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## India and the World – Economics and Politics of the Manmohan Singh Doctrine in Foreign Policy

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### Executive Summary

Apart from the diplomacy around the negotiation of the civil nuclear energy cooperation agreement between India, the 45-member Nuclear Suppliers Group (NSG), and the United States, the other foreign policy pre-occupations of Prime Minister Manmohan Singh have been the diplomacy associated with the building of an East Asian Community; the revitalisation of the South Asian Association for Regional Cooperation (SAARC), with a focus on normalising relations with Pakistan; and increased South-South cooperation, with a focus on development cooperation in Africa. Economic issues have been at the core of each of these initiatives. Singh's primary objective has been to improve the global and regional environment for sustaining India's growth process and overall development.

In an early comment on Singh's foreign policy initiatives, C. Raja Mohan outlined four elements of what he dubbed as the Manmohan Singh Doctrine. These four elements are: (a) the changing weight of India in the global economy as a factor shaping its weight in global affairs; (b) recognition of the new opportunities available to India, as a consequence of its economic growth and openness, to improve relations with all major powers; (c) positive impact of a new approach to the developing world, based on India's economic globalisation, on regional integration in South Asia and bilateral relations with neighbours; and (d) the recognition that as an open society and an open economy India can build bridges with the world on the foundations of its democratic, liberal, plural and secular credentials. A closer look over a longer period of time allows us to elaborate further on Raja Mohan's formulation.

This paper is based on Singh's articulation of a foreign policy vision dating back to his days as Union Finance Minister. Singh's remarks, in his very first budget speech in July 1991, mark the point of departure for a new phase in Indian foreign policy thinking. His views on India's relations with the world in the post-Cold War era and in the era of globalisation, and the initiatives taken by the P. V. Narasimha Rao government have shaped the policy of successive governments in India. Hence, it is fair and relevant to talk of a Manmohan Singh Doctrine, albeit one that is painted on a wider canvas than his tenure as Prime Minister.

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The Manmohan Singh Doctrine is a manifestation of India's economic resurgence in an era of greater economic openness. The success of India's external liberalisation and the re-integration of the Indian economy into the growth processes of East and Southeast Asian economies have played a vital role in the popular acceptance of the validity of the many postulates of this doctrine. For this reason, the continued relevance of the doctrine will be contingent upon India's continued pursuit of high economic growth within the framework of an open and increasingly globalised economy. It is also contingent upon the process of globalisation being more inclusive. If the global economy slips into a new era of protectionism, and if the current financial crisis and the global economic slowdown, with high energy and food prices, generates a backlash against globalisation, it could strengthen the domestic critics of the Manmohan Singh Doctrine in India. Equally, the doctrine's appeal to the outside world is premised on India remaining a high growth, open economy and an open society, marked by popular commitment to the values of a liberal, plural and secular democracy. An inward-looking, internally divided, bigoted and illiberal India would have little external standing, and no external appeal.

This paper discusses the economic basis of Singh's foreign policy initiatives, with a focus on his ideas of 'inclusive globalisation', 'asymmetric liberalisation' and the geo-political implications of India's integration into the global economy.

## Introduction

Much of the political and public discourse on Indian foreign policy in recent years has come to focus too narrowly on the diplomacy around the civil nuclear energy cooperation agreement that India has engaged in with the United States of America and the 45-member NSG. While this is undoubtedly a major initiative of Prime Minister Manmohan Singh, his other foreign policy pre-occupations have been the diplomacy associated with India's participation in the East Asia Summit and the building of an East Asian Community; the revitalisation of SAARC, with a focus on normalising relations with Pakistan; and, increased South-South cooperation, with a focus on development cooperation in Africa. Economic issues have been at the core of each of these initiatives. Singh's primary objective has been to improve the global and regional environment for sustaining India's growth process and overall development.

In an early comment on the foreign policy initiatives of Prime Minister Singh, C. Raja Mohan outlined four elements of what he dubbed as the Manmohan Singh Doctrine.<sup>1</sup> These four elements are:

- a) the changing weight of India in the global economy as a factor shaping its weight in global affairs;
- b) recognition of the new opportunities available to India, as a consequence of its economic growth and openness, to improve relations with all major powers;
- c) positive impact of a new approach to the developing world, based on India's economic globalisation, on regional integration in South Asia and bilateral relations with neighbours; and
- d) the recognition that as an open society and an open economy India can build bridges with the world on the foundations of its democratic, liberal, plural and secular credentials.

A closer look at his views on India and the world over a longer period of time and an examination of his major initiatives as Prime Minister allows us to elaborate further on Raja Mohan's formulation. Singh's diplomatic initiatives as Prime Minister cannot be the only basis for the articulation of a doctrine. This paper is based on Singh's articulation of a foreign policy vision dating back to his days as Union Finance Minister. Singh's remarks, in his very first budget speech in July 1991, mark the point of departure for a new phase in Indian foreign policy thinking. His views on India's relations with the world in the post-Cold War era and in the era of globalisation, and the initiatives taken by the P. V. Narasimha Rao Government, have shaped the policy of successive governments in India. Hence, it is fair and relevant to talk of a 'Manmohan Singh Doctrine', albeit one that is painted on a wider canvas than his tenure as Prime Minister.

In elaborating Raja Mohan's four propositions, we draw attention to Singh's persistent focus on economic development as the central objective of India's relations with other countries, and his enunciation of the idea of "inclusive globalisation"; his articulation of the notion of "creating a web of inter-dependencies"; and, his pursuit of "asymmetric liberalisation" with less developed economies. We suggest that the Manmohan Singh Doctrine is premised upon:

- a) India's ability to sustain the recent growth momentum, of an annual average growth rate of national income of close to nine percent;
- b) assurance of energy security, food security and livelihood security;
- c) the growth process being socially and regionally more inclusive and balanced;
- d) fiscal and price stability and the fiscal empowerment of the State;
- e) the pursuit of employment creating industrialisation and rural development;
- f) remaining a globally open economy, while pursuing closer integration with the economies of South, West, Southeast and East Asia; and
- g) remaining an open and plural society, socially and politically inclusive, liberal and secular.

### **The Economics of Manmohan Singh Doctrine**

In his very first budget speech in Parliament, in July 1991, Singh linked India's global standing with its economic performance. After spelling out his strategy to deal with an immediate crisis – a balance of payments and fiscal crisis – Singh firmly anchored his economic initiatives in a wider strategic setting. He ended his historic speech with the now famous quote from Victor Hugo (“*No power on earth can stop an idea whose time has come*”) and added, “I suggest to this August House that the emergence of India as a major economic power in the world happens to be one such idea. Let the whole world hear it loud and clear. India is now wide awake. We shall prevail. We shall overcome.”

Six years later, recalling this speech in an interview published in the inaugural edition of a new international affairs journal, *World Affairs*, Singh underlined the foreign policy implications of the ‘new economic policies’ unveiled by the Narasimha Rao government.<sup>2</sup> There was no doubt in Singh's mind that the liberalisation of the Indian economy and the ‘new turn’ in its economic policies were part of a new strategic policy orientation taken in the context of the collapse of the Soviet Union, the rise of China and East Asian economies and India's own economic rise in the 1980s.

Indeed, Rao himself so explained his foreign policy initiatives. In one of his first media interviews, explaining his foreign and economic policies, Rao said, “now the Cold War is over. There is an element of cooperation instead of confrontation. It is a new situation. And we have to respond to that. So certain policy orientations will take place to ensure that our national interest does not suffer.”<sup>3</sup> In 1991 this ‘national interest’ was defined essentially in economic terms, given the crisis at hand and the need to pull India back from the brink of bankruptcy.

However, it was not merely the compulsions of crisis management that forced a rethink on foreign policy priorities. The crisis had been anticipated by many economists and there was a long period of re-thinking on economic policy priorities preceding the 1990-91 crisis. This re-thinking was triggered by the development experience of East and Southeast Asian economies and that of China, which had launched its own “Four Modernisations” policy a

decade earlier, as part of a general re-orientation of its strategic policy and its relations with the outside world.

In an interview given to this writer in February 1991, three months before he assumed charge as India's finance minister, Singh told *The Economic Times* (Delhi) that India has to learn from the East Asian experience and re-orient its economic policies.<sup>4</sup> He reminded Indians that, in 1960, South Korea and India were on par in economic terms, including their level of industrial development but by the late 1980s, Korea had become a "newly industrialising economy", an "Asian Tiger", while India still lagged behind. He returned to this theme in his last Budget Speech in February 1995, "It is this vision, of a resurgent India taking her rightful place as an economic power house in Asia, which has inspired our economic policies."

