

Praise for the Book

'Part history, part memoir, *How India Sees the World* is an illuminating and at times controversial insight into the thinking of one of India's great diplomats and civil servants. A vigorous defender of India's national interests, Shyam Saran offers us a unique and candid view of policy deliberations at the highest levels of the Indian government. He rightly argues for a deeper understanding of China and the historic factors which inform and shape its strategic behaviour today. Moreover, Ambassador Saran provides a timely overview of the contemporary challenges facing global politics, including but not limited to cyberspace, climate change and outer space. This is a strong contribution from a fine strategic thinker'

Kevin Rudd, Former Prime Minister of Australia

'As an insightful, acute and erudite description of the well-springs of Indian foreign policy, Shyam Saran's *How India Sees the World* is unmatched. Drawing on his deep experience in crucial positions and his undoubted intellectual gifts, this book is required reading for anyone interested in India's role in the world, and the future of Asia and the world. His familiarity with traditional Indian statecraft, and his focus on China — a country he is familiar with and has studied for over forty years — makes for fascinating and thought-provoking reading. A must read and an essential addition to any library on modern India'

Shivshankar Menon, Former National Security Advisor of India

'Arguably the most brilliant Indian diplomat in the past four decades, Shyam Saran's breathtaking command of the ancient foundations and Cold War dimensions of India's foreign policy provides an indispensable frame of reference for the country's current external challenges. His discussion of the rise of Chinese power and its muscular strategic applications should be required reading for every head of government and foreign minister in the world. And his penetrating analyses of adversarial Pakistan and unpredictable America are as insightful as they are troubling. If you can only read one book on how India should conduct itself as world order fractures, read this one'

Robert D. Blackwill, Former US Ambassador to India and Senior Official at the White House

'Drawing on his exemplary career as one of India's shrewdest and subtlest diplomats, Shyam Saran's penetrating tract is at once strategic road

map, policy handbook, and practical manual: a magnificent, sophisticated statement of the axioms and skills that must guide us in confronting the opportunities and wicked challenges ahead as we make our way in an uncertain world' **Sunil Khilnani**, Avantha Professor and Director, King's India Institute

'Shyam Saran's *How India Sees the World* is a thoughtful reflection on the deepest wellsprings of Indian foreign policy. By integrating his own rich experiences with a careful analysis of India's strategic circumstances, he has produced a magnificent book that interprets Indian grand strategy as a persistent struggle for autonomy characterized by a humane realism. It will be indispensable reading for better understanding not simply India's recent diplomatic history but also how its efforts to relate to the modern international system bear the deepest traces of its ancient and venerable ethos' **Ashley J. Tellis**, Tata Chair for Strategic Affairs, Carnegie Endowment for International Peace

'Nowhere else but in India do religion, culture, history and recent developments come together to define a nation's relations with the world. Shyam Saran is a unique guide to the long lines in Indian foreign policy. His practical statesmanship, eye for a good story and intellectual force offer refreshing insights into India as a critical Asian and global power' **Erik Solheim**, Executive Director, United Nations Environment Programme

'A work of erudition . . . highly recommended' *Mint*

'Saran . . . is a superb raconteur . . . eschews strategic and diplomatic jargon, explaining complex issues and incidents in language that the lay reader can enjoy . . . brings to light several issues that have remained undisclosed so far . . . excellent' *Business Standard*

'Timely, lucid and eloquent' *Outlook*

'Nobody can be more eloquent than Shyam Saran when it comes to reflecting on the evolution of the Indo-US Civil Nuclear deal' *Tribune*

'A riveting account of critical events and shifts in Indian foreign policy in the post-Independence period' *Economic Times*

'An impressive disquisition on foreign policy . . . a liberal, humane and far-sighted perspective on India's place in the world many decades into the future' *India Today*

Given his inside knowledge of the policy deliberations that went on behind closed doors — and which he has freely shared — Saran's renderings of events . . . are as insightful as they are thought-provoking' *Deccan Chronicle*

