

Iran War Reaches India. Escalation Spreading | Kanwal Sibal

As Iran War spreads throughout the region, India finds itself between a rock and a hard place. With the US sinking an unarmed Iranian Navy vessel that was in the Indian ocean on the invitation of the Indian government, Washington put New Delhi into an extraordinarily difficult spot. Make an enemy of Iran or alienate the USA even further after India's defiance regarding Russian oil sanctions? Today I'm discussing with one of India's former Foreign Secretaries, His Excellency, Dr. Kanwal Sibal. Support us on Substack: <https://pascallottaz.substack.com> Our shop: <https://neutralitystudies-shop.fourthwall.com>

#Pascal

Welcome back, everybody. Today, for the first time, we're joined by His Excellency Kanwal Sibal, former Foreign Secretary of India and Chancellor of Jawaharlal Nehru University. Dr. Sibal, welcome.

#Kanwal Sibal

Thank you very much for inviting me.

#Pascal

Well, thank you very much for agreeing to this. You actually tweeted about the incident that happened last week, in which the United States sank an Iranian ship that was on its way back from a parade in India—on the invitation of the Indian government. On its way back, it was sunk by the United States, and I think over 80 sailors died. The U.S. also refused to rescue the survivors. Can you tell us your assessment of this affair and how impactful you think it is for India?

#Kanwal Sibal

You know, this exercise that India holds every two years is called the Milan exercise. In Hindi, "Milan" means getting together, or confluence. The entire exercise is about encouraging and establishing cooperative mechanisms on the ground in the Indian Ocean to promote peace and secure those very important lines of communication, because it's through the Indian Ocean that your energy and trade flow—especially toward East Asia, which is absolutely critical. Now, there are so many countries with their navies, and India has a very strong navy—perhaps, apart from the United States, which isn't an Indian Ocean power, we have the strongest navy in the region.

So it has always been our endeavor to create confidence in the littoral countries—the Indian Ocean countries—about the positive agenda that the Indian Navy has to encourage mutual understanding and security. In other words, the whole aim of the exercise is to promote peace and understanding. Now, Iran was invited to this exercise, which includes a fleet review and a parade before our president, who accepts the salute, and the Iranian contingent also marched before her. So they were our guests. The Americans had also been invited, and they have participated regularly in the past. But this time, at the last minute, they withdrew.

But as I understand it, their P-8 aircraft—their maritime surveillance aircraft, which is extremely powerful—did participate in the exercise. Now, it would appear that the Americans may have decided to withdraw at the last minute because the Iranian Navy was participating, and there was a U.S. armada massed around Iran in the Persian Gulf area. Since they had this maritime surveillance aircraft, I assume they could track the movement of the ship. When the ship left the Indian shore, the Indian port, and was in the EEZ of Sri Lanka, it was sunk. Eighty died, thirty were rescued, and others are missing because it had a larger contingent on board.

Now, India, as I said, has been very active in creating this sense of mutual confidence in the Indian Ocean. We have a concept called *Sagar*, which in Sanskrit means “ocean,” but it stands for “Security and Growth for All in the Region.” And then we have *Mahasagar*, which means “great ocean,” which also projects India as a net security provider in the Indian Ocean, because we have been the first responders whenever there’s been a tsunami or any kind of natural disaster, and so on. Our entire philosophy in the Indian Ocean is very different from what the Americans have done—bringing war to the Indian Ocean.

Now, if they had sunk this ship close to the Persian Gulf, when it had almost reached home—and that is a war area, a conflict zone—then it would have presented a somewhat different picture for us. But doing it in our vicinity, in the context of what I explained, to my mind, is totally unacceptable. And the Americans didn’t take us into confidence. They knew this would embarrass us. Indian public opinion, especially the opposition, is very agitated that the Americans have done this and the government has not condemned it or even expressed condolences for the loss of lives. So this became a pretty hot political issue in India. So that’s the background.

#Pascal

And where does this put India now? The war—the United States and Israel actually started it just a couple of days after your prime minister, Narendra Modi, visited Israel. He tweeted very publicly about visiting his great friend Benjamin Netanyahu, and he was very open about it, really used it as a PR moment. Then, only a few days later, the US and Israel attacked Iran, and then this ship was sunk. So, is this now changing the way the Modi government can, or does, approach its relationship with either Israel or the United States?