In relating India's economic capabilities to its global profile and influence Singh was in fact drawing on early "Nehruvian realism" that had been forgotten during the intervening years when Indian foreign policy was shaped more by the "low politics" of the Cold War era and the "high politics" of post-colonialism. It was an interregnum in which "non-alignment" became an "ideology" rather than the "strategy" that it initially was.<sup>5</sup>

In his very first speech on foreign policy as Prime Minister of free India, Jawaharlal Nehru had observed,

"Talking about foreign policies, the House must remember that these are not just empty struggles on a chessboard. Behind them lie all manner of things. Ultimately, foreign policy is the outcome of economic policy, and until India has properly evolved her economic policy, her foreign policy will be rather vague, rather inchoate, and will be groping. ...a vague statement that we stand for peace and freedom by itself has no particular meaning, because every country is prepared to say the same thing, whether it means it or not. What then do we stand for? Well, you have to develop this argument in the economic field. As it happens today, in spite of the fact that we have been for some time in authority as a Government, I regret that we have not produced any constructive economic scheme or economic policy so far... When we do so, that will govern our foreign policy more than all the speeches in this House."<sup>6</sup>

In a further elaboration of this "realist" and "instrumentalist" perspective on foreign policy, Nehru added, "Whatever policy we may lay down, the art of conducting the foreign affairs of a country lies in finding out what is most advantageous to the country." It is this original Nehruvian 'realist' perspective that Singh brought back to Indian thinking on foreign policy.

Several factors contributed to this shift in Indian thinking on relations with the world and the role of economics and business in international relations.

**First**, the collapse of the Soviet Union and the consequent disruption of an important external trade relationship. It was not just the economic and strategic fallout of this that was debilitating for India, but also the political and diplomatic fall-out. The Soviet Union was an importance "balancer" from India's point of view in its negotiations with Organisation for Economic Co-operation and Development (OECD) countries, and with multilateral financial institutions. As recently as in 1980 Indira Gandhi used the "Soviet Card", as it were, in her negotiations with the International Monetary Fund (IMF) to secure improved terms for an extended financing facility loan.<sup>7</sup>

**Second**, the balance of payments crisis of 1990-91 and the need to adopt a stabilisation and adjustment programme to secure financial support from the IMF and the World Bank. India also reached out to Japan for bilateral assistance and found Japan unwilling to extend such support without India adopting a clear programme of reform and adjustment. Finance Minister Yashwant Sinha had to return from Tokyo empty-handed, after having been kept waiting for an appointment with his counterpart.

**Third**, as a consequence of the balance of payments crisis, as a result of new thinking within the policy making establishment, and thanks to new trends in remittance inflows and foreign trade, India chose to move away from external aid and debt as major sources of balance of payments support and opt for foreign trade, especially services trade, and investment, especially portfolio flows, as sources of foreign exchange.

**Fourth**, the 1990s saw a major change in India's approach to foreign trade in general and to a multilateral trade regime in particular. India became a founding member of the World Trade Organization (WTO) and committed itself to multilateral rules of engagement in trade. India also began to seek regional and bilateral trade agreements on a parallel track and supported the idea of a South Asian Free Trade Agreement, to begin with, and soon expressed interest in an India-ASEAN Free Trade Agreement (FTA). India's 'Look East' policy and its interest in increasing its economic interaction with the Indian Ocean Rim countries also shaped India's relations with its wider "Southern Asian" neighbourhood.

**Fifth**, China's rise as an open economy and a trading nation had a profound impact on political and academic thinking within India and shaped public policy both with respect to domestic and external economic policy and with respect to India's foreign and strategic policy.

**Sixth**, as the 1990s progressed, and more in the first few years of the new century, India discovered its global prowess in the field of information technology. The business generated by the so-called "Y2K" problem followed by the growth of Indian information technology (IT) and IT-enabled services business, the "software and outsourcing" boom, and the growth in trade in services greatly changed attitudes towards globalisation and global integration.

**Seventh**, in more recent years the outward-orientation of Indian business has also increased. First inspired by the experience of IT firms such as Tata Consultancy Services, Infosys and WIPRO and, subsequently, by that of pharmaceutical majors like Ranbaxy and Dr. Reddy's, Indian business groups began to move away from their earlier inward-looking "Bombay Club" mentality to a more global orientation. The recent listing of Indians among "Forbes Billionaires" is only one visible symbol of Indian business making its mark outside. Such success, howsoever limited as yet, and new attitudes of a new generation of Indian enterprise, has encouraged Indian business to push for more aggressive globalisation. This 'outward-orientation' of Indian business has shaped India's relations with many OECD economies, including the United States. It has also made Indian business organisations such as the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of Indian Industry (CII) active players in Indian diplomacy. The 'business diplomacy' of FICCI and CII has shaped public and political opinion at home and won new friends for India outside.<sup>8</sup>

## Impact of Successful External Liberalisation

The impact of the economic reform and liberalisation programme launched in 1991 was felt soon enough on the performance of the economy. Compared to an average annual rate of growth of 3.5 percent in the period 1950- 1980 and about 5.5 percent in 1980-1990, the Indian economy grew by close to 7.5 percent in 1992-97. There was a slowdown after that till the revival of seven percent *plus* growth after 2003. The net impact of this accelerated growth was to take India away from its historical comparison with South Asia and Pakistan into a new league where its performance was increasingly compared with that of China and ASEAN. This had its own geo-political and strategic consequence.<sup>9</sup>

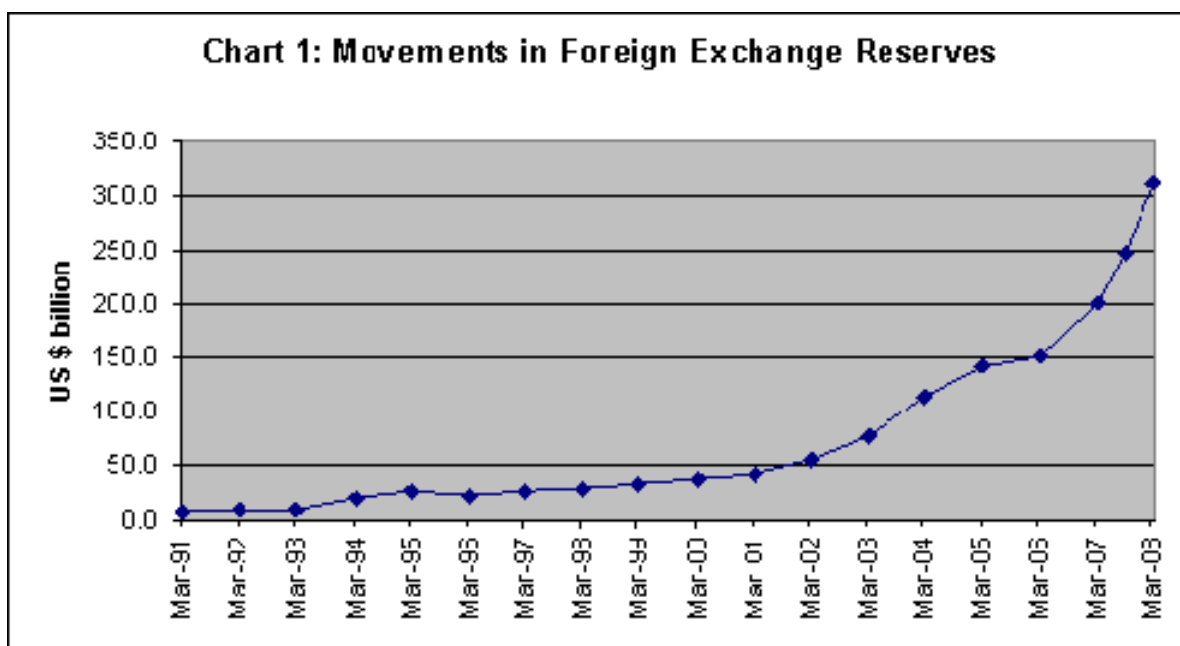
India's improved macro-economic performance in the decade 1991-2001 had more than a positive impact on its external economic and diplomatic profile. India's trade/gross domestic product (GDP) ratio went up, and so did her foreign exchange reserves. There was a sharp decline in external debt and debt service ratio. After 2000, services exports went up from around US\$10 billion in 1999 to over US\$60 billion by 2006. A third of this was accounted for by software services exports. India's share of world services exports rose to over 2.5 percent of world's services exports and its share of world merchandise exports doubled from 0.5 percent in 1990 to one percent by 2005 and to 1.5 percent by 2007-08.

