



MAINS
365

International Relations

Classroom Study Material 2019
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INTERNATIONAL RELATIONS

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1. INDIA AND ITS NEIGHBOURS

1.1. INDIA-PAKISTAN

The history of Indo-Pak Relations has been mainly a story of conflict and discord, mutual distrust and suspicion. Some of the major irritants in the relations of the two nations are:

- **Territorial Disputes:** Pakistan is locked in multiple territorial disputes with India such as the Kashmir dispute, Sir creek dispute etc.
- **Water disputes:** The two countries disagree over use of the water flowing down rivers that rise in Indian Kashmir and run into the Indus river basin in Pakistan. Pakistan says India is unfairly diverting water with the upstream construction of barrages and dams. India denies these charge.
- **Terrorism:** emanating from Pakistan and territory under its control has severely limited and disrupted initiatives to build a stable relationship.



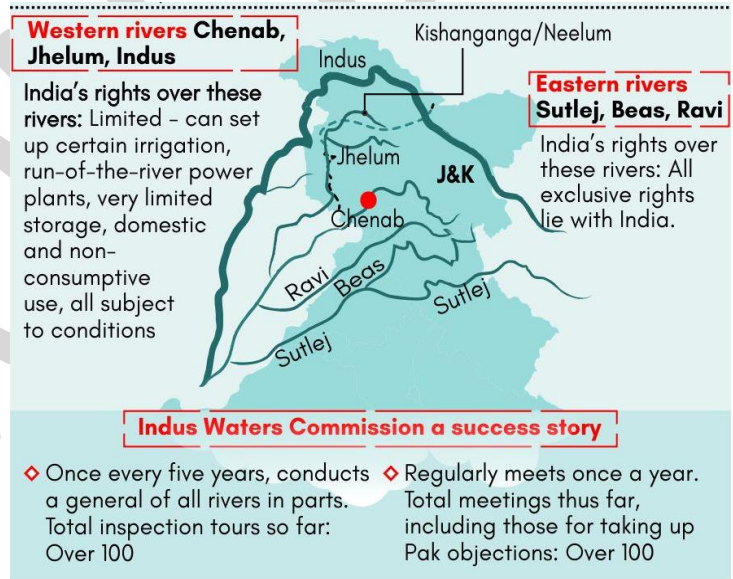
1.1.1. INDUS WATERS TREATY DISPUTE

Why in news?

Recently a Pakistani delegation raised the issue of India's alleged violation of the Indus Water Treaty with the World Bank.

About the Indus Water Treaty

- The distribution of waters of the Indus and its tributaries between India and Pakistan is governed by the Indus Water Treaty (IWT). **(See infographic)**
- The treaty brokered by World Bank, was signed by the then-Indian Prime Minister Jawaharlal Nehru and Pakistani President Ayub Khan on 19 September 1960.
- The **Permanent Indus Commission (PIC)** was set up as a bilateral commission to implement and manage the Treaty. The Commission also solves questions arising over water sharing. It had last met in Islamabad in March 2017.
- The World Bank's role in relation to "disputes" and "differences" with respect of IWT is limited to the designation of people to fulfil certain roles when requested by either or both of the parties.
- It is said to be the **most successful water treaty** in the world. As, it has survived various India-Pakistan wars and other issues. Most disagreements and disputes have been settled via legal procedures, provided for within the framework of the treaty.



Issues and challenges in implementation of the Indus Water Treaty

- **Complicated provisions:** Treaty has been criticised being highly technical which leads to far ranging interpretations and divergence.
 - As, the treaty does not provide a definitive solution, the two countries have frequently sought time-consuming and expensive international arbitration.
 - The treaty also fails to address the division of water during the shortage of river water flow.
- **New challenges:** There is a need to revisit the treaty in the face of emerging challenges, such as climate changes and pollution which were not initially factored into the terms of the treaty.

- Currently, there is no institutional framework or legal instrument for addressing the effects of climate change on water availability in the Indus Basin.
- According to a report, Indus was the most overstressed major aquifer in the world. Despite this treaty also does not have any clause to deal with transboundary aquifers, and there are no agreed rules for the allocation and management of shared groundwater.
- **Data sharing:** Basin countries have also not been forthcoming in sharing data and announcing planned hydropower projects ahead of time.

Why India should not abrogate the Treaty and stop the waters from flowing into Pakistan?

- **Human rights violation:** Water and sanitation has been recognised as a human right by the United Nations General Assembly. Various commentators have derived the rights to water from the International Covenant on Economic, Social and Cultural Rights making it binding under International Law.
- **Storing the excess water:** If India plans to stop waters from the Western Rivers (Indus, Jhelum and Chenab) it will find it almost an impossible task in view of the inadequate storage capacity on these rivers.
- **Violation of the UN Convention on the Law of the Non-Navigational Uses of International Watercourses (UN Watercourses Convention):** which entered into force in 2014. Though, India has not joined the convention, certain provisions of the Convention have almost attained the status of customary norms of international law, like equitable apportionment of water and the prior notification to co-riparian states for planned measures on the watercourses.

Conclusion

The IWT has a clause for “future cooperation” which allows the two countries to expand the treaty to address recent challenges like climate-induced water variability or groundwater sharing. But the historical trust deficit between the two countries has prevented meaningful dialogue. But it is clear that these new challenges require both countries in the basin to acknowledge their dependence on each other and discuss joint solutions.

1.1.2. SIR CREEK DISPUTE

Why in news?

Recently, Pakistan has deployed an additional battalion of Marines and established two new posts in the disputed and strategically important area of Sir Creek.

About Sir Creek

- Sir Creek is a 96 km tidal estuary on the border of India and Pakistan. The creek, which opens up into the Arabian Sea, divides the Gujarat state of India from the Sindh province of Pakistan.
- **Sir Creek Dispute:** The basic cause of the Sir Creek dispute lies in the interpretation of the maritime boundary line between Kutch and Sindh. While the disputed area of Sir Creek involves only a few square miles of land, the **land border demarcation has a direct impact on the maritime boundaries of both countries**, involving a few hundred square miles of the ocean territory.
 - **Pakistan's Position**
 - ✓ Pakistan claims the entire Sir Creek, with its eastern bank defined by a **"green line"** and represented on a 1914 map belongs to it.
 - ✓ Accepting Pakistan's premise on the "green line" would mean loss of about **250 square miles of EEZ for India.**
 - **India's Position**
 - ✓ India says that the green line is an indicative line and felt the boundary should be defined by the **"mid-channel" of the Creek** as shown on a map dated 1925.
 - ✓ India supports its stance by citing the **Thalweg doctrine in international law**. It states that river boundaries between two states may be, if the two states agree, divided by the **mid-channel**.
 - ✓ Pakistan maintains that the doctrine is not applicable in this case as it most commonly applies to **non-tidal rivers, and Sir Creek is a tidal estuary.**

Significance of Sir Creek

- **Security importance:** Sir Creek has been primarily viewed as a maritime, or a strategic issue.
 - Over the year this region has become main route to smuggle drugs, arms and petroleum product to India.



- **Maritime boundary:** The resolution of Sir Creek will help in determining the limits of Exclusive Economic Zones (EEZs) and continental shelves.
- **Economic value:** Much of the region is rich in oil and gas below the sea bed, and control over the creek would have a huge bearing on the energy potential of each nation.
 - The Sir Creek area is also a great fishing destination for hundreds of fishermen from both India and Pakistan.
- **Ecological value:** The ecological significance of this region, and the growing concerns of climate threats, necessitate reconfiguring this dispute as a unique opportunity for transboundary cooperation.
 - Pakistan declared the western side of Sir Creek a Ramsar site back in 2002, but India has not yet done the same on its side of the disputed border.
 - Being a declared Ramsar site in its entirety, the Sir Creek area could grant residents on both sides better economic opportunities. It could help create joint eco-tourism opportunities.

Way ahead

- Given the creek's ecological sensitivity, both countries could designate the area a **maritime sensitive zone**.
- A transboundary management approach to Sir Creek can address the plight of poor fishermen, who routinely get detained across the border if they drift across the disputed demarcation.
- The border patrol forces may be given an increased mandate of becoming what the UN system refers to as "green helmets", tasked with additional duties to monitor local biodiversity and ecosystems.

1.2. INDIA-BANGLADESH

Why in news?

Recently, India and Bangladesh jointly inaugurated multiple projects in Bangladesh.

Significance of Bangladesh for India

Geopolitical

- **Connecting North East India:** Each of seven north eastern states is land-locked and has shorter route to the sea through Bangladesh. Transit agreement with Bangladesh will spur the socio-economic development of North-East India.
- **Bridge to Southeast Asia:** Bangladesh is a natural pillar of Act East policy. It can act as a 'bridge' to economic and political linkages with South East Asia and beyond. Dhaka's support in BIMSTEC and BBIN initiatives complement Delhi's Southeast Asia outreach.
- **Strengthening South Asia as a regional power:** by leveraging on organizations such as the South Asian Association for Regional Cooperation (SAARC) for promoting cooperation among its member nations to economic growth and securing strategic interests.
- **Securing sea lanes of communication:** Bangladesh is a major country in the Indian ocean rim and strategically placed nearby important sea lanes. As South East Indian ocean is becoming hotbed of piracy, Bangladesh can play significant role in containing the same.
- **Fighting terrorism and deradicalization:** Both the countries are very vulnerable to the propaganda of religion based radical outfits thus they could cooperate in deradicalization efforts, sharing intelligence, and other counter-terrorism efforts.
- **To contain insurgency in North-East:** A friendly Bangladesh can ensure that no anti-India terror or insurgent activities can be carried out from its soil.
- **Balancing China:** A neutral Bangladesh would ensure containment of an assertive China in this region, and help in countering its string of pearls policy.

Economic importance

- **Bilateral trade:** Currently, the volume of bilateral trade between India and Bangladesh is **about \$9 billion while the trade potential is at least four times** the present level.
- **Investment opportunities:** There are huge opportunities for investment in defense, such as in military hardware, space technology; infrastructural development, and other areas.
- **Cooperation in blue economy:** such as exploration of hydrocarbons, deep-sea fishing, preservation of marine ecology and disaster management.

- **Social sector development:** Bangladesh is now a role model for the developing world in poverty reduction, achieving success in health and education and fighting climate change, among others.

Cultural ties

- India and Bangladesh have a **shared history and common heritage**. Greater **people to people contact** would percolate to other areas like economic and trade relations especially near the border areas. It would also help in **curbing hostilities and lack of trust** specially Bangladesh being a smaller neighbor.

Challenges in India Bangladesh relations

- **River disputes:** India shares 54 trans-boundary rivers, big and small. (see box for disputes)
- **Border Management:** The Indo-Bangladesh border is of porous nature which provides pathway for smuggling, trafficking in arms, drugs and people.
- **Illegal immigrants:** Since the 1971 war of independence that created the state of Bangladesh, millions of Bangladeshi immigrants (the vast majority of them illegal) have poured into India. This is changing the demography of northeastern states which is causing unrest.
- **China factor:** The ever-increasing presence of China in India's neighborhood is a major cause of concern. The smaller countries like Bangladesh uses China card to supplement its bargaining capacity against India.
- **Rohingya crisis:** There are almost 11 lakh Rohingyas refugees living in Bangladesh. While India has supplied humanitarian aid to Bangladesh under 'Operation Insaniyat' for the Rohingya crisis but Bangladesh expects India to put pressure on Myanmar for repatriation of over a million of Rohingyas.
- **Increasing radicalisation:** Presence of groups like Harkat-alJihad-al-Islami (HUJI) and Jamaat-e-Islami fuel Anti-India sentiments in Bangladesh. Their propaganda could spill across border.

Steps taken by India to improve relations

- **Trade:** Steps were taken including reduction in customs and immigration documents, establishment of 49 **land customs stations, integrated check posts** etc. E.g. Sutarkandi in Assam, Ghojadanga in West Bengal- integrated check posts along Bangladesh border.
 - India is developing **Boarder Haat** with Bangladesh. This includes establishment of **traditional system of marketing** the local produce through local markets.

Water disputes between India-Bangladesh

Ganga river dispute

- In 1996, the sharing of the Ganga waters was successfully agreed upon between the two nations. However, the major area of dispute has been India's construction and operation of the **Farakka Barrage** to increase water supply to the river Hooghly.
- Bangladesh complains that it does not get a fair share of the water in the dry season and some of its areas get flooded when India releases excess waters during the monsoons.

Tipaimukh Hydro-Electric power Project

- Bangladesh has been demanding to stop the construction of the Tipaimukh Hydro-Electric Power Project on the Barak River on the eastern edge of Bangladesh.
- Indian government has assured Bangladesh that it will not take any unilateral decision on the Tipaimukh Hydro-Electric Power Project which may adversely affect Bangladesh.

Teesta River water sharing issue

Teesta River originates from the Pahunri (or Teesta Kangse) glacier in Sikkim, flows through the northern parts of West Bengal before entering Bangladesh. It merges with the Brahmaputra River (or Jamuna in Bangladesh). The river is a major source of irrigation to the paddy growing greater Rangpur region of Bangladesh.

- In 1983, an ad hoc arrangement on sharing water was made, according to which Bangladesh got 36% and India 39% of the waters, while the remaining 25% remained unallocated. The transient agreement could not be implemented.
- Bangladesh has sought an equitable distribution of Teesta waters, on the lines of Ganga Water Treaty of 1996.
- In 2011 India and Bangladesh finalized an arrangement, by which India would get 42.5% and Bangladesh 37.5% while remaining 20% would flow unhindered in order to maintain a minimum water flow of the river. This agreement was not signed due to opposition from chief minister of West Bengal.

Some of Chinese initiatives in Bangladesh

- China is financing **25 energy projects**, in Bangladesh including 1320-Megawatt power plant. China has extended its support to build **Bangladesh Second Nuclear power plant**.
- Highway and rail network connecting Bangladesh through Myanmar to Yunnan province.
- **Bangabandhu-1 First communication** satellite of Bangladesh was negotiated and financed through help of Chinese government.



- **Connectivity: BBIN Initiative** aims to facilitate movement of vehicles carrying cargo and passengers in each other's territory without the need for trans-shipment of goods.
 - Through **Protocol on Inland Water Transit and Trade (PIWTT)**, India is assisting Bangladesh to capture the potential of waterways for both inter and intra border connectivity of Bangladesh.
 - India has extended **National Knowledge Network** for digital connectivity of education with Bangladesh.
- **Energy: Rooppur atomic energy project**, an Indo-Russian project in Bangladesh. Under it, India will provide **personnel training, consultation support and participate in the construction and erection activity** and non-critical materials supply to the site in Bangladesh.
 - India currently **exports 660 MW of electricity**, on a daily basis, to Bangladesh. Recently a project to supply additional 500 MW of power supply from India to Bangladesh was inaugurated.
 - Another inaugurated project included the construction of 130-kilometre **India-Bangladesh Friendship Pipeline Project** for the transportation of oil.
- **Defence:** Through defence cooperation framework pact, India is providing **Military equipment and technology transfer** for enhancing cooperation in the field of strategic and operational studies.
- **Space: South Asian Satellite (SAARC Satellite)** has been launched to boost regional connectivity in the areas of disaster management, tele-education, tele-medicine inter-government networks etc.

Way forward

- India should adopt the Gujral doctrine of unilateral support to its smaller neighbours to gain their confidence especially given China's presence.
- India should **leverage the shared culture-history** and economic complementarities and build people to people relationships to build strong relationship between two nations.
- It should also proactively resolve the outstanding issues like Teesta water treaty.

1.3. INDIA AFGHANISTAN

India and Afghanistan have a strong relationship based on historical and cultural links. Since time immemorial, the peoples of Afghanistan and India have interacted with each other through trade and commerce, peacefully coexisting on the basis of their shared cultural values and commonalities.

Significance of Afghanistan for India

- **Economic importance**
 - **Natural Resources:** Afghanistan has significant **oil and gas reserves and has rich source of rare earth materials**.
 - The massive reconstruction plans for the country offer a lot of opportunities for Indian companies for **investment**.
 - It has also signed the TAPI pipeline project that aims to bring natural gas from Turkmenistan through Afghanistan and Pakistan to India.
- **Security:** Stable government in Kabul is essential to reduce terror activities across south Asia also in Jammu and Kashmir. Thus, the most important goal for India remains the prevention of Pakistan from regaining its central role in Afghan affairs.
- **Gateway to energy rich central Asia:** Afghanistan is situated at crossroads between South Asia and Central Asia and South Asia and the Middle East.

India Afghanistan Focus Areas

- **Trade relations**
 - **India is the second-largest destination** for Afghan exports.
 - Major **India's export items** to Afghanistan include textiles, pharmaceuticals, tobacco, iron & steel and electrical machinery, while its **imports from Afghanistan are** fruits and nuts, gums and resins, coffee, tea and spices.
- **Infrastructure development:** India is the sixth largest donor to Afghanistan in diverse development projects in infrastructure, education and agriculture.
 - Some of the major projects include:
 - ✓ Construction of a 218 km road from Zaranj to Delaram for facilitating movement of goods and services to the Iranian border.

- ✓ Construction of Afghan-India Friendship Dam (Salma Dam) in Herat province.
- ✓ Construction of Afghan Parliament.
- **New Development Partnership:** Due to the positive impact of the projects implemented under the US\$ 2 billion development and economic assistance extended by India to Afghanistan both countries have agreed to initiate a next generation 'New Development Partnership'. Under this 116 High Impact Community Development Projects will be implemented in the areas of education, health, agriculture etc.
- **Connectivity initiatives**
 - **Chahbahar Port:** India is cooperating with Afghanistan and Iran for development of the Chahbahar Port which provides an **alternative route to Afghanistan and Central Asia**. In this context, a trilateral transport and transit agreement based on sea access through Chahbahar has been signed.
 - **Air Freight Corridor:** India and Afghanistan inaugurated a **dedicated air freight corridor service in 2017 which** could provide Afghanistan **greater access to markets in India**.
 - Afghanistan and Pakistan signed **Afghanistan Pakistan Transit and Trade Agreement (APTTA)** in 2011 which gives each country equal access up to the national boundaries of both. At present, Pakistan allows Afghan trucks carrying goods meant for India, only up to its last checkpoint at Wagah, and not to the Indian checkpoint at Attari, less than a kilometer away. India is keen to join APTTA and Afghanistan has backed India's readiness to be an APTTA member though Pakistan has so far rejected such a proposal.
- **Cultural Relations:** Afghanistan has been an important trading and craft centre for over 2000 years connecting the civilizations of Persia, Central Asia with India. As part of India's restructuring programme for Afghanistan, India has regularly aimed to take up projects that will render Afghanistan's cultural heritage sustainable.
- **Indian Diaspora in Afghanistan:** Presently, there are estimated to be about 2500 Indians in the country.
- **Political & Security Relations:**
 - During the Soviet-Afghan war (1979-89), **India was the only South Asian nation to recognize the Soviet-backed Democratic Republic of Afghanistan**. India also provided humanitarian aid to then Afghan President Najibullah's government. Following the withdrawal of the Soviet forces, India continued to provide Najibullah's government with humanitarian aid.
 - India was the **first country Afghanistan chose to sign a strategic partnership** agreement with. India signed a **strategic partnership agreement** in 2011 to assist in "the training, equipping and capacity-building programs for the Afghan National Security Forces".
 - India aids **the Afghan National Defence and Security Forces** in fighting the scourge of terrorism, organized crime, trafficking of narcotics and money laundering. Further India supports an Afghan-led and Afghan-owned peace and reconciliation process.
 - India donated three **Mi-25 attack helicopters** to Afghanistan as part of the bilateral strategic partnership to counter the Taliban.

1.3.1. AMERICAN RETRENCHMENT FROM AFGHANISTAN

Why in News?

The US President ordered an American drawdown in Afghanistan, planning to bring home 50% of the 15000 US troops over next 2 months.