#Kanwal Sibal

Well, you know, with Israel, we've had a very long-standing relationship. They've been extremely helpful to us on the security side at critical moments. Since they also feel targeted by terrorism, we're on the same wavelength when it comes to dealing with and countering terrorism, because we've suffered from it for a long, long time. And in terms of equipment, material, and technologies that can help us fight terrorism, they've been very helpful in the past. They're now a major source of defense equipment for India. In fact, their biggest defense partner in the world, in terms of Israeli arms exports, is India. And then there are other areas—agriculture and so on—where they have technologies from which India has benefited.

So it's a longstanding relationship. At the same time, in the last few years, we've really deepened our ties with the Gulf countries, especially with the UAE, which has become our principal partner in the Gulf and the main hub of our policy there, along with Saudi Arabia. Saudi Arabia has also become a close partner, though somewhat less so. Both these countries have actually been cooperating with us in counterterrorism activities, especially the UAE. And then, as you know, there are all these projects of I2U2—India, Israel, the United States, and the UAE—in terms of future cooperation. This was at a time when it seemed that the Abraham Accords were gaining some traction.

And Saudi Arabia has also been part of this larger remodeling of the Gulf in terms of its relationship with Israel. As you know, there's the IMEC—the India–Middle East Economic Corridor—of which Saudi Arabia is a part. The initial concept was that it would go to Haifa and from Haifa to Greece, so Israel was part of it. And you know, and I know, that behind the scenes, Israel and Saudi Arabia have had a very constructive and close dialogue. These have never been mentioned openly. Bahrain has also established diplomatic relations with Israel, along with the UAE. So we've had, therefore, the possibility of balancing our ties with both Israel and the Gulf countries, especially the UAE, where we signed the FTA with them within 90 days. And really, it has benefited both sides.

Our bilateral trade has gone up to \$70 billion, and by 2030 it will reach \$100 billion. We are tied up with the UAE, and this region—especially the UAE—is focused on future technologies because their ambition has been to become a center for advanced technologies: AI, semiconductors, even space and everything else. They have the money, and they are now preparing for an era when they won't have to depend on oil for development. So they're developing a different model of growth in which India, their historical neighbor, has the capacity and the human talent to scale things up. There's been a real synergy of interests, including in terms of food security. One of our biggest exports to this area is food. Anyway, we've been able to balance that. Iran has been an issue.

But then there was tangible, visible progress in relations between Saudi Arabia and Iran, which was brokered a little bit by China toward the end. They re-established diplomatic ties. There was a sense of confidence developing because Saudi Arabia, with its own development plans—the NEOM project, which is very, very ambitious, though it has been scaled down now—required peace in the Middle

East, in this region. Because if there was no peace, if there was a constant threat of conflict and war, then the investment that Saudi Arabia expected would not have come in, and so on. So now that model has broken down. Iran, because of the U.S.–Israeli war against it—which to my mind is totally, totally uncalled for and a very serious mistake—has suffered as a result.

And it's not in their hands to fix the kind of situation they've created in the short to medium term. This is going to be a huge problem for India. As we go forward, I can explain why that is. But we don't have many cards to play, because this is a war that Israel has willed and the United States has willed—totally disregarding the interests not only of India, but of this entire region, and in fact the entire world, because these are global repercussions. They haven't thought this through. They thought it would be like Venezuela: you go in, you abduct the head of state, and everything is solved—you have a quisling there who cooperates with you, and the regime stays but cooperates with you. This is not a model they could have followed in Iran at all. Complete misjudgment.

#Pascal

I share that assessment—complete misjudgment. But the question for India is, where does this leave its foreign policy? Because, okay, on the one hand, India has had very good relationships with all the U.S. allies in the region, and not a very close relationship with Iran, but I suppose a working one. India even invited the Iranians to participate in these, let's call them confidence-building measures—to say, okay, even if we're not very close, at least let's have some working relationship with each other, even Navy to Navy.

I mean, those are very important efforts to be made. And now that this war has started—and it's clearly a blatant war of aggression, right?—in the same way that India, I think, saw Russia as the aggressor in the war against Ukraine, but then said, "We're not going to impose sanctions," and came under a lot of fire from the Europeans and the Americans for not doing so and continuing oil trade. India stood its ground. So where does this war put India? And do you think there's again a ground for India to stand on—to say, "No, we're going to defend our position now"?

#Kanwal Sibal

A couple of things. One is that we never took the line that Russia is an aggressor in Ukraine, because we are at a distance and can therefore objectively judge what triggered the Russian military intervention there. There's a whole history that goes back to the time the Soviet Union collapsed and NATO began expanding progressively. I don't have to go into that—everybody knows it. I was ambassador to Russia, so I have a good insight into what Russia's concerns have been.