India's external economic liberalisation strategy can be described as a 'stable and successful' strategy. It was characterised by policy stability and a step-by-step approach that helped it escape the Asian financial crisis in 1997-98, weather trade sanctions after the nuclear tests in 1998, accumulate foreign exchange reserves, ensure exchange rate stability, reduce external debt burden and increase its share of global capital flows (see Chart 1).

**Table 1: Trade-GDP Ratio, 1980-2008**

Year	Exports/GDP	Imports/GDP	X+M/GDP
1980-81	6.2	9.8	16.0
1985-86	5.6	8.5	14.1
1990-91	7.3	9.9	17.2
1995-96	11.2	14.5	25.7
2000-01	13.0	14.7	27.7
2007-08	13.5	21.2	34.7

Source: Economic Survey, Ministry of Finance, Govt. of India, Various Issues.



Source: Reserve Bank of India, 2008.

All this reflected itself in a more robust engagement of the outside world. India went into the Doha Development Round of WTO negotiations with a forward-looking strategy focused on securing better market access to industrial products, agricultural goods and to skilled services. Singh took a pro-active stance on multilateral and regional trade negotiations. Early in his term as Prime Minister he created a new institutional mechanism for coordinated policy making on the external front in the form of the Trade and Economic Relations Committee (TERC). TERC was chaired by the Prime Minister and included the Ministers of External Affairs, Finance, Industry and Commerce, and Agriculture, and the Deputy Chairman of the Planning Commission and the National Security Advisor. TERC remained an active body in the period 2004-2008, pushing forward the India-ASEAN FTA and defining India’s stance on a range of other bilateral, regional and multilateral trade negotiations.

Singh was a strong proponent of the view that India had a “strategic stake” in the multilateral system managed by the WTO. “We have as a nation, a great stake in a rule based international system, a system that is rule based and not deal based,” Singh would often say, and repeatedly reaffirm India’s commitment to “the successful functioning of the multilateral trading system and to broadening the agenda of the WTO with an increasingly liberal flow of goods, services and labour.” Contrary to western media perception, India is not responsible for the current impasse in the Doha Round negotiations, since India has a strategic stake in multilateralism.<sup>10</sup> India would like the Doha Round to adhere to its original mandate of being a “development round”.

Without diluting its commitment to multilateralism, India also pursued regional and bilateral FTAs (see Chart 2). Successive Indian Finance Ministers, beginning with P. Chidambaram in 1997, set the policy objective of “lowering our tariffs at least to ASEAN levels.”<sup>11</sup> Singh would reiterate as Prime Minister that this was a “policy priority for us”.

Making India a member of the East Asian Community became a policy imperative for Prime Minister Singh. “I have stated my commitment to the idea of creating an **Asian Economic Community**, an *arc of prosperity* across Asia, in which there are no barriers to trade and



investment flows and to the movement of people” he told the CII Partnership Summit in Kolkata in January 2005.

**Chart 2: List of Free/ Preferential / Regional Trade Agreements & Comprehensive Economic Cooperation/ Partnerships Agreements being negotiated by India**

Mauritius – PTA/ CEPA	SAARC - FTA /CECA
South Africa – Customs Union	GCC – FTA
Africa – PTA / CECA	New Zealand – FTA
Australia – FTA	Japan – JSG (CEPA)
EU – (RTA)	Chile – PTA
South Korea – CECPA	BIMSTEC – FTA
IBSA – CECA	Mercosur – PTA
South Korea – CEPA	ASEAN – CECA
Singapore – FTA/ CECA	Sri Lanka – FTA
China – RTA	Russia – JSG (CECA)
Malaysia – CECA	Israel – PTA

*Source:* Economic Survey, Govt. of India, Various Years.

While greater openness to external trade has increased the importance of external relations, the changing geographical pattern of that trade has quite understandably changed the relative importance of different countries. During the Cold War period, the Soviet Union was an important economic partner for India. Apart from defence purchases, India depended on the Soviet market to sell a range of commodities through what came to be described as “rupee trade”. With the collapse of the Soviet Union, the Soviet market disappeared. In its place, and apart from the United States and European Union, ASEAN and the East Asian markets emerged as an important destination for Indian exports (See Table 2). Even in defence-related trade, Russia is no longer a dominant player, with India diversifying its defence imports.

**Table 2: Direction of Exports – 1960-2007**

Region	1960-61	1970-71	1980-81	1990-91	2000-01	2006-07*
<b>EU</b>	<b>36.2</b>	18.4	21.6	27.5	22.7	<b>21.3</b>
<b>US</b>	16.0	13.5	11.1	14.7	20.9	<b>14.9</b>
<b>Africa</b>	6.3	8.4	5.2	2.1	3.2	<b>6.7</b>
<b>L. America</b>	1.6	0.7	0.5	0.4	2.1	<b>3.4</b>
<b>USSR</b>	4.5	13.7	<b>18.3</b>	16.1	2.0	<b>1.0</b>
<b>Russia</b>						<b>0.7</b>
<b>Asia</b>	<b>6.9</b>	10.8	13.4	14.3	<b>21.4</b>	49.8* <b>(31.6)</b>
OPEC	4.1	6.4	11.1	5.6	10.9	--
<b>Japan</b>	5.5	<b>13.3</b>	8.9	9.3	4.9	<b>2.2</b>
ASEAN				<b>(3.0)</b>	<b>(7.5)</b>	<b>10.0</b>
NE Asia						15.3
WANA (West and North Africa)						18.2
China						6.6
S Asia						5.1

(\* In 2006-07 exports to Asian OPEC countries were included under Asia.)

India's integration into the world economy has more recently manifested itself in increased outward investment by Indian 'multinational' companies.<sup>12</sup> Outward foreign direct investment by India shot up from less than US\$2 billion in 2003-05 to US\$14.4 billion in 2006-07, and continues to rise as large Indian companies take over multinationals in a range of industries such as pharmaceuticals, steel, telecom and automobiles. Business leaders like Lakshmi Mittal, the Ambani Brothers and Ratan Tata have acquired a profile in India's relations with a wide range of countries. Their influence and that of business organisations such as CII and FICCI in foreign policy choices has grown over the years.

Apart from increased trade and capital flows, India has also benefited from out-migration of skilled labour and brain power. Inward remittances of migrant labour constitute an important source of foreign capital inflows. The presence of several million Indian workers in the Middle East and in OECD economies has become a strategic asset for the Indian economy, creating a strategic stake for India in the smooth functioning of the global economy and in the stability of the regions where overseas Indians live and work.

Singh also viewed the growing economic importance of overseas Indians as a by-product of the policies of economic liberalisation he introduced in 1991. At the annual gathering of overseas Indians and people of Indian origin, the Pravasi Bharatiya Diwas, in January 2005, Singh said,

“There is, of course, something more tangible than emotion that brings us closer today. This is the opportunity we are creating at home for overseas Indians to once again relate in a meaningful way to their ancient motherland. The process began with the measures we took in 1991 to liberalise and modernise the Indian economy. The many subsequent steps taken by successive Governments have enabled Indians abroad to invest at home and to travel freely to and from India. More recently it has also become possible for many to simultaneously pursue professional careers and businesses both in their host countries and in their home country... I feel particularly happy that the economic policies we initiated at home in the past decade have enabled us to connect with you more vigorously and to engage you in meaningful ways in the reconstruction of our Motherland. These policies have significantly contributed to the emergence of India as a major global player in the economic world. Together with the tremendous strides our country has been making in the knowledge based sector, there is no doubt that the 21st century is going to be an Indian century.”

Apart from expanding trade and seeking foreign investment, India's global economic diplomacy was focused on two other important objectives – first, energy security; and second, regional integration. We return to these issues in the next section.

### **Manmohan Singh's Foreign Policy Priorities as Prime Minister**

It should be clear from our discussion thus far that sustaining India's economic growth and outward orientation, and ensuring the sustainability of that process, became an important driving element shaping Indian foreign policy in recent years. The key objectives were market access, energy security and access to high technology. These objectives gained greater salience in the context of the rise of Asian economies, and the consequent competition for markets and resources. The energy security objective became even more important in the context of global fears pertaining to global warming and climate change.

