

**Address by Shyam Saran Special Envoy of PM on `India's Foreign Policy and the Andaman & Nicobar Islands` at Port Blair - 5 Sep 2009.**

**India's Foreign Policy and the Andaman & Nicobar Islands**

I wish to thank the Commander in Chief of the Andaman & Nicobar Command for having invited me to speak at this prestigious gathering at Port Blair. This has given me the opportunity to revisit these lovely islands after almost a decade and so much has changed for India and its neighbourhood in the meantime. But geography dictates certain continuities which provides the stage on which the more changeable drama of international politics plays itself out. In that sense, not much has changed from 10 years ago in terms of the strategic importance of the archipelago; in fact, this importance has only increased in the intervening period.

I have been asked to speak on India's foreign policy and what role do the Andaman and Nicobar Islands play in the conduct of our foreign policy. Let me begin by saying a few words about foreign policy.

When we say foreign policy, it is different from other policies in that it involves relations with other countries. It is recognition of the fact that whatever we perceive as our national interest, often must be pursued within a certain context or with regard to its external dimension. This introduces a degree of relativity to calculations of national interest, because the external environment is often a critical factor in this exercise. I say this because at times we seem to define our national interest, whether economic or security, as if they were assigned absolute values. Doing so may actually undermine rather than enhance the country's overall security. I will try and show later how this applies, in particular, to our relations with China, since the subtext, or perhaps I should say, the main text of what I hear at this seminar appears to focus on China and what the emergence of China and the inevitable expansion of its economic and military profile may mean for the Andaman & Nicobar Islands. What we really want to know is whether our control over these islands, strategically placed as they are, help us manage China's rise and protect our turf as it were, or will we be outflanked by pieces of strategic jewellery such as "Strings of pearls", inner islands' ring or an outer islands' ring, deployed by China.

Let me move to what I consider as key objectives of our foreign policy. As a practitioner of diplomacy, I believe it is to increase India's strategic autonomy, or to put it another way, expand the nation's strategic space. You do this by giving your national leadership multiple options for addressing perceived challenges. Ideally, the more numerous the options or credible alternatives, the better the ability to orchestrate and to calibrate our actions as well as reactions in addressing challenges. The worst situation one could face would be if I were left with a binary choice – either capitulation or a recourse to arms. This to me means that diplomacy has failed and our foreign policy is flawed. And please note, having options is as important in dealing with countries whom we consider friends, as with countries whom we consider not so friendly. In dealing with either category having fewer options may mean that the former may take you for granted and may squeeze you, confident that you have no or

few alternatives; the latter, to take the worst case, may consider a hostile act, military or otherwise, a low risk, low-cost means of adding to its own strategic space at your cost. Certainly the temptation to behave assertively or even aggressively could well manifest itself. What foreign policy does is to give you the opportunity to arrange your relations with countries, in a manner that enhances your options vis-à-vis friends and adversaries alike.

Let me now give you my perspective on the importance of these islands to India, a perspective which will look at both economic and security dimensions.

First, the geography. This is an archipelago of nearly 600 islands, mostly uninhabited and constitutes an extension of the Araka Yoma mountain range which extends north-south from Myanmar's eastern province, all the way to Indonesia. It straddles the maritime gateway to the Bay of Bengal whose importance to India's security and well-being, in particular, its eastern flank needs no emphasis.

Second, add politics to the geography – this island chain is separated from the Indian mainland by 1200 kms of sea, almost equidistant from Kolkata and Chennai respectively. Don't forget that not too long ago, Indian transport aircraft would refuel at Yangon on their way from the mainland to Port Blair.

The islands are only 18 kms from Myanmar's Coco Islands and Indira Point is only 160 kms from the northern tip of Indonesia's Sumatra. Therefore, the political reality of India controlling these islands, gives the country an extraordinary reach into its eastern neighbourhood and therefore, significant foreign policy leverage. Think of how the situation would have been different if these islands were not under Indian control. When I was serving as Ambassador in Myanmar, I came across some writings in Pakistan, alleging that the British had been very unfair in accepting India's sovereignty over the Andaman & Nicobar islands at the time of partition. Pakistan had argued at that time that the islands should, in terms of geographical location as well as since they would straddle the sea-link between the then East and West Pakistan, belong to Pakistan. It was further argued that based on the claims made by Pakistan in 1947, Bangladesh should now demand that the islands should be handed over to its control. This may sound amusing at this time, but nevertheless reflects the importance of these islands to India's overall security interests. Let us also not ignore the fact that 30% of the country's Exclusive Economic Zone (EEZ) is the result of India's sovereignty over these islands.