Background of Conflict in Afghanistan

- The Afghan war dates back to **1978 when communist government** was established in Afghanistan.
- Insurgency started against communist government led by **Mujahedeen's and Soviet Union entered Afghanistan in 1979** with troops to protect the communist government.
- Since then Afghanistan has been in a state of turmoil for the last 40 years including a Soviet invasion of Afghanistan in 1979 and withdrawal in 1989.
- The **Taliban, ultraconservative political and religious faction** that emerged in Afghanistan, came to power in 1996 and were later ousted from power by **International Security Assistance Force (ISAF)** in an effort to counter Al-Qaeda in 2001.
- The **Taliban has steadily expanded its reach** since U.S. and NATO forces formally concluded their combat mission at the end of 2014 and now it controls more than 14 districts (4% of the country).



Factors that aggravated the Afghan problem

- **Great Game:**
 - **Intervention by global and regional powers** for r.g. U.S.-Russia tensions are creating space for proxies for both on Afghan soil, and the attacks by al-Qaeda and IS-related terror groups have their roots in the larger war between Iran and the Arab world.
 - Tensions between India and Pakistan also cast a shadow over Afghanistan, with India's development assistance under attack.
- **Failure of USA's strategy:** USA has failed to evolve a cohesive strategy regarding military aid to Pakistan, troop presence in Afghanistan, indiscriminate use of airpower or infrastructure building in the country.
- **Military factors:** U.S. and Western governments has tried to win the war for Afghans by deploying large numbers of Western military forces and flooding Afghanistan with large amounts of assistance, which has irked the indigenous tribes. Given the terrain and the tactics of avoiding set-piece battles adopted by the Taliban, the continuous use of air power has failed to change the trajectory of the war.
- **Role of Pakistan:** The Taliban's sanctuary in Pakistan and support from Pakistan's spy agency, Inter-Services Intelligence (ISI) allowed senior Taliban leaders to run the war in relative security.
- **Legitimacy of the National Unity Government (NUG)** seems eroded due to
 - conflict between Chief Executive Abdullah Abdullah and President Ashraf Ghani,
 - corruption and lack of implementation of Electoral reforms
 - refusal of Taliban to talk to Afghan government which it thinks as artificial, foreign imposed and not representative of Afghan people.
- **Socio-cultural factors:** The nomadic and tribal polity in Afghanistan comprises of multiple tribes like Pashtuns, Turks and Persians and each dominant in different regions, asserting their own traditions and culture. The tribal factionalism didn't allow the democratically elected government to settle in Afghanistan.
- **Rise of IS:** Despite the Afghan government's claims of cracking down on militants, threats from the IS and Taliban have only grown both of which have a goal to destabilize the state that and throw the country into further chaos.
- **Number of war and civilian casualties** due to suicide bombings are on the rise after the international coalition forces embarked on Operation Resolute Support to "advise, train and assist" the Afghan forces and not to participate in war since 2014.

Why US is pulling out?

- **America First Policy:** The withdrawal is in line with President Trump's **America First policy**.
 - According to Trump, US has been **wasting its "blood and treasure"** on distant conflicts, instead of rebuilding itself.
 - In 17th year since its inception in 2001, the Afghanistan conflict is **US's longest running war** & has had huge economic as well as human costs.
 - Despite prolonged investment of financial and human resources, the political solution is nowhere in sight and this has resulted in **growing skepticism within the US administration** over the futility of military involvement.
- Also there is an **uneven distribution of security costs**. Despite enjoying massive trade surpluses, many US allies like Germany, Japan, India etc. are not spending enough for their own security.
- Under the new **AfPak policy formulated in 2017**, US marginally increased troops in Afghanistan, declared their engagement to be open-ended with no fixed timeline for withdrawal & took unprecedented hard stance against Pakistan. It also sought enhanced Indian role in peace and reconstruction process. But this didn't seem to achieve the desired objective, in light of Pakistan-China nexus.
- The withdrawal is **acknowledgement of the fact that US was not winning the war in Afghanistan** and submission to the fact staying the course in Afghanistan wouldn't change the situation in their favour.

Consequences of withdrawal

- **Impact on the peace process:** A strong U.S. military presence in Afghanistan is needed to bolster diplomatic peace efforts. U.S. officials are currently engaged in talks with the Taliban. However, the withdrawal at this time will reduce the incentive for the Taliban to strike a deal.
- **Fall of the democratic government & Resurgence of Taliban:** As observed in the US's AfPak policy in 2017 symbolic presence was seen to be necessary to back the National Unity Government. With the U.S.

presence gone, the Taliban — with support from Pakistan & limited assistance from Russia and Iran — might seize all the remaining cities in the country that it currently does not control.

- **Breeding ground for terrorism:** A precipitous U.S. exit would allow Afghanistan to emerge as epicenter of global terror, as during the 1990s & would only embolden other transnational terror organizations like Islamic State Khorasan (the Islamic State's local province), Al-Qaeda in the Indian Subcontinent (al-Qaeda's local affiliate) and Haqqani Network to operate freely inside Afghanistan.
- **Poor capacity of Afghan forces:** The withdrawal of US forces might reduce the willingness of chronically under strength Afghan forces to fight. The training of Afghan forces, waging an air campaign against the Taliban etc. will face challenges.
- **Regional instability:** The withdrawal might further cement regional instability between nuclear powers India and Pakistan. An Islamist regime in Afghanistan would make Pakistan a central player in the country.
- **Refugee crisis:** The civil unrest might lead to a mass exodus of Afghans trying to flee the country could trigger another refugee crisis.

Consequences for India

- A destabilized and Talibanized Afghanistan might lead to upsurge of **violence in Jammu and Kashmir** & can be used as a staging post for **launching attacks on rest of India**, as had been the case in late 1990s (IC 814 hijacking).
- There is also an imminent **security threat to India's investments** & developed infrastructure in Afghanistan.
- Since India is increasing its physical presence in the region through connectivity projects like Chabahar, INSTC etc., an adverse national government will **halt the connectivity efforts**, increase in **refugee crisis** and will have a major impact on **India's energy security** and regional ties in the Middle East.
- US's isolationism through non-interventionist foreign policy could **open gates to Chinese military intervention** in Afghanistan.
- India must start preparing for the inevitable **geopolitical turbulence**, including the **resurgence** of the Islamic State and the **potential return of the Taliban** to power in Kabul.

Way Forward

- It is important that the **Western nations keep funding the Afghan state and provisioning their armed forces** so that there is a possibility of Afghan forces pushing back Taliban forces.
- As America pulls out, it **leaves room for Russia and Iran to influence the region**. India now needs to **cooperate with both of them** to push forward peace process.

Related News - US withdrawal from Syria

- The US has begun **withdrawing its troops from Syria**, where they are supporting rebel fighters from the Kurdish-led Syrian Democratic Forces (SDF) alliance.
- **Reasons behind the pullout:**
 - Objective of **defeating IS** achieved as it no longer holds territory and has been flushed out of all urban centres in Iraq and Syria.
 - US's **strategic objective of dismantling Assad-regime** and reducing Iranian influence isn't in the sight of getting achieved.
 - US's **balancing act between Turkey & Kurds** didn't achieve any long term stability, especially in northern Syria.
- **Negative consequences:**
 - **Possible return of IS in the region in case of a pullout.** Though no longer fully controlling territory, there are about 14,000 IS militants in Syria and 17,000 in Iraq.
 - **Increase conflict** between Syrian Kurdish forces and Turkey, which considers them as terrorists.
 - Uncertainty may further increase over the **status of an autonomous Kurdish state** incorporating parts of Syria, Turkey, Iraq and Iran.
 - Might **lead to further international competition** over 'spheres of influence' within Syria. E.g. Iran's attempt to create a 'Shia crescent' from western Afghanistan to the Mediterranean Sea.



- Going forward, India has now spelt out its **three new “red lines”** on the peace and reconciliation process in Afghanistan.
 - “all initiatives and processes must include all sections of the Afghan society, including the legitimately elected government” - This also means that there is acceptability in Delhi about talking to the Taliban — since they represent a “section of the Afghan society”.
 - “any process should respect the constitutional legacy and political mandate”. This means that the achievement of establishing democratic processes and human rights, including women’s rights, should be respected.
 - any process “should not lead to any ungoverned spaces where terrorists and their proxies can relocate”. This is crucial for India, as it points out the threat from terrorist groups including the Haqqani network, Al Qaeda, Islamic State, which must not be allowed to operate there. Also, the Pakistan-based terrorist groups must not be allowed to relocate.

Related news

India is participating in a Russia-sponsored **peace conference with Taliban**.

- Russia is trying to **bring various parties to the conflict in Afghanistan** around a table to kick-start a peace process.
- Currently, the talks known as the “**Moscow format/Moscow Talks**” include a “**high-level**” **delegation from the Taliban** as well as a delegation of **Afghanistan’s “High Peace Council (HPC)”**, along with representatives of 12 countries.
- **First time an Indian delegation, in unofficial capacity**, also has represented India. While the United States embassy in Moscow also sent a representative to observe the discussions.

The **reasons behind India’s decision to participate can be:**

- Recognition of the need to recalibrate current policy in accordance with the **changing regional and global power dynamic**. This made India to participate in the multilateral conference in Moscow despite its aversion to any engagement with the Taliban.
- Also, India’s concerns increased as the US, Russia, China and even the Afghan government have **all indicated that they are ready to talk** with the Taliban.
- Also, in participating in these talks, India takes the view that since the **Afghan government, through the High Peace Council**, is present, there should be no problem. The HPC is a government body responsible for reconciliation efforts with the Taliban.
- The decision was **the outcome of “close discussions with the Afghanistan government,”** and it was felt necessary for India to have a “presence” there.
- Russia’s invitation to India to participate in Moscow talks is a **recognition of India’s stakes and its role**. India’s engagement demonstrates **commitment** to the idea of a **stable, independent and peaceful Afghanistan**.

1.4. INDIA-BHUTAN

Why in news?

Prime Minister of Bhutan is on a trip to India as his first state visit after being sworn in.

Bhutan’s significance for Indian Foreign policy

- **A trusted partner:** India Bhutan ties are governed by 1949 Friendship Treaty (amended in 2007) which states that both countries will ensure perpetual peace, friendship and protect each other’s national interests.
 - Bhutan stands out as an exception in South Asia as a country whose relations with India do not oscillate between China and India based on the party in power.
 - Similarly, India has shown its respect by visiting Bhutan first on the state visit or standing beside Bhutan during Dokhlam crisis. Both countries have **stood the test of good neighborly relations**.
- **Strategic Relevance:** Bhutan acts as a buffer between two big powers that is India and China. The Chinese claims on Ladakh, Nepal, Sikkim, Bhutan and Arunachal jeopardizes Indian and Bhutanese sovereignty. Thus, for both Bhutan and India it is imperative to avoid such territorial claims together.
- **Economic overlapping:** India continues to be **the largest trade and development partner of Bhutan**. India has contributed generously towards latter’s Five Year Plans since 1961.
 - **Cooperation in hydropower** has over the years intensified as main pillar of economic ties and has evolved to become Bhutan’s major export item. The hydro relations have benefitted India to tackle its energy deficiency.
 - The three hydropower projects developed with Indian assistance have already been completed: **Tala Hydroelectric Project, Chukha Hydroelectric Project and Kurichhu Hydroelectric**.

Challenges in the relationship

- There is a perception that India sometimes takes Bhutan's loyalty for granted. The political meddling, regime management and economic arm twisting (blockade in 2013) increases Bhutan's mistrust for India's intention.
- Another issue is Bhutan's geographically disadvantaged location that has made its economy hugely dependent on India, giving India an undue advantage over Bhutan's trade and commerce.
- China is another important dimension in India-Bhutan relations. In recent years, China has tried to establish its influence on Bhutan. It continues to stake claims to important area such as Chumbi valley and Doklam.

Way Forward

- **Recalibrating the friendship:** It has to build Bhutan's trust on India's intention by following the treaty in letter and spirit and not on a chose and pick basis.
- **Strategic balancing:** Bhutan and India bilaterally should look at all matters of territorial incursions. India needs to develop a standalone Bhutan policy that is independent of Chinese lens.
- **Inclusive Economic ties:** India has to make efforts to reduce Bhutan's debt fears. Operationalisation of the pending projects can reduce the fears. T
- There is no harm in diversifying one's economy and India should see it as a new opportunity to partner with Bhutan and help diversify its economy. It should transform its relation from an aid provider to an investment led developer. Skilling Bhutan's youth, developing a bilateral tourism policy and increasing private investment can be helpful for both.
- The upcoming PM's visit to Bhutan can be a starting point for addressing the above identified concerns.

1.5. INDIA'S SHIFT TOWARDS BIMSTEC

Why in news?

Recently BIMSTEC leaders were invited for Prime Minister's swearing in ceremony. This is seen as indicator of India's policy of engaging neighbours and keeping Pakistan out as in 2014 SAARC leaders were invited for the swearing in ceremony.

Background

- Tensions between India and Pakistan have led to New Delhi shifting focus from SAARC to BIMSTEC. For e.g. At the Kathmandu SAARC summit (2014) Pakistan vetoed connectivity agreements initiated by India when all other countries were ready to sign it.
- After the Uri attack of 2016, India boycotted the SAARC summit, which was to be held in Islamabad. The Summit was called off after other SAARC member states followed suit.
- Soon after, India invited BIMSTEC leaders to the BRICS outreach summit in Goa in 2016.
- In 2017 BIMSTEC summit, India's PM announced, "It is a natural platform to fulfil our key foreign policy priorities of Neighbourhood First and Act East."
- Thereafter, the 2018 BIMSTEC summit in Nepal saw the grouping pass a resolution demanding that states that "encourage, support or finance terrorism, provide sanctuaries to terrorists and terror groups" be held accountable.



Why India's shift towards BIMSTEC?

- **Stagnation of SAARC** is a key reason for India to reach out to BIMSTEC as the stagnation limited the scope of India's growing economic aspirations as well as the role it could play in improving regional governance.
- BIMSTEC also carries a lot of **economic promise**.
 - The BIMSTEC countries have combined gross domestic product (GDP) close to \$2.7 trillion.
 - Despite an adverse global financial environment, all seven countries were able to sustain average annual rates of economic growth between 3.4 and 7.5 percent from 2012 to 2016.
 - The Bay of Bengal is also **rich in untapped natural resources**, with reserves of gas and other seabed minerals, oil and also fishing stocks.
- **Better connectivity** with BIMSTEC countries opens up opportunities for Indian coastal states and North East states to unlock the potential for development in the region.
- **Strategically**, BIMSTEC is a platform to counter assertive China in South and Southeast Asia, where it has undertaken investments through the Belt and Road initiative.

Why SAARC remains relevant despite renewed interest in BIMSTEC?

- SAARC, as an organisation, reflects the **South Asian identity** of the countries, historically and contemporarily. It has geographical identity. Equally, there is a cultural, linguistic, religious and culinary affinity that defines South Asia. BIMSTEC despite its achievements is not tied in the **identity of the nations** that are members.
- South Asian countries are closely tied in their **socio-political state** as they face similar **threats and challenges** like terrorism, similar economic challenges, disaster etc. To face such challenges, the South Asian countries must cooperate. The **European and ASEAN experience** is testimony to the contribution of regional cooperation in the economic growth of the countries.
- BIMSTEC itself has faced **challenges** since its inception. It is also not well **institutionalised** as SAARC, which despite political tensions between its largest members has institutions for cooperation. Though there have been delays in regular SAARC summits, there are mechanisms of interaction within SAARC- **South Asian University, South Asia Satellite** which keep SAARC relevant.

Conclusion

- The two organisations, SAARC and BIMSTEC—focus on **geographically overlapping regions**. However, this does not make them equal alternatives. BIMSTEC does not render SAARC pointless rather it opens up **new opportunities of regional cooperation** in South Asia.
- The very **founding principle** of BIMSTEC is cooperation within BIMSTEC will constitute an addition to and **not as a substitute** for bilateral, regional or multilateral cooperation involving the Member States. It's officially described as **“a bridge between South and South East Asia”** and a “platform for intra-regional cooperation between SAARC and ASEAN”.
- India should take lead in creating platforms for **informal discussions, formal mediation** and resolution mechanisms tailored to the region's specific needs and problems. So that bilateral issues do not hinder broader regional integration under both SAARC and BIMSTEC.

1.6. UNREALIZED POTENTIAL OF SOUTH ASIAN TRADE

Why in news?

Recently World Bank has released a report called A Glass Half Full: The Promise of Regional Trade in South Asia.

Trends in trade in South Asia

- **Intra-regional trade**- accounts for a little more than 5 percent of South Asia's total trade while it accounts for 50 percent of total trade in East Asia and the Pacific and 22 percent in Sub-Saharan Africa.
- **Intra-regional trade part of regional GDP**- The relatively large economies of South Asia just have only 1% of its trade as GDP as against 2.6 percent in Sub-Saharan Africa and about 11 percent in East Asia and the Pacific.
- **Trade Restrictiveness**- According to global trade data, trade restrictiveness index is 2 to 9 times higher for imports from South Asia than rest of the world in case of India, Nepal, Sri Lanka and Pakistan.



- **Disproportionate cost of trade**-The South Asian regional trading cost is 20% higher than ASEAN.

Causes of Skewed Trend

- **Non-functional SAFTA**
 - **Para tariffs** -These are duties levied on imports but not on domestic production. These Para tariffs are kept out of SAFTA which leads to artificial high tariffs. E.g. simple average tariff in Bangladesh in fiscal year 2016/17 almost doubles, from 13.3 percent to 25.6 percent due to Para tariffs.
 - **Sensitive List** - This list comprises goods that are exempted from tariff rationalization. Almost 35 percent of the value of intraregional trade in South Asia is subject to sensitive list tariffs. There is no provision in SAFTA to phase out this list.

- **Non-Tariff Measures** - Non-tariff barriers (NTBs) in form of sanitary, labor, phyto-sanitary etc. are abnormally high for specific products and market combinations in South Asia. It varies from over 75 percent to over 2000 percent.
- **Lack of Border infrastructure and procedural delays**- There is poor transportation and logistics infrastructure across south Asian borders. Inefficient customs and border procedures makes the trade slow thereby increasing the cost of trade. e.g. cumbersome product registration and requisite authorization processes for pharma import.
- **Poor Regional Connectivity**- There is dearth of air, land and water transportation in the region. The service trade is hugely restricted due to unfriendly visa regimes. It restricts FDI and development of regional value chains.
- **Lack of normal trade between India and Pakistan**-The complex trade relation between India and Pakistan has heavily impacted South Asian trade. The two countries account for 88% of the region's GDP. The trade potential is of \$37 billion which today stands at \$2 billion only.
- **Trust Deficit**-There is security dilemma in the South Asian region due to large size of India vis-à-vis other countries in the region. This fear and insecurity give rise to mistrust which is perpetuated further by a lack of people-to-people interactions and partnerships.

What needs to be done?

- **Restructuring of SAFTA** - Eliminate SAFTA's sensitive list in 10 years and the list can be narrowed down as of now. Also, a panel of experts should be formed to decide on elimination of Para tariffs reduction and accelerate removal of Para tariffs on non-sensitive list.
- **Non-Tariff Barrier reduction**- NTB can be addressed by filling the information gaps, developing border infrastructure and simplifying the administrative procedures. An awareness program across the region and a bilateral dispute resolution mechanism is essential. Introduction of electronic data interchange, risk management systems, and single windows at borders is the need of the hour.

India-Pakistan trade relations- A recipe for peace

Current Status-Slow progress in trade with declining trend-

- Though trade increased by 3.5 times between 2000-2005 but it was slow. Recently it fell in 2017 to \$2.40 billion from \$2.70 billion in 2013-2014.
- There has been **minimal increase in Indian exports** after Pakistan's change in import policy in 2012. In 2016-2017 new exports were only 12% of India's total export to Pakistan.
- In absence of full trade relations there is rampant **illegal trade** routed through West Asia and Nepal.
- **Indirect trade** via UAE is 10 times the normal bilateral trade.