Against this background, we should expect Singh to take a pro-active stance in dealing with the consequences of the global financial crisis and economic slowdown. He has already stated that this remains his top priority.<sup>13</sup>

Taken together these developmental objectives shaped Indian policy towards the major powers, especially the United States, and towards its wider neighbourhood, especially ASEAN and East Asia, the developing world and major global issues of the day, including climate change.

In a major policy speech at the India Today Conclave, in February 2005, Singh said,

“Our relations with major powers, especially the United States, and more recently China, have increasingly been shaped by economic factors... In the case of the United States, an acceleration of people-to-people contact and the consequent business-to-business interaction has forged closer state-to-state relations. Shared values and growing economic links have enabled a closer strategic engagement.”<sup>14</sup>

Singh went on to underscore the role of business and commerce in shaping India’s relations with European Union, Russia, China, Japan, Korea, ASEAN and the rest of the world. This statement elaborated Singh’s view that “government-to-government’ bilateral relations were increasingly shaped by “people-to-people” and “business-to-business” contacts.

Summarising his approach to strategic and foreign policy at his first interaction with the senior leadership of the armed forces, Singh said, “Greater economic integration will be a basis for greater security, enhanced cooperative efforts and stable relations. Consequently, we may have to revisit some of the traditionally accepted notions of ‘self-sufficiency’ and ‘self-reliance’.”<sup>15</sup> Singh was more expansive at the subsequent Combined Commanders in October 2005 where he summarised his approach to strategic policy,

“Our strategy has to be based on three broad pillars, **first**, to strengthen ourselves economically and technologically; **second**, to acquire adequate defence capability to counter and rebut threats to our security; and **third**, to seek partnerships both on the strategic front and on the economic and technological front to widen our policy and developmental options.”

In the same vein, he said at the 40<sup>th</sup> anniversary celebrations of the Institute of Defence Studies and Analysis a few days later,

“Our engagement with the major powers and indeed with the world must be set in this wider perspective. We must balance the pursuit of national interests with a clear appreciation of what other nations perceive as their core interests. To advance our own security interests, we must engage in cooperative, constructive and mutually beneficial relations with all major powers of the world. Most of all, we must engage in proactively strengthening multilateral mechanisms for financial, economic and political security.”<sup>16</sup>

## The United States and Major Powers

While Singh's first visit abroad was to Bangkok for the Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC) Summit, his first important meeting was with President George Bush of the United States of America on the sidelines of the United Nations General Assembly in September 2004. Rising crude oil price was on both their mind so the conversation naturally focused on the subject. Singh told Bush that India's dependence on imported oil had gone up and if India had to sustain high growth over the long term it had no option but to explore alternative energy options. India's desire to expand civil nuclear energy was constrained by a discriminatory global regime. Bush quickly understood the problem. If China and India continue to rise at high rates of growth their per capita consumption of energy will go up, agreed Bush. If the world community had to ensure that this did not result in a sharp rise in oil prices, which would of course hurt American consumers, then India must have the ability to explore the nuclear energy option. Bush readily conceded the argument and hoped that the United States and India would be able to work together to help India exercise the nuclear energy option.

That is how the civil nuclear energy issue first came up. This conversation on energy security and helping India sustain its growth process was taken forward at their next meeting in Moscow in early May 2005. It is important to note that in the Joint Statement issued by the two leaders after the summit meeting at the White House on July 18 2005, the civil nuclear energy issue was one among many other equally important initiatives aimed at promoting India's economic and technological development.

What began as a bilateral initiative between India and the United States, reflecting their shared concern with rising oil prices and their shared interest in developing nuclear and alternative energy sources, evolved into a major global diplomatic initiative for India. The agreement with the United States was contingent upon India signing a Safeguards Agreement with the 145-member International Atomic Energy Agency (IAEA) and the 45-member NSG. The agreements that have now been signed – with IAEA and NSG and the United States and France, and Russia is to follow – pave the way for an expansion of India's civil nuclear energy potential. These agreements, based on a "separation plan" that firewalls India's military nuclear programme from the civil energy programme, also imply a *de facto* recognition of India as a nuclear weapons power.

Singh pursued this initiative mainly with the aim of widening India's development options by enhancing its energy security and ending restraints imposed on trade in high technology. While the civil nuclear cooperation agreement with the United States may have other strategic and political dimensions, it was primarily motivated by Singh's concern for India's long-term energy security.<sup>17</sup> The sharp rise in crude oil prices in the past few years only served to add a sense of urgency to this agreement. The purely "ideological" critics of the agreement, on the Indian political 'Left' and 'Right', refused to accord the same weight as Singh did to the economic significance of the agreement. The Left rejected the agreement on the grounds that it would entail closer strategic relations with the United States, and the Right on the grounds that it would impinge on India's strategic autonomy. Singh viewed the agreement as necessary to an expansion of India's nuclear energy capacity, overall energy security, and to open up new avenues for cooperation in high technology areas, contributing to India's growth potential.

Singh also viewed the agriculture and knowledge initiatives as equally important. He has often emphasised the supportive role of United States assistance in India's 'first' Green Revolution and underscored the potential for such cooperation in launching a "second Green Revolution". It was in this context that he sought United States investment in agricultural research and development. Similarly he sought United States support in the further development of India's knowledge economy. The entire focus of the joint statement was, therefore, on a broad range of growth-oriented priorities.

The Prime Minister's statement in Parliament on 17 August 2006 on the civil nuclear cooperation agreement was the most comprehensive statement he had made on the subject. While the second part of the statement was prepared by officials, the first few paras were spoken extempore. Singh defended the nuclear agreement only on the grounds of energy security and even went to the extent of boldly stating that India's nuclear programme in fact began as a civil energy programme and not as a military weapons programme. No Indian Prime Minister after Jawaharlal Nehru has had the courage to say that in Parliament. Singh said,

"Sir, it is my solid conviction that mass poverty can be removed only if we have a fast expanding economy... If India has to grow at the rate of 8 percent to 10 percent and, maybe, more, India needs rising amounts of energy... In this context, we must never forget the primary motivation for India's nuclear programme was the production of energy, defence came much later... all development is about widening human choices. And, when it comes to energy security, widening our choices means that we should be able to make effective use of nuclear power. If the need arises, if the economic calculus demands that this is the most cost-effective means.<sup>18</sup>

India's engagement of all major powers is sharply focused on trade, investment and movement of skilled people. While political issues like terrorism and India's membership of the United Nations Security Council get discussed at summit-level meetings, and find reflection in joint statements, the key to all major bilateral relationships has become the extent, range and depth of economic engagement. Even the difficult India-China relationship has been sustained by a sharp increase in bilateral trade, with discussions on the border stuck in a groove.

Singh's approach to the developed world, especially the G-8, was summed up in his comment to the media after the Helligendamm Summit that the G-5 developing countries were happy to participate in the meeting with G-8 as long as they had an opportunity to shape thinking within the G-8 on global issues of the day and not just as mute observers. Singh refused to attend the G8 Summit in Japan when it was first indicated that the hosts had arranged only for an hour's interaction between G-8 and G-5 leaders, and that too over breakfast. Singh secured G-5 support for his stand that the so-called "outreach meeting" made no sense unless G-5 concerns were incorporated into the G-8 statement. This required interaction between the G-8 and G-5 'before' the G-8 joint statement had been drafted and adopted, rather than after.

### India and Immediate Neighbours

Next in importance to the civil nuclear cooperation agreement that Singh has successfully negotiated with members of the Nuclear Suppliers Group and the United States, was Singh's initiatives with respect to the relationship with Pakistan and his attempts to "resolve" the

issue of Jammu and Kashmir. Singh invited President Pervez Musharraf of Pakistan to visit New Delhi in April 2005 to witness a cricket match between teams of the two countries. The visit evolved into a summit meeting that put out a wide-ranging joint statement, taking forward the dialogue process from where Musharraf and Atal Behari Vajpayee had left it in January 2004.

