy advocate Dr. Suwit Wibulpolprasert believes that if India can demonstrate a successful UHC plan, it would serve a global example. ■

**—Priyanka Shah**

# Keynote Addresses

**HAMID KARZAI**

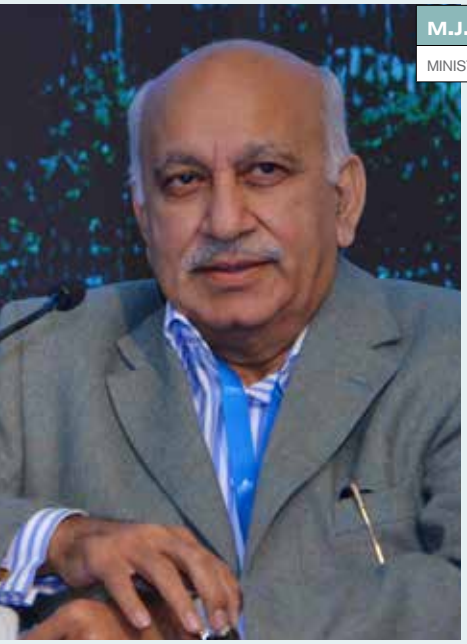
FORMER PRESIDENT, AFGHANISTAN

**On multipolarity and multilateralism at play in Afghanistan:**

"...I witnessed how multipolarity worked in Afghanistan and how multilateral interaction took between competing interests in Afghanistan… when we began Afghanistan had nothing. It was a debilitated, destroyed state…

The Indians gave us thousands of scholarships, the Americans built us roads, the Russians supplied us helicopters, the Chinese helped us in recreating our canal systems, Japan gave us billions of dollars and hosted the first conference in Tokyo. Iran was supportive of the US action in Afghanistan,the US accepted Iran's interests in Afghanistan. The Saudis built part of the roads that the Americans were building for us, and Pakistan too wanted to contribute in spite of India's presence there.

Now, this is what we desire for the whole of the world and this is what we had in Afghanistan from 2002 till very recently."



**M.J. AKBAR**

MINISTER OF STATE OF EXTERNAL AFFAIRS, INDIA

**On (multi)polarity:**

"Polarity is a vertical: it is a pole in terms of the big power status of multiple poles across the world. No big power has actually ever been alone. Big power is surrounded by a cluster. Even at the height of the Cold War, it was not a bipolar world: the American side had the geopolitical and economic strength of Europe, of many parts of the world behind it; the Soviet Union had the Warsaw pact and the support of many nations behind it. It did occur to me that during that great confrontation, the most interesting aspect of it was that the Non-Aligned Movement was actually a multilateral alternative to a multipolar problem."

**On the nation-state:**

"The issue to my mind at the moment is that all our constructs of how to sort these problems that we face are built around our understanding of the nation-state, whether it is the term 'big power,' whether it is the term 'multipolarity' or whether it is 'multilateralism.' All of these are specific variations with the nation-state at the centre of it, and has the commitment to seeing the world through the nation-state."

**On terrorism:**

"…a new big power has risen and this is the power of terrorism. But the power of terrorism lives outside the space of nation states… one of the greatest dangers of terrorism is that it challenges the nation state itself as a basis of political mobilisation."

# Keynote Addresses

**STEPHAN HARPER**

FORMER PRIME MINSTER, CANADA

**On why there is greater political uncertainty today:**

"The forces that destroyed the Soviet Union have not ceased. They have continued and they have accelerated and they are eroding power throughout the world, including eroding the state power on which the global order is based. Once again as I say, just look at the changes happening in the past year: the Brexit referendum, anti-establishment populist movements in the western world, in particular the election of Donald Trump... Now, think back to the forces [that led to the decline and collapse of the Soviet empire]: the rejuvenation of nationalism, leadership from outside government structures and established institutions, and most of all, the technological revolution."

**On consensus and publics:**

"Just because a very wide establishment and expert consensus exists does not mean the wider public is going to accept that judgement in whole or in part. In fact, it may actually encourage them to reject the judgement."

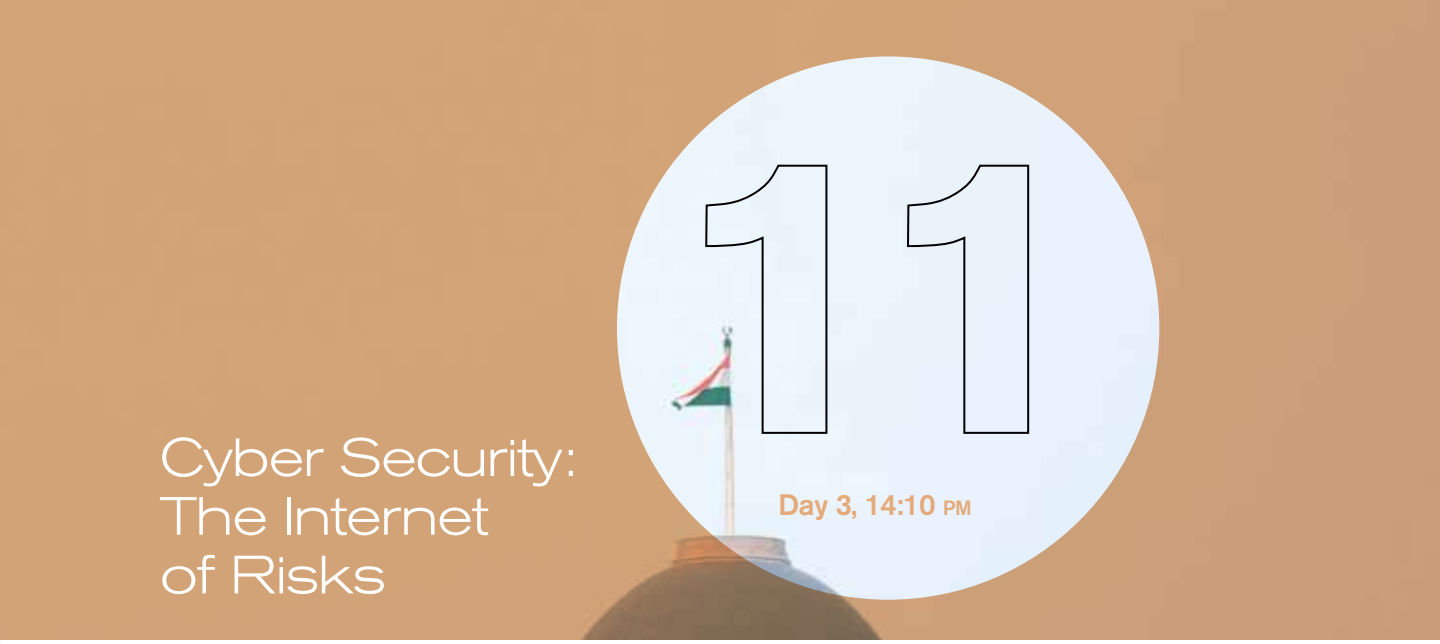
**On Trump and US foreign policy:**

"There are two things on international affairs I believe he is going to do that are truly game changers. First, Donald Trump is going to reverse the cornerstone of seven decades of American foreign policy, i.e. he is going to reject and reverse the idea that the United States has an overarching responsibility for global affairs… I believe the US under Trump will focus squarely on America's vital national interests narrowly defined, especially its economic interests. It does not mean the United States is unwilling to work with friends and allies on shared interests; it will, but only when such friends and allies are prepared to bring real assets to the table.