Required Changes

- **Development of Regional Value chains** in textile, pharma and sports goods. Develop links between textile hubs i.e. Lahore and Surat etc.
- **Normalization of trading relations** i.e. Non-discriminatory in nature thereby complying with the WTO rules.
- **Narrowing the sensitive list** on both sides and reducing non-tariff barriers.
- **Business level dialogue**-It includes building social capital in trading community; develop business to business linkages through national chambers and implementing SAARC visa regime.

Benefits of enhanced trade

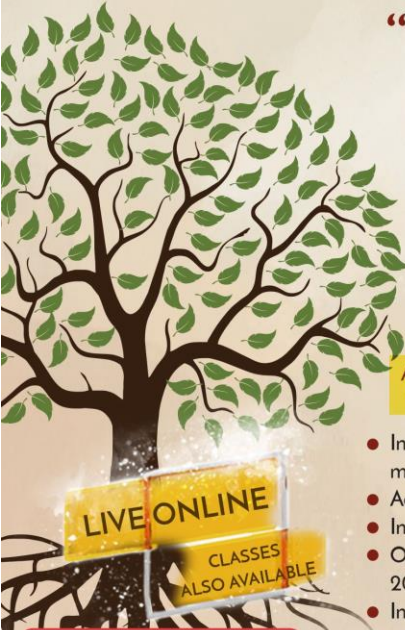

- **Socio economic conditions** - South Asian region suffers from similar problems like poverty, hunger, malnutrition, unemployment, gender discrimination etc. All countries in the region will gain from regional trade as it will help in lowering socioeconomic disparities.
- **Gains to various stakeholders**- Consumers gain from access to food products, services, and consumer goods. Producers and exporters gain from greater access to inputs, investment, and production networks.
- **Increased Access to landlocked countries and sub regions** - Landlocked countries like Afghanistan, and Nepal, and isolated sub regions, such as Northeast India will benefit as cost of transportation and logistics will come down. It will in turn increase the access.

- **Enhance Regional Connectivity** – Connectivity is main constituent of trade relations. Bilateral air service policies and simplified Visa regimes should be followed. E.g. success of India Sri Lanka air service agreement.
- **Building Trust**- Trust induces trade and trade results into peace and prosperity. The border haats at India Bangladesh border is a case in point. It has helped in developing social capital between both the countries.

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2. INDIAN OCEAN REGION

2.1. INDO-PACIFIC REGIONAL COOPERATION

Why in news?

Recently, the Ministry of External Affairs has setup a dedicated **Indo-Pacific division** for the matters related to the **Indo-Pacific**.

Background

- The “**Indo-Pacific**” idea was originally conceived in 2006- 07. The term ‘Indo-Pacific’ combines the **Indian Ocean Region (IOR)** and the **Western Pacific Region (WP)** – inclusive of the contiguous seas off East Asia and Southeast Asia – into a **singular regional construct**.
- The idea has gained eminence in recent times due to:
 - Increasing geopolitical connect between the Indian Ocean and the western Pacific in both the geo-economic
 - eastward shift of the world’s economic “center of gravity” towards the Asian continent
 - Growing Eminence of India
 - Politico-military aggressiveness of China

Significance of the Indo-Pacific for India

- **Greater Role in the Region**- This concept is a shift from the **Asia-Pacific** (included North-east Asia, South-east Asia and Oceania), where India did not have a major role to play. The Asia-Pacific Economic Cooperation (APEC) launched in 1989 did not include India, as did the Asia-Europe Meeting (ASEM) launched in 1996, though India was admitted into ASEM in 2006. India still remains outside APEC despite stated US support for its inclusion. However, **India is a key player in the Indo-Pacific region**.
- **Play Role of a Net Security Provider**- where India is expected to assume the responsibility for stability in the region by following **capacity building, military diplomacy, military assistance and direct deployment**.
- **Help achieve Economic Potential**- India is targeting a sustained 7.5-8% economic growth and aims to be a \$5 trillion economy by 2025. The Indo-Pacific can aid this as there is-
 - **Presence of natural resources**- like oil and hydrocarbons in South China sea, which can help India diversify its import basket.
 - **Presence of high market potential**- for Indian exports such as engineering services, ICT services etc.

Benefits of a separate Indo-Pacific Wing

- **Bring Unified approach**- Previously, there were separate desks for ASEAN region, Indian Ocean region which compartmentalized the approach. This unified division will bring all issues related to Indo Pacific under one umbrella for greater cohesion and focus.
- **Improved Policy Making**- It will help in accelerating India’s preparedness and drafts related to Indo-Pacific region.
- **Help in easy coordination**- With other countries re-orienting their approach towards Indo-Pacific, such a division in India will allow other countries to coordinate easily with a dedicated division.
- **Give leadership to this area**- as a separate Joint Secretary would head the division, which would be crucial to give a coherent architecture to the policy.
- **Capitalize on the Indian Diaspora in this region**- India has a considerable diaspora presence in Australia, New Caledonia, Fiji, and New Zealand, which provide an open conduit for information exchanges between the Southwestern Pacific neighbors and India.

India’s Vision for Indo-Pacific

In the **Shangri La Dialogue**, India embraced the concept of Indo-Pacific and highlighted following points-

- It stands for a free, open, inclusive region, which embraces all in a common pursuit of progress and prosperity. It includes all nations in this geography as also others beyond who have a stake in it.
- Southeast Asia is at its Centre. And ASEAN central to its future.
- Evolve, through dialogue, a common rules-based order for the region. These rules and norms should be based on the consent of all, not on the power of the few.
- Rather than growing protectionism, India seeks for a level playing field for all. India stands for open and stable international trade regime.
- Connectivity is vital and India is doing its part, by itself and in partnership with others like Japan – in South Asia and Southeast Asia, in the Indian Ocean, Africa, West Asia and beyond.

India’s view can be summarized into five S in Hindi: **Samman** (respect); **Samvad** (dialogue); **Sahyog** (cooperation), **Shanti** (peace), and **Samridhi** (prosperity).

- **Development of North Eastern States-** that can become a gateway for India to integrate with this region.
- **Integration of Blue Economy Aspirations-** where, ocean ecosystems bring economic and social benefits that are efficient, equitable and sustainable for the entire region.
- **Ensure Freedom of Navigation-** as the region includes some vital trade routes and world's vital choke points for global commerce, including the **Straits of Malacca**. Around 95% of India's foreign trade comes by the Indian Ocean.
- **Develop a Security Architecture-** as there are issues like territorial and water disputes between countries, piracy concerns, North Korean nuclear capability and greater militarization in the region.
- **Containment of China-** In the backdrop of China's aggressive expansionist tendencies including **Belt and Road Initiative, String Of Pearls Theory**, Indo-Pacific presents an opportunity to capitalise on China's key strategic vulnerability, viz., its energy lifelines transiting the Indian Ocean and to showcase Indian Navy's capability to moderate China's behaviour, thereby dissuading its future aggressiveness.
- **Help achieve Strategic Objectives-**
 - **Gives an extension to India's 'Act East Policy'**
 - **Entry in multilateral groupings-** such as Nuclear Supplier's Group and permanent seat in UN Security Council.
 - **Create alliances with smaller powers-** as it would entail continued engagement with China while simultaneously developing strong economic and security alliances in East and South East Asia and across the Indian Ocean region
 - **Increasing role of ports-** where different countries are trying to setup their bases in different ports of the region. E.g. India has secured access to Duqm port in Oman for military use and develop the Agalega Island in Mauritius. The Indian Navy has secured a logistics facility in Singapore that will allow it to refuel and rearm and has similar facilities in Vietnam.

Indian Initiatives

- **Defence Cooperation** such as Joint defence exercises like Malabar, RIMPAC; **inter-operability** where countries can use each other's military bases.
- **Asia-Africa Growth Corridor-** an economic cooperation agreement between the governments of India, Japan and multiple African countries.
- **SAGAR Approach-** Security and Growth for All in the Region.
- **Project Mausam:** to explore the multi-faceted Indian Ocean 'world'-collating archaeological and historical research.
- **Indo-Pacific Regional Dialogue:** The Indian Navy launched this apex level conference in 2018, in recognition towards the importance of Indo-Pacific for the region.
- **India** has been an active participant in mechanisms like the **Indian Ocean Rim Association (IORA)**, the **East Asia Summit**, the **ASEAN Defence Ministers' Meeting Plus**, the **ASEAN Regional Forum**, the Bay of

Efforts taken by other countries towards Indo-Pacific

- **Quad-plus-** where India, Japan, Australia, U.S. and countries of ASEAN have come forward cooperate in the region.
- **Australia-** In 2013, Australia released its Defence White Paper making it first government articulation of Indo-Pacific and endorsing India's centrality in the Indo Pacific construct.
- **USA-**
 - It recently renamed its strategically important Pacific Command (PACOM) as the U.S. IndoPacific Command, indicating that for U.S. government, East Asia and the Indian Ocean Region are gradually becoming a single competitive space and India is a key partner in its strategic planning.
 - Even 2018 National Defence Strategy of US acknowledges Pacific challenges and signals America's resolve and lasting commitment to the Indo-Pacific.
- **Japan's** Free and Open Indo-Pacific Strategy rests on "two oceans" — Indian and Pacific — and "two continents" — Africa and Asia.
- **Indonesia-** has stressed on the cooperation in an open, transparent and inclusive dialogue.

ASEAN Outlook on the Indo-Pacific

Recently, the **Association of Southeast Asian Nations (ASEAN)** has adopted the '**ASEAN Outlook on the Indo-Pacific**'.

- ASEAN Outlook reinforces the **ASEAN-centered regional architecture** which is not aimed at creating new mechanisms or replacing existing ones.
- It **intends to enhance ASEAN's Community building process** and to strengthen and give new momentum for existing ASEAN-led mechanisms, including the East Asia Summit (EAS), the ASEAN Regional Forum (ARF) etc.
- It enumerates the **four functional areas** through which ASEAN believes collaboration can be tangibly advanced:
 - Maritime cooperation
 - Connectivity
 - Sustainable development
 - Economic and Other Possible Areas of Cooperation.

Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (**BIMSTEC**) and the **Mekong-Ganga Economic Corridor**.

- **Indian Ocean Naval Symposium**, in which the navies of the Indian Ocean Region (IOR) participate.
- Through, **Forum for India-Pacific Islands Cooperation (FIPIIC)** India is stepping up its interactions with the Pacific Island countries.

Challenges

- **Need to build capacity**- India wants to stop Indo-Pacific from turning into a Chinese sphere of influence, but it doesn't have **sufficient resources to do so**. Neither does India have adequate economic resources to provide credible alternatives to China's Belt and Road Initiative nor does it have sufficient diplomatic capacity to meaningfully engage with all stakeholders at the same time like US and Russia. China's aggression and **debt trap diplomacy**, which impinge sovereignty, is going to test Indian diplomacy.
- **Seamless Connectivity**- between the countries in the region remains to be a concern.
- **Role of North- East States**- until they are developed, India's role may not be utilized to the maximum extent possible.
- **Heterogeneity in the region**- with different countries in terms of sizes, ethnicities, aspirations, it becomes difficult to obtain a cohesive approach.
- **De-globalization**- The western world has been hit by a spate of protectionism, which creates hurdles to such cooperation on issues like tariffs, oil import etc for the common Indo-Pacific region.

Way Forward

- **India's entry into APEC**- should be accelerated and done as soon as possible.
- **Development of infrastructure investment initiatives**- to develop connectivity and inter-operability between the regions to encourage economic trade among others.
- **Increase the diplomatic coordination sphere**- from the current Quad countries to the larger region, so as to build larger consensus on the Indo-Pacific common concerns.
- The emergence of the Indo-Pacific as a geo-strategic concept is a welcome development. However, it needs further diplomatic movement and there needs to be greater clarity on economic issues.

Asia Pacific Economic Cooperation

Why in News?

Asia Pacific Economic Cooperation (APEC) at its Summit in Papua New Guinea failed to develop consensus on a communique.

More on news

- This was first such instance in the history of APEC when a consensus could not be achieved on final declaration.
- The unprecedented impasse blamed on tensions between China and the United States presents an opportunity of admitting India as a member — both in recognition of the country's status as a major market and as a means to avoiding a similar impasse in future.

Current relation between India and APEC

- India was allowed in APEC summit in 2011 as an observer state.
- Although India has been attempting to join APEC since 1993, but still has not got the membership as:
 - India's **geographical location** isn't conducive for India's membership in APEC as India does not border the Pacific Ocean.
 - Some APEC members have expressed concerns that India's inclusion could shift the focus of the grouping away from its Pacific Rim.
 - **India's economic policies** are generally considered as protectionist and inward which is considered against the liberalized and free market principles of APEC.
 - **India's record in trade negotiations, bilaterally as well as in the World Trade Organization (WTO)**, has made some APEC economies concerned that including India would slow momentum for achieving the forum's objectives
 - **In 1997 a moratorium on membership** was put in place for a ten-year period which was extended further till 2010. However currently there is **no moratorium on membership**.

Why India should form part of APEC?

- **Economic angle:**
 - **Size of Economy:** India is 6th largest economy of World and 3rd largest economy of Asia. Also as the world's

Members of Asia Pacific



fastest-growing major economy, **India represents a significant long-term source of growth for the world economy.** This mandates an economy based forum such as APEC to take cognizance of India.

- **Opportunities in India:** India is projected to be the world's third largest economy by 2030 and **will need well over \$1 trillion of investment in infrastructure over the next decade.** Its burgeoning middle class, estimated to number 450 million in 2030, **will offer huge opportunities for APEC countries which are experiencing sluggish growth.**
- **Changed Conditions:** At the time of inception of APEC (1989), India had not liberalized and was out of sync of APEC economic principles. **However, India starting from 1991 has liberalized and India's trade stands at 40% of GDP now.** India even has extensive trade relations with all the APEC member economies.
- **Strengthening Economic Integration:** Emerging trade regimes could create gaps between the standards and policies adopted by their members and those pursued by non-members. By including a key economy such as India, APEC can play a constructive role by helping bridge such gaps.
- **Alternative to China:** For APEC members, **greater integration with India could offer an alternative source for manufacturing goods.** Also India's large labor market (largest in the world by 2030), will help offset the impact of aging populations and shrinking work forces in APEC economies and offers advantages for sourcing services — in IT, financial services, etc.
- **Strategic angle**
 - **Strategic Balance:** Inclusion of India could bring a **strategic balance and ease the tension within the grouping.** **India's record of Non Alignment** could bring confidence among the smaller members of APEC amid the impasse between USA and China. Especially, joint efforts of Japan, India and Australia could reduce tension between US and China.
 - **Political counter weight to China:** As a major power in the Indian Ocean, India could provide a balancing counterweight to China for smaller Asian countries that may be wary of the alternative hard stand provided by the US.
 - **New Indo-Pacific policy of USA:** USA under Trump regime has changed the view of Asia Pacific to Indo-Pacific. **Inclusion of India in APEC is in coherence with the new approach of US in the region.**

New challenges to APEC in changing geopolitical situations

- **New trade agreements:** Emerging trade regimes like Comprehensive and Progressive Agreement for Trans-Pacific Partnership or **Regional Comprehensive Economic Partnership (RCEP)** are throwing challenges to the dominance and existence of APEC.
- **Changing view of Asia-Pacific:** View of Asia-Pacific as a geographical entity has changed over time and integrated with Indian Ocean Region to **develop a single entity of Indo-Pacific.**
- **China's assertiveness:** In recent times China has adopted an aggressive posture in Asia Pacific region (South China Sea) and even violated international norms and laws (UNCLOS).
- **Changed US policy: Trump administration has adopted inward looking policies** e.g. it pulled out from Trans-Pacific Partnership (TPP) and **focuses more on transactional relationships.**
- **Change in regional power dynamics:** USA's economic leverage in Asia has receded at the time China's trade and investment links Belt and Road Initiative have increased.

Benefits to India

- **Act East Policy:** For further strengthening of economic ties of India East and Southeast Asia through higher trade volumes and greater physical connectivity, APEC membership streamlines the process by standardizing the trade related negotiations.
- **Creating Synergy:** Through its processes and guidelines, APEC will facilitate India's implementation of the economic reforms, boost competitiveness and the ease of doing business. APEC membership would also help India prepare for potential inclusion in emerging trade agreements such as TPP (**now CPTPP**), if India considers joining these in the future.
- **Economic Growth:** India's current economic program relies on greater access to foreign markets, investment sources, and value chains to bolster manufacturing and create jobs at home.
- **India-US Relations:** Supporting India's APEC bid would demonstrate an American commitment to help strategic partner India gain the greater role in institutions of global governance.

Way forward

- **Diplomatic investment:** To gain support of its candidacy of APEC, India needs to work diplomatically with key members like United States and Japan. Also, India could ask China, Korea, Australia, and Vietnam to provide vocal support and diplomatic resources to India's cause.
- **Extensive Study before inclusion:** APEC could commission studies assessing the benefits and costs of Indian accession which will help its members to develop consensus on the question of Indian membership.
- **Transitional membership:** Before providing full membership of APEC a transitional membership could be provided. Transitional memberships could gradually integrate India in ways that satisfy current members and allow India to benefit from APEC's processes and technical support.

2.2. INDIA- NET SECURITY PROVIDER IN INDIAN OCEAN

India's rising economic and political profile, increasing stakes in and dependence on Indian ocean, coupled with India's ambition to be recognised as regional, global power gives India commensurable responsibility. That is to ensure stability in maritime neighbourhood, by accepting the role of Net Security provider.

What does Net security provider mean?

Net provider of security is the nation which can address the security concerns of not only itself but also other countries in the vicinity or beyond. Net security provider is usually meant as enhancing mutual security of more than one country by addressing common security concerns, including dealing with transnational piracy, or responding to disasters, etc. Specifically, it encompasses four different activities:

- capacity building;
- military diplomacy;
- military assistance; and
- direct deployment of military forces to aid or stabilise a situation.

Why the need for net security provider in the region?

- The Indian Ocean enjoys a privileged location at the **crossroads of global trade**, connecting the major engines of the international economy.
- Today, about **40 per cent of the world's oil supply and 64 per cent of oil trade** travel through the Indian Ocean.
- **Strategic choke points** like Straits of Malacca and Hormuz and the Bab-el- Mandeb further underscore the need for unimpeded traffic and safety through the ocean.
- All these make Indian Ocean **vulnerable to non-traditional threats** like piracy; armed robberies at sea; maritime terrorism; trafficking in narcotics, arms and people; illegal fishing; smuggling and the dangers posed by natural disasters and climate-change.
- This is in addition to **traditional threats** like the proliferation of weapons of mass destruction, increased missile capabilities and power projection by foreign militaries that pose threat to peace in the Indian Ocean Region.
- It not only threatens commerce, but also **peace and regional stability**, international trade and global energy flows.
- Also, the countries in the region are **more concerned about local issues of governance, poverty, disease and other internal issues** rather than strategic concerns. This makes it necessary for a country like India, to take up the role of security provider for safe, free, open sea lines of communication.

Challenges to India's position of net security provider in the region

- **Capacity of Indian defence industry:** Inefficient production rates hinder the export potential of Indian military equipment. Hence, even while other nations approach India for military hardware, India has limited ability to deliver.
- **More focus on territorial boundaries:** Due to its pending territorial disputes with China and Pakistan, the Indian military is still largely focused on its borders. It results in less of an emphasis for dealing with situations outside its immediate neighbourhood.
- **China factor:** China challenges India's status in the Indian Ocean through its BRI, String of pearls (acquiring ports in Indian ocean) and also in unprecedented ways as demonstrated by the crisis in the Maldives. China inaugurated its first overseas military base in Djibouti, increasing India's anxiety about China's growing profile in Indian Ocean.
- **Opposition from other countries:** Crisis in Maldies and opposition in Seychelles parliament to the Assumption Island project have shown that India needs to have better cooperation with its maritime neighbours.
- **Interagency coordination and cooperation:** Many have argued for urgent institutional reforms in India's national security agencies. There is a lack of clarity and ownership over issues like military assistance, out of area contingencies and overall political-military-diplomatic strategy.
- **Factious domestic politics:** The conduct of India's foreign policy, like in other democracies, is significantly shaped by its domestic politics.