While announcing his decision to invite President Musharraf in Parliament, Singh enunciated a new idea of more informal interaction among South Asian leaders. Singh was aware of the fact that excessive protocol and ceremony had come to stultify contact among South Asian leaders. Each meeting, especially between Indian and Pakistani leaders, became the focus of media hype and often excessive expectation resulting in disappointment. The infamous Agra Summit fiasco only under-scored this sad reality. Hence, Singh put forward a new theory of greater informal contact, though he has not been able to practice it as often as he may have liked. Putting forward this idea in Parliament, Singh said,

“Relations between nations are after all nothing more than relations between their people. I am sure that time will work to heal our wounds and create an environment of shared prosperity and peace in the sub-continent... Sir, I am happy to inform Hon. Members of the House that I have decided to invite President Musharraf to come to India to watch the cricket match between our two teams. It is my earnest desire that the people in our neighbouring country and their leaders should feel free to visit us whenever they wish to do so. Be it to watch a cricket match; be it to do some shopping; or be it to meet friends and families – India is proud to be an open society and an open economy.”<sup>19</sup>

The bilateral engagement that began at this summit has kept its focus on increased ‘people-to-people’ interaction and greater economic interaction between the two neighbours as a means of resolving the longstanding dispute over Jammu and Kashmir. On the eve of his becoming Prime Minister in May 2004, Singh told journalist Jonathan Power (*Statesman*, 20 May 2004, it was an off-the-record conversation that Power published without Singh’s permission), “Short of secession, short of re-drawing boundaries, the Indian establishment can live with anything. Meanwhile, we need soft borders – then borders are not so important.”

This is precisely the idea that Singh has pursued in office. At the official banquet on the eve of their summit meeting in New Delhi in April 2005, Singh told Musharraf, “Our people and our common destiny urge us to make an earnest attempt to find a lasting solution to all issues. In a globalising and increasingly integrated world, borders have lost meaning for much of the world. The journey of peace must be based on a step-by-step approach.”

This theme of the “irrelevance of borders in a globalised world” Singh has repeated on many occasions in the context of Jammu and Kashmir. The persistence of terrorist attacks and, more importantly, the political developments inside Pakistan slowed down the engagement that Singh and Musharraf began. However, initiatives based on the Singh Doctrine, of increasing “people-to-people” and “business-to-business” interaction, as a means of resolving “government-to-government” differences, have moved ahead. There is today greater connectivity between the two sides of the Line of Control. Singh spoke of his “dream” and his “vision” that one day he could have “breakfast in Amritsar, lunch in Lahore and dinner in Kabul” moving with ease from one country to another. Step by step initiatives are being taken in that direction.

While the outline of an eventual solution to the problem of Jammu and Kashmir is not yet clear, President Musharraf shared his thinking on the subject with A. G. Noorani (*Frontline*, August 2006),

“Kashmir will have the same borders but people will be allowed to move freely back and forth in the region, ii) the region will have self-governance or autonomy, but not independence; iii) troops will be withdrawn from the region in a staggered manner; and iv) a joint supervision mechanism (‘institutional arrangement’) will be set up, with India, Pakistan and Kashmir represented on it.”

Recent initiatives to strengthen cross-border trade and further improve connectivity between India and Pakistan must be viewed in this perspective. The recent visit of Nepal’s new President Prachanda to India also reinforced the importance of strengthening trade and connectivity between the neighbours.

***Asymmetric Trade Liberalisation:*** An important element of the Manmohan Singh Doctrine, flowing directly from the ideas of the South Commission, of which he was the Secretary-General, is what I would call the idea of ‘Asymmetric Liberalisation’. In the South Asian context, this idea has been referred to as “non-reciprocal” liberalisation. India’s smaller neighbours expected India to do more in terms of providing market access than they would be asked to do for India. In recent foreign policy literature the acceptance of this principle has been attributed to former Prime Minister I. K. Gujral, and has been dubbed the so-called ‘Gujral Doctrine’. The idea precedes Gujral’s term as Prime Minister and was first advocated by Singh during his tenure as finance minister in the Narasimha Rao government.<sup>20</sup>

While many analysts and earlier governments had only spoken of ‘non-reciprocal liberalisation’ only in the South Asian context, Singh extended this idea to all least developed countries (LDCs). First, in Southeast Asia, when he extended non-reciprocal trade preferences to ASEAN’s CMLV countries (Cambodia, Myanmar, Laos and Vietnam). At the Delhi Summit of SAARC in 2006, this policy was extended to all South Asian LDCs. At the India-Africa Summit in 2008, it was extended to all LDCs.

Singh has taken the idea of “asymmetric liberalisation”, whereby India does more for its neighbours without any expectation of immediate reciprocity, forward in India’s relations with all its neighbours. The offers made by India at bilateral meetings and at the SAARC Summits at Dhaka, Delhi and Colombo reflect the Manmohan Singh Doctrine.<sup>21</sup> Singh personally took interest in creating an agenda for SAARC when he offered asymmetric trade concessions, offered opportunities for coordinated research and policy making on issues like climate change, disaster management, improved road, rail and air connectivity and the creation of the South Asian University.

A similar approach of building long-term relationship through investment in its neighbour’s progress has marked Singh’s approach to other South Asian neighbours as well. In the neighbourhood, however, the ‘fourth dimension’ of the Manmohan Singh Doctrine of contributing to the strengthening of democracy has come to play in a significant way. We will return to this in the last section.

## India and Wider Asian Neighbourhood – East Asian Community

Singh has, in fact, attached even greater importance to economic integration with East and Southeast Asia. India's participation in the East Asian Summit and the creation of an East Asian Community with India in it have been important foreign policy priorities for him. His first visit abroad as Prime Minister was to Bangkok for the first Summit of the BIMSTEC in July 2004. India's full participation in an East Asian Community became the main focus of India's 'Look East' policy during Singh's four years in office so far. Towards this end, he has vigorously pursued an India-ASEAN FTA, in the face of considerable opposition at home, from business interests that feared competition, and political resistance within ASEAN, initially from Malaysia and, subsequently, from Indonesia.

He told the Third India-ASEAN Business Summit in New Delhi in October 2004,

“A decade ago we unveiled our ‘Look East’ policy. This is more than a mere political slogan, or a foreign policy orientation. It has a strong economic rationale and commercial content. We wish to ‘Look East’ because of the centuries of interactions between us... We envision an *Asian Economic Community*, which encompasses ASEAN, China, Japan, Korea and India. Such a community would release enormous creative energies of our people. One cannot but be captivated by the vision of an integrated market, spanning the distance from the Himalayas to the Pacific Ocean, linked by efficient road, rail, air and shipping services. This community of nations would constitute an "arc of advantage", across which there would be large-scale movement of people, capital, ideas, and creativity.”

Once again, the focus was on how people-to-people and business-to-business links would eventually shape government-to-government links in the region. But he saw the FTA with ASEAN as a step towards a larger engagement with the region. When some elements in the Congress Party sought to raise alarm over the impact of the ASEAN FTA on the plantation sector in Kerala and encouraged the Congress Party President Sonia Gandhi to write to the Prime Minister urging caution on the India- ASEAN FTA, Singh wrote back to Gandhi stating,

“Our approach to regional trade agreements, in general, and FTAs, in particular, has been evolved after careful consideration of our geo-political as well as economic interests. Although India has a large domestic market, our experience with earlier relatively insular policies, as also the global experience in this regard, clearly bring out the growth potential of trade and economic cooperation with the global economy.”<sup>22</sup>

Such a strategic perspective and a steadfast commitment to the ASEAN FTA has finally ensured the completion of negotiations. Singh will sign the India-ASEAN FTA at the East Asian Summit in Bangkok later this year. At each of the East Asian Summits he participated in, Singh kept emphasising the growing and deepening economic engagement between India and East and Southeast Asia. Eventually, he realised, it is hard economics that will shape regional politics and diplomacy and drive the process of India's integration with East Asia.

Singh also launched a new ‘Look West’ policy in the neighbourhood by strengthening relations with the Gulf States. The historic visit to India of the King of Saudi Arabia and the initiative to seek closer economic relations with member countries of the Gulf Cooperation



Council shifted the emphasis away from politics to economics in India's relations with the Arab nations.

Singh has also repeatedly emphasised the vital economic role of the Indian community in the Persian Gulf region for India's economic security. In his words, "India owes a lot to the people of Indian origin in the Persian Gulf region whose regular financial remittances home have played an important role in building our foreign exchange reserves that now amount to over US\$130 billion." Singh always emphasised the 'economic significance' of the region for India and that of the Indian community living in the region. He told a session of the All India Congress Committee in November 2007,

"We have had a historic and long-standing relationship with the countries of the Middle-East and the Persian Gulf. Over fifty lakh citizens are working there for their livelihood. We have always sought peace in this region – be it Iraq, be it Iran or be it any other country. The bulk of our petroleum and energy requirements come from this region and our energy security is critically dependent on the conditions there. It has been – and will be – our effort to reduce tensions there and promote peace and harmony."