In fact, I was there at a time when Bill Burns was the U.S. ambassador to Russia, and we engaged with each other. I know what his thinking is, which he has now revealed in his book **The Back Channel**, where he tried very hard to tell the U.S. government, "Please don't open the door to Ukraine and Georgia for NATO membership." This is not only the concern of the Kremlin; it's the

concern of Russia. Anyway, bearing that in mind, I was ambassador in Russia when Putin delivered his Munich address in 2007, so I know a little bit. We never looked upon Russia as an aggressor in Ukraine, keeping in mind the history of it.

Whereas, of course, it's true that if you just isolate what happened in 2022 and look at it simply in the context of the UN Charter and international law, you could say it was a violation of the sovereignty and integrity of a state. But what caused it? And I'm not even talking about the Minsk agreements, where both Merkel and Hollande have said they were meant to buy time for Ukraine to rearm itself. And therefore, we have abstained—constantly, in the UN Security Council and the UNGA—for this reason: we genuinely believe that while Russia may be at fault for what it did, there's a history to this. And those who want us to condemn Russia—their own hands are not clean.

#Pascal

Yes.

#Kanwal Sibal

And so that is one aspect. The other is with Iran. When I was Foreign Secretary, I persuaded our government to invite President Khatami as the chief guest for our Republic Day. Iran has in the past been the second-biggest oil supplier to India, and at times it was even the biggest supplier for a short while. So we had a very intensive relationship with Iran. We invested in their South Pars field and other projects. Then we went ahead with the Chabahar project, which is vital for access to Afghanistan and Central Asia.

And there is the International North-South Trade Corridor linking the Indian west coast through Iran to Russia, which is again very vital if we're looking ahead to expanding our trade ties with Russia and giving Russia an overland route to India and beyond. So there have been a lot of equities in our relationship with Iran. But because of U.S. pressure on us—threatening sanctions if we continued oil trade with Iran—we backed off. And therefore, since 2018, we haven't bought any oil from Iran, even though Iran is right next door.

#Pascal

Right.

#Kanwal Sibal

Uh, in the past, I know they didn't want us to have any, uh, contact between the Indian defense forces and the Iranian defense forces. But nevertheless, we invited them to our exercise. Our prime minister has been there. Uh, the presidents of Iran—Rohani, Ahmadinejad—have been to India. Our foreign minister has been to Iran. Our defense minister has been to Iran. So we're keeping our

relationship with Iran going, knowing that there are big, big hurdles because of U.S. policies, and given the fact that our equities in the Gulf far outweigh our equities with Iran, which are still there.

So we have strengthened our ties with the Gulf countries and kept our relationship with Iran going at a level that won't cause us problems. But now that model of policy in this area has been seriously disturbed by what the U.S. and Israel have done. If we give any sort of support to Iran, then we're at odds with the U.S., Israel, and the Gulf countries. And if we go all in with the U.S., Israel, and the Gulf countries, then we're potentially breaking down our relationship with Iran, knowing that the war is totally unjustified. So it's a difficult policy to pursue, and we'll continue to do what we can.

#Pascal

You know, my channel and my field of study is called Neutrality Studies because I look at neutral actors—not just those that proclaim neutrality, but also those that find themselves in that position simply because of where they are, what they're doing, and what their interests are. And the most natural thing to happen in times of conflict is that either side will try to pull the neutrals closer to them or push them away from the enemy. Do you think that the sinking of that ship in the Indian Ocean, during one of these exercises, was actually meant as a clear signal toward India? Do you interpret it that way? Or do you think it was just the United States trying to eliminate any assets that Iran had?

#Kanwal Sibal

I think it was the latter.

#Pascal

Yeah.

#Kanwal Sibal

Because, you know, we are involved in very elaborate exercises with the United States called the Malabar exercises, which later became quadrilateral with Japan and Australia joining in. Now all four countries participate in the Malabar exercise, and every year it becomes more and more complex, with increasingly advanced ships, submarines, and so on taking part. In addition to that, the maximum number of military exercises we hold with any country—any country—is with the United States of America: Army, Navy, Air Force, plus trilateral service exercises we do with them. So the United States didn't have to send us a message by sinking the Iranian ship or anything like that. I mean, if the idea was to say, "Look, you should be more in our camp," in inverted commas, when it comes to military exercises in the Indian Ocean or regarding China—we're already there, with the China threat in mind, frankly.

#Pascal

It's supposed to be a deterrent against China and so on.