"…[Second,] under Donald Trump, the US will cease to view the rise of China as essentially benign. That has been the approach of American policy to China for four decades."

**On India:**

"As the Trump administration moves away from Europe, as it moves towards Asia, as it confronts China, as it continues to focus on jihadist extremism, it will be looking for friends, for potential partners who share these concerns. I believe that in India, it will see a potential ally, it will see a country that has, broadly speaking, shared interests and concerns, it will see a democracy it can identify with, it will see a country focused first and foremost on economic growth as Trump is also likely to be, and it will see a country that is wanting economic partnerships that are mutually beneficial."



# Cyber Security: The Internet of Risks

11

Day 3, 14:10 PM

The benefits of cyberspace to citizens, businesses and governments are considerable and far reaching. Information and communications technologies (ICT) have enabled innovations that have spurred economic opportunity and growth, enhanced civil liberties and connected people from around the world in new and meaningful ways. The shared and interconnected nature of cyberspace, however, has also created manifold challenges.

While technologies are overwhelmingly created for positive use, they can be—and are being—exploited as well. During a panel on "Cyber Security: The Internet of Risks," speakers discussed how the integration of military, commercial and civilian communications through common networks and the use of off-the-shelf technology also creates vulnerabilities that can have catastrophic effects. These vulnerabilities threaten not just businesses and individual users but the very stability of cyberspace, too.

While states are leveraging technology to advance intelligence and national security objectives today, non-state actors, too, are deploying the same technologies to undermine democratic processes. The costs of these vulnerabilities have also risen dramatically, with one estimate claiming that crimes in cyberspace cost the global economy $450 billion a year. In a country such as the Netherlands, which is considered the digital gateway to Europe, cybercrime causes a loss of $8–10 billion a year—1.3 percent of the country's gross national product.

Experts at Raisina Dialogue 2017 agreed that cybercrime is particularly a major threat to sectors identified under Critical Information Infrastructure (CII). These sectors—which include financial systems, air traffic control and telecommunications, among others—form the bulwark on which a domestic economy rests. They are, however, especially vulnerable to cyber attacks for three reasons. First, all the sectors identified as CII are dependent on connectivity. Debilitating attack on any one system can cause a cascading effect, disrupting the functioning of other systems. Second, CII is highly dependent on industrial control systems, which depend on digital instructions. Any malicious takeover of these systems will not only disrupt but also seize functioning of CII.

### MODERATOR

**Angela McKay**, DIRECTOR, GOVERNMENT SECURITY POLICY AND STRATEGY, MICROSOFT, USA

### PANELLISTS

**Gulshan Rai**, NATIONAL CYBER SECURITY COORDINATOR, INDIA

**Uri Rosenthal** SPECIAL ENVOY FOR CYBERSPACE, MINISTRY OF FOREIGN AFFAIRS, THE NETHERLANDS

**Chris Painter** CYBER COORDINATOR, DEPARTMENT OF STATE, USA

**Li Yan** VICE PROFESSOR, CHINA INSTITUTES OF CONTEMPORARY INTERNATIONAL RELATIONS, CHINA

**Patricia Lewis** RESEARCH DIRECTOR, INTERNATIONAL SECURITY, CHATHAM HOUSE, UK

To fight the abuse of the internet in whatever sense, both from the criminals and from terrorists and also in the interstate domain, is of vital, indeed literally vital importance.

**—Uri Rosenthal**

Third, many CII, such as air traffic control, is dependent on navigational data, which is especially vulnerable to spoofing. If the integrity of this data cannot be ensured, the input of false data can have disastrous consequences.

The complexity of cyber attacks is on the rise and their sophistication will only increase in the coming decades. Combined with the proliferation of anonymising software, it is becoming harder to investigate cybercrime and trace the origin of malicious codes. Another challenge is in the omnipresence of data and inadequate protection accorded to it.

Localisation of world data to a few jurisdictions has long been a bone of contention among states. Emerging economies such as India, which are net data exporters, feel that storage of national data outside their jurisdictional boundaries hinders investigation of cybercrime. In future, these challenges will only exacerbate with the shift from "security by anonymity" to "security by identity." As India continues to implement and expand its centralised biometric database, effective governance will depend on securing its domestic networks and data.

Panellists in the session underlined that the internet is only as strong as its weakest link. International cooperation for cyber security is, therefore, paramount in enabling all countries to make use of developmental potential of the internet. This requires scripting of new rules, which makes role of international bodies like the United Nations Group


(from left) **Chris Painter, Uri Rosenthal, Gulshan Rai, Angela McKay, Patricia Lewis, Li Yan**



(from left) **Chris Painter, Angela McKay, Gulshan Rai**

of Governmental Experts (UNGGE) critical.

In 2016, UNGGE published a new document and reconfirmed the application of the international law and the UN Charter into cyberspace. However, there has been a lack of consensus in the interpretation and application of these norms in diverse geopolitical contexts. Moreover, laws both international and domestic can only provide a limited solution. In a dynamic environment like cyberspace, laws struggle to keep pace with the rapidly evolving technology. Instead, a culture of cybersecurity should be developed by fostering cooperation between Computer Emergency Response Teams (CERT) and advocating for stringent cyber hygiene standards in handling of sensitive data.

The focus of policymaking in cyberspace must therefore be on development, defence and diplomacy. Development of domestic capacity to tackle cyber threats through technology sharing and capacity building can serve as a first and effective line of defence against cyberattacks. Further, defensive capabilities must be developed by proactively investing in domestic development of technology, and governments should focus on diplomacy to enable sharing of data for investigation of cyber offences as well as sharing of technologies to strengthen networks.

In the long run, countries need to develop cyber security policies that have both criminal and economical deterrent for offenders. Norms need to be put in place that ensure states do not attack CII in another country during times of conflicts; states cooperate when malicious code originate in other territories; CERTs are not attacked; and intellectual property is not stolen. Acceptance of these norms can lead to greater stability and can promote trust building among nations. ■

**—Bedavyasa Mohanty**

Industry finds legislation very difficult because it tends to tie them down. They can't innovate so well and you don't want to kill innovation, you want to encourage innovation.