### South-South Cooperation

Economics also defined India's engagement of Africa during Singh's tenure. All his major initiatives with respect to Africa focused on economics and human development. While India's own energy needs drove the relationship with a couple of countries like Nigeria and Sudan, the overall strategic relationship with major African countries focused heavily on Indian participation in Africa's educational, technological and economic development.

At the First India-Africa Summit held in New Delhi, Singh took personal initiative to propose a duty free Tariff Preference Scheme for Least Developed Countries, 34 out of 50 LDCs being African countries. Under the scheme, India agreed to provide preferential market access for exports from all 50 LDCs, covering 94 percent of India's total tariff lines and 92.5 percent of global exports of all LDCs. Products of immediate interest to Africa covered by this scheme include cotton, cocoa, aluminum ores, copper ores, cashew nuts, cane sugar, ready-made garments, fish fillets and non-industrial diamonds.

This major initiative with regard to South-South Cooperation was an important idea of Singh that must be viewed against the backdrop of his association with the South Commission, of which he was the Secretary- General. India has opted to focus on development cooperation in Africa, while encouraging Indian companies to invest in the region and help promote local development. Unlike China, where the government has played an important role as an aid giver, India has preferred to focus on human development, education and skill development and promote industrial development through private enterprise participation.

### **New Thinking on Globalisation**

A key idea that Singh has brought to the fore in defining India's relations with the world is the notion that "The world wants India to do well. Our challenges are at home."<sup>23</sup> In stating this repeatedly at various forums, including his Party forums, Singh has tried hard to rid India of its "victim" mentality and encourage the idea that in world affairs today India is expected to be, and can indeed be, a "participant", not merely a "petitioner" or "protestor".

Singh took this view to such important developing country forums as the Asia-Africa Conference in Jakarta, in 2005, and the Summit of the Non-Aligned Movement in Havana in 2006. He told the Non-Aligned Movement (NAM) that it was a “bridge” between “extremes”, rather than the ‘battleground’ that President Mahmoud Ahmadinejad of Iran and President Hugo Chavez of Venezuela tried to make it. At the same time he told the G-8 Summit in Helligendamm that India was not interested in being a mere ‘bystander’ at such gatherings and saw no point in attending the so-called ‘Outreach’ summits if it had no role to play in shaping the thinking of the G-8 on global issues.

On the two major global issues of the years 2006-08, namely multilateral trade negotiations, discussions on climate change and management of the global energy, food and financial crises, Singh repeatedly spoke of the need for India’s voice to be heard, but committed India to the role of a ‘participant’ in the management of global issues. India could no longer remain a ‘complainant’, and certainly not a ‘supplicant’. Singh recognised the fact that this called for a “change of mindsets” both at home, about the world, and abroad, about India. Singh’s project is to shift India from its traditional anti-colonial “Third Worldism” to a post-colonial notion of “Inclusive Globalisation”.<sup>24</sup>

An important step in this evolution from ‘victim’ to ‘participant’ would be a new view of India’s relations with “major powers”. India, like China, must learn to engage the great powers with greater confidence, rather than adopt a victim mentality towards them. It was to trigger this change in thinking that he decided to encourage a more ‘balanced’ and ‘nuanced’ view of India’s colonial experience. India must learn from history but not become a prisoner of history. It must, for example, be able to deal with a country like Britain, no longer a “global power” or an ‘imperial power’, as an equal. This was, Singh believed, the way Gandhiji and Nehru wanted ‘Free’ India to relate to post-colonial Britain. It was this idea that Singh elaborated in his famous Oxford University speech on 8 July 2005.<sup>25</sup> The Oxford speech has been pilloried by Singh’s critics as genuflection before the Empire. On the contrary, it was a bold statement of self-confidence, urging Indians to look the former ruler in the eye.

The roots of Singh’s world view go all the way back to his doctoral dissertation which recognised the importance of foreign trade in India’s economic development. However, it was only in the 1980s and more so in the early 1990s that India changed its perspective on integration with the world economy and on the role of trade in national development. As a Finance Minister and, subsequently, as Prime Minister, Singh fully appreciated the strategic dimension of trade. Trade is not just about comparative advantage and market access. It creates “webs of inter-dependencies”. Many years earlier, the trade economist R. N. Cooper had written an essay entitled “Trade Policy is Foreign Policy” (*Foreign Policy*, 1972). However, with the growth of regionalism in trade arrangements, it had become even more obvious that trade creates relationships of inter-dependence that shape political relations between nations. This was the experience of post-War western Europe, and this is what Asia was benefitting from too. India must also enter into mutually beneficial trading arrangements with major powers and neighbours.<sup>26</sup>

The most dramatic shift in India’s approach to trade came about during the course of the Uruguay Round multilateral trade negotiations. India went into the round in the late 1980s adopting its traditional posture on trade and resisting calls for a new round of trade liberalisation. The 1991 economic crisis forced the government to change its stance and accept the recommendations of several expert bodies to eliminate quantitative restrictions on

imports and reduce tariffs. As a consequence India changed its negotiating stance in the Uruguay Round and finally became signatory to the creation of the WTO.

***'Inclusive globalisation'***: Deriving from his thinking at the South Commission, Singh came forward with an important concept of development cooperation that he dubbed "Inclusive Globalisation". He first unveiled this concept during his intervention at the historic Jakarta Summit of the heads of Asian and African countries marking the 60<sup>th</sup> anniversary of the Bandung Summit in April 2005, and developed it in his Special Convocation Address at University of Cambridge, United Kingdom, in October 2006. At the Jakarta Summit, Singh eschewed the "old rhetoric" of post-colonialism and put forward a more inclusive notion of globalisation,

"Ours is a world of unprecedented connectivity. Thanks to the communication and information technology revolutions, distance has lost its old meaning. Fifty years after Bandung 1955, we meet in a smaller and more integrated world. Migration and more open economies are creating multi-cultural societies. Globalisation enables instant availability of information and freer competition for opportunities... It is not coincidental that increasing openness, democracy and social awareness follow the process of globalisation. Recent advances in science and technology provides us unparalleled instrumentalities to combat age-old problems of poverty, ignorance and disease. Properly managed, globalisation can effect a significant improvement in the human condition in the span of a single generation."

Even at the NAM Summit in Havana in September 2006, Singh spoke about "inclusive globalisation" and said he viewed NAM as a "bridge" between global divides and as a "rejection of extremes." He deliberately differentiated his own "inclusive" perspective from the extremist "exclusive" perspectives of Chavez and Ahmadinijad. Singh told NAM,

"We live in an increasingly interdependent world. The challenge ahead is to promote a balanced and equitable management of this interdependence of nations. As globalisation progresses, national and regional boundaries are becoming less and less relevant. The challenges we face as nations are increasingly less amenable to purely national and autonomous solutions. Environmental degradation and climate change recognise no national borders. Pandemics like HIV/AIDS, Malaria, TB or Avian Flu can only be contained or overcome through international cooperation. Terrorism anywhere threatens peace everywhere. Our problems are global, so must our solutions be.

The Non-Aligned Movement, encompassing as it does, every religion professed by mankind, every ethnic group and ideological persuasion, is uniquely placed today, once again, to play the role of a bridge of understanding. Our cooperative world view is in itself a rejection of the notion of a 'clash of civilisations'. Rather, our message to the world should be that it is possible to work for a "confluence of civilisations."

It was a familiar theme that Singh had repeatedly spoken of at home. But to do so on a NAM platform was significant and called for courage and statesmanship.

At the University of Cambridge, United Kingdom, Singh laid out his perspective on the Doha Development Round of multilateral trade negotiations, on climate change and global warming and on United Nations reform, within this framework of 'inclusive globalisation'. He said,

“Let me say without hesitation that we are committed to the successful functioning of a rule based multilateral trading system. India remains committed to the successful conclusion of the Doha Round of Trade Negotiations at an early date. We do hope that the round keeps in mind the promised development dimension and that it also will address the concerns of millions of our subsistence farmers. Trade liberalisation, we recognise, has contributed immensely to our economic growth and to the growth of the world economy as a whole. Lowering trade barriers both at home and abroad has helped us. Our enterprises have become more globally competitive. We shall persist on that path.

