



Minilateral Groups are the Future of Diplomacy

(Edited transcript of Indian External Affairs Minister **Dr S. Jaishankar's** fireside chat with **Nickolay Mladenov**, Director-General, Anwar Gargash Diplomatic Academy (AGDA), during his visit to AGDA in September 2022.)



Summary

- Global demographics, economics, politics, and security issues have made it a “more multipolar” world in which soft powers such as the United Arab Emirates have a crucial role.
- In such a multipolar world, “the UAE has truly become the kind of global crossroads of this region ... for a big oil producer to have such a big commitment to renewables such as hydrogen is a very major statement”
- The rebalancing of the world is evident in “how much more important the G20 has become, as opposed to the expectations we had of the same set of issues from the G7 earlier”.
- I2U2 (minilateral grouping of India, Israel, UAE, and United States) “form of diplomacy is here to stay, and it is the way forward for many” countries.
- Globalisation has created a fragile world. “What was projected as a solution to many challenges for the entire world created challenges such as inequities between states and within societies. It created winners and losers. It has created overconcentration in some places ... the solution has to come by correcting globalisation to broaden the ownership base and the benefits of globalisation.”
- On India’s permanent membership to the United Nations Security Council, it has “a very strong case to be in the decision-making positions,” but “countries tend to freeze positions of advantage to themselves. So, we are struggling with the old order ... the old order of countries that occupy today’s positions in the Permanent Five and do not want to allow change.”



Nickolay Mladenov:

Good afternoon, everyone. It is a great honour to have a distinguished guest speaker with us in the Academy. Dr S. Jaishankar has had a unique career as a diplomat, an academic, a politician, and as a minister. He is not just the Foreign Minister of India but one of the most renowned foreign policy thinkers of our time.

Thank you for joining us today in Abu Dhabi, Dr Jaishankar.

In today's rapidly changing world, we need to think more carefully about where we are heading, and I would like to open our conversation with a broad question in that direction. Given the turmoil we face today – war in Europe, disturbance in the global financial markets, climate change – where is the world heading?



Dr Jaishankar:

First, let me say what a great pleasure it is to be here at this Academy, and I am delighted that during my visit, I can contribute by being here and having this conversation. I have been quite closely involved with the growth of India's training institution, so it is something I take a lot of interest in, and I empathise with all that you are doing, and I wish you all the best in your endeavours.

So, let's come to our question. You can answer that question at multiple levels. In one way, you can say that over the past 75 years, the colonial period ended. Starting with the independence of India, countries regained freedom, and control over their economic abilities, created new centres of production and consumption, and slowly the natural diversity of the world, which had been disturbed during the 200 years of Western dominance. I would say there is maybe not yet a levelling, but certainly a rebalancing. To me, one articulation of that has been how much more critical the G20 has become, as opposed to our earlier expectations of the same issues from the G7.



The other way of looking at it is to take an even longer historical perspective and say, okay, there were connections, there was certain seamlessness, there was movement, mobility within the world between the regions, a lot of these were disrupted during the colonial period, for example, between the Gulf and the Indian subcontinent. For us, this was always our neighbourhood. Still, because of these periods of history, it became a little bit further away, and today again, we are restoring the traditions and the historical connectivity. From an Indian perspective, we had been used to thinking of our neighbours as immediate proximate neighbours in the last many decades. But the Gulf is our neighbour too. So it is Southeast Asia, and Central Asia is also our neighbour.

And, of course, the third way of looking at it is by fast-forwarding and looking at the world from the perspective of globalisation. From the 90s, when the current version of globalisation started to take root, I think it was seen in a very optimistic fashion. It was projected as a solution to many challenges. And the reality is, while it did contribute to a lot of development, which is undeniable, it also created challenges and inequities between states and societies. It created winners and losers, and as we have discovered from the COVID-19 period and the Russia-Ukraine conflict period and I would even say from the climate change disturbances, it has created over-concentration in some places.

Today's world is fragile because there are risk points in the world, and any disturbance can threaten all of us. So, if you ask me where the world is headed: It is headed toward more connectivity and more collaboration, but at the same time, it is also headed for the disruptions created by these kinds of dependencies, and de-risking the world today is, I think, must be a significant concern for all of us.

You speak of an interconnected world where you have a multitude of crises coming together, but if we are to build an environment where we focus more on cooperation rather than confrontation, from an Indian perspective, what must be done? What should global powers, middle powers, and international institutions do to reduce the risks that we are now seeing?