#Kanwal Sibal

I think it was just that, Diagan Huo. And I was shocked when President Trump, in one of his recent speeches, said, "Look, you know, I asked my chaps—you've sunk 27 ships. How advanced were they?" They said, "Sir, the most advanced." He said, "Why didn't you capture them?" They said, "No, no, it's more fun sinking them." Now, if you have this kind of thinking and approach, and you say it publicly as if it's a video game—like there are no human lives involved and it's fun sinking ships—it has nothing to do with India. It has to do with the mindset that has developed in Washington, D.C., in the Trump administration, in the Secretary of War—the mindset of the Secretary of War. I don't think I'd relate it to any message to India, except that if India feels sensitive about it, well, they don't care.

#Pascal

How do you see the larger picture now—how this will impact the region? The war has been going on for almost two weeks; it's been 12 days since the attack started. Iran seems far from giving in. They've just elected a new supreme leader, the son of the previous one—a new Ayatollah Khomeini. The Iranians' strategy seems to be to seriously, seriously punish the U.S., Israel, and their allies in the region. This war might drag on for quite some time. And then there's the Strait of Hormuz. Although the Iranians haven't closed it outright, it's de facto closed because ships can't get insurance anymore and are basically stuck in port at the moment. What's your analysis of this, and what are your expectations for the near and mid-term future?

#Kanwal Sibal

I'm very pessimistic for this reason: I don't think there can be a regime change in Iran of the kind the U.S. hopes for. Now, if, theoretically, there were a fundamental regime change in Iran—where Iran is no longer an ideological state, and any ideology, Islamic or otherwise, nationalistic or whatever, is simply taken out of the country—and people are put in power who have support on the ground, who have a totally different view of the world and of Iran's relationship with the rest of the world, who are willing to accept complete American dictatorship and Israeli diktat (because the two would come together), and therefore put all their resources, including their oil resources, in the hands of the United States, give up completely their nuclear program of any kind, as well as their missile program, and entirely alter their regional role—

This is what the U.S. and Israel want. This will not happen. Now, if this doesn't happen and there is some kind of solution or arrangement that leaves the regime intact—some sort of compromise on the issues troubling the relationship—it means the nuclear issue with Iran will not be resolved

completely in the way the United States and Israel want. The missile issue will not be resolved, and Iran's regional role will not be eliminated. Okay, they've lost in Syria. Hezbollah has been weakened. Hamas may have been weakened. But there are Shia populations in this region—Iraq is a neighbor, it has a Shia population, and so on. So it's not as if Iran's regional role can just evaporate.

#Pascal

It'll be there. It'll be there.

#Kanwal Sibal

Now, in that scenario, what do the Gulf countries do? It's quite clear that the fact they've been attacked has caused great jitters among them. They've been attacked because Iran says, "You are hosting U.S. bases." There are some voices now saying, "Look, we thought U.S. bases would protect us, but on the contrary, they've made us more vulnerable." But in the scenario I just outlined, where there's no real solution, how do they look after their security? They have to go back to the United States. They have to rely on U.S. bases. They can't eliminate them; otherwise, they'll become completely hostage to a surviving Iranian regime or government.

So I don't see an easy way out. The fundamental mistake that's been made is to treat Israeli security—I'm not saying Israel doesn't have security concerns—but to treat Israeli security as absolutely the linchpin of security, not only in West Asia, as we say, but for the entire world. I mean, there are other countries that have major security interests in the global system. It can't be that Israel's security is the be-all and end-all of any policy the United States pursues. As for how to break the U.S.-Israeli link, I can't see that happening either, at least under Trump or even beyond that. So, just to go through, that's why I'm pessimistic.

#Pascal

It's a situation to be pessimistic about, and it's very dire for millions of people across the entire region, even beyond Iran. We're seeing right now how the war is spreading and how it's going to be very difficult to contain in any meaningful way. But let me ask you—India is, of course, the "I" in BRICS, right? BRICS was recently enlarged to include Iran and Saudi Arabia, so this is actually the first time a direct BRICS member has been attacked. Is that a concern for India at the moment? Or what do you think it means for the BRICS movement as an alternative path for global and international infrastructure building?

#Kanwal Sibal

You know, when I was ambassador to Russia and I met Primakov at that time, the whole idea of RIC began. The first meeting at the foreign ministers' level started then, and it later expanded to BRIC—without South Africa—and eventually to BRICS. That was a response to U.S. unipolarity, which was very much in effect at the time.

And that fundamental thinking in BRICS—that you must promote multipolarity, that you must accept there is a dispersal of power, and that the kind of global hegemony the United States has enjoyed because of the dollar, because of its economic strength, because of its military strength, and its willingness to reject any oversight by the United Nations or the Security Council and do what it wants—means that these countries, if they come together, while they may not be able to checkmate the United States immediately, can over time develop mechanisms to promote an alternative vision of the world. An alternative way for countries to relate to each other, to develop economic mechanisms like the New Development Bank, trade in their own national currencies, carve out a greater role for themselves, and become a pressure point for reforming the international system.