More importantly, new business activities have grown in response to global opportunities. The successes of our information technology, automobile and pharmaceutical sectors are a living testimony to the benefits that liberalisation and globalisation have brought us. Sometimes, we do worry that at a time when we are becoming more open, protectionist voices are being heard in developed countries. The lesson we must all draw from the experience of the past century is that no country can reverse the dynamics of social, economic and technological change. Rather we must learn to cope and adapt with change.

This is precisely why India chose to join the WTO. India is a founder member of GATT. You will recognise the fact that we have adhered to all our Uruguay Round commitments. In fact, our firms have benefited from these commitments. While we remain committed to these obligations, we must also explore ways in which developing countries can catch up in the race to modernisation.

We have affirmed our commitment to the protection of intellectual property rights. But, the global economy, the global community cannot afford the complete privatisation of research, of knowledge generation, especially in fields like medicine. We need to evolve mechanisms that protect intellectual property and at the same time, address the needs of the poor. With the increasing privatisation of research & development in science and technology, modern societies require new approaches to the sharing of knowledge where such knowledge is of benefit to all humankind.”<sup>27</sup>

Similarly, at Helligendamm, he defined India's stance on climate change negotiations stating that India would limit its per capita carbon emissions to levels defined in practice by the developed economies. As Singh put it,

“There are similar trade-offs we need to reflect on when we consider the problem of climate change, global warming, ecological degradation and environment policies. The developing world will continue to see per capita consumption of CO<sub>2</sub> emissions rising in the foreseeable future. This will exert pressure on global resources. How do we balance the aspirations of the world's poor against our shared concern about the sustainability of the growth process?

Let me assure you that we in India are deeply and sincerely committed to the protection of our environment because we all share a single global environment. The Indian approach to climate change and global warming derives from the ancient Hindu saying – *vasudhaiva kutumbakam* – “the whole universe is one family.

As I had said at the G8 Summit some months ago in Germany, India accepts its global responsibilities. We are willing to accept the obligation that our per capita emissions of CO<sub>2</sub> will never exceed the per capita emissions of developed countries. If developed countries succeed in reducing their per capita emissions, this would exert pressure and will be a source of incentive for all of us as well.

Whether it is on trade policy or on climate change, or indeed on any other international obligation, India has always worked with the global community. Moreover, India has never reneged on its international commitments. India has been a reliable partner, a responsible global citizen. India respects the rule of law in international relations. India is, therefore, a predictable partner.”

This idea, of India being a “predictable partner”, a “normal country”, a responsible, reliable, dependable country, was an important obsession with Singh, for he believed this is how India’s leaders viewed their country from the time of Independence. The phrase that India is “an open society and an open economy” was repeatedly used by Singh to also underscore the fact that India is an open book. Transparent, predictable and reliable.

### **Democracy, Secularism and the Manmohan Singh Doctrine**

An important idea defining the Manmohan Singh Doctrine that Raja Mohan drew our attention to was Singh’s observations at the India Today Conclave in early 2005 when he said,

“If there is an “idea of India” by which India should be defined, it is the idea of an inclusive, open, multi-cultural, multi-ethnic, multi-lingual society. I believe that this is the dominant trend of political evolution of all societies in the 21st century. Therefore, we have an obligation to history and mankind to show that pluralism works. India must show that democracy can deliver development and empower the marginalised. Liberal democracy is the natural order of political organization in today’s world. All alternate systems, authoritarian and majoritarian in varying degrees, are an aberration.

Just as developed industrial economies enabled “Economies in Transition” to graduate into open economies, developed democracies should also assist “Societies in Transition” to become open societies. I believe India’s policies towards the world have been shaped by this commitment to the core values of our Nationhood. We should be proud to identify with those who defend the values of liberal democracy and secularism across the world.”

It is this idea that underlay India’s decision to co-launch the United Nations Democracy Fund along with the United Nations, the United States and other democracies in September 2005. Singh drew inspiration from the Indian freedom movement’s commitment to democratic development in the developing world, and to India’s political and strategic stake in

democracy building in Asia, especially South Asia. He did not advocate the “export of democracy” in keeping with India’s consistent policy of non-interference in the internal affairs of other nations. But he certainly did not shy away from boldly stating that democracy had been good for India and would be good for the world as a whole.

It can, of course be argued that India had a particular interest in democracy building in South Asia. Singh did not shy away from admitting that. He saw democracy as a way of promoting moderation in politics and as an effective instrument against extremism, fundamentalism and terrorism. India justified its support for the government of Hamid Karzai in Afghanistan on these grounds, and was openly supportive of democracy in Nepal, Bhutan, Pakistan and Bangladesh. Only in the case of Myanmar there has been a reticence to make public pronouncements for a variety of strategic reasons, including concerns about the unity, integrity and stability of Myanmar itself. Recently Singh was forthright in expressing India’s satisfaction with the rising tide of democracy building in South Asia when he told the United Nations General Assembly,

“The international community must pool all its resources to ensure the success of Afghanistan's reconstruction efforts and its emergence as a moderate, pluralistic and democratic society... We welcome the return of democracy in Pakistan. We are committed to resolving all outstanding issues between India and Pakistan, including the issue of Jammu and Kashmir, through peaceful dialogue. We also welcome the coming to power of democratically elected governments in Nepal and Bhutan.”

Going beyond formal statements regarding democracy and away from viewing it purely in strategic terms, Singh underscored the importance of democracy as the only political institution capable of dealing with extremism, fundamentalism and terrorism, especially in Asia. It is the ability of democracies to give “voice to the voiceless” and the power of changing governments “through ballots rather than bullets” that Singh saw as its’ greatest value in a world coping with intolerance and terrorism. India and the democratic world must make a social and political case for democracy rather than a purely economic one, as many critics of democracy were wont to do. China’s rise within a ‘non-democratic’ institutional framework had revived the old debate about the merits and demerits of democracy for the developing world. While non-democratic regimes may be able to foster high growth they can not offer the political space required for the full expression of the human spirit, especially in complex multi-ethnic, multi-cultural, multi-lingual, multi-religious and often multi-national countries.

It can also be argued that Singh also takes a practical view of the strategic importance of liberalism for India. After all, one of India’s strategic assets is her ‘knowledge economy’. The value of the Indian diaspora as a strategic asset is also not just about capital inflows, but about it being a “brain bank”, as Singh has said on so many occasions. One more of Singh’s important and oft-repeated statements is the quote from Winston Churchill’s speech at Harvard University in 1943 when he said, “The empires of the future will be the empires of the mind.”

Singh has repeatedly referred to this emphasising the strategic importance of investing in education, skill, capacity and capability building in India. Even in the India-United States strategic relationship Singh gave this high importance. The India-United States Knowledge Initiative, the launch of the Fulbright-Nehru Fellowships, the agricultural research initiative,

and so on were all part of a strategy to draw on United States knowledge and technology for India's development. Even the India-United States civil nuclear agreement ought to be viewed as a means of removing the barriers to knowledge flow in high tech areas.

### **Challenges to the Manmohan Singh Doctrine**

It should be clear that the Manmohan Singh Doctrine is a product of the times. It is a manifestation of India's economic resurgence in an era of greater economic openness. India must maintain the recent momentum of high growth, ensuring that it is socially more inclusive and regionally more balanced, to create a domestic economic and political environment conducive to the continuing political appeal and relevance of the Manmohan Singh Doctrine.

The success of India's external liberalisation and the re-integration of the Indian economy into the growth processes of East and Southeast Asian economies have played a vital role in the popular acceptance of the validity of the many postulates of this doctrine. For this reason, the continued relevance of the doctrine will be contingent upon India's continued pursuit of high economic growth within the framework of an open and increasingly globalised economy.

It is also contingent upon that process of globalisation being more inclusive. If the global economy slips into a new era of protectionism and if the current financial crisis and the global economic slowdown, with high energy and food prices, generates a backlash against globalisation, it could strengthen the domestic critics of the Manmohan Singh Doctrine in India.

Equally, the doctrine's appeal to the outside world is premised on India remaining a high growth, open economy and an open society, marked by popular commitment to the values of a liberal, plural and secular democracy. An inward-looking, internally divided, bigoted and illiberal India would have little external standing, and no external appeal.