Well, I think we need to diversify. We need diversification in both of activities and decision-making. The world would be more stable if the world were more consultative and if there was more buy-in from countries and regions. This means more multipolarity rather than bipolarity or unipolarity. The stability, the centre of gravity must be lower for global structures to be stable.

The second part of it is to have readiness and resilience. Some of it depends on state policies, state actions and consultative politics, which is a choice of a state. Some of it is beyond our individual control, as we saw during COVID-19. For example, as we saw during the pandemic, if the pharmaceutical industry were more evenly spread worldwide and vaccines were more easily accessible globally, that would have helped us all deal better with the disruption of the virus.

So, if you ask me, what is the goal we should all be striving for? It is a more multipolar world, a more diversified world, one where the supply chains are more resilient and reliable. Now, there will be issues, I am not saying this will be easy because there are differences today in the world which may not be that simple to bridge, but there are many areas where it is possible to work together.



Thank you for bringing in vaccines and food security because those are two critically important issues. In different ways, India and the UAE have contributed to helping other countries have timely access to COVID-19 vaccines.

You talk about a world where resources and production facilities are more fairly shared. Yet, today we are constantly faced with geopolitical challenges that often detract from the broad development direction we would like to see.

How do you see the geopolitical challenges of the near future?

Yes, it would be risky, and yes, it is a problem, but at the same time, it is inevitable. If you take, let's say, the end of the Cold War in the 1990s, the gap between the world and the US became huge. Psychologically, the end of the Cold War was a powerful factor for America, followed by 9/11, the Afghanistan and Iraq conflicts, and the global financial crisis. In these three decades, two things happened: the US got sucked into what they call the <forever wars>; you have the rise of China; and together, their impact on the world. For the first time, you had an economy (China) that started closing in on the US, while the US itself was focused on challenges that, I would argue, can be defined in a framework that was unwinnable for the US.

So, by the time we hit the end of the second decade (of this century), you had a significant shift in global politics, and we started seeing a much more competitive relationship between the US and China. We are also seeing a diversification in the distribution of power. The US would argue that Trump was a sharp expression of this process. The US does not have the same generosity as it did in the 1950s and 1960s when its wealth and power gaps were much more overwhelming.

All of this contributes to a very different nature of international relations. I am not a proponent of this <declining US> theory. I would say the evidence points to a lot more to the US reinventing itself, but every reinvention will be different, and even if the US plays to its strength, there are still economic realities it will have to deal with.

So, it will be very messy and won't be straightforward. And on top of it, there are systemic issues.

Challenging times, indeed. I suppose that if we do not end up in a divided world, we might have succeeded in avoiding a major crisis.

India, through its foreign policy, is trying to stitch the world in a way. You have the Quad partnership with the US, Australia, and Japan. You have I2U2 with the UAE, Israel, and the US. Do you see such formats as the way to go for the future?



Let's take the two examples you have mentioned, the Quad and the I2U2. They have three common features. One, the US is represented in both and is much more open to partnering with countries that are not allies. So, the US is changing and growing over its earlier mindset. This is not the US from 20 years ago. Number two, you have an India willing to step beyond its earlier regions of comfort, activity, and influence. So, into the Pacific, the Indo-Pacific on that side, what we call West Asia, the Middle East, this region, the Gulf and beyond. Number three, in both cases, there are autonomous regional developments and dynamics, and the regions themselves have more space to figure out how it wants to be with themselves, at that end, the Pacific, and at this end, the Middle East.

So, these are examples of trends and how you can harness these trends in diplomacy.

So, do I see this as a sort of sustainable and possibly a replicative way of working? Yes, I think the Quad has a longer history. It has much more to show for it. I believe the I2U2 has just started. I am very confident as we have already had one virtual summit. The Quad took longer, and it had a false start, then it got off to an actual start, progressing from a vice-minister to a minister to a head of government level.

With I2U2, we have also moved from a foreign minister to a summit level. We already have two exciting projects, one on the food corridor and one on hybrid green global energy. There are a lot of exciting ideas being tossed around, ideas in business, ideas in innovation, and technology. The idea that you must live on the same street, so to speak, to work together no longer applies. In a globalised world, countries that are not contiguous, yet have shared interests, can work together and cooperate. So, you could live on opposite ends of the town and still have similar interests.

We know today that the United Nations, and you have had an association there, is not terribly effective in many challenges and situations. I think there is a market out there; there is a gap out there, and there is an attraction among countries to find solutions to cooperate. It is not always easy. I can tell you that a lot of hard work is involved. But I do think that this form of diplomacy is there to stay.

You talked about America re-inventing itself, but India is undoubtedly reinventing itself. India is engaged, much more open, much more assertive, without being aggressive, and much more global.