- There is a strong aversion to the appearance of being a “junior partner” in any military operation/alliance. For e.g. Opposition to partnering with the U.S.
- There is lack of consensus on issues relating to military assistance. For e.g. This was an important factor that prevented India from openly providing military assistance to the Sri Lankan armed forces during their campaign against the LTTE.

Steps taken by India

- India’s maritime strategy 2015, titled “**Ensuring Secure Seas: Indian Maritime Security Strategy**”:
 - The **Indian Ocean lies at the core** of India’s maritime strategy as it reflects New Delhi’s willingness to play a larger role in the region and India’s intentions to be the net security provider in the region.
 - It shows the East Coast of Africa littoral regions as **areas of primary interest** while the West Coast of Africa and their littoral regions as the secondary area of interest.
- **Developing naval bases:**
 - India signed a deal with Singapore to expand existing Indian access to **Changi naval base**.
 - India also contributes to the development of **Agaléga** in Mauritius with dual-use logistical facilities.
 - India also secured access to the **Port of Duqm in Oman** for military use and logistical support. The port in southeast Oman is about 400 kilometers to Iran’s Chabahar Port, directly across the Gulf of Oman, and offers the potential to enhance India’s regional footprint.
- **Collaboration with foreign countries:**
 - **India and France**, eying the Indian Ocean, have signed the “**reciprocal logistics support**” agreement as part of which warships of both the nations would have access to each other’s naval bases.
 - **India and the United States** signed the **Logistics Exchange Memorandum of Agreement** in 2016, giving both countries access to designated military facilities for refueling and supplies.
- **Indigenous naval development:** INS Arihant (Nuclear submarine), INS Vikrant (aircraft carrier to be built by India) show India’s rising capabilities as major ocean power.
 - **India recently achieved the longstanding ambition to have a nuclear triad**, after the indigenous INS Arihant, India’s first nuclear-powered submarine successfully completed its first deterrence patrol.
- **Regional groupings:** Like IORA, Indian Ocean Naval symposium, BIMSTEC to address common concerns and play leadership role in the region, Indo-Pacific Regional Dialogue.
- **Security and Growth for All in the Region (SAGAR)** which involves enhancing capacities to safeguard land and maritime territories & interests; deepening economic and security cooperation in the littoral; action to deal with natural disasters and maritime threats like piracy, terrorism.
- **Military Exercises** in the Indian Ocean region like Malabar, CORPAT (between India Indonesia).
- **Military assistance** that includes supplying equipment and joint development of military weapons. E.g. besides increasing training slots, India has offered to build four Offshore Patrol Vehicles for Myanmar, and also offered a \$100 million credit line to Vietnam to purchase military equipment.
- Deployment of Indian naval ships in **Humanitarian and Disaster Relief (HADR) operations**, search and rescue, evacuation operations. E.g. India was first responder in recent Idai cyclone in Mozambique.

Conclusion

India has to cooperate with other countries like USA, Japan, Australia to increase its reach and counter Chinese presence. The debt trap of Hambantota port in Sri Lanka increased fears about Chinese debt trap diplomacy. This offers India opportunity to stabilise its position. India is also expanding **its outreach in Indo-Pacific (e.g. Quad)** indicating that it is not merely an Indian Ocean and South Asian power, but one with capacity and intent to shape the wider Indo-Pacific, stretching from its established presence in the Indian Ocean to interests in the South China Sea, the Middle East and Africa and into the Pacific.

2.3. INDIA-MALDIVES

Why in news?

India welcomed the victory of the Maldives opposition leader Ibrahim Mohamed Solih in presidential elections ending President Abdulla Gayoom Yameen’s five-year controversial tenure. The new President of Maldives recently visited India as his first State Visit.

India-Maldives Relations

- India established formal diplomatic relations with Maldives after the independence of Maldives from the British rule in 1966.

- Operation Cactus was India's military aid to Maldives to fight the armed attack of the Liberation Tigers of Tamil Eelam (LTTE) supported rebel groups in 1988 for an attempted coup.
- In 2016 Commonwealth Ministerial Action Group (CMAG) meeting India prevented countries from executing punitive sanctions due to failure in creating an 'Inclusive country' and a "Genuine Democracy".
- India has provided liberal economic aid and cooperated with Maldives for improving its Infrastructure.
- India shares very close military ties with Maldives by having two helicopter bases, integration of radars and Indian Coast Guard surveillance along Maldivian coast. India also aims to remain as a net security provider to Maldives.
- India also promotes people to people contacts through air connectivity, education linked scholarship programs and cultural exchanges. Indians constitute second largest expatriate community in Maldives.
- However, under the previous regime of Maldives, since 2013, India-Maldives relations deteriorated.
- **Significance of change in regime in Maldives:** The return of democracy is expected to improve the mutual trust between the two countries as well as may further lead to betterment of ties. The new government's insistence on the implementation of **India First Policy** in letter and spirit is crucial for India.
 - **Possible reversal of controversial decisions:** such as withdrawing from the Commonwealth, conspicuously courting China and weakening traditional ties with India -cancelling Indian company GMR's contract to modernise Male airport, rejecting visa renewals of Indians working in the Maldives and declining to participate in joint naval exercises.

India's stakes in Maldives Maldives is strategically located in the Indian Ocean, and India being a major power in the Indian Ocean region has the highest stake in the stability of Maldives for various reasons like-

- Securing sea lanes of communication, Fighting piracy and sea based terrorism,
- Countering China's string of pearls policy,
- Making Indian ocean a conflict free zone and restoring its status as sea of tranquil,
- Exploring blue economy and Enhancing trade.
- Security of Indian expatriates working there.



Recent developments exemplifying recalibration of ties

- India recently announced \$1.4 billion **financial assistance** to the island nation in a bid to bail out its debt-trapped economy.
- Backed by India, Maldives recently became Indian Ocean Rim Association (IORA) Member. Also, it is helping expedite its inclusion in the Commonwealth again.
- Apart from the increasing official visits between the two countries (Indian PM visited Male before the current visit by Maldivian President), both sides reiterated commitment to maintain close relations with each other.

Challenges

- **Political Uncertainty:** The Maldivian coalition government poses similar scenario like initial euphoria over Sri Lanka democratic government victory and the later unfolding of subsequent events.
- **China Factor:** Though the Maldivian government has said it will rework the FTA but the huge debt owed to China may force Maldives to tread cautiously without antagonising China. Thus, India cannot stop its neighbour to engage actively with China due to its growing economic prowess in its backyard.

China factor in Maldives.

- China and Maldives signed 12 pacts, including a free trade agreement (FTA) and endorsed China's ambitious Maritime Silk Road initiative. Maldives became the second country in South Asia, after Pakistan, to enter into an FTA with China.
- With China **owning 70 per cent of the country's debt**, the Maldives is now into **serious debt trap**.
- Maldives signed China's Belt and Road Initiative, changed laws to lease out several prime islands to China, and allowed Beijing to build an observation post in **Makunudhoo**, the westernmost atoll, not far from India.
- Chinese companies were given contracts for several infrastructure projects in the Maldives, including the recently inaugurated Sinamale Bridge linking Male to Hulhule Island, and a 1,000-apartment housing project on Hulhumale, a suburb that Beijing built on reclaimed land.

- **Terrorism Concern:** In the past decade the number of Maldivians drawn towards terrorist groups like the Islamic State (ISIS) has grown in number due to political instability and socioeconomic underdevelopment. This has perpetual security concerns for India.
- **No independent Island policy:** Though India is working towards a regional security architect under IORA and trilateral security arrangement it lacks an independent policy dealing collectively with archipelagos like Seychelles, Maldives, Madagascar and Mauritius amidst increasing Chinese presence along these islands.

Way Forward

- **India** needs to actively and diplomatically **engage with its southern neighbours including Maldives.**
- Political support and people to people participation has to be readily increased.
- An independent archipelago foreign policy needs to be developed to systematically partner with them. Also, the trilateral and bilateral security arrangements need to be reinforced in order to address the changing power structures in Indian Ocean.
- **More sustainable investment policies favouring socioeconomic development** in an atmosphere of trust once developed can have long term benefits to both countries relationship.
- India may further its approach of **non intervention in Maldives** to manage a lighter diplomatic influence on a similar stance as it did during the previous regime. This may help India to build trust in the region and to get past its Big Brotherly image in the region.

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3. SOUTH EAST AND EAST ASIA

3.1. INDIA-JAPAN RELATIONS

Why in News?

Indian PM recently visited Tokyo for the 13th Indo –Japan annual bilateral summit and issued a joint vision statement.

Outcomes of the summit

- **Converging Indo pacific interest**-India and Japan share similar interest in Indo pacific hence called for a **free, open, transparent, rule based and inclusive Indo pacific region**. Both place ASEAN at the centre of Indo Pacific but also call for others countries presence like US, Australia etc.
 - In last year's summit also, this was emphasized in joint statement titled **“Toward a Free, Open and Prosperous Indo-Pacific”**. This called for a **“rules-based order”** in the Indo-Pacific region where **“sovereignty and international law are respected, and differences resolved through dialogue, and where all countries, large or small, enjoy freedom of navigation and overflight, sustainable development, and a free, fair and open trade and investment system”**.
- **Increased Economic Cooperation**- The biggest take away from the summit was the \$75 billion currency swap that Japan Offered to India (50 percent higher than the last swap).
 - Both appreciated the progress made under Comprehensive Economic Partnership Agreement (CEPA) signed in 2011 as it has helped in boosting bilateral trade.
 - Japan had **pledged Rs 33,800 crore** in government and private sector investments.
 - Japan has been **one of the biggest sources of investment flows** into India, **accounting for \$28.16 billion in FDI between April 2000 and June 2018**.
- **Connectivity through Huge Infrastructure projects**
 - **Within India**- Japan has been a leading financial donor in the form of ODA (Official Development Assistance) to India.
 - ✓ It continues to maintain a high degree of interest and support for **India's mega infrastructure projects** like the Delhi-Mumbai Freight Corridor, Delhi-Mumbai Industrial Corridor, Chennai-Bangalore Industrial Corridor and the Ahmedabad-Mumbai High Speed Rail system.
 - ✓ **North East integration**- India's Act east policy has North east development at its core. Japan promises to undertake several projects in the region under north East Forum.

Liquidity Boost

WHAT IS CURRENCY SWAP:

One country exchanges its national currency for that of another or even a third one

INDIA-JAPAN SWAP:

India can acquire yen or dollars from Japan up to \$75 billion in exchange for rupees. The exchange has to be reversed after an agreed period

TERMS OF AGREEMENT:

The facility is entered into between central banks of two countries. The terms of the swap and its cost are also included. The exchange rate is typically fixed for a transaction. The borrowing bank pays interest for use of funds

How Does It Help

RBI's \$393-billion chest gets a one-shot \$75 billion boost

There is no immediate cost; only when an amount is drawn

Short-term liquidity mismatches can be met quickly

It improves market sentiment, curbs speculative pressure on the rupee

Foreign investors will draw comfort from the arrangement

Related news

- India and Japan recently conducted their **first Annual Bilateral Space Dialogue**, for enhancing bilateral cooperation in outer-space. **Following issues were discussed:**
 - Space-based **maritime domain awareness** and **satellite reconnaissance** through the harmonization of positioning, navigation, and timing (PNT) systems and Space exploration.
 - Sharing of **satellite and radar information** as well as ground infrastructure.
 - Talks on **Global navigation satellite system**, Space situational awareness (SSA), Space security and space-related norms.

- **Outside India-** Asia-Africa Growth Corridor (AAGR) announced in 2017 and joint projects in some third countries like Bangladesh, Myanmar, and Sri Lanka and in Africa as well will be taken jointly.
- **Defence ties- Quadrilateral Security Dialogue** is a strategic dialogue between India, United States, Japan and Australia will be carried out.
 - Trilateral naval exercise called **Exercise Malabar** involving the United States, Japan and India will be carried on continuous basis.
 - Till now India and Japan had a **2+2 dialogue** at the secretary-level now they decided to have a 2+2 dialogue mechanism between Defence and Foreign ministers. This is aimed at giving political muscle to the existing diplomatic, security and defence cooperation. Both are concentrating on sharing Japanese defence technology with India.
 - They announced the commencement of negotiations on an Acquisition and Cross-servicing Agreement. This agreement, as and when it comes into effect, would enable Japanese ships to get fuel and servicing at Indian naval bases.
- **Global Partnership-** They will support each other at UNSC, climate, disaster risk management, SDG's etc.

Weaknesses in India Japan relation

- In spite of CEPA India Japan trade it has not produced the anticipated results. In 2011-12, the total volume of the bilateral trade was \$18.43 billion, but it declined to \$13.48 billion during 2016-17.
- The defence technology sharing is still a thorn. The US-2 amphibian aircraft has been on the back burner.
- Both have diverging interest with respect to Regional Comprehensive Economic Partnership.
- Both countries do not have a specific China policy.
- India needs to strengthen its naval power vis-à-vis China and hasten its pending projects in the Indian Ocean.

Conclusion

- It is clear that the government has set India-Japan ties on an accelerated geopolitical course that will be a major factor in its dealings with the rest of the world, especially China, at a time when the U.S. is perceived to be retreating from the region.
- However, the strategic partnership needs stronger economic ties. While Japan is India's largest donor and the third largest provider of FDI, bilateral trade has steadily declined since 2013.
 - Today, India-Japan trade languishes at around \$15 billion, a quarter of trade with China while Japan-China trade is around \$300 billion.
- The two countries have decided to boost defense ties given the escalating tension in the region in the wake of the nuclear test by North Korea and China's growing assertiveness in the South China Sea. However, certain issues still remain like sharing of the defence technology, delay of US-2 amphibian aircraft.
- Both countries need to work on trade, defence and regional issues. A strong Indo- Japan will arrest the inconsistency being witnessed in the region thus contributing to peace and prosperity in the region and the world.

3.2. INDIA-AUSTRALIA RELATIONS**Why in News?**

Australia Prime Minister has announced implementation of “**An India Economic Strategy to 2035**”, a vision document that will shape India- Australia bilateral ties.

Background of India-Australia relations

The India-Australia bilateral relationship has undergone evolution in recent years, developing along a positive track, into a friendly partnership. The two nations have much in common, underpinned by shared values of a pluralistic, Westminster-style democracies, Commonwealth traditions, expanding economic engagement and increasing high level interaction. Various aspects of their relations include-

- **Political Interactions-** Australia and India established diplomatic relations in the pre-Independence period, when the Consulate General of India was first opened as a Trade Office in Sydney in 1941.
 - Apart from various high level visits the two countries have signed **MoUs in areas including Cooperation in combating International terrorism & transnational organized crime**, Health and Medicine, Environment, etc.
 - They also **co-operate in various multilateral fora**. Australia supports India's candidature in an expanded UN Security Council. Both India and Australia are members of the Commonwealth, IORA,

ASEAN Regional Forum, Asia Pacific Partnership on Climate and Clean Development, and have participated in the East Asia Summits.

- **Security and Stability-** India and Australia have upgraded their bilateral relationship to a '**Strategic Partnership**', including a Joint Declaration on Security Cooperation in 2009. Both are part of 'Quad' Grouping.
- **Civil Nuclear Co-operation-** A Civil Nuclear Cooperation Agreement between the two countries was signed in September 2014. The Australian Parliament has also passed the "Civil Nuclear Transfer to India Bill 2016".
- **Agriculture, Science and Technology-** An **Australia-India Strategic Research Fund (2006)** has been set up; the two countries have identified a number of collaborative research projects in areas such as agricultural research, nanotechnology, renewable energy.
- **Trade-** India is Australia's **tenth-largest trading partner**. The two countries are currently discussing a **Comprehensive Economic Cooperation Agreement (CECA)** which will provide greater market access to exporters of goods and services.

What is "An India Economic Strategy to 2035" and Why is it important?

- **A three-pillar strategy-** The focus of this report is on building a **sustainable long-term India economic strategy**. The report identifies 10 sectors and 10 states in Indian market where Australia has competitive advantages, and where it should focus its efforts. These are divided into a flagship sector (education), three lead sectors (agribusiness, resources, and tourism) and six promising sectors (energy, health, financial services, infrastructure, sport, science and innovation).
 - **First Pillar - Economic Ties-** India is already in the first tier of Australia's diplomatic relations. It has been a high foreign policy priority for at least two decades. But the economic relationship is stuck in the second tier. This vision thus focuses on upgrading ties into full blown economic partnership.
 - ✓ Australian exports to India are expected to grow **from 14.9 billion dollars in 2017 to around 45 billion dollars in the next 20 year**, and Australian investment to India rise from **10.3 billion dollars to over the 100-billion mark**, reflecting a transformational expansion of the relationship.
 - ✓ The **core of the trade ties are energy resources** and now Australia is moving forward in providing assured **Uranium supply under Civil Nuclear Cooperation agreement** which is important for India's energy security and economic growth.
 - **Second Pillar-Geostrategic Engagement**
 - ✓ **Indo-Pacific – A global Strategic region-** India and Australia enjoy strategic position in Indo-pacific and their common interests in the region make them natural allies in the region.
 - ✓ **Preserving the status quo-** Both Australia and India support a **rule based international order** which currently is under increasing threat. Its defenders are shrinking and its challengers growing.
 - ✓ **Chinese revisionism-** China is continuously revising its power in the region. Its blatant disregard for international law and its adoption of a military posture is disturbing the balance of power in the region. It provides India and Australia an opportunity to be net security providers thereby ensuring rebalancing.
 - ✓ **Ambiguous American leadership-** Though during the Indo-Pacific Business Forum US laid out a partnership based economic engagement in Indo pacific to reassure friends but still the countries have reservations about its America first policy.
 - **Third pillar-Rethinking Culture-thrust on soft power diplomacy**
 - ✓ In the last decade a large scale development has been witnessed in the Indian Diaspora in Australia which now constitute 700,000 strong and the fastest growing large Diaspora in Australia. This Diaspora can play a big role to enhance the partnership by creating personal links, in business, arts, education, politics and civil society.

Concerns

- **Dichotomous Australian Foreign Policy-** Historically, a key problem with Australia's bilateral relationships has been the misalignment of Australia's economic and political-security interests. While Australia is reliant on the US for its defence and security through the Australia-New Zealand-US treaty, its economy depends on China, which accounts for a huge share in bilateral trade and investment.
- **Challenges of Indian Economy-** India is too complicated for its growth story to be linear. Australia has skepticism about India's economic progress which is constrained by the political compromises, an interfering bureaucracy, corruption etc.

- **Trade implications for India-** India and Australia are “too far apart” to conclude the bilateral Comprehensive Economic Cooperation Agreement (CECA) in the near term.
- **Perception of Indo pacific-** There is no coherent Indo pacific strategy as countries do not have one definitive vision for the region. It is largely seen as global construct to arrest China’s rise.

Way forward

- India-Australia needs to **formulate a comprehensive shared Indo pacific vision** which ensures inclusivity, transparency, openness and a rule-based order.
- India has to **remove various governance bottlenecks** and ensure speedy engagement. CECA need to be concluded immediately in order to realize the untapped trade potential.
- Both sides should share the **benefits of increased cooperation** equally.

3.3. INDIA-SOUTH KOREA RELATIONS

Why in news?

Recently Indian Prime Minister met South Korean President on the sidelines of the G20 summit held in Osaka.

Major highlights of the meet:

- At the Osaka meeting, both leaders emphasised the need to create a new “synergy” to meet new challenges.
- Through his “strategic reimagining” of the bilateral ties, South Korea has sought to make India one of the mainstays of its “**New Southern Policy**” and bring convergences between it and India’s Act East Policy.

India- South Korea Relations: An overview

India and South Korea have the shared values of open society, democracy and liberal international economic order and their mutual engagement is at a historically unprecedented level. Though India and South Korea became Special Strategic Partners in 2015, the two were not able to tap the full potential of the relationship.