A renewed surge of terrorist and extremist activity in India could also erode the domestic consensus in favour of a liberal, plural and secular political order. This India must always guard against. Equally, China's increased assertiveness on a range of issues, combined with its policy of 'encirclement' around India, could also generate jingoistic responses within India and anti-India sentiments in the neighbourhood that would weaken the appeal of the more benign orientation to the region and the world suggested by the Manmohan Singh Doctrine.

It should, however, be noted that while the doctrine is benign in its orientation to the world, it is by no means supine. The corner-stone of the doctrine is a stronger India, more self-confident and more capable and willing to engage the world on more equal terms. That new self-confidence should not become exaggerated, generating either complacency or hubris. India has a long way to go in making its tryst with destiny. But it can only make this tryst, and relate to the world, as an open economy, an open society, a liberal, plural, and secular democracy. That is what gives India a pride of place in the global community.

**Disclaimer:** The views expressed here are based entirely on the published speeches of the Prime Minister and other information available in the public domain. No confidential

information that was available to the author during his tenure at the Prime Minister's Office has been used.

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- 5 On the idea that "Nehruvian non-alignment" was a "strategy" rather than an "ideology", which is what it became subsequently and especially in the 1970s and 1980s, see Sanjaya Baru, "The Economics of India's Foreign Policy", in Sanjaya Baru, *Strategic Consequences of India's Economic Performance*, Routledge, 2007.
- 6 For reference see Baru, *Strategic Consequences ...* (2007) Chapter 2.
- 7 India's executive director on the IMF Board, M. Narasimham, told this writer in an interview years later that the US was dragging its feet on voting in favour of the Indian loan application on the IMF Board. It was a threat from Mrs. Gandhi to turn to the Soviets for help, after having criticized them an year before for their invasion of Afghanistan, that encouraged the US administration to direct its Governor on the IMF board to "abstain" on the India loan application vote and allow it to go through.
- 8 For a detailed discussion of the rising influence of business in foreign policy see: Sanjaya Baru, "Domestic Sources of Influence: Business Groups and Media", Paper presented at the Conference on the Future of India's Foreign Policy, Centre for the Advanced Study of India, University of Pennsylvania, April 18-19, 2008. (To be published)
- 9 See Sanjaya Baru, "The Economic Consequences of the Kargil Conflict for India and Pakistan", in Baru 2006.
- 10 The propaganda in western media that Indian trade minister Kamal Nath was responsible for stalling Doha Round negotiations is not valid. However, it is true that Indian trade ministers are quite happy to be portrayed in the West as obstructionists in trade negotiations since this plays well in domestic politics. I recall former trade ministers Murasoli Maran and Arun Jaitley defending their stance at the Doha and Cancun WTO Ministerial Meetings on these grounds. Prime Minister Singh remains firmly committed to a successful conclusion of the Doha Round, as long as it protects the interests of India's small and marginal farmers.
- 11 Budget Speech, February 28, 1997
- 12 A forthcoming book discusses in some detail this phenomenon of Indian multinational enterprise. See Ravi Ramamurti & Jitendra V. Singh, (Ed.) *Emerging Multinationals from Emerging Economies*, Cambridge University Press, forthcoming 2009.
- 13 It is pertinent to note that during the week when India was hit by renewed terrorist attacks, Prime Minister Singh told the media that his "first priority" was to ensure that the Indian economy was insulated from the fallout of the global financial crisis and his second priority was to fight terrorism. He viewed the financial and economic threat as more deserving of his immediate attention rather than terrorism. [www.rediff.com/September 30, 2008](http://www.rediff.com/September 30, 2008). Singh's statement in Parliament on 20th October, 2008 – [www.pmindia.nic.in/speeches.htm](http://www.pmindia.nic.in/speeches.htm) - and his remarks in Tokyo on 22nd October 2008, suggest that India will remain pro-active in dealing with the impact and consequences of the financial crisis and the global economic slowdown so as to ensure that is not hurt by them and it is able to sustain its growth process. If India can succeed in doing this, and if Pakistan slips into an economic crisis and China slowsdown, India's strategic environment would improve.
- 14 Full text in *Selected Speeches of Prime Minister Manmohan Singh*, Vol 1. Publications Division, Govt. of India. 2005.
- 15 Prime Minister Manmohan Singh, Address to Combined Commanders Conference, Defence Headquarters, New Delhi, October 26, 2004. Abridged version only in *Selected Speeches*, Vol.1 [www.pmindia.nic.in/speeches.htm](http://www.pmindia.nic.in/speeches.htm)
- 16 Institute of Defence Studies & Analysis, November 11, 2005. [www.pmindia.nic.in/speeches.htm](http://www.pmindia.nic.in/speeches.htm) , *Selected Speeches*, Vol.2



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- 17 In September 2004 at the first meeting between Prime Minister Manmohan Singh and President George Bush rising energy prices were on top of both their minds, since both were grappling with the problem at home. The conversation about developing India's nuclear energy option came up in the context of rising oil prices. It should be noted that this was not the only subject on the agenda of the two leaders. As the July 18th Joint Statement clearly shows, both placed great emphasis on economic cooperation, including in the fields of agriculture, and on human resources development.
- 18 See [www.pmindia.nic.in/speeches.htm](http://www.pmindia.nic.in/speeches.htm),
- 19 Manmohan Singh in Lok Sabha, 10 March 2005. [www.pmindia.nic.in/speeches.htm](http://www.pmindia.nic.in/speeches.htm)
- 20 The phrase "Gujral Doctrine" was in fact promoted by I.K. Gujral himself. I recall being asked to interview him on Doordarshan when he was Prime Minister, as part of a panel that comprised Kuldip Nayyar and Jasjit Singh. Before the recording Gujral expressed the hope that the interview would seek his elaboration on "what people have been referring to as the Gujral Doctrine". Nayyar, who was Gujral personal friend, appointed High Commissioner to UK by Gujral in 1989 (when Gujral was foreign minister in the VP Singh government) and subsequently nominated to the Rajya Sabha by Gujral in 1997 (when he was Prime Minister), readily obliged and asked him to define the 'Gujral Doctrine'!
- 21 The notion of "non-reciprocal liberalisation", popular in the diplomatese of the 1990s, is what we call "asymmetric liberalisation".
- 22 Prime Minister's Letter to UPA Chairperson, 20 April, 2006. See "Manmohan allays Sonia's FTA concerns", Indian Express, May 08, 2006.
- 23 "The world wants us to do well. There is today no binding external constraint on our economy, save the pressure exerted by rising energy prices and the occasional attempts to bring back protectionism through the backdoor of non-tariff barriers by many industrial economies. For us the real challenge is at home and I do hope and believe we can create a national alliance cutting across party political lines in support of a new push to development." .....
- 24 The idea of 'inclusive globalisation' is an extension of the idea of 'inclusive growth' that Singh promoted at home as Prime Minister. It was elaborated in his Special Convocation Address to University of Cambridge, UK, in October 2006. See Selected Speeches of Prime Minister Manmohan Singh, Volume 3. Publications Division, Government of India, Delhi, 2007. Also at: [www.pmindia.nic.in/speeches.htm](http://www.pmindia.nic.in/speeches.htm)
- 25 Manmohan Singh, Oxford University, Special Convocation Address, July 8, 2005. Selected Speeches, Vol. 2 and at [www.pmindia.nic.in/speeches.htm](http://www.pmindia.nic.in/speeches.htm)
- For example, this telling statement says it all: "It used to be said that the sun never sets on the British Empire. I am afraid we were partly responsible for sending that adage out of fashion! But, if there is one phenomenon on which the sun cannot set, it is the world of the English speaking people, in which the people of Indian origin are the single largest component."
- 26 For a discussion of the idea that trade creates "webs of inter-dependence" and hence can shape India's relations with its neighbours and major powers see Sanjaya Baru, "National Security in an Open Economy", Chapter 4 in Baru (2006). This chapter, with its presentation of external trade as a means of creating "inter-dependence" between countries, is based on the chapter "Economic Security" written by this writer for the First Strategic Defence Review (SDR) presented to the Government of India by the National Security Advisory Board in 1999. At the time when it was written the author discussed these ideas with Manmohan Singh, who was then Leader of the Opposition in Rajya Sabha.
- 27 Fortune Global Forum, New Delhi, 29 October, 2007. Selected Speeches, Vol 4.