**—Patricia Lewis**

# 12

# New Strategic Order: Nuclear Conundrum

Day 3, 15:25 PM

**MODERATOR**

**Dhruva Jaishankar** FELLOW, FOREIGN POLICY, BROOKINGS INDIA

**PANELLISTS**

**Shen Dingli** PROFESSOR, FUDAN UNIVERSITY, CHINA

**S. Paul Kapur**, PROFESSOR, NAVAL POSTGRADUATE SCHOOL, USA

**Chung Min Lee** PROFESSOR, YONSEI UNIVERSITY, SOUTH KOREA

**Rakesh Sood** DISTINGUISHED FELLOW, OBSERVER RESEARCH FOUNDATION

**Patricia Lewis** RESEARCH DIRECTOR, INTERNATIONAL SECURITY, CHATHAM HOUSE, UK

The global geostrategic landscape is undergoing major upheavals. For one, the rise of China is forcing many states in Asia to revaluate their strategic priorities. Simultaneously, the US is undergoing a process of retrenchment from global politics. If the global balance of power is witnessing a transition, many other states are trying to adjust to a more chaotic international system.

The consequences result of these changes can be witnessed in the increasing reliance upon the use or the threat of use of force in international relations. In a world that is growing anarchic by the day, force is once again increasingly being accepted as the ultima ratio in interstate behaviour.

Panellists during a discussion on "New Strategic Order: Nuclear Conundrum" established that if military strength is the final argument in international politics, nuclear weapons are its most emphatic manifestation. The current global disorder, therefore, has consequences for the global nuclear order. These are mostly manifested in three distinct tendencies. First, after a long time, nuclear weapons are increasingly becoming acceptable among states as the ultimate guarantor of security and sovereignty. This trend is not only visible in Asia but is now spreading across Europe too. Second, if the Cold War ushered nuclear competition among major nuclear powers, it was also underlined by major successes in controlling the negative spirals of arms race through arms control. In the current scenario, however, prospects for arms control appear completely frozen. Lastly, the accompanying nuclear doctrinal changes among some new nuclear weapon states suggest instrumental importance of nuclear weapons exceeds political value.

From Japan to South Korea to Germany, nuclear weapons are now being debated and discussed in a manner inconceivable a decade earlier. There is a growing realisation among close defence allies of the US that Washington is recalibrating its defence commitments, including its extended nuclear deterrence. The new Trump administration has left no stone unturned to indicate its growing impatience with its allies in Asia and Europe. As the new US government seeks greater defence commitments from allies, it

also engenders certain incentives for them to acquire independent deterrents. In fact, during the Cold War, many of these states had bartered their strategic autonomy—including the choice to build nuclear weapons—in lieu of America's security commitments.

If US retrenchment is one factor, American allies are also becoming increasingly suspicious of Washington's credibility in deterring nuclear dangers posed by outliers such as North Korea and Iran. Or, as one Korean commentator put, "What leverage does US President Donald Trump have to basically dissuade Pyongyang?"

Nuclear vulnerability of American allies is, therefore, on the rise. As the allies' faith in US nuclear guarantees fades, so would their reasons to eschew an independent nuclear deterrent. If nuclear non-proliferation is the first casualty of the evolving global disorder, arms control is another.

To paraphrase nuclear physicist and arms control expert Patricia Lewis, arms control in the present context appears to be in "terrible situation." Unlike the era in which the nuclear non-proliferation regime evolved, today's global context is devoid of any great power consensus over the need and desirability of global arms control regimes. Instead, one witnesses an arms race where nuclear-weapon states are trying to outwit each other through incorporation of new weapon systems. If the US is employing ballistic missile defence, China is focusing on longer range missiles with multiple warheads, hypersonic glide and nuclear submarines. Russia, meanwhile, is not only increasing its nuclear arsenal but also testing new missiles. The arms race, however, is not restricted to these major nuclear-weapon states. Even within smaller nuclear powers, such as Pakistan and India, a technological race is quite evident, including a naval nuclear build-up in the Indian Ocean.

Though most historians and analysts ruminated over the fallacy of nuclear war-fighting

(from left) **S. Paul Kapur, Chung Min Leem, Shen Dingli**



(from left) **S. Paul Kapur, Shen Dingli, Patricia, Lewis, Dhruva Jaishankar, Rakesh Sood, Chung Min Lee**

doctrines after the Cold War, use of nuclear does not appear to have gone completely out of vogue. In fact, states are increasingly relying upon the first use of nuclear weapons in their defence strategies. North Korea is one such example. Pakistan, too, has time and again referred to the use of tactical nuclear weapons as a natural first response in case of a conventional conflict with India. The taboo over the use of nuclear weapons, in the post-Hiroshima period, appears too frail to be of much consequence in the emerging geopolitical landscape.

India is the only nuclear weapon state that says that we are fully committed towards elimination of nuclear weapons in a verifiable, multilateral manner. **—Rakesh Sood**

Clearly, the description of the second nuclear age does not entirely capture the emerging nuclear disorder. Rather, the current scenario indicates a repeat of the Cold War nuclear instability, devoid of its stabilising elements, especially those of the arms control measures. If strategists are talking about a Cold War 2.0, it is most emphatically manifested in what can only be called the third nuclear age—which promises to be far more unstable than the Cold War but will once again reinforce the utility of nuclear weapons in the anarchic and competitive landscape of international politics. ■

**—Yogesh Joshi**

# 13

# Indo-Pacific: Governing the Churn

Day 3, 15:25 PM

Panellists in the session "Indo-Pacific: Governing the Churn" highlighted three key themes that emerge from ocean governance in the Indo-Pacific region.

The first is the volume of commercial maritime traffic flowing through the region and the management of marine resources: states within and beyond the Indo-Pacific hold significant interests in this regard. The second is military stability in the Asia-Pacific: the naval competition brewing among the states of the Indian and Pacific Oceans presents challenges but also offers opportunities for cooperation. The third relates to competitive linkages between economic and military spheres in the Indian and Pacific oceans, specifically between the US and China.

It must be understood that the significance of movement of merchant shipping through the waters of the Indo-Pacific cannot be underestimated, the panellists pointed out.

Small states face two core threats in the Indo-Pacific. Archipelagos such as the Maldives are particularly vulnerable due to their small population and limited resources. Male has made intensive efforts to protect and economically consolidate its interests; and thus, tourism forms the bedrock of the Maldivian economy. Any maritime instability or conflict stretching from West Asia to the East of the Malacca Straits will prove deleterious to Maldives' fragile economy. Other smaller states in the Indo-Pacific—particularly in the South China Sea—such as Taiwan, Vietnam, the Philippines and Malaysia will also be affected by a conflict as there is competition for marine resources such as fisheries, oil and natural gas.

Countries beyond the Indian Ocean region, too, have a stake in the Indo-Pacific. French interests in the Indo-Pacific range from permanent ground force deployments to naval basing in the Indian and Pacific oceans. Shared values and interests—need for unhindered freedom of navigation and the challenge of threats stepping from maritime piracy or trafficking—between India and France further provide a vital glue for the two states to partner. Addressed together, these challenges create an opportunity for India and France to cooperate.