'Fascinating . . . Lucid enough for a reader merely interested in global politics . . . provides new insights for a foreign policy expert' **IDFC Institute**

'Engaging . . . enjoyable . . . provides a perceptive account of the compulsions and motivations driving India's foreign policy' *Print*

'Anyone even remotely interested in India's foreign policy must read Shyam Saran's book . . . a treasure trove of anecdotes that give you terrific insights into how diplomacy and negotiations are conducted . . . an absolutely riveting account of how the Indo-US nuclear deal unfolded and was eventually signed' *Swarajya*

'Written in an easy story-telling style . . . A must read for those interested in an authentic yet quick reference on contemporary trends in India's foreign policy' *The Hindu*

'As one of our leading China hands, Saran offers an incisive look at the challenges that the rapid rise of the Middle Kingdom poses for us' *Indian Express*

'An important book' **Quint**

'The really delightful bits are . . . Saran's descriptions of his interactions with Chinese culture' **Wire**

'Offers an instructive view of the world from the vantage point of a pillar of the establishment' *National Herald*

Reader Reviews on the Juggernaut App

'Well articulated. A must read for all those seeking to understand Indian foreign policy: its past, present and future' **Rajat Ubhaykar**

'The book is really interesting and has something new to learn. I never felt that I am reading a foreign policy book rather it was like a story told by grandfather...☺' **Venkatesh Bamne**

How India Sees the World



How India Sees the World

Kautilya to the 21st Century

Shyam Saran

 Juggernaut

JUGGERNAUT BOOKS
C-I-128, First Floor, Sangam Vihar, Near Holi Chowk,
New Delhi 110080, India

First published in hardback by Juggernaut Books 2017
Published in paperback 2018

Copyright © Shyam Saran 2017

3

All rights reserved. No part of this publication may be reproduced,
transmitted, or stored in a retrieval system in any form or by any means
without the written permission of the publisher.

The international boundaries on the map of India are neither purported
to be correct nor authentic by Survey of India directives.

ISBN 9789386228857

Typeset in Adobe Caslon Pro by R. Ajith Kumar, New Delhi

Printed at Manipal Technologies Ltd

Contents

<i>Foreword</i>	xi
Introduction	1
Part One: Tradition and History	
1. Sources of India's World View	9
2. Foreign Policy from Independence to the End of the Cold War	25
3. Foreign Policy in the Post-Cold War World	42
Part Two: Neighbours	
4. The Challenge of Proximity	63
5. The Pakistan Puzzle	77
6. Understanding China	106
7. The India-China Border Dispute and After	123
8. India and Nepal: A Relationship of Paradox	149
Part Three: The Wider World	
9. Tackling Energy Security and Climate Change	175
10. The Road to the Indo-US Nuclear Deal	192
11. Running the NSG Gauntlet	227

12. One Long Day in Copenhagen	240
13. Shaping the Emerging World Order and India's Role	258
<i>Epilogue: India and the New Global Landscape</i>	276
<i>Acknowledgements</i>	293
<i>Index</i>	294

Foreword

We live in an increasingly interdependent world. Therefore, developments in the outside world can have a profound impact on the evolution of our polity as well as our economy. It is the task of our foreign policy establishment to ensure that our engagement with other countries takes place on as favourable terms as is possible, in a manner that is consistent with our national interests.

Shri Shyam Saran, who has a wealth of experience with regard to the formulation and implementation of Indian foreign policy, is highly qualified to evaluate India's foreign policy in the post-Independence period. He considers the search for strategic autonomy – the ability to take relatively autonomous decisions on matters perceived to be of vital interest to India – as a running and consistent theme of our foreign policy. In this context, interestingly, Shyam Saran believes that the Indo-US nuclear deal – in whose negotiation he played a very important role – was significant precisely because it expanded India's foreign policy options.