- **Politically** India played an important and positive role in Korean affairs after Korea's independence in 1945. Bilateral consular relations were established in 1962 which was upgraded to Ambassador-level in 1973.
- **Guiding principles:** The South Korean President who visited India, for the first time in 2018 has coined a new acronym ‘**3P Plus**’ for boosting bilateral ties between India and South Korea, through **cooperation for people, prosperity and peace**.
- **An official policy instrument:** South Korean President Moon Jae-in’s “**New Southern Policy**” (NSP) attached primacy to strengthening the country’s economic and strategic relations with India. It is the first time that South Korea has clearly designed a foreign policy initiative for India and officially documented it.
- **Significant strides have been made in several areas of science and technology**

Shift in South Korea’s outlook to India:

There are two primary reasons for the shift in South Korea’s outlook to India:

- **One is that Seoul sees India and the ASEAN countries as new economic partners:** by strengthening ties with these countries, South Korea intends to reduce its over-dependence on its traditional trade allies that are China and the United States.
- The **other reason** is that South Korea is making a **subtle move to endorse the ‘Indo-Pacific’ geopolitical construct** by aligning with India and the ASEAN countries without officially saying so. Central to this shift, however, is the mitigation of its China-related risks.

New Southern Policy (NSP)

- It is a new policy orientation is being pursued under the government’s broader strategy of promoting a “**Northeast Asia Plus Community for Responsibility-sharing (NEAPC)**”.
- NSP is one of the 3 parts of NEAPC which would involve deepening relations with India as well as the countries of Southeast Asia, including in the economic realm.
- The NSP aims to **strengthen the economic-cooperation** and build a prosperous and people-centric community of peace while **India’s “Act East Policy”** focuses on promoting deeper economic engagement, reinvigorating cultural and civilizational relations, and developing new strategic partnerships with countries in the Indo-Pacific region through continuous engagement.
- Both these policies show convergence in their objectives and should further strengthen the Special Strategic Partnership between India and South Korea.

- The Indo-Korea Science and Technology Centre, established in Bengaluru in 2010 as a collaboration between the Indian Institute of Science and the Korea Institute of Science and Technology, is a shining example in this regard.
- Last year, South Korea inaugurated **Samsung's mobile manufacturing plant**, touted as the biggest in the world, in Noida.

- **The emerging balance of power in the region has also started influencing the trajectory of defence ties:**

- **Co-production of the K9 Thunder howitzer** is a prime example of the ongoing defence collaboration. With technology transfer from South Korea, India's Larsen and Toubro plans to achieve over 50% localisation by manufacturing the key components of these weapon systems domestically as part of 'Make in India'.
- South Korea would be the **second country** after China with whom India would undertake a **joint project in Afghanistan**.

- **Security of Indo-Pacific:** Seoul has signalled to New Delhi that it would like to collaborate in maintaining peace and stability in the region. There is regular security dialogue between India's National Security Adviser and the intelligence agencies of Korea.

- **Economic relations:** Since India opened up its economy in the early 1990s, India-South Korea trade ties have grown from few hundred million dollars to \$22 billion at the end of 2018.

- **Launch of Early Harvest Package of the Upgraded Comprehensive Economic Partnership Agreement (CEPA) in 2018** to facilitate ongoing negotiations on upgrading the India-South Korea CEPA by identifying key areas for trade liberalisation (including shrimp, molluscs and processed fish).
- **Indian exports to South Korea** include mineral fuels, oil distillates (mainly naphtha), cereals and, iron and steel. **South Korea's main exports to India** include automobile parts and telecommunication equipment, among others.
- India and South Korea launched an initiative '**Korea Plus**', as proposed by Indian Prime Minister in June 2016 to promote and facilitate Korean Investments in India.

- **Historical and Cultural links:** The close cultural ties between the two nations, go back more than 2,000 years. According to Korean legend, the Princess of Ayodhya, Suriratna, went to Korea in 48 AD and married King Kim-Suro. A large number of Koreans trace their ancestry to this legendary princess. Both countries have regularised education exchanges.

- **Strategic ties:** India looks at South Korea as an indispensable partner in its Act East Policy (AEP). The two countries are now working towards a new diplomatic mechanism in the 2+2 format. President Moon also stressed that India was now his country's "key partner" in the region and that India should be treated as a major power.

Issues of concern:

- Despite the robust ties, not everything is going as planned when it comes to economic links of the two countries. **The trade target of \$50 billion by 2030** is most likely to be missed due to lack of adequate efforts. requires immediate upgrading.
 - The **large trade deficit in South Korea's favour** has led India to be wary of further opening up. In turn, Korean companies cite problems in doing business in India, despite a special "Korea Plus" desk set up by the Prime Minister's Office in 2015.
- More than eight years into its existence, **the Indian Chamber of Commerce in Korea (ICCK), is struggling to find its due space in promoting economic and business ties** and spends most of its time organising social and cultural events. **A new, empowered commerce body is the urgent need of the hour.**
- **Lagging people to people contact:** The Indian Cultural Centre, established more than ten years ago, has failed to reach out to common South Koreans, who still fail to differentiate between India and Indonesia. Further, social and economic discrimination against Indians working and living in South Korea is still a regular occurrence.

The fallout of trade war: The ongoing trade war between U.S. and China has started playing into India-South Korea bilateral ties as South Korean companies are now finding it more difficult to sell their products in the U.S., whenever they are produced in their Chinese branches.

Growing trade tensions have forced South Korean companies to contemplate moving their production facilities to locations outside China.

India is emerging as a prime beneficiary here, not least because of the considerable size of the Indian domestic market, its cheap labour costs and a stable legal system.

Way forward

- **Trade:** Agreement to invoke the “early harvest” clause in the 2010 CEPA will allow both to do away with tariffs in 11 areas, benefiting Indian seafood exporters and food processing units, as well as South Korean petrochemical companies.
- **Investment:** More Korean companies should be persuaded to invest, by projecting a counter-narrative to the failed bid by the steel company Posco to set up its plant in Odisha. Much will depend on negotiations on the regional free trade agreement, the Regional Comprehensive Economic Partnership.
- **Strategic front:** On the strategic front, **India has asserted its place as a “stakeholder” in the Korean peace process**, while South Korea has also shown an interest in talking about an Indo-Pacific policy.
 - Such engagement with Seoul will also enhance New Delhi’s strategic leverage, especially in the Indo-Pacific region. India and South Korea, two leading democracies in Asia, are natural partners and should closely work together to foster peace and stability in the region.

फाउंडेशन कोर्स सामान्य अध्ययन प्रारंभिक एवं मुख्य परीक्षा 2020

इनोवेटिव क्लासरूम प्रोग्राम के घटक

- प्रारंभिक परीक्षा, मुख्य परीक्षा और निबंध के लिए महत्वपूर्ण सभी टॉपिक का विस्तृत कवरेज
- मौलिक अवधारणाओं की समझ के विकास एवं विश्लेषणात्मक क्षमता निर्माण पर विशेष ध्यान
- एनीमेशन, पॉवर प्वाइंट, वीडियो जैसी तकनीकी सुविधाओं का प्रयोग
- अंतर - विषयक समझ विकसित करने का प्रयास
- योजनाबद्ध तैयारी हेतु करेंट ओरिएंटेड अप्रोच
- नियमित क्लास टेस्ट एवं व्यक्तिगत मूल्यांकन
- सीसेट कक्षाएं
- PT 365 कक्षाएं
- MAINS 365 कक्षाएं
- PT टेस्ट सीरीज
- मुख्य परीक्षा टेस्ट सीरीज
- निबंध टेस्ट सीरीज
- सीसेट टेस्ट सीरीज
- निबंध लेखन - शैली की कक्षाएं
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4. CENTRAL ASIA

4.1. 1ST INDIA-CENTRAL ASIA DIALOGUE

Why in news?

1st India-Central Asia Dialogue was held in Samarkand, Uzbekistan and was co-chaired by the Minister of External Affairs of India.

Highlights of the summit

- The ministerial level summit saw the participation of External Affairs Ministers of Afghanistan, Kyrgyz Republic, Tajikistan, Turkmenistan and Kazakhstan.
- India also invited Central Asia Republics (CAR) to **participate in the Chabahar Port project**.
- India also proposed the **creation of a Regional Development Group** for better coordination on economic and policy issues.
- India also proposed a **dialogue on air corridors** with the countries of landlocked Central Asia. India already has opened air corridors for the transport of goods and perishables between India and several Afghan cities mainly to circumvent Pakistan that controls the overland trade.



India & Central Asia

- India was among the first countries to recognize the five Central Asian states.
- It established diplomatic relations with them after they gained independence in 1990s. India now considers the Central Asian countries as part of its '**extended and strategic neighbourhood**'.
- At present the five Central Asian republics **account for trade of only about \$2 billion** with India. It is less as compared to about \$50 billion with China that has made them a key to its Silk Road Economic Belt (SREB) initiative.

Importance of central Asia

- **Strategic Location:** Geographically, the **location** of these countries makes them a bridge between different regions of Asia and between Europe and Asia.
 - CARs share borders with China, Afghanistan, Russia and Iran. Tajikistan is located in proximity to the Pakistan-occupied Kashmir (PoK).
 - India's only foreign military airbase is in Farkhor (Tajikistan), which is operated by IAF and Tajik Air Force.
- **Energy security:** The countries of Central Asia are endowed with significant hydrocarbon and mineral resources and are close to India geographically. For example-
 - **Kazakhstan** is the largest producer of **Uranium** and has **huge gas and oil reserves** as well.
 - **Uzbekistan** is an important regional producer of **gold along with Kyrgyzstan**. Recently, India and Uzbekistan signed a deal for long-term supply of **uranium**. After Kazakhstan, Uzbekistan will become the second Central Asian country to supply uranium to India.
 - **Tajikistan** has vast **hydropower potential** besides oil deposits, and Turkmenistan has the fourth **largest gas reserves** of the world.
 - **Kazakhstan and Turkmenistan** — are also in the Caspian littoral, thereby promising **to open the door to other energy-rich Caspian states**.



- **Security:** The withdrawal of US forces from Afghanistan will have severe regional security implications. CARs face serious threat from illegal drug trade emanating from ‘**Golden Crescent**’ of opium production (Iran-Pak-Afghan) and are also victims of illegal arms trade. Instability in Central Asia can spill over to PoK.
 - Further, religious extremism, fundamentalism and terrorism continue to pose challenges to Central Asian societies as well as regional stability.
- **Trade and Investment potential:** The economic development of Central Asia, especially in Kazakhstan, Turkmenistan and Uzbekistan, has sparked a construction boom and development of sectors like IT, pharmaceuticals and tourism. India has expertise in these sectors and deeper cooperation will give a fresh impetus to trade relations with these countries.

Challenges faced by India in terms of Central Asia

- **Land locked nature:** of the region has hampered its relation with India. Poor connectivity has also contributed to the below-par trade between India and Central Asia.
 - Further India **does not share physical borders** with any of the Central Asian states. The **unstable situation in Afghanistan and Pakistan’s** geo-strategic importance in the region has deprived India from the benefit of relations with Central Asia.
- **Chinese presence:** Central Asia is part of Silk Road Economic Belt (SREB) initiative. Moreover, the threat fostered by Islamic radicalization spilling over to Uighurs in Xinjiang province has led to China getting well entrenched in Central Asian security affairs, thereby impinging on India’s interests indirectly.
- **Further region itself has its own domestic challenges such as** “youth bulge” combined with limited economic opportunities; serious and worsening corruption; Drug trafficking; Managing succession in autocratic states without strong government or party institutions etc.

India’s efforts to connect with the region

- **Connect Central Asia Policy:** Launched in 2012 it includes
 - Strong political relations through the exchange of high-level visits and multilateral engagements
 - Strategic and security cooperation through military training, regular intelligence sharing, counter-terrorism coordination and close consultations on Afghanistan.
 - Long term partnership in energy and natural resources.
 - Helping to provide a viable banking infrastructure in the region.
 - Increase presence of Indian firms in CARs in construction and power sector.
 - Improve connectivity through INSTC, air services, people to people and cultural exchanges.
- **Shanghai Cooperation Organization:** With full membership of SCO, there will be more frequent summit level contacts between the top leaderships of India & CARs.
- **International North-South Transport Corridor (INSTC):** India is a founding member of the International North-South Transport Corridor (INSTC), a project to link India and Iran via the sea route and then through Iran to the Caspian Sea onwards to Central Asia.
- **Development of Chabahar port in Iran:** It will allow access to landlocked Afghanistan and energy-rich Central Asia through the Jawaharlal Nehru and Kandla ports on India’s west coast.
- **Ashgabat Agreement:** India has acceded to the Ashgabat Agreement, an international transport and transit corridor facilitating transportation of goods between Central Asia and the Persian Gulf.
- **Turkmenistan-Afghanistan-Pakistan-India (TAPI):** It is the proposed natural gas pipeline that runs from Galkynysh field (Turkmenistan) – Herat – Kandahar – Multan - Fazilika (Pak-India Border).
- **Eurasian Economic Union (EEU):** India is negotiating a comprehensive economic partnership agreement with the Eurasian Economic Union, which include Belarus, Kazakhstan, Russia, Armenia and Kyrgyzstan.
- **Indian Technical and Economic Cooperation (ITEC) Programme** is also an effective instrument under which young professionals of these countries undergo training and human capacity development.

Way forward

- India should leverage its **soft power** and its ready acceptability in Central Asia to strengthen bilateral ties.
- India has ability to curtail counter extremist influences effectively, despite having a huge diversity offers an example for central Asian countries to replicate. India and Central Asia can **collaborate to mutual benefit to strengthen the fabric of their social, inter-ethnic, inter-racial structures** so that extremist and divisive pressures are contained and minimized.

- Further chambers of Commerce as well as official government agencies need to be more active to **bridge the “information deficit”** between India and the region. This will help achieve the untapped potential in economic ties. India **provides an assured and competitive market to these countries** for their energy, raw materials, oil and gas, uranium, minerals, hydro-electric power etc.
- Further **private sector participation** also must be encouraged through trade fairs and organizing single country trade fairs in major commercial and industrial centres of these countries.
- India’s **Connect Central Asia Policy** also has a forward-looking orientation which at the same time promotes India’s geo-strategic as well as geo-economic interests in the region.

Both India and Central Asia are factors of peace, stability, growth and development, in the region and the world. Stronger relations between them will contribute to increased security and prosperity of these countries and the world.

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5. WEST ASIA/MIDDLE EAST

5.1. INDIA-WEST ASIA

Importance of West Asia for India

- **Energy security:** 70 per cent of India's imported energy needs come from West Asia.
- **Geostrategic importance:** To reduce the influence of china in west Asia and in Arabian Sea. China is continuously making in road to west Asia through OBOR initiative.
 - West Asia is also gate way to land locked and energy rich central Asia.
- **Security of Indian community:** India is the largest recipient of **foreign remittances from west Asia**. About 11 million Indians work in West Asia. Therefore, stability in the region is high on India's core agenda.
- **To counter radicalization:** ___close cooperation is essential with west Asian nations.



Challenges in west Asia

- **Political instability:** The security situation in West Asia has been continuously deteriorating ever since the onset of the Arab Spring in December 2010. E.g. Syria, Yemen and Iraq crises.
- **Involvement of global and regional powers:** The involvement of extra-regional players such as the USA and Russia in the internal conflicts in West Asia has further aggravated the situation.
- **Terrorism:** Terrorism has emerged as the biggest security threat to the region. The rise of the Islamic State in Iraq and Syria (ISIS) is the most disturbing trend.
- **Regional Conflicts:** such as the Arab Israel conflict and the Saudi-Iran rivalry create destabilizing effect in West Asia. India has to balance its ties with all three-regional power in west Asia-Iran, Israel and Saudi Arabia.
- **US Sanctions on Iran:** US withdrawal from Iran nuclear deal and has threatened to impose economic sanctions on Iran. This may weaken the dialogue mechanisms, embolden conservatives and may threaten the regional stability even more. India also has significant oil trade with Iran and stakes in connectivity through Chahbahar port and other projects.
- **Pakistan factor:** Pakistan is very close ally of many west Asian countries especially with GCC.

5.2. INDIA-SAUDI ARABIA RELATIONS

Why in news?

Recently, Saudi Arabia's Crown Prince Mohammed bin Salman visited India as a part of its 3-nation tour, including China and Pakistan.

Importance of Saudi Arabia

- **Energy Security**
 - Saudi Arabia is India's largest supplier of crude oil (~19% of the total import). India also sources ~32% of its LPG requirements from Saudi Arabia.
 - Recently, Saudi Arabian oil major ARAMCO (in partnership with ADNOC of UAE) has decided to partner in Ratnagiri Refinery and Petro-Chemical Project in Maharashtra, a Joint Venture of US\$ 44 billion billed as the world's biggest.

- **Bilateral Trade & Investment**
 - Total bilateral trade is around \$28 bn. India is 4th largest trading partner of Saudi Arabia and the 4th largest market for Saudi exports. Further, both have invested in FDI in each other countries in various sectors.
 - Both countries have also signed Bilateral Investment Protection and Promotion Agreement and a Double Taxation Avoidance Agreement in 2006.
- **Rights of Indian Workers**
 - Of the 11 million Indians working in West Asia, nearly 3 million are in Saudi Arabia.
 - India is the largest recipient of foreign remittances (upto \$11 bn annually) from the kingdom.
- **Strategic Cooperation**
 - The Delhi Declaration (2006) has laid a foundation of cooperation on terrorism while the Riyadh Declaration (2010) has raised the level of partnership to strategic partnership and diversified the relations to include space and energy cooperation.
 - Due to the recent global downturn, the oil prices have fallen and as a result, Saudi deficits are necessitating diversification and movement beyond oil. This has created opportunities for India to strengthen its strategic presence and outreach in Saudi. E.g. cooperation in the domain of science and technology.
 - Being one of the major investors, Saudi Arabia can force Pakistan to abandon its anti-India foreign policy.
- **Security relations**
 - In recent years, bilateral ties had acquired a security dimension with both countries stepping up cooperation in counter-terrorism and intelligence-sharing.
 - Riyadh also extradited several terror suspects to India.
- **Socio-cultural relations**
 - India has the world's 3rd largest Muslim population (after Indonesia & Pakistan). Being the custodian of the two of Islam's holiest sites (Mecca & Medina), Saudi becomes important in India's strategic calculus.
 - Saudi Arabia facilitates Hajj Pilgrimage to more than 1,75,000 Indians every year.

Challenges in India-Saudi Arabia Relations

- **Saudi – Pakistan relation:** Pakistan is a “historical ally” of the Saudis. Saudi gains from mostly unbridled military and political support from Islamabad and Rawalpindi, while the latter gains from financial infusions into its economy emboldened by the common theological bridge between the two states.
- **Ideological support to terrorism:** Saudi money has been accused of funding Wahhabi Islamic groups around the world, which ultimately channel to terrorist groups acting against India & Iran. Many extremist outfits are inspired by the Wahhabi branch of Islam.
- **Saudi-Iran rivalry:** The sectarian rivalry is destabilizing West Asia and influencing West Asian geopolitics. Considering its economic interests in Iran, India needs to walk on a tightrope balancing relations between the two countries.
- **Saudi Arabia's aggressive foreign policy in West Asia:** It is doing great damage to regional stability, which is India's most important goal in the region.
 - In Syria, the Saudi support for the rebels has played a key role in destabilizing the regime, leading to the rise of the Islamic State.
 - In Yemen, the war has unleashed chaos and a humanitarian catastrophe, creating conditions for radicalism to flourish.
- **Bilateral Issues:** The working conditions for the Indian blue collared labourers in Saudi Arabia have been a major bilateral concern. Restrictive visa & hiring policies, stringent labour laws, lack of human rights & absence of minimum wage provision has resulted into many cases of exploitation of Indian workers.
 - During the visit of Indian PM in 2016, Saudi Arabia has announced several labour reforms such as a unified standard contract for domestic workers, security against abuse for female domestic workers, minimum wage, new format for labour categorization etc.