Brazil is another critical country that has an enduring interest in ensuring stability and maritime governance in the Indo-Pacific. The

**MODERATOR**

**Lisa Curtis** SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION, USA

**PANELLISTS**

**Mohamed Shainee** MINISTER, FISHERIES AND AGRICULTURE, MALDIVES

**Luc Hallade** AMBASSADOR IN CHARGE OF COOPERATION IN THE INDIAN OCEAN, FRANCE

**Claro S. Cristobal** DIRECTOR GENERAL, FOREIGN SERVICE INSTITUTE, PHILIPPINES

**Carlos Leal** PRESIDENT, FUNDACAO GETULIO VARGAS, BRAZIL

**I-Chung Lai** EXECUTIVE DIRECTOR, PROSPECT FOUNDATION, TAIWAN


*(above)*
**Mohamed Shainee**

largest Latin American country could play a key role in the coming years by contributing to food security in Asia-Pacific. As of now, Brazil exports most of its agricultural produce to Europe, but a considerable amount of its trade transits the Indian Ocean. Further, Asia is home to the largest proportion of the world's population and, therefore, generates demand for Brazilian food exports. Meanwhile, the US plays a pivotal role in keeping sea lanes open due to its formidable navy, and Brazilian maritime commerce depends on American naval power in the Indo-Pacific.

As a leveraged economy, the American dollar is considered to be the world's reserve currency. This is not due to the considerable or deep public finances of the US but largely due to its navy. Consequently, the US has an abiding and enduring interest in ensuring maritime order and security in Asia-Pacific. Further, the US has historically been a strong trading power, exhorting other states to keep their economies open to trade and investment while ensuring the same for itself. This creates a very strong motive and incentive for Washington to contest the emergence of threats in the maritime domain of the Indo-Pacific.

In a security milieu, where traditional and irregular threats increasingly intercept, maritime governance has emerged as a key area of focus.

**—Lisa Curtis**

Linked to the economic consequences for the American economy, if it were to dilute its naval presence in Asia-Pacific, the nature of the evolving strategic competition between China and the US could potentially undermine maritime stability in two ways. First, the American quest to maintain naval primacy means that it has no option but to maintain a strong military presence in Asia-Pacific to ensure the movement of sea-borne trade and sustain its extended deterrence com-


(from left) **Carlos Leal, Luc Hallade, Lisa Curtis, J. Chung Lee, Carlo S. Cristobal**

mitments in continental Asia. Its Asian allies such as Japan, South Korea, member states of the Association of South East Asian Nations (ASEAN), and the two antipodean states in Australia and New Zealand, will be affected if the US were to dilute its presence in the region and compelled to forge an intra-Asian balance against Chinese power.

Notwithstanding US President Donald Trump's protectionist and populist instincts and call for greater military burden sharing on part of America's allies, Asia remains critical to American national interests and, therefore, Washington's sustained engagement. Among Asian states, China, however, is the most consequential actor and presents a direct challenge to American naval power. Ironically, China, which has been among the principal beneficiaries, particularly in the commercial and economic realms of American power, is now poised to contest the American defence posture and the states neighbouring China. Beijing has methodically gone about converting its economic power into military power over the last two decades. It is but clear that the gradual transformation of the Chinese navy into a blue water fighting force could neutralise its immediate neighbours with whom it has disputatious maritime claims, such as in the South China Sea, but would significantly spur Sino-American naval competition. ■

**—Kartik Bommakanti**

"France wants to play its role in this region, enhancing our partnership and cooperation bilaterally with all the major stakeholders for the stability of Indo-Pacific, at the same time supporting regional organisations and multilateralism."

**—Luc Hallade**

# 14

# Reclaiming the Digital: Countering Violent Extremism Online

**Day 3, 17:00 PM**

**MODERATOR**

**Sean Kanuck** DISTINGUISHED FELLOW, OBSERVER RESEARCH FOUNDATION

**PANELLISTS**

**Gen. Sir Chris Deverell** COMMANDER, JOINT FORCES COMMAND, UK

**Sara Zeiger** SENIOR RESEARCH ANALYST, HEDAYAH CENTRE, UAE

**Ankhi Das** DIRECTOR, PUBLIC POLICY, FACEBOOK INDIA, SOUTH AND CENTRAL ASIA

**Irfan Saeed** DEPUTY DIRECTOR, CVE, DEPARTMENT OF STATE, USA

**Zafar Sobhan** EDITOR, DHAKA TRIBUNE, BANGLADESH

Threat from violent extremism was restricted to certain geographies earlier. National security agencies of most countries had developed significant capacities to protect their citizens from acts of terrorism. Recently, however, particularly post the rise of the Islamic State, extremists have found a new avenue—the internet—to radicalise and recruit individuals who are susceptible to their propaganda and, thereafter, willing to carry out terror strikes in different parts of the world.

There are over 3.5 billion people who use the internet today—that's more than half the population of the world—and it is predicted that over half the world's population will have access to the internet by 2020. In the developing world, achievement of Sustainable Development Goals will be predicated on the internet. In a nutshell, the internet is fast approaching the status of a utility rather than a luxury, if it hasn't done so already.

Given this scenario—panellists during a discussion on "Reclaiming the Digital: Countering Violent Extremism Online" pointed out—the challenge for governments, companies, and individuals is to ensure that the advantages the internet has to offer are not undermined while tools are developed to counter the misuse of the internet's vast reach.

One such tool is strategic communication or effective counter-speech. Terrorists are able to radicalise individuals online through a certain propaganda machine. This propaganda resonates with inherent radical tendencies of citizens, irrespective of their geographies. There is, therefore, a need to put out a counter-narrative that combats the narrative of the terrorists. This counter-narrative need not always come from governments or government officials. In fact, counter-narratives, which are bottoms-up and citizen-led, have the potential to be far more effective than a top-down approach. The first step in counter-narratives, therefore, is to identify individuals and organisations that have the capability to deconstruct, undermine and discredit the messages of violent extremists. These key messengers might be NGOs, religious figures, teachers, students, social workers, parents and peers.

The second step for governments and private-sector companies is to empower and equip these key messengers with rele-

vant skills and knowledge to produce effective counter-narratives; and to enhance their ability to identify violent speech, equip them to highlight misinformation, and build their capacities to put forth an effective positive message.

While the above two measures are demand-side factors, where there is counter-speech being created to discredit violent extremism, there are also supply-side techniques that need to be developed. One such framework, which has taken its initial steps, is collaboration between major internet players—such as Google, YouTube, Facebook and Twitter—to create a database of hashes. Essentially, what this allows companies to do is to flag terrorist content with each other and then make sure that this does not go viral. This seeks to choke the supply chain and, thereby, reduce the reach of terrorist propaganda. The next step should be for governments and such platforms to collaborate and create a database of effective counter-speech and ensure its supply is fast-tracked—or made to go viral.