In any study of India's foreign policy, India's relations with other countries of the subcontinent – Pakistan, Bangladesh, Nepal, Bhutan and Sri Lanka – and our big neighbour China must figure prominently. I have always believed that without the normalization of our relations with these countries, India

cannot realize its full developmental potential. Shyam Saran's analysis of India's relations with China, Pakistan and Nepal is thought-provoking. In his scrutiny of the issues of energy security and climate change he lays emphasis on the orderly and equitable management of globalization processes. His observations on the role of technological changes in shaping the new international order are also very educative.

Altogether, Shyam Saran has produced a book which offers a lot of food for thought and is very informative in its content. For this he is to be commended.

Dr Manmohan Singh
Former Prime Minister of India

Introduction

This book is not a typical memoir. Neither is it a thesis on India's foreign policy. It is an endeavour to find the hidden strands that could tie together my varied experiences representing India in the foreign policy sphere for over four decades and see what recognizable patterns they yield. This book is therefore a recounting which seeks to place events I participated in (or witnessed) against the backdrop of India's history. It is partly introspective, partly reflective, re-examining some of the key happenings of my time from a perspective unclouded by the passions of the day. This recounting also rediscovers templates that are ancient in origin but more enduring than one would have believed.

Hindu cosmology locates India, or Bharatvarsha, on the southern petal of the four-petalled lotus that floats on the surface of the cosmic ocean. The petal is broad as it emerges from the central axis of the blossom, and narrow towards the tip, tracing in its sacred form the physical shape of the subcontinent. This geography constitutes the stage on which the story of India has unfolded over many aeons. It is this geography that greatly influences India's foreign policy behaviour.

In writing this book I wanted to demonstrate that India is heir to a very rich and sophisticated tradition of statecraft and

diplomatic practice, and that this legacy continues to shape its current strategic culture and diplomatic behaviour. It may not always be explicit but it does constitute a mental prism through which the nation assesses and acts upon situations. It is important to study this intellectual heritage and its evolution over the ages, not only because it may explain our own foreign policy behaviour in some respects but also because it provides a set of principles that remains remarkably relevant in tackling contemporary problems. I have tried to use these principles in my own analysis of the many foreign policy challenges I had to deal with.

In studying Indian foreign policy since Independence, I consider the search for strategic autonomy a running and consistent theme. This objective may have been pursued through non-alignment in the post-Independence years, but even if its pursuit is happening under another label today – some call it ‘multi-alignment’ – the aim has remained unchanged. Strategic autonomy is the ability of a state to take relatively independent decisions on matters of vital interest. Expanding the scope for such autonomy is the hallmark of a successful foreign policy.

For instance, India did not sign the nuclear Non-Proliferation Treaty (NPT) in 1968 because it would have divided countries into a privileged group of a handful of states with nuclear weapons while permanently denying the others the right to acquire such weapons. This was unacceptable both for reasons of having to acquiesce to a subordinate status vis-à-vis nuclear weapons states and also because it would have closed India’s option to become a nuclear weapons state in the future should this be demanded by its security interests. In becoming a declared nuclear weapons state in 1998, India exercised its nuclear option without violating any treaty commitment. Similarly, I believe the Indo-US nuclear deal was

significant precisely because it expanded India's foreign policy options. I have tried to show this in the chapters describing the deal.

The book has a strong focus on China, reflecting my belief that China is, and will remain for the foreseeable future, the one country that has a direct impact on India as far as international relations go. It is already expanding its economic and military presence in India's subcontinental neighbourhood, and not only in Pakistan. Its naval forces now make frequent forays in the Indian Ocean, so far dominated by India. But China remains poorly understood by India, and this lack of familiarity can be costly when it comes to safeguarding India's interests. It is my hope that this book will trigger greater interest in what is a fascinating country with a civilization as complex and layered as our own.

India may have a rich tradition of statecraft that offers good advice on how a state can go about protecting and promoting its interests. One could claim that, on balance, the Indian state has been reasonably successful in this endeavour, despite the constraints it has faced since Independence. However, the nature of the challenges that are now emerging, and whose importance is likely to increase in the future, demands a template different from the narrower interpretation of Kautilya's principles. Technological change is driving globalization and there are new activities (such as those relating to cyberspace and outer space) which lie beyond the control of nation states.