Way Forward

- As Saudi Arabia attempts to shed its ultra-conservative image and move towards a more open and moderate economy and society alike, **India is being seen as a major collaborator and market.**

- Saudi Arabia has identified India as one of the eight strategic partners with whom it intends to deepen partnership in areas of political engagement, security, trade and investment, and culture. As part of this engagement, the two sides are finalizing the **setting up of a Strategic Partnership Council** at the Ministerial level.
- India needs to **continue the balancing act in West Asia** that allows it to have good relations with Saudi Arabia, Iran and Israel alike, the three poles of power at loggerheads with each other in the region.
- At the same time, **maintaining distance from regional fractures and conflicts** would allow India to pursue its economic and geo-strategic aims in the region.

5.3. INDIA IRAN

Why in news?

US withdrawing from Iran nuclear deal has re-imposed sanctions on Iran, which among other things, can impact India Iran relations.

Significance of India-Iran relations

- **Energy security:** Iran is the third largest supplier of crude to India. It has also the world's second-largest reserves of natural gas which could be well leveraged by India.
- **Connectivity:**
 - The **Chabahar port**, being developed by India in Iran is strategically important to India for a variety of reasons.
 - India is constructing a 560 mile long railway line linking the **Iranian port with the Hajigak in southern Afghanistan** which is close to Zaranj-Delaram Highway.
 - Iran is the key link to provide connectivity to Central Asia and Europe, via the **International North South Transport Corridor (INSTC)**.
- **Trade and investment:** India decided to set up plants in sectors such as fertilizers, petrochemicals and metallurgy in **Chabahar Free Trade Zone (FTZ)**. This will promote India's energy security while providing financial resources and employment opportunities to Iran.
 - Discussions on the exploitation of **Farzad B gas field** are underway.
 - India has been actively pursuing the **Iran-Pakistan-India (IPI) gas pipeline** project.
 - Iran is a **big market** for India for India's agro-products, software services, automobiles, petrochemical products among others, here the scale could be substantially increased. Crucially, Tehran has consistently offered New Delhi very favourable terms, including non-dollar oil sales.
- **Geopolitical-** Iran is a major player in securing stability in the overall West Asian region, especially with respect to India to maintain a balance between Shia-Sunni conflict and Arab-Israel conflict.



Why Chabahar port is important for India?

- **Bypass Pakistan to reach Afghanistan:** The development of a port in Iran can serve as an alternative route to Afghanistan
 - It **will boost trade**, including trade in perishables (e.g. fruits & vegetables) and dry fruits exported from Afghanistan to India, which otherwise face long custom clearance time at India-Pakistan borders.
 - India can export the iron ore extracted from the **Hajigak mines** in Central Afghanistan through Chabahar port.
- **Reducing Pakistan's Influence in Afghanistan:** As it will reduce landlocked Afghanistan's dependence on Karachi Port for maritime trade.
- **Access to Central Asia:** Presence in Afghanistan helps expanding access to Central Asian Republics (CARs). E.g. Plan to extend the **Zaranj-Delaram** highway to connect with Uzbekistan
- **Regional Integration of Afghanistan:** Increased regional cooperation will encourage all stakeholders to view Afghanistan as an avenue of cooperation rather than competition, which in turn could promote stability in Afghanistan.

Related news

- The United States officially designated Iran's elite Islamic Revolutionary Guard Corps (IRGC) as a foreign terrorist organization.
- The action marks the first time the United States has formally labelled another nation's military a terrorist group.

- India aspires to become a **net security provider** in the Indian Ocean region where Iran is a major stake holder. Iran is also important in countering the string of pearls expansion of China in the Indian Ocean.
- **Terrorism:** Iran is an important player in fighting global terror groups such as Al-Qaeda, ISIS, Taliban among others. Moreover, Iran can also play a major role in dealing with other organized crimes such as drug trafficking, arms dealing etc.

Background of Iran US tussle

- USA had decided to withdraw from **2015 Joint Comprehensive Plan of Action (JCPOA)** reinstated sanctions on Iran, citing following reasons:
 - It was alleged that Iran was placing restrictions on the work of the inspectors of the **International Atomic Energy Agency (IAEA)**.
 - The deal did not target Iran's ballistic missile programme, its nuclear activities beyond 2025.
 - Iran's role in conflicts in Yemen and Syria.
 - Also, analysts point to Tehran's banking on Paris and Berlin to come up with an alternative arrangement, one that allows Europe and Iran to conduct trade, business and diplomacy, a **major cause of concern** for US.
- Iran has retaliated by stating that Iran would not abide by the JCPOA. It has given a 60-day time-line to the EU-3 and other parties to the nuclear deal for restoring oil and banking channels.
 - As part of the plan, Iran was required to sell its surplus enriched uranium abroad, rather than store it inside the country.
- The US has imposed sanctions targeting Iran's oil sales, its wider energy industry, shipping, banking, insurance and so on. These are known in the trade as "**secondary sanctions**", as they are intended to apply pressure on other countries to prevent them trading with Tehran.

International North South Transport Corridor (INSTC)

- Multi modal transport corridor signed in 2000 in St. Petersburg with **Iran, Russia and India as founding members**.
- It was expanded to include 11 new members: Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Ukraine, Belarus, Oman, Bulgaria.
- It aims to **link India and Iran via the sea route and then through Iran to the Caspian sea onwards to Central Asia**.



New arrangement for payments between India-Iran

- India has given the responsibility to UCO Bank to route the payment as it has no exposure to the US financial system.
- Oil payments are being made in rupees only as against earlier arrangements where there was a ratio of 45 percent rupees and 55 percent Euros.
- Under the US sanctions, India is allowed to export farm commodities, food, medicines, and medical devices to Iran. Iran could use the rupee to pay for imports from India.
- India may opt to go back to cost, insurance and freight (CIF) mode as against the free-on-board (FOB) mode.

What this arrangement means

- The agreement of buying oil in rupees will help strengthen the rupee as India will not need US dollars to import the oil.
- As US dollar is considered to be the global currency, the exchange of goods from one country to another generally takes place through the exchange of dollars.
- However, as the deal comes into effect, the demand for dollar in India will not be as much to buy oil, making the overall demand fall and creating a surplus of the currency. Consequently, it will lead to the strengthening of the Indian currency.

CIF and FOB are shipping agreements between the two trading countries used for transporting goods between a buyer and a seller. The two differ in who assumes responsibility for the goods during transit. In CIF, the seller assumes the responsibility, in this case, Iran and in FOB, the buyer takes the responsibility.

In CIF, the exporter takes care of the costs and pays freight and insurance charges while in FOB, the buyer charters a vessel to ship crude. However, if India does get into CIF mode, it can be more expensive for buying oil.

- The US had granted waivers, known as “**Significant Reduction Exceptions**” that allowed India and seven other countries to continue importing reduced quantity of Iranian oil for six months ending May 1, 2019. Any imports would have triggered secondary sanction from US.
- As a result, Indian refiners have almost **halved their Iranian oil purchases** since November, when the sanctions came into effect. India’s oil imports from Iran **fell about 57 per cent** year-on-year in April.

Implications of sanctions:

• Implications for India

○ Impact on India Iran relations:

- ✓ **Energy trade:** In 2017, Iran provided **11.2 percent of India’s crude oil imports, the third largest source** after Iraq and Saudi Arabia.. India’s oil imports from Iran **fell about 57 per cent** year-on-year since the sanctions came into effect. This shows impermanence in Oil import arrangement of India-Iran jeopardising the energy security of India.
- ✓ **Strategic initiatives with Iran-** such as International North South Transport Corridor (INSTC), Chabahar port development.

○ Negative impact on the economy-

- ✓ **Rising inflation-** Iran is the third-largest oil producer in the Organization of the Petroleum Exporting Countries. Now Iran’s supplies may fall by between 200,000 bpd and 1 million bpd. The price of oil has already shot up above the \$70 mark in April, 2019.
- ✓ **Widening Current Account Deficit-** given that the value of imports goes up with crude oil. It will further have effect on the **value of Rupee**, which may fall further.
- ✓ **Impact on Capital Markets-** Indian benchmark indices slid by around 1.3%, as investors rushed to sell shares on concerns that rising oil prices could stoke inflation and adversely affect already repressed consumption.
- ✓ **Loss of favorable oil import-** the substitute crude suppliers — Saudi Arabia, Kuwait, Iraq, Nigeria and the US — do not offer the attractive options that Iran does, including 60-day credit, free insurance and buying oil using Indian Rupee rather than spending crucial FOREX reserves.

○ Strategic Autonomy- India envisages to assert it and balance the ties with both US and Iran. However, this seems to be eroding in favor of the US.

- **Impact on Iran:** Fossil fuels contributed more than 53 percent of Iran’s exports in 2017-18, and accounted for close to 15 percent of its Gross Domestic Product. The U.S. has managed to reduce Iran’s oil exports from 2.7 million to 1.6 million barrels a month, according to internal U.S. estimates.

- **Bliss for China:** The one country that has decided to take the sanctions as an opportunity is China. It has already shown interest in developing transportation and communication infrastructure in Iran.

○ China’s share in the destination for 44 percent of Iranian crude exports, significantly rose from 26 percent in January-June.

○ This is crucial in Beijing’s aim to reshape the global oil market, specifically by greater use of its own currency in oil trade. It fits in conveniently with Iran’s proposed approach to circumventing the sanctions – conducting trade in currencies other than the US Dollar.

- **Tensions in the region:** Iran has threatened to shut down the **Strait of Hormuz**, a key channel for global oil shipments. E.g. recently Iran seized foreign oil tanker in Persian Gulf. This has raised fears that any miscalculation and tit-for-tat responses would escalate into war.



Other challenges in India-Iran relations

- **Internal Political issues:** The present government in Iran is under considerable pressure both on the domestic front, in political as well economic areas. Iran has not been able to diversify its economy which is heavily dependent on oil exports and promote entrepreneurship causing consistent rise of unemployment, inflation and decline in per capita income. Also, **complex structure of government**, tightly controlled **rights to free expression** are leading to protests.

- **Uncertainty over the nuclear deal-** The uncertainty over the fate of the nuclear deal Tehran signed with the West in 2015 poses a big challenge to Indian foreign policy. The US exit from the deal would affect India's planned investments in Iran.
- **Bilateral trade:** On bilateral trade the biggest stumbling block is banking channels. The two sides are now discussing the possibility of alternate payment mechanism, in addition to the current channel through UCO Bank for rupee payments. Also, Indian **exports to Iran have steadily declined from \$4.9 billion in 2013-14 to \$2.379 billion in 2016-17**, increasing the trade deficit.
- **India-relation with Israel & USA** - Israel, one of the closest US allies in the region, has also been vocal against the nuclear deal, and considers Iran its biggest security threat. India's relationship with the United States, and American concerns about Iran have also affected the India-Israel relationship.
- **India relation with Gulf countries-** Iran's relations with Saudi Arabia remain tense. India has reinforced its historical ties with countries on both sides of the Gulf. This may come out to be an issue.
- **Kashmir Issue-** Iran's supreme leader Ayatollah Khamenei equated the on-going Kashmir conflict with that of Yemen and Bahrain which has created suspicion on India.

Way Forward

- **What India needs to do?**
 - It's high time that India **strategically aligns with both countries** on an autonomous and need based approach. For this, India has to take bold steps. As a leading power it cannot buckle under pressure of any country.
 - Short term course can be **developing alternate mode of payment** to Iran and promoting flexibility in investment mode.
 - Carrying out **high level talks** with US about the security and strategic concerns of India Vis a Vis China.
 - In the long term, India has to keep **aligning with the other members of Iran nuclear deal** to carry out peaceful solution to end nuclear terrorism. The Iran nuclear deal is a fair deal and US cannot unilaterally end it.
 - The **engagement with Iran** has to be fastened and the **work on various Indian projects** in Iran has to speed up. The engagement with Iran has to be moved to a partnership level e.g. development of Farzad B oil site.
 - India also needs to develop a **comprehensive energy policy** to arrest its west Asian energy dependence.
 - As India has learnt the art of **de-hyphenation**, its time it brings a consistent and autonomous Iran policy.
- **Collective Effort**
 - There is a need to collectively resist American efforts to isolate Iran. **Collective bargaining** is the key to thwart American unilateralism.
 - America minus implementation of the JCPOA is first step to deal with these sanctions. Also, alternate payment arrangement will hugely impact American sanction diplomacy.

6. AFRICA

6.1. INDIA AFRICA

India Africa relations (economic & cultural) date back to pre-independence era and were strengthened during the national independence movement of India. After India's independence **India's non-alignment policy, anti-colonial, anti-racist stand** and the factors like the success of Gandhian non-violent methods, establishment and survival of modern ideals of secularism, development brought India Africa even closer.

However, due to various factors like **India's financial weakness and inward-looking economic policies** India could not develop broader strategic relations with Africa. It was in 2000s, the ties between the continent and India reemerged in importance. In the current phase, India is becoming an increasingly important economic and development partner for African countries. Its ties with Africa can be traced to a strong, shared history based on the **principles of South-South cooperation, people-to-people linkages and common development challenges.**

Importance of Africa

- **Resource rich region-** Africa is very resource-rich and has moved from being an underdeveloped continent to having several fast-growing economies, and new democracies.
- **Economic Growth-** The economic growth of the continent was estimated to be 3.2 per cent in 2018. It also houses six of the **world's fastest growing economies** as per world bank estimates. Additionally, several African countries have been providing incentives to attract foreign investors and partners in growth thus providing an opportunity for India.
 - A number of Indian multinationals already have significant interests and investments in the region, with strategic sectors including agribusiness, pharmaceuticals, information and communications technology (ICT), and energy.
- **Reform in global institutions-** India's ambition to become a permanent member of the UN Security Council makes it imperative that it engages with all 54 countries of the continent.
- **Convergence of interest-** Two partners are aligned on the outstanding issues at the **World Trade Organization (WTO)** and are in favor of multilateral trading systems. At the Bali Ministerial in 2013 too, Africa and India had united in seeking an interim mechanism for safeguarding minimum support prices to farmers against WTO caps till a permanent solution is found and adopted.
 - **Cooperation to tackle terrorism:** India strongly advocated stepped-up cooperation through intelligence exchange and training with 54 African countries.
 - **Cooperation on climate change** between India and Africa, both who had "contributed the least to global warming".
 - **Peace keeping operation:** India is the largest contributor to UN-mandated peacekeeping and other operations in Africa.
 - India provides a **useful model for African nations of democratic development.** India is increasingly responding to requests from African governments to share its democratic experience, offering training on electronic voting systems, parliamentary procedures, etc.

Related news: African Continental Free Trade Area

- African countries are set to launch the African Continental Free Trade Area or **AfCFTA**, the **biggest free trade agreement in the world since the World Trade Organization.**
- It is the result of the African Continental Free Trade Agreement among all 55 members of the African Union.

How India-Africa trade relations can benefit from the AfCFTA?

- **One Stop Trade Bloc-** It will provide a number of opportunities for the Indian firms and investors to tap into a unified, simplified and more robust African market. AfCFTA is projected to **increase intra-African trade by 52.3 percent by 2022;** from 2010 levels. India's exports to Africa could increase by US\$4.3 billion (or 10 percent) by 2022 if AfCFTA is established.
- **Geo-Strategic advantage-** Increased engagement in terms of trade between India and Africa can balance out increasing Chinese engagement in Africa.
- **Decline of WTO-** With WTO declining a largest trade bloc like this is need of the hour where India can actively engage, diversify and develop along with African nations.
- **Complimenting other steps for better trade-** India is also working on other projects for improving economy and trade with the region like Asia Africa Growth Corridor. Engaging with AfCFTA with enhance and compliment such efforts and benefit both the regions in the long run.

Relations between India and Africa

- **Economic:** Trade between India and Africa has **increased more than eight-fold from US\$7.2 billion in 2001 to US\$59.9 billion in 2017**, making India Africa's fourth-largest trading partner. It further has the potential to grow threefold to \$150 billion in next five years.
 - India is the fifth largest country **investing** in the continent, with investments over the past 26 years amounting to \$54 billion.
- **People to people contact:** There has been a surge in people-to-people contacts as large numbers of African entrepreneurs, medical tourists, trainees and students have started coming to India and Indian experts and entrepreneurs have headed there.
- **Business-to-business** links between India and several African nations have become increasingly important and are driving the government-to-government relationship.
 - Indian generic drugs, due to their relatively cheap prices, are used heavily to fight HIV/ Aids in Africa.
- **Indian foreign aid to Africa:** Through various developmental initiatives like ITEC, Pan-African e-network etc.
- **Asia-Africa Growth Corridor:** It is an economic cooperation agreement between **India and Japan** that envisages closer engagement between Asia and Africa for “sustainable and innovative development” and will be anchored to four pillars.
 - Development and cooperation projects in health and pharmaceuticals, agriculture and agro-processing, farming, manufacturing and disaster management;
 - Building quality infrastructure and connecting institutions;
 - Enhancing capacities and skills; and
 - People-to-people partnership.
- **International Solar Alliance (ISA):** India-fostered Over a dozen of the ISA's 24 members are from Africa, the continental powerhouse of solar energy.
- **Sub-national organizations and State governments** have also been crafting independent relationships with African counterparts.
 - For example, Kerala is planning on importing cashew from African countries for its processing plants that are running low on raw material.
 - Similarly, Ethiopia and South Africa are working with Kudumbashree, a self-help group movement created by the Government of Kerala aimed at eradicating poverty and empowering women, to find ways to localize and adapt the model in their respective countries.

India's developmental initiatives in Africa

- **Indian Technical and Economic Cooperation (ITEC)** that aims at capacity building, skill development, transfer of technology and sharing of experiences with the partner countries.
- **Pan-African e-network:** Launched in 2006, this is a joint effort of India and African Union with an aim to provide satellite connectivity, tele-education and tele-medicine services to the African countries.
- **Techno-Economic Approach for Africa-India Movement (TEAM-9):** Launched by India together with eight West African countries to engage the underdeveloped yet resource-rich countries which require low-cost technology & investment to develop their infrastructure.
- **Supporting Indian Trade and Investment for Africa (SITA):** is an International Trade centre supported project which aims at increasing value of business transactions between India and selected East African countries to create jobs.
- **Cooperation with African Development Bank (AfDB):** India joined AfDB in 1983 and has contributed to its general capital and has also pledged capital for grants and loans.
- **Development Assistance:** India has announced a US\$ 10 billion line of credit to help financing the projects in African countries, capacity building, IT education, and higher education.
- **Solar Mamas:** It is group of rural women solar engineers from Africa who have been trained under Government of India-supported programme to fabricate, install, use, repair and maintain solar lanterns and household solar lighting systems in their villages.
- **Light up and power Africa initiative:** Under this the African Development Bank has entered into partnership with the International Solar Alliance (ISA) to scale up solar energy in Africa.

India's challenges in Africa

- **Political instability:** Political instability in number of African Nation may impact India's long-term investment opportunities. E.g. **South Sudan experiencing civil war since 2013.**
- **Terrorism in Africa:** There has been an extraordinary increase in terrorist attacks by extremists connected to al-Qaida and ISIS across Africa over the recent years.



- **Attacks on Africans in India:** There has been a spate of assaults on Africans based in India. It will generate a negative image of India in Africa and may impact on century-old ties with the continent.
- **Lack of Coordination** between Indian State and its businesses in Africa and the role of India Inc. is limited while drafting policies. This limits the strengths of both actors that can be leveraged.
- **Financial Limitations:** In terms of **cheque book diplomacy**, India cannot compete with China or U.S. Some of the African countries, even the richer ones like Nigeria, expect India to bear gifts for them under India Africa Forum Summit. However, India asserts for joint endeavor for better development.
 - Resources available even from traditional donors belonging to the OECD and from multilateral financial institutions are diminishing despite **adoption of ambitious Sustainable Development Goals (SDG)** making India Africa development partnership even more important.
- **China's strong presence in the continent:** China is a strong competitor for India in Africa. Africa China trade amounts to **US\$220 billion**. China even built up its first overseas military base in **Djibouti**.
 - China's **aggressive economic approach** has caused it to achieve more influence in Africa than any other country. However, the African nations are increasingly realizing that though Chinese investments are attractive, there are certain issues like:
 - ✓ Chinese companies, instead of employing locals use **Chinese workers**.
 - ✓ It is also seen that these companies don't pay much attention to **environment protection**.
 - ✓ Chinese loans come with **strict conditions** that only Chinese technology will be utilized.