The collaborative processes between governments, private-sector organisations and civil society groups must not be limited to an in-country process. To successfully implement a counter-speech strategy, all three groups will need to collaborate with each other across borders.

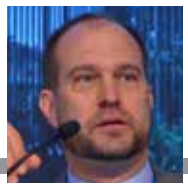
While counter-speech is an integral part of countering violent extremism online, it cannot be the only mechanism for a successful Counter Violent Extremism Strategy. Law enforcement agencies, including police and intelligence communities, too, have a critical role to play. In the UK for instance, a dedicated police counter-terrorism unit refers content that they deem contravenes

(from left) **Irfan Saeed, Sean Kanuck, Ankhi Das, Zafar Sobhan, General Sir Chris Deverall, Sara Zeiger**


(from left) **Zafar Shobhan, Sara Zeiger, Irfan Saeed, Sean Kanuck, Ankhi Das**

UK legislation to the communication service providers. If the providers agree that the material that has been referred to them breaches their terms and conditions, they remove it voluntarily. Since its inception in 2010, the work of this unit has resulted in the removal of more than 220,000 pieces of terrorist-related content. Some platforms have simple flagging mechanisms for the public to report content, allowing law enforcement and service providers to respond collectively at a fast pace.

Panellists in the discussion underlined that time has come for all countries to set up similar units, both at national and sub-national levels, to deal with online extremism. Building on such an exercise, it is also time to encourage and perhaps demand that more, if not all companies, in conjunction with law enforcement agencies, come up with a set of standards for countering violent extremism.



"Cyber space is being used to propagate radical ideologies and promote violence online which are then being manufactured or realised in the real world."

**—Sean Kanuck**

It is important to underscore that just because terror outfits have been successful in leveraging the internet for violent acts, the internet is not an unsafe domain; this would be akin to suggesting just because accidents take place on highways, we should not have highways. Much of the economic prosperity of the 21st century will be predicated on the effective utilisation of the internet. There are, however, gaps in the existing frameworks, which need to be plugged to ensure a safe web for all.

It should also be noted that online extremism is only a part of the larger issue; viewing online extremism as the sole tool for radicalisation is to misdiagnose the problem. Countering violent extremism has to be a holistic approach, and it cannot be focused entirely on the digital space. ■

**—Shubh Soni**

# Keynote Addresses

**PRAKASH SHARAN MAHAT**
MINISTER FOR FOREIGN AFFAIRS, NEPAL

**On multilateralism:**

"None of us deny that the enormous challenges humanity confronts today do not have unilateral solution. Solutions are multilateral. Yet, [multilateral] institutions suffer more than ever today from our own skepticism and lack of accommodative spirit. Reform of these institutions so as to make them inclusive and reflective of changing realities has remained elusive.

"In 2015, we demonstrated our collective ability to address global challenges by adopting SDGs and Paris Agreement. Nevertheless, agreements on several critical agendas of multilateral process have been hard to reach. Implementation of agreed agenda is another big challenge."

**On climate change and the Paris Agreement:**

"Threat of climate change has become more pronounced than ever… the poor are the most to suffer as they lack the capacity to adapt. A low industrialised country like Nepal emits insignificantly low amount of greenhouse gases and has no contribution to global warming. But impact of global warming is already visible in terms of erratic climate conditions and melting of glaciers and ices in Himalayan region, which would not only trigger problems in Nepal but also pose threat of water crisis in South Asian region. We are concerned about how effectively the Paris Agreement will be implemented, particularly by big actors, and whether this will be sufficient to curb global warming within the scientifically prescribed limit."

**On energy:**

"Energy security is an important component of sustainable development and economic security. Energy cooperation should be directed towards ensuring energy security for all. In this context, development of hydropower in Nepal is an area that promises great opportunities for partnership. We have not been able to fully exploit [our] huge water resources potential despite the persistent need of clean energy in our region. Investment and technology, enhanced interconnectivity and access to power market are essential to harness the full potential. I am happy to state that Nepal and India are working towards open market access in power trade at bilateral and subregional level."

**On Indo-Nepal ties:**

"Prime Minister Modiji sparked great optimism when he articulated the vision of *'sabka saath, sabka vikas'* and 'neighbourhood first' policy. We like to see greater translation of this vision into concrete deliverables, be it in the form of more trade, investment and connectivity, in the form of railways, highways and transmission infrastructures and mega projects as joint undertakings."

# Keynote Addresses

**KEVIN RUDD**

FORMER PRIME MINISTER, AUSTRALIA

**On global uncertainty:**

"It is not simply that all of us 'feel' that we are living in in an increasingly uncertain world. There are also longstanding, objective, measures of this, including the Global Uncertainty Index. According to this survey, which looks at the totality of political, economic and environmental risks on the planet, global uncertainty is now the highest in 16 years. It is this uncertainty that radically effects the behaviours of individuals and their consumption decisions, firms and their investment decisions, and nation-states in their policy decisions."

**On the future of US–China relationship:**

"I am concerned about the ability of the diplomatic machinery between the two countries to manage… escalation, given the overwhelming nationalist sentiment that may overtake the rational processes of normal relationship management."

**On the strategic triangle between Washington, Moscow and Beijing:**

"[Trump's policy departures on both Russia and China] are of genuine historic significance… The open question for the year ahead is whether we will see concrete signs of this radical change in language leading to a radical re-triangulation of the strategic framework laid out in 1972 between Nixon and Mao, i.e. a US–China strategic accommodation against a common ideological, political and military foe, the then Soviet Union… my simple submission to you today is that this most fundamental part of the post-1972 strategic order is no longer fixed; it is fluid and we did not know where it will land."

**On the future of the global trade and economic order:**

"…given President Trump's predilection for nationalism, protectionism and what I would call a new bilateralism based on the art of the deal, the future of the post-war trading order currently anchored in the WTO could well be thrown up into the air. Put bluntly, if unilateral action is taken by the US against a state party of the WTO, and the WTO's dispute resolution mechanisms are simply ignored by an incoming US administration, then it would not take long for the entire global trading system to unravel. Similarly, on the possibility of currency wars, we must be mindful of the fragile consensus that underpins the IMF on currency stability and the financial regulatory reform agenda currently entrusted to the Financial Stability Board under the G20.

"… I am concerned about the reemergence of a Smoot-Hawley Tariff by stealth, or in slow motion, and by different means over the years ahead."

# Terror Inc.: Combating State and Non-State Actors

15

Day 3, 18:10 PM

While on a state visit to Pakistan in 2011, former US Secretary of State Hillary Clinton had famously said, "You can't keep snakes in your backyard and expect them to only bite your neighbours." Never has a statement rung more true when seeking an understanding of the consequences a state faces when it uses terror proxies as an instrument of foreign policy.