The islands guard the approaches to the Bay of Bengal. They also give India a vantage position to monitor the increasingly dense maritime traffic between the Far East & South-East Asia and the Western Indian Ocean and beyond. This, too, is a geopolitical advantage, but only if backed by strong naval and air assets. The capabilities we displayed during the Tsunami of December 2004/January 2005 made a deep impression on our neighbours and beyond. The ability to help countries in our extended neighbourhood in a crisis and to help combat maritime security threats such as piracy and terrorist activity, are being increasingly appreciated in our region and beyond.

How should we leverage the locational advantage of these island territories in promoting India's security and economic interests?

To my mind, the first order of business is to change our mindset with respect to our land and maritime periphery. While reviewing the border infrastructure along India's land frontiers, I found there was a long-standing and deeply ingrained resistance to permitting our border areas, and the communities living in these areas, from being fully integrated with the rest of the country. Border areas were, and in many cases still continue, to be looked upon as "outposts" or worse, "buffer zones" in the colonial tradition, which are best left under-developed, with heavily restricted access. If some roads or highways are built these generally follow an alignment suited to narrowly conceived defence interests, rarely taking into account the interests of resident communities, whose sense of alienation from the national mainstream begins to assume disturbing proportions. The "inner line permit" is a relic from our colonial past, which is only now being re-examined and relaxed in specific areas. In this outdated way of thinking, we think of borders as impenetrable walls, separating us from a hostile beyond. Rarely do we look upon our borders, as what I call, "Connectors" which enable us to interact productively, in a mutually beneficial manner, with our neighbours.

Ten years ago, when I visited the Andamans and Nicobar, I found both in Delhi and in Port Blair, the marine equivalent of the "outpost" mentality. The corollary to such thinking was to draw a security cocoon around these islands, allowing minimal trade and traffic and prevent "prying eyes" from observing our naval and other military assets. Not that this could be achieved, especially in a world where satellite reconnaissance can give us images of less than a meter resolution. Without adequate assets such as reconnaissance aircraft, high speed patrol craft, modern radars, we were unable to monitor what was happening in and around large numbers of uninhabited islands. Nor did we have the wherewithal to prevent illegal immigration into these islands specially from Bangladesh. I trust that we are today better equipped to do so, but it is my experience that "outposts" tend to become just that. They command only episodic attention from decision makers and certainly only limited claim on budgetary resources. You need to be in the national mainstream to be on national agenda. I think over the years, Andaman & Nicobar islands have suffered from this "outpost" syndrome.

How do we transform these lovely islands into a major and economically viable asset for the country and thus an integral component of the country's mainstream economy?

More than 35 years ago I went to Hong Kong as an IFS probationer to learn Mandarin. There I came across a brief but most interesting book written by one of the former Indian Commissioners to Hong Kong, Shri Sivaramakrishnan. He proposed that India develop Andamans and Nicobar islands as a free trade zone a la Hong Kong, attracting investment from across the South-East Asian region and become one of its key trade, shipping and transport hubs. He pointed to the strategic location of the islands, within striking distance of all the major trade and shipping centers and countries of the region – Singapore is only 950 kms from Port Blair. Yangon is 400 kms and Phuket is also about the same distance. Taking into account the major traffic routes traversing the islands or being flanked by them, he pointed to the possibility of developing Port Blair and the Campbell Bay in the Great Nicobar into major sea-ports. Today you could add the great potential for tourism as well.

Times have changed but Commissioner Sivaramakrishnan's ideas still have resonance. Seventy percent of shipping to and from Indian ports is handled by Colombo. A great deal of break-bulk is

carried out at Colombo before cargo is dispersed to various regional destinations. The reverse, too, takes place, that is the consolidation of smaller cargo into larger sized shipments. Should we not examine whether Campbell Bay, which I understand is an excellent deep water port, take on at least part of this role? Given the proximity of dense marine traffic in its vicinity, could we not develop bunkering facilities to serve this traffic? And today, you would of course, add the immense tourism potential of these islands as well. I am happy to see that tourism to these islands is being promoted in a significant way.