These concerns have mainly been raised by civil society; however, many governments have also started looking beyond China. This offers opportunity for India to increase its involvement.

6.2. INDIA & SOUTH AFRICA

Why in news?

India and South Africa recently sealed a three-year **strategic programme** (2019-21).

More on news

- The deal was finalized after talks between Prime Minister and South African President Cyril Ramaphosa, who was the **Chief Guest for the Republic day function**.
- The **strategic programme** will cover cooperation in a range of areas including **defence and security, trade and investment, the blue economy, tourism, IT and agriculture**. South Africa agreed to simplify and reform South African **business visa regime**. Both the leaders also reiterated their commitment to working together on strengthening cooperation to address **fugitive economic offenders**.

Background

- India's relations with South Africa date back several centuries. India was at the forefront of the international community in its support to the **anti-apartheid movement**; it was the first country to sever trade relations with the apartheid Government (in 1946).
- India's relations with South Africa were **restored** after a gap of over four decades with the opening of a **Cultural Centre** in Johannesburg in May 1993. **Diplomatic and consular relations** with South Africa were restored in November 1993.
- The **Red Fort Declaration for Strategic Partnership, 1997** helped in consolidation of this partnership over the years.
- Further the **Tshwane Declaration, 2006** strengthened the cooperation in various fields such as Education, Railways, science and technology, visa regime, etc.

Mutual Areas of Cooperation

- **Trade and investments:** The bilateral trade between both the nations is more than \$10 billion already. With a view to encourage **investments**, the two countries signed a **Double Taxation Avoidance Agreement (DTAA)** in 1998.
- **International forums:** Both the countries are members of groupings such as **BRICS, IBSA, IORA, G-20**, etc. Both nations are committed to securing representation in an expanded **UN Security Council** to achieve a more representative UN Security Council Membership. Both are **former British colonies** and full member states of the **Commonwealth of Nations** as Commonwealth republics.

- **Global terrorism:** Both the countries support early agreement and adoption of the **UN Comprehensive Convention on International Terrorism**.
- **Other areas of cooperation** include training skill development efforts (India's Technical and Economic Cooperation), pharmaceutical welfare mitigated through investments by Indian firms, collaboration in Defence sector, naval engagement in Indian Ocean Region, etc.

Concerns

- **Trade:** Total trade reached a peak of US\$15 billion (Rs 1 trillion) in 2012 – before the global economic slowdown and domestic political factors put a brake on the rapid expansion. While both sides have been promoting a Free Trade Agreement (FTA) but it has not been finalized.
- **Chinese angle:** China is already making deeper inroads into the African continent and India cannot compete in monetary terms with the **Chinese Chequebook diplomacy**.
- **Multilateral engagement over bilateral attention:** India presently engages mostly on multilateral level, such as with the African Union, thus the downstream delivery of its development projects occurs through these channels, thereby taking away the credit it deserves. Thus, bilateral engagement should be increased to highlight India's efforts.
- **Racial Discrimination:** The South African nationals do not feel safe and accepted in India due to episodes of racial discrimination and even violence and crimes against them. Such trend is detrimental to people-people engagement between the two countries.

Way Forward

- The countries should hold at least **one summit meeting every year** in order to review progress and address key issues pertaining to their bilateral, regional and global agenda. India's efforts to encourage interaction with African nations through forums such as **India-Africa Strategic Dialogue, India Africa Forum summit** are desirable, and they should be maintained.
- The present route of multilateral involvement is not yielding expected output for India. More emphasis should be given to **bilateral engagement** as it will tilt the optics on India's favour. With the same amount of efforts, India will get enhanced recognition and goodwill.
- Complementary **areas for investments** should be explored; for instance, in South Africa, foreign investors should look at mature sectors such as automotive components, textiles, clothing, and footwear. Key untapped sectors include health, nutrition, and wellness. In India, South Africa should get involved in biotechnology (a key strength of South African manufacturers) as the sector now permits 100 percent FDI through the automatic route.
- **Skill development** should continue to receive high attention, as there is immense scope in South Africa considering the huge youth population.
- There is significant presence of **Indian diaspora** in South Africa, which could be harnessed for various levels of engagement such as social as well as economic infrastructure. Similarly, the interests of the South African Diaspora in India need to be safeguarded and any issue such as discrimination, violent crimes, etc. should be eliminated from the root.

7. EUROPE

7.1. INDIA EUROPEAN UNION

Why in News?

The **European Union** has unveiled a '**strategy paper**' outlining the broad roadmap for accelerating cooperation with India in a range of key sectors.

Background of India EU relations

- In 1962, India was the first developing country to establish diplomatic relations with European community.
- **EU-India Cooperation Agreement 1994** provides the legal framework for EU-India relations. India and the EU have been **strategic partners** since 2004.
- Since the Lisbon summit in 2000 India has belonged to a small group of countries including US, China, Russia, Japan and Canada among others with whom the EU holds regular summits.

India-EU relations

- **Trade and Investment:**
 - The EU is India's **largest trading partner**, accounting for 12.9% of India's overall trade. Further the trade in services have almost tripled in last decade.
 - The EU is also the **largest destination for Indian exports** and a key source of investment and technologies.
 - Major EU exports to India include engineering goods, gems and jewellery and chemical and allied products. The primary EU imports include textiles and clothing, chemical and allied products and engineering goods.
 - Overall, the EU is the **second largest investor** in India, with €70 billion of cumulative FDI from April 2000 to March 2017, accounting for almost one-quarter of all investments flows into India.
- **Comprehensive sectoral cooperation:** which includes both energy and climate change; research and innovation; pharmaceuticals; biotechnologies; agriculture, Digital economy and Society; competition policy; macroeconomic issues, sustainable urban development; migration and mobility; and higher education.
 - EU and India remain close partners in the G20 and have developed a regular **macroeconomic dialogue** to exchange experience on economic policies and structural reforms.
 - **Energy Cooperation:**
 - ✓ EU-India energy cooperation has considerably strengthened over the past years and they now have **EU - India Clean Energy and Climate Partnership**.
 - ✓ Further EU and India also underline their highest political commitment to the effective implementation of the Paris Agreement and the UNFCCC despite US withdrawing from the same.
 - **Research and Development:**
 - ✓ India, participates in international **ITER fusion project** which aims to build and operate an experimental facility to demonstrate the scientific viability of fusion as a future sustainable energy source.
 - ✓ India also participates in research and innovation funding programme '**Horizon 2020**' wherein individual scientists can receive grants from the European Research Council (ERC) or the Marie Skłodowska-Curie Actions (MSCA)
 - **Environment and Water:** The EU and India also cooperate closely on the Indian Clean Ganga initiative and deal with other water-related challenges in coordinated manner.
 - **City to City Cooperation:**
 - ✓ There is **city-to-city cooperation** between European and Indian cities such as Mumbai, Pune and Chandigarh in a first phase and twelve more cities involved in the current phase.
 - ✓ Now it is being formalized in an **India-EU Partnership for Smart and Sustainable urbanization**, which will support the Indian 'Smart cities' and 'AMRUT' initiatives to boost joint research and innovation.
 - **ICT Cooperation:**
 - ✓ The EU and India aim to link the '**Digital Single Market**' with the '**Digital India**'.

- ✓ A new "**Start-up Europe India Network**" initiative was launched in 2016.
- ✓ Further, an **EU-India Cyber Security Dialogue** has been set up that focusses on exchange of best practice on addressing cybercrime and strengthening cyber security and resilience.
- **Migration and mobility:** The EU-India **Common Agenda on Migration and Mobility (CAMM)** is a fundamental cooperation agreement between India and EU. The CAMM addresses four priority areas in a balanced manner:
 - ✓ Better organised regular migration and the fostering of well-managed mobility;
 - ✓ Prevention of irregular migration and trafficking in human beings;
 - ✓ Maximizing the development impact of migration and mobility; and
 - ✓ The promotion of international protection.
- **Development cooperation:** Over €150 million worth of projects are currently ongoing in India.

What does the strategy paper focus on?

- **Strategic Partnership**
 - Focuses on developing **military-to-military relations** under which deploying an EU military advisor in the EU Delegation in New Delhi and vice-versa is being considered.
 - focus on negotiation of a broader contemporary Strategic Partnership Agreement supplanting 1994 EU-India Cooperation Agreement and **intensify dialogue on Afghanistan and Central Asia**.
 - Strengthening **technical cooperation on fighting terrorism**, countering radicalization, violent extremism and terrorist financing.
- **Maritime cooperation-**
 - Efforts will be made to identify common interests of both at policy and operational levels to **enhance maritime security**.
 - It will **focus on working with India and other key regional players** such as South Africa to help build the capacity of maritime nations in the Indian Ocean and East Africa.
- **Renewed focus on trade**
 - India and EU since 2007 are unable to strike a free trade agreement called Bilateral Trade and Investment Agreement (BTIA) due to incoherent interest of both.
 - The European Union (EU) now is looking at **reworking the proposed free trade pact** with India called the Broad Based BTIA in a post-Brexit scenario.
 - Though the strategy paper **did not mention BTIA**, but it **aims to negotiate a "balanced, ambitious and mutually beneficial" free trade agreement (FTA)** with sufficient level of ambition to respond to each side's key interests in trade and investment.
- **Political Partnership** - This includes reinforcing **cooperation on foreign policy**, promoting effective multilateralism and building on common values and objectives.

Deadlock in Broad-based Trade and Investment Agreement (BTIA) India

- The deadlock is due to issues including India's pitch for a '**data secure' status** (important for India's IT sector to do more business with EU firms) as well as to ease norms on temporary movement of skilled workers
- For India non-tariff barriers such as sanitary and phytosanitary measures, and technical barriers to trade are also a major concern. The EU has been imposing stringent labeling requirements and trademark norms, which have dented India's exports.
- Further in terms of trade in services, India demands strong binding promises by the EU on liberalizing trade in service.

EU

- EU is keen on finalization of an India-EU Bilateral Investment Treaty (BIT) before the re-launch of the FTA talks.
- There are differences over the EU's demands on elimination of India's duties on goods such as automobiles and wines and spirits, further liberalization of multi-brand retail and insurance and opening up of the currently closed sectors such as accountancy and legal services.
- India's model BIT and its Investor-State Dispute Settlement Mechanism which allows companies to seek international arbitration only when all domestic options have been exhausted has also been a contentious issue.

Why this renewed thrust?

- After the promising beginnings in 2000s, the EU-India partnership lost its momentum as it largely focused on trade and cultural rather than broad strategic and political issues.
- Europe's main focus earlier was on China as its key partner and market in Asia while India viewed Europe largely as a trade bloc.
- But now the new **strategic and power realities** have pushed the two towards each other.
 - **Chinese Challenge**

- ✓ China's increasing presence in Eurasia and South Asia is creating similar security, political and economic concerns for Europe and India. Both are driven by the need to diversify its partnerships and balance.
- **BREXIT- a new opportunity**
 - ✓ Both EU and India can seize an opportunity to work without Britain. Brexit is pushing India to look for new 'gateways' to Europe, as its traditional partner leaves the union. A renewed trade and political cooperation are the need of the hour.
- **Fall of the conventional Liberal Trade Order-**
 - ✓ Trade war, crumbling WTO and break down of TPP etc. has made EU understand the economic importance of India.

Conclusion

- The EU sees a larger role of India in the regional (Asian) and global security- economic architecture therefore is working on a new strategy with respect to India.
- Indian multi-alignment approach has made room for reviving India-EU partnership while rebalancing power relations in Eurasia has pushed Europe to carve out its own Asia policy. Hitherto Europe-India partnership was all about trade but now it is finally shifting to a strategic one.

7.2. BREXIT

Why in news?

The British Parliament's rejection of Prime Minister Theresa May's Brexit deal and the EU's subsequent ruling out of renegotiation of the agreement led the UK on a path toward a **no-deal divorce**. A no-deal has enormous impacts not only on the **economic prospects of the UK and Europe** but in the realms of **security and rights of the citizens** as well.

The United Kingdom's exit from European Union — **an economic and political partnership** of 28 countries — brings an end to **46 years of British membership**, since it joined the six-nation European Economic Community in 1973.

BREXIT: A Background

- A **referendum held in 2016**, to decide whether the UK should leave or remain in the European Union, **decided in favour of a historic move of the UK leaving the European Union, popularly called as BREXIT.**
- The UK started the exit process by invoking **Article 50 of the EU's Lisbon Treaty**. But the **withdrawal agreement reached between the EU and UK has been rejected three times by UK MPs.**
- Having granted an **extension of the Article 50 process** until 12 April 2019, EU leaders have now backed a **six-month extension until 31 October 2019**. However, the UK will leave before this date if the withdrawal agreement is ratified by the UK and the EU before then.

Arguments in favor of Brexit

- **Trade benefits**-UK feels that it can secure better trade deals with important countries like **US, China, India.**
- **Arresting reckless spending**-Britain can stop sending £350 million, to Brussels every week. This money could be spent on **scientific research and new Industries.**

Why Britain left EU?

Though Britain's relationship with its European partners was historically complicated, Brexit discourse became popular in the UK **only after the Eurozone economic crisis**. British resentment towards the EU was the result of the interplay of three main factors —

- **economic insecurity,**
- **populist nationalism, and**
- **British exceptionalism.**

The Eurozone crisis and its consequences on UK such as

- **increasing unemployment,**
- **inequality,**
- **north-south economic divide and**
- **the flaws of the euro, damaged the case for the EU.**

During financial distress, the EU member states not only realized the fragile nature of European institutions but also worried about the fate of their economies under EU's direction. This led countries like the **UK to rethink their association with the EU.**

Article 50 is a clause in the **EU's Lisbon Treaty** that outlines the steps to be taken by a country seeking to leave the bloc voluntarily. Invoking Article 50 kick-starts the formal exit process and serves as a way for countries to officially declare their intention to leave the EU.

- **New Immigration laws-** Leaving EU could help Britain reform its **immigration policies** which currently is expensive and ungovernable hence can offer an open door to EU and non-EU immigrants, who could contribute to **Britain's economy**.
- **Reasserting National Sovereignty-** Those in favor of Brexit argue that leaving EU would allow Britain to **recapture its lost position in international bodies** hitherto captured by EU;

Arguments against Brexit

- **Trade Imbalance:** Britain avoids exporter tariffs and red-tape, which is important because nearly 45% of its trade goes to EU. Another benefit is that being a member, Britain can obtain better trade terms, because of the EU's size. Brexit would **damage Britain's export competitiveness**.
- **EU Budget:** The benefits outweigh the costs. According to the Confederation of British Industries UK's annual contribution to the EU is equivalent to £340 for each household but **trade, investment, jobs etc leads to £3,000 per year benefit** to each household because of EU membership.
- **Immigration:** Leaving EU will not stop immigration to the UK. Migration crisis especially refugee crises is a **global issue** requiring global efforts it's not a country specific problem.

BREXIT: Consequences

Brexit will have political and economic repercussions for both the UK and the EU.

- **On European Union**
 - **Trade buoyancy-** Disintegration of largest **single market and labor market** will hugely impact trade patterns and global value chains.
 - **The EU's share in:** global exports of goods and services at current prices and exchange rate will fall from 33.9% to 30.3 percent.
 - **Geopolitical standing** – The UK is the EU's second-largest economy and a key diplomatic and military power within the EU. Along with **Germany and France, the UK** has long been viewed as one of the EU's "big three" and has served as a key driver of certain EU initiatives, especially EU efforts to forge more **common foreign and security policies**.
 - ✓ The EU will become less united and may lead to further exit referendums **e.g. GREXIT**.
 - ✓ Given the UK's foreign policy clout and defense capabilities, Brexit could **diminish the EU's role as an international actor**.
 - **Globalization-** Restricting the free movement of people, goods and services may lead to **increased xenophobia and de-globalization**.
- **On Britain**
 - **Economic Impact:**
 - ✓ **Immediate impact:** Studies published in 2018 estimated that the economic costs of the Brexit vote were **2% of GDP or 2.5% of GDP**. Following the Brexit referendum, many companies **shifted assets, offices, or businesses operations out of Britain** and to continental Europe.
 - ✓ **Medium- & Long-term consequences:** Brexit would likely **reduce the UK's real per-capita income level**. EU membership has a strong positive effect on trade and, as a result, the UK's trade would be worse off if it left the EU.

Debate and discussion with regard to UK's Withdrawal Agreement:

- The main point of having a deal between the UK and the EU is to ensure as smooth as possible an exit from the EU for businesses and individuals - and to allow time for the two sides to find out a permanent trading relationship.
- Therefore, after months of negotiation, **the UK and EU had agreed a Brexit deal, which comes in two parts:**
 - **A withdrawal agreement:** This is a legally-binding text that sets the terms of the UK's divorce from the EU.
 - ✓ It covers how much money the UK owes the EU - an estimated **£39bn** - and what happens to UK citizens living elsewhere in the EU and EU citizens living in the UK.
 - ✓ It also proposes a method of avoiding the return of a **physical Northern Ireland border**.
 - **A statement on future relations:** This is not legally-binding and sketches out the kind of long-term relationship the UK and EU want to have in a range of areas, including **trade, defence and security**.
 - A clause of **transition period:** It refers to a period of time after Brexit until 31 December, 2020 to get everything in place and allow businesses and others to prepare for the moment when the new post-Brexit rules between the UK and the EU begin.
- **Fear of leaving EU without hammering out a Deal:** In the event of No Deal **BREXIT**, the UK would sever all ties with the EU with immediate effect, with no transition period and no guarantees on citizens' rights of residence. The UK government fears this would cause significant disruption to businesses in the short-term.

- ✓ As per United Nations and the World Bank, British exports to the EU would be hit by an **annual \$7.6 billion** in new tariffs under current WTO rules.
- ✓ **The Divorce Bill:** The Divorce Bill is essentially a financial settlement in which the UK must pay off their liabilities to the EU. The estimates have shown it to be at least £39bn which could see increases as far as 2022.
- ✓ **Contributions to the EU:** Supporters of BREXIT argued that ending net contributions to the EU would allow for **tax cuts or government spending increases**.
- **Impact on immigration:** The future of UK nationals will depend on individual member states' rulings and regulations.
- **Impact on international treaties:** After exit, the UK will need to renegotiate about 759 treaties, covering trade in nuclear goods, customs, fisheries, trade, and transport.

What is the IRISH Backstop Clause in the BREXIT Deal?

- Irish Backstop, is the key part of the **Brexit lexicon**.
- When the UK leaves the EU, the 310-mile border between Ireland and Northern Ireland will become the land border between the UK and the European Union.
- The UK and EU agreed to put in place a **"backstop"** - a kind of safety net to ensure there is no hard border whatever the outcome of future trade talks between the UK and the EU.

Significance

- The backstop agreed between the two parties would keep Northern Ireland aligned to some EU rules on things like **food products and goods standards**. That would prevent the need for checks on goods at the Irish border, but would require some products being brought to Northern Ireland from the rest of the UK to be subject to new checks and controls.
- The backstop **would also involve a temporary single customs territory**, effectively keeping the whole of the UK in the EU customs union.
- If future trade talks broke down without a deal, the backstop would apply indefinitely.