During a discussion on "Terror Inc.: Combating State and Non-State Actors," panellists stated that several states hold significant power and influence in the international system, given the multipolar nature of the world today. As a result, states look for approaches other than conventional methods to make gains against their adversary. This has allowed greater space for "non-state actors" to increase their clout.

Terrorist organisations such as the Al-Qaeda and the Islamic State (IS) occupy a global footprint, plotting and training for a terror strike somewhere and executing it elsewhere. They operate on a "franchise model" where ideological radicalisation no longer requires militants to train, learn and fight together. By virtue of existing transnational networks in the world, terrorist organisations have adapted to a global revenue model that allows them to acquire financial support from nation states and gradually develop methods of self-sufficiency.

In the second half of the 20th century, a number of countries began using terror as a tool to promote their state interests. Many international terror organisations today are either "puppets" acting on behalf of sponsor states to further the latter's domestic and international positions or are "non-state actors" with already established terror networks. However, the case of non-state actors is a complex one, given the ambiguity in defining terrorism and non-state actors.

Does non-state terrorism truly exist? Can a terror organisation that is designated as a non-state actor, such as the IS, become big without some degree of state involvement? These were key questions raised during the panel discussion.

Today, a number of states make use of terror organisations, either established or state-created, to further their own foreign policy, panellists highlighted. American Cen-

**MODERATOR**

**Sushant Sareen** SENIOR FELLOW, VIVEKANANDA INTERNATIONAL FOUNDATION, INDIA

**PANELLISTS**

**Boris Michel** DIRECTOR, ASIA-PACIFIC, INTERNATIONAL COMMITTEE OF THE RED CROSS

**Foad Izadi** PROFESSOR UNIVERSITY OF TEHRAN AND SENIOR CONSULTANT MINISTRY OF FOREIGN AFFAIRS, IRAN

**Christine Fair** ASSOCIATE PROFESSOR, GEORGETOWN UNIVERSITY, USA

**Amrullah Saleh** FORMER HEAD, NATIONAL DIRECTORATE OF SECURITY, AFGHANISTAN

**Zafar Sobhan** EDITOR, DHAKA TRIBUNE, BANGLADESH

tral Investigation Agency's use of Mujahideen in Afghanistan to combat the Soviet Union is a classic example of this. Major international terrorist organisations such as Al-Qaeda and the IS have been successful in creating a "terror inc" brand for themselves, with direct and indirect support of certain nation states. Therefore, the term "non-state actor" is a misnomer when describing a transnational terrorist organisation.

While a convincing argument can be made on the immorality of supporting such actors in the international arena, states chose to "outsource" their military power for a number of reasons. The high cost of modern, conventional warfare make using non-state actors an attractive choice. As Christine Fair, an associate professor at the Center for Peace and Security Studies in the US, pointed out, financing terror groups is a small portion of states' much larger defence budget, making terror proxies a convenient and viable option. Further, use of terror organisations divorces the state from issues related to attribution, thereby ensuring that the state is not held politically or legally responsible.

It is for these reasons that states such as Pakistan and Saudi Arabia have chosen to support non-state actors. Saudi Arabia has long been accused of providing direct and indirect clandestine, financial and logistical support to the IS and other radical Sunni groups in the region. Turkish President Recep Erdogan, too, has been long accused of helping the IS and other extremist groups in Syria in their fight against President Bashar al-Assad and Kurdish rebels. Both India and Afghanistan have borne the brunt of Pakistani terror for decades. Groups such as the Lashkar-e-Taiba (LeT), the Haqqani Network and the Taliban have repeatedly been used by Pakistan as instruments to help it achieve its foreign policy objectives in New Delhi and Kabul.

The use of terror groups as a means of achieving foreign policy objectives, however, has been highly ineffective. By empowering such non-state actors, states run a high risk of a "boomerang effect," under which the terror states they support begin to threaten their own domestic stability and security. In Turkey,

(from left) **Zafar Sobhan, Boris Michael, Foad Izadi, Sushant Sareen, Amrullah Saleh, Christine Fair**






for example, as the government came under increasing international pressure to clamp down on the IS, the terrorist group responded by calling for attacks against Turkey.

David Phillips, a professor at Columbia University, had once rightly stated, "Turkey was the midwife that created IS. Now IS has turned on its creator."

Similarly, the Afghan Taliban came together with the assistance of the Pakistan military to prevent the spread of Afghan jihad within its territory. Islamabad hoped that by supporting the Taliban, it would ensure its interests in Afghanistan were protected. However, unintended consequences of that resulted in Taliban ideology flourishing in Pakistani madrassas. Quite literally, the Monster of Frankenstein turned on its Creator.

By adopting a policy of distinguishing between "good and bad terrorists," Islamabad has turned a blind eye to those non-state actors that threaten India, smaller factions and splinter groups of the Tehrik-i-Taliban Pakistan (TTP) and Al-Qaeda. This has resulted in groups such as Jamaat-ul-Ahrar stepping up their offensive against the state, making perfect room for an old America adage that says: "If you lie down with dogs, you may end up with fleas."

States supporting terror groups would do well if they took note of that adage. ■

**—Kriti M. Shah**

**1. Sushant Sareen**
**2. Christine Fair**
**3. Amrullah Saleh**
**4. Boris Michael**
**5. Foad Izadi**
**6. Zafar Sobhan**

India's real problem is: How does it compel the Pakistani state, and in particular the army and the ISI, to stop relying upon terrorism under its nuclear umbrella as a tool of foreign policy?

**—Christine Fair**

# 16

## In Conversation with M.J. Akbar and Hamid Karzai

Day 3, 19:10 PM

Noting that the US war in Afghanistan will complete 16 years this year, in a conversation with Indian Union Minister M.J. Akbar, former Afghanistan President Hamid Karzai said he believes in the necessity for the US to go back to the drawing board and reanalyse the situation in Afghanistan while rethinking its allies in the wider region.

Since the invasion of Afghanistan in October 2001, the US has spent over $100 billion in counterterrorism operations and nation building. While they have made considerable gains in certain areas, the threats from the Taliban and other militant groups have not died down. Now, US President Donald Trump has inherited a long, complicated and messy war that has shattered the myth of American military dominance.

According to a report released by the Special Inspector General for Afghanistan Reconstruction (SIGAR) in July 2016, the Taliban today controls more territory—36 of Afghanistan's 407 districts—than they have since 2001 when they were ousted after the US invasion. In a country where most civilian casualties go unnoticed, there was a record high of 3,500 deaths in 2016. It is, therefore, imperative that the military and political elite in Washington begin to question where the US has gone wrong in Afghanistan and think of measures to fix the situation.

The US and North Atlantic Treaty Organisation (NATO) operations in the country have focused largely on providing training to the Afghan National Defence and Security Forces (ANDSF) and the Afghan Air Force. The second term of the Obama presidency saw a retreat from the battlefield to more backroom operations such as intelligence collection and logistical support. However, as Taliban insurgency continued to grow in strength, then US President Barack Obama changed the nature of engagement for US troops, allowing them to accompany Afghan forces in battle and assist troops with US air support. This was crucial for Kabul as it not only boosted the morale and confidence of the Afghan troops but also helped them hold control in provincial capitals where the Taliban has launched assaults.