The planet is also facing an ecological emergency. The scale of the loss of biodiversity, depletion of natural resources and environmental pollution is creating a health crisis. None of these problems can be tackled at the national or even regional level. They are global in scale and demand global responses. But nation states compete fiercely for political and territorial

gains; this pursuit of selfish interests by each country can only yield minimal, least-common-denominator results when we need urgent, collaborative and maximal interventions. Here, too, I find there is a deep-rooted Indian cultural tradition that looks upon nature as a source of nurture rather than as a force to be conquered and harnessed to meet human greed. Drawing upon this ancient value system, India could take the lead in restoring the ecological integrity of our planet, not least because its own destiny is organically linked to it.

There is also the paradox of rising nationalism and fragmentation of countries based on community and regional identities, precisely when there is a pressing need for institutions and structures to manage an interconnected and globalized world. I argue that India is a rare example of a country that has been successful in managing diversity and a plural society. It has the civilizational attributes, honed over centuries, thanks to its 'crossroads' cosmopolitan culture, to help it deal with the polarization of today. But it must remain true to its precious heritage of celebrating diversity. It must resist the temptation to follow the current negative, divisive trends sweeping country after country.



The book is in four sections, each representing a seminal theme. The first, titled 'Traditions and History', explores the origins of India's world view and explains how they evolved into the template through which Indians look at the world around them. The experience of foreign invasions and colonial rule has also shaped independent India's foreign policy, as have post-Partition happenings in the subcontinent. These are covered in the two chapters on Indian foreign policy in the pre- and post-Cold War periods.

The second part, 'Neighbours', focuses on our complex and troubled relationship with three of our neighbouring countries – Pakistan, China and Nepal. I have not covered our other neighbours, only because I did not have much exposure to them and not because India's relations with them are less important. In analysing our relations with Pakistan, China and Nepal, I have drawn heavily from my own personal experience and understanding of the cultural and psychological factors behind these countries' perceptions of India. This section reflects my view that the Indian subcontinent is a single, interconnected geopolitical entity and ecological space with a shared history, strong cultural affinities and dense economic interdependencies. The eventual integration of this space, transcending national boundaries, will remain an enduring objective of Indian foreign policy.

Part Three explores the borderless world that is emerging in the virtual sense, driven by technological change and globalization. Energy security and climate change are twin challenges for India, requiring negotiations spanning national, regional and international concerns. Enhanced relations with individual countries have improved India's access to and participation in international arrangements. This in turn has helped improve its individual relationships with the major powers. These developments also underscore how, in the current international landscape, the line between domestic and external has become blurred. These issues have been dealt with in the chapters which describe the Indo-US nuclear deal, India's obtaining of a waiver from the Nuclear Suppliers' Group (NSG) which helped it participate fully in international civil nuclear commerce, and the negotiations over a new climate change agreement.

The Indo-US nuclear deal is an example of how India enhanced its energy security and expanded its strategic

space. Meanwhile, the Copenhagen climate change summit marked the beginning of a downward slide for India, when it had to agree to a global climate change dispensation that limited its energy options. Its hopes for a strong climate change framework were dashed. Such an outcome would have minimized the adverse fallout for India. Both the nuclear deal and climate change episodes have been lessons for Indian foreign policy. This section is rounded off by a chapter titled 'Shaping the Emerging World Order and India's Role'. It offers a broad survey of the changing geopolitical terrain, the drivers of a new world order and India's place in that order.

Last in this book is an epilogue. It looks at future trends and their impact on India. Three cross-national domains are examined – the maritime, cyber and space worlds. These domains need new international institutions and governance processes for their careful regulation and management.

Most of all, there is a need for a new spirit of international collaboration that can rise above narrow national interests so that the new institutions and arrangements can be effective. And yet the world is moving in the reverse direction, with the resurgence of nationalist urges and the hardening of opposing attitudes across countries. The question is whether India will be able to draw upon its innate civilizational strengths, explored in the earlier chapters of the book, and point the world towards a future of sanity and common humanity.