I remember a conversation some time ago in which you said that India should be a member of the UN Security Council – and I may be wrong in quoting you here – by virtue of its civilisation (Dr Jaishankar intervenes: “It was a little more complicated than that, but I am prepared to settle for that.”) Indeed, it is an oversimplification, but how do you make a case for India to be more engaged with the world today, to be a permanent member of the UN Security Council?



India has become more globally engaged, I think, for a variety of reasons. One, we are all more globally engaged. Globalisation means the world has come to your home in various ways, including through your telephone. The world comes to us whenever we pick up a smartphone and do things. But the world has also come to us through trade. It has come to us through connectivity, our lifestyles are more connected, and you don't have to be in the elite class for that to happen. Today, a lot of countries, we, for example, import our cooking oil and edible oil from across the world. Now, we are making and even exporting smartphones, but till recently, our smartphones came from some other country or some set of countries.

In India's case, you have that sense really of a civilisational quality because, coming back to your point there. We are recovering from those 200 years of the colonial period. We are rebuilding our society and economy, building greater capability and a greater ability to contribute.

Also, on the human side, India has an extensive reservoir of skills and talents. We have today, and I would say something like 30 million plus Indians or people of Indian origin who live and work in other parts of the world and 3.5 million just in the UAE. So, for India now, the world has become a global workplace, not just a trading place. India is also nominally the, I think, the fifth largest economy today, probably in purchasing power parity terms, likely to be nominally the third in the next few years and the most populous country in the world. It is also among the oldest civilisations in the world and is brimming with so much energy and capability.

I think all this makes a very strong case to be in the decision-making positions of a body like the UN. It is a different matter that this logic is not self-evident to everybody. In international politics, there are a lot of vested interests, and countries tend to freeze positions of advantage themselves. So, we are struggling with the old order. The old order is not necessarily the Western sense of the old order, but the old order of countries that occupy today's positions in the permanent five and do not want to allow change. That's the competitive nature of international politics. We'll have to talk, negotiate, and push our way to where we need to go.

We are here in the Gulf, in Abu Dhabi, where India is very present. This part of the world is of growing interest to your country. How do you see the future partnership between India and the Middle East? And what are the benefits that come from that partnership?

Well, this part of the world is connected to us historically. Ever since people got on a boat on this side of the Indian ocean or that side, I'm sure the winds took them from one to the other. But the Gulf has been very much influenced by India, including in periods when India's destiny was not in her own hands. If you look at the First World War and the Second World War, India, in different ways, was very impactful on this region.

Let's talk about the Gulf and the UAE in particular. There's an intuitive ability to understand each other and to work with each other to create these factors of stability and reliability that we need. Let me give you an example. During the pandemic, there was a period when we had a complete lockdown in India. We went through one of the most, I would say, strict responses.



But through that period, one thing which we kept open was the food supply chain to the Gulf. Because people didn't look at it as just a contractual commitment, there was a sort of, I would say, a societal understanding and empathy that is what kept it going.

So, to my mind, this is a natural area for us, a natural relationship for us to build, also because this region is essential for the rest of the world. Energy is one factor, but there are other factors as well; if we can contribute to the stability of this region, I think we are doing the world a favour.

You make a strong case for a partnership between India and the Gulf. If we delve a little bit more into that, how can the Gulf and the UAE in particular help India achieve its goal of a \$5 trillion economy?

Well, I keep my fingers crossed on the state of the global economy. I mean, clearly, there are headwinds. I don't think anybody serious would deny how severe these headwinds are, and no one is immune to global economic developments. In a globalised world, everybody's bound to be impacted by turmoil. If you look at the Indian economy, however, at how strongly it is driven by consumption, and you look at the factors in India which are today contributing to growth, I would say if there is one economy I would have confidence in, and I am biased here, it is India. Even today, we are still expecting a seven per cent plus growth, seven to eight in this coming year, in India.



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Q&A session

In light of a new economic global world order taking shape perhaps in the next decade, how much of a part with India play in it? We are witnessing bubbles in the real estate economy. In China and the economies of major countries and superpowers alike. How would India play that role in assuring that the new economic global world order is in line with the region and the world?

Everybody came through it in their own way, making the decisions they felt were natural to their best judgment.

The bounce-back after COVID in India was quite strong, and you can see that in our export performance. Now on our part, we were fiscally very prudent. We targeted many of our resources, which we put back into the system to create a social safety net. During this period, we cleaned up our banks and created systems so that there were credit flows for the small and medium industries.