In February 2017, General John Nicholson, the commander of the American-led international forces in Afghanistan, warned the US Congress of the US and NATO facing a "stalemate" in the country and that a "few


thousand" more troops were required to continue the training of soldiers. The General also remarked that it is was very difficult to succeed on the battlefield when the enemy enjoyed external support and safe haven—a reference to Pakistan.

Speaking at Raisina Dialogue, Karzai remarked, in similar light, that Pakistan had not helped in the stabilisation of Afghanistan, and called for the US to rethink its appeasement of Islamabad. Since the beginning of the US war in Afghanistan, Pakistan has emerged as America's frontline ally in its war against terror. Acting as a conduit for international weapons and aid to enter Afghanistan, Islamabad has taken the opportunity to exert its own influence in the country. Its selective counterterrorism policy has supported the US by allowing it to operate in the tribal, militant-infested region of the country while simultaneously accelerating the Taliban's comeback in Afghanistan. Further, Pakistan's financial and logistical support to the Afghan Taliban has been premised on the belief that support for the group would mean a protection of Islamabad's interests in the country. Pakistan's foreign policy towards Afghanistan has thus always been aimed at achieving strategic depth in the country, especially keeping in mind a possible war with India. This duplicitous role of Pakistan "supporting" the US and the Taliban has been the primarily cause for the militant group's resurgence in recent years, Karzai expressed.

Despite the fact that militant leaders such as Osama Bin Laden and Mullah Mansour

Pakistan's financial and logistical support to the Afghan Taliban has been premised on the belief that support for the group would mean a protection of Islamabad's interests in the country.

were found and killed in Pakistan, Washington has been largely passive in taking firm action against the South Asian country. By ignoring questions of where the Taliban gets its support, the US military has given its "assent" to Pakistan's war in Afghanistan in the guise of fighting the Taliban. This has led to major strategic interests and objectives of the US being facilitated by Pakistan, whether they care to admit or not. Further, its lack of action against the Pakistani dimension in the conflict has risked not only the possibility of future stability in Afghanistan but also threatened the security of the Indian subcontinent.

The war in Afghanistan is still "winnable" but not necessarily with more American troops. Karzai believes that more American boots on the ground would only cause greater resentment among Afghans. A strategic rethink of American foreign policy in Afghanistan would, therefore, require not only continued support for the Afghan security forces but a critical re-evaluation of its allies in the region as well. While Pakistan has repeatedly proven its duplicity, other regional actors—such as India—have proven to be reliable allies of both the US and Afghanistan, and must be given a greater role in the country's future. Trump must, therefore, find answer to the question of whether Islamabad will consider changing its Afghan policy if the US were to exert serious pressure on Pakistan by withholding economic and military aid. ■

**—Kriti M. Shah**

By ignoring questions of where the Taliban gets its support, the US military has given its "assent" to Pakistan's war in Afghanistan in the guise of fighting the Taliban.

17

Day 3, 20:00 PM

# Cold War 2.0

The metaphor of "Cold War" was first used in a 1945 essay titled "You and the Atom Bomb" by George Orwell. For the next 45 years, the metaphor dominated world politics by denoting the divide between the two power blocs: the US and the Soviet Union. Though the Cold War ended more than 25 years ago, ongoing tensions between the West and the Soviet successor, Russia, over Ukraine has once again spurred debates on the return of a Cold War.

If one goes back in time, one can recall that a prolonged crisis in Ukraine has been in place since late 2013 when the then Ukrainian President Viktor Yanukovych refused to sign the Association Agreement with the European Union (EU). The subsequent ouster of Yanukovych followed by Russia's annexation of Crimea in 2014—a full-blown civil war in eastern Ukraine—ushered a new period of confrontation between the West and Russia. The roots of the crisis, however, lie in the 2008 Russia–Georgia War, which raised new questions regarding the existing borders recognised after the dissolution of the Soviet Union.

Russia's annexation of Crimea has sparked widespread concern among western policymakers, raising fear that the former has embarked on a more confrontational policy, forcing the West to view Russia's actions as those of a revisionist power. The annexation of Crimea in early 2014, in particular, has led the US and the EU to conclude that Moscow's actions are reflective of its core desire to regain its once-held great-power posture. Russia, in turn, feels that the West has contributed to the developments in Ukraine. This largely stems from Russia's concerns regarding the North Atlantic Treaty Organisation (NATO) and the eastern expansion of the EU. However, as a military power, Russia's concerns about NATO are stronger because of its belief that the United Nations alone is responsible for decisions on the use of military forces.

## So is there a possibility of Cold War 2.0?

Panellists for a session on "Cold War 2.0" established that three factors are crucial while talking about the global order in the present geopolitical context: the main actors

**MODERATOR**

**Abigael Vasselier** PROGRAMME COORDINATOR, ASIA AND CHINA, EUROPEAN COUNCIL ON FOREIGN RELATIONS, FRANCE

**PANELLISTS**

**Feodor Voytolovsky** DEPUTY DIRECTOR, INTERNATIONAL POLITICS, PRIMAKOV INSTITUTE, RUSSIA

**Alexander Gabuev** SENIOR ASSOCIATE, AND CHAIR, RUSSIA IN THE ASIA-PACIFIC PROGRAM, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, RUSSIA

**Harsh Pant** DISTINGUISHED FELLOW, OBSERVER RESEARCH FOUNDATION

**Eberhard Sandschneider** PROFESSOR, CHINESE POLITICS AND INTERNATIONAL RELATIONS, FREIE UNIVERSITAT BERLIN, GERMANY

**James Wirtz** DEAN SIGS, NAVAL POSTGRADUATE SCHOOL, USA

1. James Wirtz
2. Abigael Vasselier
3. Feodor Voytolovksy
4. Eberhard Sandschneider, Alexander Gabuev

and structures of the system; intentions of these actors; and capabilities of these actors. Looking at these, the present situation does not qualify for Cold War 2.0, especially since—unlike the Cold War period—many new centres of power have emerged in the 21st century.

The world today is interdependent, courtesy globalisation, which limits action-taking capabilities of an actor. The same holds true in the Ukrainian crisis, which has displayed the extent to which the actors could go in the domain of military, economic as well as political spheres.

"If there is a new Cold War, you will see both sides taking risks in their force postures to increase their ability to respond quickly to any sort of provocation in military sense. But that quite hasn't happened yet." —James Wirtz

Panellists pointed out that it is crucial to note that even at the height of tension, both the West and Russia resorted to economic sanctions as a deterrence despite its limiting nature. The sanctions proved detrimental, particularly for the EU–Russia bilateral trade, which were reduced to about $235 billion, approximately $165 billion less than what it was before the imposition of sanctions.