So that objective remains, but it's a medium- to long-term one. Some success has been achieved, but the United States is still the most powerful actor in the world. And if you have an internationalist president leading such a powerful country, then there's an even greater problem for the international system. Now, in this context, you asked me about India—but I could turn it around and ask a rhetorical question. One finds that Russia is helpless, and China is helpless. They suffered a defeat in Venezuela; they couldn't do anything. And now Russia is suffering a geopolitical defeat virtually right next to its borders.

And because it is embroiled in Ukraine and has this dialogue going on with Trump—still hoping that Trump can play some useful role—their hands are tied. Beyond some support, they cannot intervene in this conflict. And China, as you know from their statements, is clearly distancing itself from it. While they've been getting 80% of Iran's oil, that still makes up only about 10% of their global imports, so they can get oil elsewhere. They do have the 25-year agreement with Iran, and Iran has been an important part of the BRI, but they can't do anything about it.

Now, if this is the situation with regard to countries that are very powerful actors and have strengths, and if they are not able to have a coherent policy toward the situation that has developed, then India is in a more difficult position. Our cards are much more limited, and our dependency makes us much more vulnerable. We have nine million people in the Gulf; 40–45% of our energy comes from there, and 40% of our remittances—about 45 billion dollars—come from there. So we have to be extremely careful in how we navigate this. We can continue to plead for dialogue, diplomacy, an end to the conflict, and a ceasefire, and we can give support to the Gulf countries—without antagonizing Israel or Iran—but that's all right. It still doesn't solve the issue on the ground effectively in terms of our interests.

#Pascal

Absolutely. I see that this is a very, very delicate situation. I was wondering whether you think this event—this war—will impede the BRICS process. Is it also an attack against BRICS, or will it actually strengthen the BRICS process because it again drives home the importance of cooperation among those willing to work toward a multipolar world?

#Kanwal Sibal

I think it will strengthen the consensus that BRICS has to be expanded and developed further, and that this is the only way the power of the United States and its unbridled use of power can be checked. Because there are no alternatives. There is no alternative, one. Number two, as we can now see, India is becoming much more open to China. Yesterday or the day before, we issued our new policy regarding Chinese investments in India—not only Chinese, but foreign investment in general, including Chinese investment. We've modified some of the restrictions we had earlier imposed, which were not blatantly or overtly directed at China, but were applied to investments from countries that share a border with India. But the target, really, was China.

Because other countries don't have the capacity to invest in India anyway, we're beginning to dilute those restrictions. Our trade with China has reached 130–140 billion dollars. Of course, the deficit is terrible—100 billion dollars with China—but we haven't tried to interrupt that trade. This gives China a stake in our economy, and of course, we can't do without it. If the rest of the world can't do without Chinese manufacturing in certain areas, how can India do without it? So our self-interest is also involved. We are the chair of BRICS this year. All these issues will be discussed, and a consensus will have to be reached. It will be a delicate task for us because, since Iran is now a member, Iran would like its entire position to be supported by the other BRICS countries.

But I think they would need to maintain some kind of balance. You may have seen that in the SCO statement—which surprised me a bit—while there was a condemnation of the U.S. and Israeli attacks on Iran, there were no condolences expressed over the political assassination of Khamenei. That surprised me, and I'm still trying to figure out why, especially since Pakistan is also a member there. So, in BRICS, I think Indian diplomacy will be tested. But we have experience with that. When we held the presidency of the G20, it was very successful. Ukraine was so much on the minds of the West that they wouldn't even talk to the Russian diplomats or be in the same room with them, that kind of thing. But we managed to have a very balanced outcome, where we were able to draft a consensus paragraph on Ukraine.

So we'll be able to handle that, but it'll be a challenge. The long and short of it is, to answer your question in a nutshell, there is no alternative to BRICS. There's no alternative to a BRICS Plus scenario, where more and more countries may have an interest in hedging their bets against a totally erratic and dangerous U.S. government—where Mr. Rubio, at the Munich Security Conference, speaks very nostalgically about the colonial era and empire building. I think these messages get driven home and will influence the thinking of policymakers. They'll have to shape their agendas,

their thinking, and their efforts toward creating alternative mechanisms of cooperation among like-minded countries.

