

Remarks by EAM Dr. S. Jaishankar at the Bloomberg India Economic Forum 2020

October 15, 2020

1. It is a great pleasure to join you all this evening. We are meeting even as the Covid-19 pandemic continues to remain the dominant context. I have been asked to share my thoughts about turning the geopolitical crisis into an opportunity. So let me begin by stating that I am glad that the term used is 'geopolitical' rather than just the pandemic. For among the important realizations we must address is the fact that many of the key stresses that will shape the world pre-date the pandemic and in some senses, are really structural. So, if I could say this, pre-existing issues and co-morbidities are apparently as relevant in international relations as they are in public health!
2. Now, it is customary on such occasions to start by emphasizing how much we are missing the good old times and hoping for a return to a real rather than a virtual life. I will not do that, not because I am a contrarian but to emphasize the importance of adapting to change, rather than resisting it. We are in the midst of the most catastrophic global event since World War II. One of its consequences will be that those living in extreme poverty will increase for the first time in a quarter century. But there are other results as well, among them how countries perceive national security and global trade so much more differently than before. The additional stresses on the global system will surely aggravate its already difficult predicament. We may be interacting today in a hybrid mode, but in many ways, do so in a hybrid world. The old, the emerging and the 'over the horizon' co-exist and it is reading them right to draw policy conclusions that will be the real challenges that we will all face. Bear in mind that we are far from a static landscape and each of the multiple realities that we confront are also in transition. So, revisiting assumptions is therefore just as important as reviewing strategy. Put simply, a difficult world has become even more complicated.
3. And that brings me to the geopolitical issue. At the heart of the changes in current world politics is a fundamental rebalancing of the international system. More countries count today than they did before; and naturally, we have moved from G-7 to G-20. But we also need to assign different weightages to different players; its not just the US and China but others including India. And the metrics of measuring power is now very different; not merely military but finance, trade, connectivity, data, technology and as we discovered, even recently, masks and ventilators. In my business, we call it multi-polarity, which means more players relevant to outcomes. And that obviously calls for a very different architecture from the times when there were two camps of the US and USSR or just the dominance of the United States. It means not just doing diplomacy differently on a one-to-one or collective basis, but also forming working arrangements with those who have converging interests. A particular challenge for the international community is to come to terms with the sharper contradictions between the US and China and the consequent operational difficulties in the absence of common ground. The short point again here is that both the landscape and the nature of global politics were already changing before the pandemic. What Covid-19 did was to contribute additional layer of complexities in a range of dimensions.
4. Why would we look at the world differently today than on the 1st of January? To begin with, because of a greater distrust of the merits of globalization as it is currently defined. And the last part of this phrasing as it is currently defined, is particularly important. We had already seen domestic debates on the social and economic costs of globalization translate into political outcomes across the world. In the course of the last few years, it has also morphed into concerns about global shifts of power and influence. What Covid-19 has gone and done is to give it a much more existential meaning through health security, trade security and job security. The second factor is a better awareness of what globalization is really about. We traditionally tend to think of trade, finance and mobility. But it is equally about the more indivisible challenges like climate change, pandemics and terrorism. We cannot be in denial of inter-dependence, but we can certainly argue about its degree and terms, its benefits and risks. And that is taking the shape, amongst others, of conversations about resilient supply chains.
5. If the world needs more trusted and capable players, India needs to primarily focus on the latter attribute since it is well regarded on the former score. As a pluralistic and open society with a market economy, it is systemically in sync with the rest of the world. Even during the pandemic, it ramped up its pharmaceutical production – especially of hydroxychloroquine and paracetamol – to respond to growing global demands. In fact, we supplied medicines to 150 countries, more than half on a grant basis. Our medical teams were deployed in four of our neighbours who

were in distress. But as we learnt during this period, the challenges were much more of capabilities. At the beginning of the pandemic, we did not make PPEs, testing kits or ventilators and had a very basic capacity in masks. Today, we have not just a sizeable industry in this respect but a growing record of exports as well. The lesson from that is of an India with greater capabilities not just helping itself but being a force of good in international relations. And that is why the outlook of Atmanirbhar Bharat (self-reliant India) is important for the world. This is not about protectionism; it is about building greater strengths at home to play more effectively abroad.

6. We are today in the midst of making multiple choices. It would be relatively easy for us to just focus on recovery. In many ways, getting back to where we were before is a very natural human trait. But in this crisis, we have ambitiously taken the road of opportunity. Those of you who follow developments in India would have noted a spate of major reforms recently in the domains of labour, agriculture and education, amongst others. They parallel a sustained focus on making it easier to do business. If there is one major takeaway from the current pandemic, it is the enormous power of the digital. This has been visible in activities as diverse as contact tracing to delivering basic necessities, raising awareness, online education and promoting commerce. Definitely, India will come out as an even stronger digital power, with the attendant consequences to the global knowledge economy.
7. What does all this mean for contemporary geopolitics? To start with, it will shape the nature and terms of India's engagement with major economies like the US, China, EU, Japan, ASEAN, etc. Two, the practices that India perfects at home become exportable abroad. They too will play out, obviously differently in different geographies. Three, greater global conversations on resilient supply chains could play to India's advantage. Some of these are ongoing G2G exercises; others would be discussions with business. Four, India's own thinking about deeper global economic engagement with the world will be influenced by both the geopolitical divides and the pandemic pressures. There was already a reassessment of FTA experiences, keeping in mind the damaging impact they have had on India's manufacturing. The attention could now well shift to becoming part of global value chains rather than entering into more formal trading arrangements. This would be so especially as making it easier to do business gains further traction. We are conscious of the need not just to improve on our own record but to become competitive vis-à-vis the world.
8. So, let me conclude by returning to the theme of my remarks. We are heading for a more fractured and complicated world, one with greater multi-polarity and less multilateralism. In all this change, the opportunities are certainly there; seizing them will be the real test of our mettle.

Thank You for your attention.

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