Further, the fear of a nuclear war does not loom large in the psyche of ordinary citizens. It could thus be said that the shared history and its repercussions, which raises doubts regarding a Cold War-like confrontation between the West and Russia, limits the possibility of such a recurrence. The current situation could best be described as what Feodor Voytolovsky, Deputy Director of International Politics at Russia's Primakov Institute, refers to as the "metaphor of metaphor of Cold

War" of an analytical model that dominated the latter half of the 20th century.

Meanwhile, as a growing economy and stakeholder in world politics, the current geopolitical scenario has repercussions for India as well. During the Cold War, India had tried to stay away from the two blocs under its policy of non-alignment. With its willingness to be an important "pole" of the multipolar order, India is now in the midst of a unique position. Since Russia has remained an important pillar in the Indian foreign policy framework, the rhetoric of Cold War 2.0 and greater competition with the US puts strain on India's foreign policies. As Distinguished Fellow and Head of ORF's Strategic Studies Programme Harsh Pant opines, the impression of Russia's worldview through the geopolitical prism of its engagement with the US implies that the same prism works in its view of South Asia. This strains the traditional Indo-Russian relations, given the latter's proximity to China and Pakistan. ■

**—Himani Pant**


(from left) **Harsh Pant, James Wirtz, Abigaël Vasselier, Feodor Voytolovksy, Eberhard Sandschneider, Alexander Gabuev**

# 18

# Making G20 Work for SDGs

Day 1, 20:10 PM

**MODERATOR**

**Akshay Mathur** DIRECTOR, RESEARCH AND ANALYSIS, GATEWAY HOUSE

**PANELLISTS**

**Feride Inan** POLICY ANALYST, G20 STUDIES CENTER, TEPAV, TURKEY

**Thomas Fues** SENIOR RESEARCHER AND HEAD OF TRAINING DEPARTMENT, GERMAN DEVELOPMENT INSTITUTE (DIE)

**Theo Acheampong** VICE PRESIDENT, GHANA GROWTH AND DEVELOPMENT PLATFORM

**Liu Zongyi** SENIOR FELLOW, SHANGHAI INSTITUTES FOR INTERNATIONAL STUDIES, CHINA

**Manuel Montes** SENIOR ADVISER, FINANCE AND DEVELOPMENT, SOUTH CENTRE

The G20 and SDGs are an acronym alphabet soup that do not seem to fit together at first glance.

The Group of 20 (or G20, as it is better known), is an international government forum that came into being as a result of the Asian financial crisis of 1997 and the growing realisation that financial systems of the world had grown increasingly interconnected as a result of globalisation. With exclusive membership for 20 economically and geopolitically significant countries, the primary focus of the forum was on global economic governance and was originally meant to bring together finance ministers and central bank governors. During the great global recession of 2007-2008 the G20 was used by global leaders and heads of states as a meeting ground to help thrash out the best ways to deal with financial crises. Since then, G20 has become a convenient forum for states to discuss wider global policy issues, with annual leaders' summits.

The Sustainable Development Goals (SDGs), on the other hand, are a United Nations-spearheaded intergovernmental agreement that is aimed at lifting the collective state of development across the world. Meant to be achieved by 2030, 17 SDG goals address interlinked environmental, economic and societal issues across the world in a balanced way.

While the two global policy tools seem to have disparate goals, as moderator Akshay Mathur pointed out at a panel on "Making G20 work for SDGs," a natural intersection point seemed to occur in 2010-11 when the global growth agenda laid out by the G20 started to stall. Realising that there was no way the growth agenda could be met without addressing the development needs of the emerging economies, the G20 started to align its agenda with that of the SDGs.

Policy Analyst Feride Inan added that the past three presidencies of the G20 have seen the importance of the SDGs further magnified in the greater global context.

Beginning with the Australian presidency in 2014, a structured and more strategic approach was taken to the G20's growth ambitions, specifically in relation to SDG 9 (Industry, Innovation and Infrastructure). The Turkish presidency in 2015 saw a greater focus on growth strategies, with a prioritised development approach for low-income countries and the global issues of employment and income distribution. The Chinese presidency in 2016 took three additional steps, geared towards helping the global achievement of SDGs. The first of these was to emphasise on Industry, Innovation and Infrastructure, with specific attention to technological innovation. The second was to create a platform for the purpose of voicing the perspectives of different actors and diverging interests into one common strategy. The third step involved linking the growth agenda of the G20 to SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action), with a concerted push towards renewable energy.

Having said this, there remains some controversy over how much the G20 can actually do to achieve the SDGs. Senior researcher Thomas Fues eloquently pointed out in the panel that some view the G20's alignment with SDGs as a case of "Big Words, Little Action." Fues acknowledged that though the G20 has taken a very strong stand in identifying and taking over responsibility of the 2030 agenda and SDGs, there has been a lull in the SDG push under the current German presidency of the G20. However, Fues added, the difficulty for the German government has been the formulation of concrete deliverables. The verbal rhetoric from the G20 has been strong, but the practical steps have been incremental.

Taking forward the conversation and citing the example of the African continent, Vice President of the Ghana Growth and Development Platform Theo Acheampong illustrated certain steps that can be taken by the G20. Starting with SDG 2 (Zero Hunger), he addressed the issue of agricultural modernisation.

At the moment, the agricultural value chain in Africa remains at more or less subsistence level. Even increasing the productivity levels per acre to the levels that China and India had reached 20 or 30 years ago would be a huge leap for Africa. One possible way to do this could be through technology transfer from G20 research institutes to African research institutes. Having the ability to create drought-resilient seedlings or build climate-resilient irrigation infrastructure would help solve many of the issues plaguing the African agricultural sector such as crop diversification and higher export. Another SDG that the G20 can help Africa with is Industry, Innovation and Infrastructure. By focusing bilateral and multilateral aid on infrastructure-related projects, G20 countries can help not just in creating robust transportation systems to increase the flow of goods and services but also help with SDG 8 (Decent Work and Economic Growth) by providing gainful employment for a significant part of the population. A third area that the G20 can take up in Africa is SDG 10 (Reduced Inequalities). Sharing an example of his friend who owns a small citrus farm in Ghana, Acheampong said that some of the farmers' products in the region are ideally suited for the EU market, where demand for oranges is high. However, due to rules of origin and trade agreements, the farmers are not able send their goods from Ghana to the EU. If the G20 were to revisit certain trade policies and agreements, the amount of global inequality could be greatly reduced.

To conclude, it can be established that the G20 has been able to align its interests with the achievements of SDGs. The last three G20 presidencies have provided a good framework, but it is important to move past rhetoric and towards action. ■

**—Aparajit Pandey**

"G20 in the end is a forum for collaboration. It is not clear why we need the G20 to implement the SDGs."

**—Akshay Mathur**


DIALOGUE

JANUARY 17-19, 2017


# DIALOGUE

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