#Pascal

I'm glad you brought up Marco Rubio and the Munich Security Conference. I also think it's absolutely correct that BRICS is the model that must be developed, because it's the only game in town. But on the other hand, how are you evaluating the direction of the United States and also of Europe? And this new rhetoric about spheres of interest—the Western Hemisphere for the Americans—and the Europeans standing up and clapping to these remarks, this nostalgia for colonialism in the Global South, like in India—how is that being interpreted?

#Kanwal Sibal

Well, actually, it hasn't become a matter of internal debate in intellectual or think tank circles, because it seems so absurd and outlandish that they should have nostalgia for empire building, spheres of influence, and all that—which is what led to the world wars. So it's not really taken seriously. I mean, the message has been registered, and the kind of mindset the West now has is becoming a cause for concern. But somehow there's a belief that they can't be serious about this—can there be, you know, that kind of thing. So that's one part of it. The other is that Europe is in a total mess. Europe is now facing serious internal divisions; they're not speaking with the same voice. Look at the Prime Minister of Spain—he's shown tremendous political courage.

He's outright condemned this war that the U.S. has unleashed on Israel and on Iran. And he's also said, in response to Trump's threats to impose trade sanctions, that they're willing to face those, etc., etc. No, it's not a small country, and he said that. Maybe there are others who don't have the same boldness but think similarly. Macron is speaking with a double tongue. On the one hand, he's saying this is wrong, what has happened, but he's also sent his aircraft carrier and is giving full support. If you remember the telephone conversation, which was public, he told Trump that they could do great things together in Iran. Now, I don't know what that meant. What surprises me is the position of the German chancellor—because he's the German chancellor.

#Pascal

If he were Maya Carlos or Wendell Lane, it would be a different matter.

#Kanwal Sibal

He's saying that when it comes to Iran, you don't have to worry—you don't have to take international law into consideration. How can the Chancellor of Germany say that? And then this whole business of Europe wanting to rearm itself, feeling very proud that they're spending 5%, or moving towards spending 5%, of their GDP on defense. Now, what is the perspective? Is the

perspective permanent hostility against Russia? Because only then would you justify this. Is that realistic?

You have the biggest country in the world, which is European, right next to your borders, and you don't see any kind of accommodation on security issues with Russia in the long term—something that could bring peace and stability to Europe. Otherwise, Europe will always be under pressure. Russia would be, but so would Europe. And suppose that in five years, or whenever, they manage to reach a modus vivendi with Russia on a European security architecture that's roughly acceptable to everyone—then what would be the justification for rearming themselves to the teeth? And where would that military strength be directed? It wouldn't be against Russia, so where would it be directed?

#Pascal

North Africa?

#Kanwal Sibal

West Asia? Where? And then the economic problems of Europe—the EU is obviously under great stress. Look at the differences with Hungary and Slovakia. They're members of the European Union, yet the European Union is backing Ukraine against these countries. In other words, the picture that Europe is projecting to the outside world is one of increasing incoherence, internal differences, weaknesses, and no clear strategy for the future. So, you know, for us—we just signed the FTA with Europe—and we looked upon Europe as an alternative to our relations with the United States, which are troubling. Now, I should mention this: the U.S. Deputy Secretary of State came to the Raisina Dialogue a couple of days ago, and in his speech he said many positive things about cooperation with India, but he also said, "Let me be frank—we are not going to allow India to become another China and compete with us."

#Pascal

Oh, really? He said that?

#Kanwal Sibal

He said that?

#Pascal

To everyone's face.

#Kanwal Sibal

Yes. Now, this will be registered by everybody. From my own discussions, I know that there has always been, in the minds of many on the Indian side, a belief that the U.S. wants to keep India in its orbit, in a way that our rise can be calibrated and controlled by them. But he said it out in the open. So we thought we could handle Europe, because Europe is more manageable. Europe has technologies, investment potential, a huge consumer market. We have a roughly balanced trade with them. So we were looking at Europe as an alternative—a viable alternative. But if Europe is drifting, then our hopes may be partially belied.

#Pascal

Yeah, and you know, I feared that, as outlandish as this colonial talk might sound, this is how they operate. This is actually the mindset—not one that emerged over the last year during the Trump presidency, but one that was always there, just covered by a blanket of liberal talk, liberal speak. And now it's out in the open, and they're getting more and more blatant about it. I mean, saying something like this to the face of the Indians is very revealing. It shows they're serious about rebuilding U.S. hegemony and exercising it as fully as possible. Isn't this a worry in India at the moment, or in your circle? It is a worry.

#Kanwal Sibal

But I'll also address what you asked, which I haven't really addressed head-on—the spheres of influence in business.

#Pascal

Mm-hmm.