In the year 1998, Myanmar was persuaded to become a member of the Thai-inspired BIMSTEC – a sub-regional grouping straddling both SAARC and ASEAN. South Asia was originally represented by India, Sri Lanka and Bangladesh. India now had a border with ASEAN. The countries around the rim of Bay of Bengal were now part of a grouping which had the potential to evolve into a Bay of Bengal community. I recall that in discussing how we could provide connectivity among the BIMSTEC members, we were also looking at the location of a possible BIMSTEC HQs with a Secretariat. If you look at the map of South and South East Asia, Port Blair appears to be right at the center of this Bay of Bengal community. From an outpost, the islands could be transformed into a regional nodal point if we could offer to site the HQs at Port Blair. This is what had been suggested to Government in a paper I wrote from the vantage point of being stationed as India's Ambassador in Yangon. I believe that such a decision would have transformed the prospects of these islands, made them center-stage in our Look East policy and brought India much closer to its natural and cultural hinterland of South East Asia. This is still possible if we dare to act especially since we have now concluded a Free Trade Agreement with ASEAN.

If we were to develop the potential of these islands as one of India's significant trading, shipping and tourist hubs, if we were to position them also as the regional hub of a Bay of Bengal community, then obviously, infrastructure would improve and economic activities would multiply across sectors. With valuable economic assets having been created and the centrality of the islands in our Look East policy having been established, there would be greater willingness to invest in ensuring the security of the islands and the seas around them. There would be a clear and significant stake in doing so. Thus, security would go hand in hand with economic prosperity. And this is what we need to appreciate and understand – that in today's world, national security is as much a function of economic dynamism and prosperity as it is of creating military assets. Both must go hand in hand.

I will now deal with the question of how we should deal with China. The situation is complicated not only because China is rising. Its profile is growing and its footprint in our neighbourhood is increasing. The trouble is that India, too, is rising. Our profile too is growing and our footprint in the neighbourhood, too, is increasing. So we have to manage a dual rise. How do we arrange our relations with countries in our neighbourhood and beyond in a manner that ensures our rise, and therefore the range of our options, while avoiding a clash with China, at what Ambassador Ranganathan said were "intersecting points". In the theatre where Andaman & Nicobar Islands are located, what I would roughly call the Asia-Pacific theatre, our aim should be to promote the same multipolarity which both India and China advocate in international relations generally. We need to participate actively in shaping the emerging economic architecture in the region as well as the emerging

security architecture, which should be open, inclusive and loosely structured. This India cannot do alone. It must do so in close collaboration with all stakeholders in the region including China. India may not possess the same degree of economic and military power that China commands today. But it is not necessary to aim at equivalence. What is important is to ensure that no regional architecture, or for that matter, no global arrangement, can have credibility without India's active participation. Once this is apparent to both friends and foes alike, India would have expanded its strategic space and thereby its room for maneuver. What I am trying to convey is that dealing with China's challenge is a function not just of how we pursue our bilateral relations with that country but how we order our relations with a large number of countries, both regionally and globally.

A last word about our bilateral relations with China. Someone remarked yesterday that there seemed to be a contradiction between the claim that India's relations with China are improving even while we draw attention to China's various attempts to limit India's room for maneuver. There is no contradiction at all; no relationship with a country is a black and white, except in war. We need a nuanced policy, which builds upon possible areas of congruence and deals firmly, though prudently with situations where our interests are being threatened. As I said, we need a varied and diverse diplomatic tool-kit to address the challenge which China poses, even while we come to terms with the implications of our own rise. We should avoid being provocative, even while we seek to expand our own strategic space. Nervous articulations of a threat can trigger mirror-image and hostile perceptions on the other side. There is no inevitability of conflict with China. We believe that there is enough space in this region and beyond for both China and India to be ascendant as we once were in history for an extended period of time. We should build our economic strength and our military capabilities and that applies to the island territories as well. That will be the key to meeting the challenge we perceive not only from China, but a whole variety of challenges. And some may come from quarters not anticipated today.

I would hope that as a result of this excellent Conference organized by the Andaman & Nicobar Command we will begin to look at the island's potential through a more comprehensive perspective, overcoming the military and civilian divide. We need to synergize the geopolitical assets provided to us by these islands with the immense potential they hold contributing to national economic propriety. My vision is to see these island territories moving from the periphery to the center of India's engagement with our Eastern out-reach. They could then become a powerful diplomatic tool in India's foreign policy.