India also is a country today that has become enormously digital because we see the leapfrogging potential of digital capabilities. It's interesting that anything significant we have done in recent years, we have done because we were digital. We could not have got people vaccinated on that scale if we were not digital.

A second area would be the whole energy question. India is pushing renewables very strongly, which can accelerate India's growth.

The Comprehensive Economic Partnership Agreement that we have signed with the UAE, or with Australia, or which we are negotiating with other countries, the mobility agreements that we are doing with a lot of countries, we've done many of them in Europe recently. The idea is what's really on the horizon. Let me kind of embrace that early so that I have a start. I mean, there's a whole start-up programme in India, an innovation programme. It is common today for the Indian political leadership to talk about how many unicorns we have produced. This was not so in the India of the past. I mean, this is the leadership willing to address the old problems with new instruments, foresee what is coming, and prepare for that.

In that sense, given our demography, remember that in the next 25 years, one colossal change factor will be demography. I mean, across what are today the established powers, many of them will go through an enormous demographic change in the next 25 years. So, if I were to look at the economy, if I were to look at the demography, if I were to look at the technology, I think a lot of these trends point India in a good direction.

Do you think you can find solutions in globalisation, or does the world have to look for a new model? You also mentioned that the world shouldn't be a unipolar or bipolar world, and you alluded to a multipolar world. Traditionally, large economies and military powers have been calling the shots in international politics, but in a diverse and multipolar world, what will be the role of countries like the UAE, which are diverse and soft powers?

Look, globalisation is a reality. I don't think today people can say I'll be globalised or not be globalised because we are all very far gone in that process. The issue is the fairness of the globalisation process that doesn't yield enough benefits to enough participants, so there is a sort of a more considerable binding rather than an alienation with a phenomenon. Because we have seen alienation, and we've seen the politics of very important countries in the world impacted by the alienation of globalisation. So, if the message of globalisation is that my industry is getting hollowed out, my workers are losing their jobs, and jobs are going elsewhere. Globalisation is not going to be very popular in a particular society. So, to my mind, how do you have more engines of growth? How do you diversify production?

Today, people in the United States are talking about how you plan your industries. Countries worry about whether it was such a good idea to let manufacturing go away, and those who didn't have it worry about whether they passed up an opportunity not to build up manufacturing. So, the real problem with globalisation is over-concentration. And if the over-concentration is addressed, and obviously within societies, there also has to be equity and fairness. Again, my sense is the era when people said, you know, market fundamentalism era, I think that era is behind us. Today, even right-wing politicians in many countries do not say that the market can solve everything.

People realise that the state has fundamental responsibilities and cannot abdicate from them. So, my answer to you on globalisation would be the solution has to come by correcting globalisation to broaden the ownership base and broaden the benefits of globalisation.

For your second question, again, where does the UAE fit in? My sense is this is happening. You know, I'm not advocating it. I'm describing what I already see on the landscape. So, it's not a belief. I think the economics of the world, the politics of the world, and the demographics of the world are making the world more multipolar. And I would argue that the world's natural diversity got distorted in history, which is now coming back into play.

And in terms of what you said about the UAE, I would also make the point that when we say multipolar, again, we are used to thinking nationally, the country as a unit. That's not always true, and the region can be a unit, too, you know? So, today there's a lot, I mean, look at the politics of this region in the last ten years. I would argue that so many more things were decided regionally than there were in the previous ten years. So, there is a lot of regional autonomy, which is part of multi-polarity, where the UAE is concerned. I find it fascinating because, in many ways, it has become the kind of global crossroads of this region.

About 20 years ago, if you said, okay, give me the top five global cities in the world, I think you would get a different list than you would get today. And indeed, today, the UAE, as a country and Dubai as a city, would feature out there. But it's also, in a sense, there is modernism, and I would say a progressiveness that people, lot of the debates that I see here, and the relationship that we have here, are also not looking at the problems of the present and the past only. Still, you know, it is a quality which is trying to address the over-the-horizon opportunities, as well as, as the challenges.

I mean, for big oil producers to have such a significant commitment to renewables and hydrogen is itself, I think, a very major statement. So, I do believe, in some ways, for us, the association with UAE has been very beneficial because it sorts of shapes and influences our thinking. It gives us opportunities to work with another modernistic, progressive society which is why it's always a pleasure to come here.

Nickolay Mladenov:

Excellent. And please, when you come back to the UAE, do come and visit us here at the Anwar Gargash Diplomatic Academy. I know your schedule is busy, but we would love to hear your thoughts about the state of the world in the future because I think our audience found what you said today quite engaging.

Thank you very much, everyone.

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