#Kanwal Sibal

Now, okay, the United States says Monroe Doctrine, Monroe Doctrine, and the Western Hemisphere is ours. Let's see how they deal with Lula and Brazil on this score. But leave that aside. Russia has a sphere of influence in Central Asia and its near abroad—Belarus, Ukraine, or what have you. And China has a sphere of influence in the Eastern Pacific, Western Pacific. First of all, China is challenged there. I mean, Japan is there. South Korea is an important country, but Japan is a different kind of country. And Takeshi has made it quite clear she's not going to accept the Chinese, given the manner in which the Chinese have been so brutal toward her, including Wang Yi at the Munich Security Conference.

You see the language—it's no horse bark. In fact, we're seeing the destruction of Japan if it continues down this path. Now, India—why would India accept China's sphere of influence in Asia? I mean, if it's limited to East Asia, so be it. But there's a whole Asia beyond East Asia. India does not want to accept China's sphere of influence. And how will China exercise its sphere of influence in our

part of the world? So this kind of nonsense about spheres of influence is not going to operate effectively on the ground, much less the G2 nonsense that Trump has spoken about in the past. There's no way even Russia would accept a G2.

#Pascal

So, in a sense, India at the moment is just rejecting this entire framework and saying, "Okay, you guys can say whatever you want and be as loud as you want. At the end of the day, you're not going to succeed in kowtowing everybody into one or the other camp. There will always be different powers, and India is going to be one of them." So, in this sense, you're looking at the US and China as problematic, and at countries like Japan—probably more as partners to cooperate with—and Europe as well, in order to create some form of strategic balance. Is that about the approach?

#Kanwal Sibal

Well, I don't think China—I mean, I'm not a great admirer of China at all—but I don't think China is comfortable with the idea of a G2, for a variety of reasons. First of all, America has about 800 bases all over the world, or something like that, and China has one in Djibouti. It might get another one in Pakistan. So it doesn't have the capacity to operate effectively outside its limited area, militarily. Where it could be a kind of G2 is on the economic side, because of the tremendous hold it has today on advanced technologies.

Through the BRI, they are the biggest economic partners of most countries in the world, including the United States. They have great influence in the UN now—in fact, they're the second-biggest funder of the UN and hold a very important post there. So they'll continue to exert influence through UN mechanisms and muster support among developing countries and so on. In that sense, it's a formidable country. And in certain areas, this G2 idea can work in a limited way, but not in the larger political or geopolitical sense—not at all.

#Pascal

Yeah, I think such approaches are doomed to fail. But nevertheless, we're still confronted with the reality that the United States apparently seeks to impose it—maybe not just the G2, but its own hegemony and dominance, especially in its own backyard. It's a new paradigm to me compared to, say, just 10 years ago, when globalization and the integration of everything were hyped up so much. We were talking about subjects like the responsibility to protect and so on—to use force precisely when absolutely necessary. And now we're in a different paradigm, it seems to me. How do you think about the current paradigm? What is the defining element of this era, for which we don't yet have a proper name, I suppose?

#Kanwal Sibal

I would say that Trump has totally upended the global system—politically, economically, in terms of trade, and even geopolitically. He's done that through the raw exercise of power, unbridled attempts to impose his will, total transactionalism. Look, what Trump is doing abroad is really an external manifestation of his domestic policies. He's being driven by what happens at home. I'm not only talking about the Epstein files, but even otherwise. So... this is where the problem lies. At the same time, the United States is facing a lot of challenges from others—China, of course, to start with, and Russia. After all, Russia is engaged in a war with NATO. And India has an international discourse that tries to be as independent as possible.

And we have not succumbed to U.S. pressure on everything. On some things we have, where we feel we have no defense—when it comes to sanctions and so on—because our private sector doesn't want to risk falling afoul of U.S. sanctions. So, to that extent, our margin for maneuver gets limited. But where we don't have that kind of vulnerability, we stand our ground. The world, to my mind, is in flux. All the forums of cooperation that existed have been weakened. What I have in mind is the UN system, which has been weakened because the United States itself has walked out of sixty-six international organizations, including important ones, and it has no time for the UN Security Council or the United Nations per se.

So, the world has become fragmented, which, to my mind, justifies the logic of India's foreign policy—multi-alignment. We will take sides; we will align ourselves on issues. So it will be issue-based diplomacy, not transactional, because one can easily conflate the two. Transactional is something different. But issue-based means that where we feel our interests are served by siding with the United States, we'll do so—as in the case of the Quad, joint exercises, and everything else I mentioned. And we're also trying to deepen our technology ties with the United States and buy more defense equipment to keep their defense companies happy, even while we maintain the core of our relationship with Russia, which is very, very important and won't be given up.

Keep an opening toward China. Maintain very strong relations with Israel, but also strong relations with the Gulf countries. Keep our doors open to Iran. Focus on our neighborhood. Be more active in the Indian Ocean, because that is our area—that's our periphery. We have strengthened ties with China and with Australia a great deal. A lot of focus is on Japan, because we have shared interests. We are building much stronger ties with Brazil now, reciprocally. Lula was in India a few days ago with two or three hundred businessmen, and I think the outlook is really good. So, more attention to Latin America. That's what India is trying to do within the fragmented system—figuring out how we can navigate it by keeping our fingers in every pie possible.

#Pascal

I find that a very smart approach, also because, you know, my favorite definition of neutrality comes from Thucydides, who once said, "Be friends to all and foe to none." So basically, having friendships on all sides is actually a good security policy—and trade policy, of course. But the side that historically has a very, very tough time understanding this form of foreign policy is the West,

because they tend to think in “us or them” terms—“with us or against us.” And we’ve seen episodes where your foreign minister, Mr. Jaishankar, actually had to explain this to entire audiences in the West, saying, “Look, we have a multi-alignment because it makes sense for us. It’s good for us. And every country should look after its own people.” Do you think there will be ways for India to properly communicate this and, in the end, convince the West that, no, no, this multi-alignment really does make sense?

#Kanwal Sibal

I think, to some extent, the U.S. has grudgingly accepted this because they know they can’t push India too far without risking losing it—and their real equities in India going forward. The reason is that China is an issue, China is a problem. China is posing severe competition and has the upper edge in many areas. But India is rising—already the fourth-largest economy, and by 2030 definitely the third-largest. If you project further, by 2035 and beyond, we may be a 19–20 trillion-dollar economy, and by 2050, a 35 trillion-dollar economy. It’s a huge market with a very young population and pent-up consumption demand. So why lose this market? You know, the largest number of people working in semiconductor technology are Indians, and the second largest in AI are also Indians.

So there's a huge talent pool. Western corporations—and now Europeans—have joined in to set up global capability centers in India to take full advantage of India’s human talent. And then there’s data. If data is going to be the thing of the future, India produces the most data, with 1.4 billion people. Unlike China, which controls its data, India isn’t able to control its data. That’s why Google, Meta, and all these companies have actually made a public commitment of \$50 billion in investment in this area over the next ten years. So if they were to try and strong-arm India beyond a certain point, they’d lose. As far as Europe is concerned, Europe is now pretty clear—and that’s why this FTA with Europe was signed very quickly.

The whole thing got accelerated because Europe now says, “Look, our problem is the United States of America—and that’s a structural issue. It’s not just a passing thing.” So they want other partners. They can’t go to China; it’s a systemic competitor. China would finish off their car industry and other sectors if they gave full access to China. So India is a safe partner. They can cooperate with India without India posing the same kind of challenges. And they can influence India’s democratic system from within—unlike in the case of China, where they can’t. But here they can, through the private sector, through think tanks, through the media, which already, I can see, has tremendous influence.

#Pascal

By “control,” I suppose you mean observe what’s happening within the system. No, no, no—influence. Ah, okay. Yes, yes.

#Kanwal Sibal

Influence—policymaking and narratives. So, Europe is turning toward us, and we're projecting ourselves as a leader of the Global South. Yeah. But we're not the only leaders of the Global South, so we shouldn't get into a mode where others begin to chafe at the idea that India is trying to lead them. But they know that India doesn't operate the way China does, or the way the West has been doing. So they accept our leadership—in inverted commas, in that sense—in terms of being the voice of the Global South. We've convened conferences called "The Voice of the Global South" on three occasions now. We have an Africa policy. And, as I said, now with Latin America we're pushing there, and then with Japan and everything else. So, India is managing reasonably well.

#Pascal

I think these were very, very interesting insights, Dr. Sibal. I really enjoyed these explanations of yours. For people who want to find you, I think they should go and find you on Twitter. But is there another place where you regularly publish your thoughts or your analysis?

#Kanwal Sibal

Well, I write a lot. And I have your email now, so I'll put you on my list. I also do a lot of podcasts here, but with podcasts, you know, you need time—30 or 40 minutes—and not everyone has that kind of time. So I'll spare you the podcasts, but I'll send you the articles. Certainly.

#Pascal

Yes, please. And I'll put a link to your X profile in the description box below this video. Secretary and Dr. Sibal, thank you very much for your time today.

#Kanwal Sibal

My pleasure. My pleasure.