BREXIT: Scopes and Challenges for India

- **Easing of Bilateral Relations in terms of trade and commerce:** India sees the British exit as an opportunity to **expand its trade and economic relations** with the UK.
 - British and Indian officials have been signaling that Brexit will make the conclusion of a **bilateral free trade pact** much easier.
 - A **report by the Commonwealth** noted that "given the slow pace of negotiations over a trade deal with the EU, Brexit provides a **fresh opportunity** to India to strengthen its economic relationship with the UK through an **India-UK trade and investment agreement**."
 - Brexit would bring about a situation where in the **UK and EU compete for trading with India** and enter into long term relationships with increased growth of trade.
- **Impact on Immigration:** Britain's exit from the European Union might **benefit students** and professionals from India as after Brexit, the same set of rules would apply to students from the EU and India, and so would the opportunities. After Brexit, Indian professionals will be competing on merit rather than on nationality, as the **UK will no longer have to favour EU nationals**.
- **Impact on Businesses and economy:** Brexit and the uncertainty it produces would have many **adverse impacts** on the Indian economy in general and Indian businesses in the UK in particular. For instance, at present, **roughly 800 Indian companies operate in the UK**. The UK serves as an entry point for many Indian companies to the European market. A disorderly British exit would shut the direct access of these companies to the EU market. That may force some of the companies to relocate or shut down their businesses.
 - The uncertainty with regard to Hard Brexit (no deal Brexit scenario) and risk aversion tendencies across markets can further **depreciate the already fragile rupee**.
- **No impact to FTA negotiations:** Brexit with or without a deal would not affect contentious issues like the delays in the **UK-India and the EU-India free trade agreements**.

Conclusion

A Hard Brexit will therefore have an adverse impact in the short term, even if, in the longer term, Brexit would be an opportunity for India to reset its trade and economic relations with the UK and the EU.

European Union: Inherent Weaknesses and Challenges

The European Union (EU) is a unique partnership in which member states have pooled sovereignty in certain policy areas and harmonized laws on a wide range of economic and political issues. The EU is largely viewed as a cornerstone of European stability and prosperity. However, the Union today is grappling with multiple challenges on various front:

- **Anti-EU/ Eurosceptic” sentiments on rise:** Despite an improved economic situation in the EU since 2017, economic pressures and societal changes have contributed to the rise of populist and antiestablishment political parties, at least some of which harbor anti-EU or “Eurosceptic” sentiments. For some voters, how Brussels handled the eurozone crisis renewed long-standing concerns about the EU’s “democratic deficit. Such trends have complicated the EU’s ability to deal with multiple internal and external challenges.
 - Eurosceptic parties, including in France, the Netherlands, Italy, and Sweden, have been encouraged by the British decision and called for similar referendums on either EU and/or eurozone membership.
- **Economic Fragility:** The EU’s biggest problem is that its economic model has aged alongside its population. The performance of the eurozone countries has got worse not better, but so much political capital has been invested in the monetary union project that there is an unwillingness to accept as much. Italy is suffering from its fifth recession in two decades, while Germany’s export-dominated economy is being hit hard by the slowdown in the global economy.
 - Europe’s banks remain weak and highly vulnerable to another economic downturn.
- **Lack of Strong Leadership and Decreased Solidarity:** Too much power in the EU has been concentrated in Germany alone, in part because leaders of other key European countries have been hindered by domestic politics and economic preoccupations.
- **Democracy and Rule-of-Law Concerns:** have grown over the last few years about what many EU observers view as democratic backsliding in some member states, particularly Poland and Hungary. Civil society organizations have criticized both countries for passing laws and adopting policies that appear to conflict with basic EU values and democratic norms.
- **Migratory Pressures and Societal Integration Challenges:** Over the last few years, Europe has experienced significant migrant and refugee flows as people have fled conflict and poverty in Syria, Iraq, Afghanistan and elsewhere. The EU has faced considerable criticism for lacking coherent, effective migration and asylum policies, which have long been difficult to forge because of national sovereignty concerns and sensitivities about minorities, integration, and identity.
- **European Security Concerns and Terrorism:** The most prominent security concerns relating to a more militarily assertive Russia, and terrorist activity in Europe linked to the Islamic State organization. Such issues have challenged the EU’s ability to forge common foreign and security policies.

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8. RUSSIA

8.1. INDIA-RUSSIA RELATIONS

Why in News?

Russian President Vladimir Putin recently visited India for the 19th Annual Bilateral Summit in New Delhi.

Background of India Russia Relations

- India and Russia have enjoyed good relations since 1947 wherein **Russia helped India** in attaining its goal of economic self-sufficiency through investment in areas of heavy machine-building, mining, energy production and steel plants.
- Later India and the Soviet Union signed the **Treaty of Peace and Friendship** in August 1971 which was the manifestation of shared goals of the two nations as well as a blueprint for the strengthening of regional and global peace and security.
- After the **dissolution of the Soviet Union**, India and Russia entered into a **new Treaty of Friendship and Cooperation** in January 1993 and a bilateral Military-Technical Cooperation agreement in 1994.
- In 2000 both countries established a **Strategic Partnership**. The year, 2017 marked the 70th anniversary of establishment of diplomatic relations.

Pillars of India Russia relations

- **Defence partnership-** For India, Russia remains the **sheet anchor of India's security policy**. The defence ties, one of the highly influential aspect of their relation, **rest on 3 features** of technology transfer, joint development, marketing & selling and export of equipment, **an agreement nonexistent with any other country**. It has provided significant enhancement to India's indigenous defence manufacturing.
 - Some of the major defence collaboration programs are: BrahMos Cruise Missile program, Sukhoi Su-30 and Tactical Transport Aircraft.
- **Economic Relations-** It is an important pillar of the relations yet there remains a lot of scope to improve it further. India and Russia are exploring various ways for enhancing bilateral trade.
- **Energy Security-** In Energy sector Russia has built nuclear **reactors** in India (Kudankulam reactors), adopted strategic vision in nuclear energy, offered oil, gas and investment opportunities in the fuel sector of Russia e.g. Sakhalin I etc.
- **Space technology-** India and Russia have a four-decade strong relationship in the field of space. The former Soviet Union launched India's first two satellites, Aryabhata and Bhaskar. It has provided India help in developing Cryogenic technology to build heavy rockets.
- **International standing-** Russia has supported India's bid for permanent seat in UNSC. It has been favoring Indian entry to Nuclear Supplier Group. Both countries coordinate each other over various forums including BRICS, SCO, G20 etc.
- **Cultural Relations-** This is one the crucial aspects of cooperation between the two. From people to people contacts (through programs like 'Namaste Russia') to sharing educational brilliance of both the countries through institutes like Jawaharlal Nehru Cultural Centre, both the countries have had good cultural links.

India Russia relations have remained close but they have lost intensity of India-Soviet relation. Recently, there has been a definitive decline in India Russia Relations.

Why this downturn?

- **India's growing proximity to the United States:** Rapidly expanding ties and growing defence relationship between India and US and, India joining quadrilateral group led by the US has led to a strategic shift in Russia's foreign policy. For Russia it has been a period of great hostility with West, thus pushing it to align with China.
- **Defence partnerships:**
 - India has been recently diversifying its defence relations with US, Israel etc. Russia's share of Indian defense imports fell from **79 percent between 2008-2012 to 62 percent between 2013-2017**.
 - India **withdrew from Russia's fifth-generation fighter aircraft** project because of delays and differences over cost, technologies and flexibility for future upgrades.



- India has signed **logistic agreements like LEMOA, LSA with US**. India US has seen enhanced interoperability between the two militaries a result of agreements and exercises between the two. India Russia relation lacks this aspect.
- **One Dimensional Trade:**
 - Trade has been one-dimensional i.e. defence based. Despite a 42 percent boost from the previous year, trade still only touched \$10.7 billion in 2017-18. This is far below potential in comparison to India's trade with China (\$89.7 billion), the United States (\$74.5 billion).
 - There are a number of **issues that hinder India-Russia trade**, like, connectivity issues, distance, weak banking links, cumbersome regulations on both sides and Russia's restrictive visa regime.
- Russia's changed foreign policy posture:
 - Towards Pakistan: Russia in 2014 lifted arms embargo on Pakistan. Russia and Pakistan conducted a military exercise in September 2016. In 2017, a military-technical cooperation agreement was signed which deals with arms supply and weapon development. All these factors raised concerns in India.
 - **Towards China:** Increasing strategic military relations between Russia China also impacted India Russia relations. Russia has sold advanced military technology to Beijing, endorsed China's One Belt One Road and has urged India to overcome its objections to it. There has also been concern about Moscow leaning toward Beijing in forums like the BRICS.
 - Towards Taliban: Russia is showing **inclination towards** Taliban in Afghanistan while India continues to have concerns about the group.

Steps taken to address the downturn in relations

- **Sochi Informal Summit:** The strategic partnership between the two has been elevated into a "**special privileged strategic partnership**".
- **Reinforced defence ties:** Recent steps to revitalise defence ties include the following:
 - **Materializing of Su-400 air defence systems and nuclear-powered submarine (Chakra III) deal** despite threats of sanctions by US under CAATSA.
 - Russia agreed for the **construction of Ka-226 helicopters** in India under Make in India initiative.
 - For facilitating cooperation in defence, an Inter-Governmental Commission on Military-Technical Cooperation was also established. Recently, it was revised to **Indian-Russian Intergovernmental Commission on Military and Military Technical Cooperation (IGC-MMTC)**. It emphasises that military-to-military ties are as important as military technical cooperation related to weapons and systems.
 - **The first ever Tri Services Joint Exercise between Indian and Russian Armed Forces Exercise** INDRA-2017 was successfully conducted. Russia is the only country with which India holds a joint tri-service exercise.
- **Breathing life into trade relations:**
 - In 2017 **trade between both countries increased** by 20%. Two countries decided to reach USD 30 billion investment goal by 2025. Both the sides agreed to actively promote joint projects in third countries in sectors such as railways, energy and others.
 - Regular **India Russia Strategic Economic Dialogue** started in 2018. Second India-Russia Strategic Economic Dialogue identified 6 focus areas, covering Transport, Agriculture, Small and Medium Business, Digital Technologies, Finance, Tourism & Connectivity.
 - A **MoU** between National Small Industries Corporation of India and the Russian Small and Medium Business Corporation was signed in order to give a fillip to small and medium industries.
 - For increasing connectivity both sides called for the development of **International North South Transport Corridor (INSTC)**.
 - The launch of the Green Corridor project aim at the simplification of customs operations in respect of goods being transported between India and Russia. Also, there are talks of the signing of an **FTA between Indian and the Eurasian Economic Union (EEU)**.
 - India Russia decided to hold the first ever **India-Russia Start-Up Summit**. The idea to launch an online portal that would enable startups, investors, incubators and aspiring entrepreneurs of both countries to interact and provide relevant resources to expand and enable globalization of start-ups is promoted.
- Strengthening Energy and science & technology cooperation
 - In recent bilateral summit both emphasised on **widening the energy relations** by strengthening the nuclear energy and also diversifying it to hydro, renewable energy, piped gas, LNG, oil etc.

- **Cooperation in development of oil in Russia** including its arctic shelf and joint development of projects on the shelf of the Pechora and Okhotsk Seas. E.g. Vankorneft and Taas-Yuryakh in Russia and the participation of the PJSC Rosneft oil company in the Essar Oil capital.
- The summit also called for increased academic, research and development work between both the countries. Russia will support India in its first man mission to space i.e. Gaganyaan.

Way forward

In recent bilateral summit both sides reaffirmed respect for International Law and multilateral trade and called for a **just, equal and multipolar world order** and strengthening of multilateral trade regimes. **Russia reiterated support** for India's entry in NSG and UNSC permanent membership. Both pledged support to low carbon economy and promote Sustainable Development Goals. Both decided to establish Regional Security architecture that provides equal and indivisible security to all countries in Asia and in the regions of Pacific and Indian Oceans and also called for strengthening together BRICS, SCO, G20 etc. This shows the convergences between both countries across various sectors that can be leveraged to balance the differences.

8.1.1. RIC TRILATERAL

Why in news?

For the second year in a row, the trilateral Russia-India-China informal meeting took place on the side-lines of the G20 summit in Osaka, Japan.

RIC Trilateral

- Conceived by the then Russian foreign minister in 1998, the trilateral grouping has met annually since 2002.
- Together, the RIC countries occupy over 19 percent of the global landmass and contribute to over 33 percent of global GDP. All three are nuclear powers and two, Russia and China, are permanent members of the UN Security Council, while India aspires to be one.

Importance of RIC

- **Strategic**
 - Despite differences India, China and Russia have **converging interests** in Eurasia, like, peace and stable Afghanistan. So, they could work together as part of the RIC to ensure stable peace in **Afghanistan** and by extension, in Central Asia.
 - Regular RIC interactions could also help the three countries identify other issues where they have congruent views like the **volatile situation in the West Asia, particularly on issues like the sanctions on Iran.**
 - RIC forms the core of both the **Shanghai Cooperation Organisation (SCO)** and **BRICS**. Also, Russia can act as bridge between India and China, as it enjoys strong relations with both.
- **Economic**
 - The trio could also contribute to creating a **new economic structure for the world**, by pushing reforms in global economic governance and international economic cooperation.
 - With Russia being a major exporter of energy and India and China being major consumers, the three countries could discuss the **creation of an Asian energy grid**, which could go a long way in **ensuring energy security for the region** as well as allow these countries to determine prices suitable to them.
- **Relevant for all the stakeholders:**
 - For Russia the RIC, becomes a tool to demonstrate to the West, that despite their shunning Russia, it still has partners like India and China.
 - For China, the RIC provides a platform where it can push its interests in Eurasia. Russia and China would like to use the trilateral to send a signal to Washington that they are unhappy with its bloc-like approach to the Asia-Pacific.
 - As for India, the RIC summit is a reflection of its new-found status of having a sweet spot in geopolitics today, where it is being wooed by every forum today.

- **RIC stand on global issues**

- **RIC countries** emphasised on global issues like- reforms in UN, having Global Counter-Terrorism Strategy, commitment to address the world drug problem, Prevention of arms race in outer space etc.
- The RIC countries could work together on **disaster relief and humanitarian assistance**.
- With the **Northern Sea Route** opening up due to climate change, the RIC has a common interest in ensuring that it is not left to the West and Russia alone and that India and China make the transition from rule followers to rule makers by helping formulate some of the rules governing the **Arctic route**.

Conclusion

The Russia-India-China (RIC) trilateral is a significant multilateral grouping, because it brings together the **three largest Eurasian countries** which are also incidentally geographically contiguous. Simultaneous being member of diverse groupings like Quad, Japan-USA-India, and RIC symbolises India's **strategic autonomy and rising global stature**.

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9. USA

9.1. INDIA-U.S. RELATIONS: AN OVERVIEW

Today, the India-U.S. bilateral cooperation is **broad-based and multi-sectoral, covering trade and investment, defence and security, education, science and technology, cyber security, high-technology, civil nuclear energy, space technology and applications, clean energy, environment, agriculture and health.** India-U.S. bilateral relations have developed into a **"global strategic partnership"**, based on shared democratic values and increasing convergence of interests on bilateral, regional and global issues.

Reasons for the qualitative transformation in India-US relations:

- An **evolving geo-political convergence** and growing discomfort in the US about China.
- The **rising stature of India** on the global stage.

Trends in India- US Relationship: A contemporary Analysis

Ties between India and the United States have seen considerable improvement in the last two decades with a convergence of views on many issues.

- **Shared ideals:** The U.S.-India partnership has its foundation in common values, including the rule of law and democratic principles. The United States and India have shared interests in promoting global security, stability, and economic prosperity through trade, investment, and connectivity.
- **US as a "Natural ally":** The US supports India's emergence as a leading global power and vital partner in efforts to ensure that the Indo-Pacific is a region of peace, stability, and growing prosperity. **The strong people-to-people ties between our countries, grounded in shared values, are a tremendous source of strength for the partnership.**
- **Defence ties:** Over the past decade, India and the US have developed a closer partnership, wherein India has gradually shifted from its historic dependence on Russia and now conducts more exercises with the US forces than with any other country.

- The India-US cooperation has entered a new phase with the US having moved India up into tier-1 of the **"Strategic Trade Authorisation"** for unlicensed export of sensitive Defence items to India. A step further than the Obama administration, which had designated India as a **"major defence partner."**

STA status is generally reserved for western countries and key allies. Additionally:

- ✓ The **U.S.-India Counterterrorism Joint Working Group**, (2000) one of the oldest dialogues.
- ✓ The **Logistics Exchange Memorandum of Agreement (LEMOA)**, which allows the Indian and American forces to use each other's facilities, signed in 2016.
- ✓ India hosted the **inaugural 2+2 Ministerial Dialogue** in New Delhi led by both the countries's Minister of defence and External affairs, at which both sides affirmed the importance of India's designation as a Major Defense Partner of US.

- ✓ The **Communications Compatibility and Security Agreement (COMCASA)**, which allows the United States to transfer communication equipment to India for the secure transmission of data and real-time information, was signed in 2018.

- ✓ Recent approval by the **US for supply of armed Sea Guardian drones to India** — which were hitherto sold only to NATO countries.

- **Economic Relations:** The United States seeks an expanded trade relationship that is reciprocal and fair. A burgeoning trade relation can be witnessed through:

- Bilateral trade in 2018 was \$142 billion, a 12.6 percent increase from 2017.
- **Energy exports:** In 2018 India purchased 48.2 million barrels of U.S. crude oil, a significant increase from 9.6 million in 2017.
- **Service exchange:** In immigration, Indians continue to dominate the high-skilled visa category, at times making up over 70 percent of H1-B visa holders.

India-US 2+2 Dialogue, 2018

- The first edition of 2+2 dialogue between India-US was held in New Delhi. Known as the second highest level of engagement between both countries after summit-level engagement between the Prime Minister and the US President.
- The two sides signed the India-specific Communications Compatibility and Security Agreement (COMCASA) during the dialogue.

- ✓ Last year, Indian students enrolled at U.S. colleges and universities contributed over \$7 billion to the U.S. economy.
- **International Cooperation:** India and the US cooperate closely at multilateral organizations, including the United Nations, G-20, Association of Southeast Asian Nations (ASEAN) Regional Forum, International Monetary Fund, World Bank, and World Trade Organization. India is also a member of the Indian Ocean Rim Association (IORA), at which the United States is a dialogue partner.
 - The United States supports a reformed UN Security Council that includes India as a permanent member.
- **Fight against terror:** The listing of Jaish-e-Mohammed leader **Masood Azhar** as an international terrorist by the UN is an example of **uncritical American support to India**. The Trump administration has also thrown its weight behind the International Monetary Fund (IMF) to reinforce the FATF demands on Pakistan.
- **Strategic Convergences:** Balancing China's rise in the international system, and more particularly in the Indo-Pacific region, is a clear strategic convergence between India and the United States.
 - India and the U.S. seem determined to counter China's maritime expansion, which is seen as a threat to their trade routes in the Indian and Pacific Oceans.
 - Co-operation at Forums like QUAD (India, the United States, Japan and Australia), to secure the Indo-Pacific and countering Chinese accession in Asian geo politics.
- **Recognition of Indo-Pacific Realm:** The term "Indo-Pacific region" has now replaced the term "Asia-Pacific region" in the American diplomatic lexicon.
 - The Trump administration has consistently described India as one of its major allies in the Indo-Pacific region;
 - It renamed the former U.S. Pacific Command as Indo-Pacific Command, emphasizing the strategic linkage between the Indian and Pacific Oceans.

Irritants in India-US Relationship

Presently, the US's protectionist stance on trade and immigration matters presents serious challenges to India. These are:

- **Challenges in balancing India's multifaceted relationships with Iran and Russia:**
 - **India-Russia Relations:** India's decision to buy the Russian made **S-400 Triumph missile defense system** despite threats of American sanctions through the **Countering America's Adversaries through Sanctions Act (CAATSA) is a case**, where Washington's priorities clash with India's interests.
 - **India- Iran Relations:** Iran used to be one of the largest suppliers of crude oil to India — about 15 per cent of our crude supply came from Iran. It is a matter of our critical energy security interest. New Delhi has been forced to stop concessional oil imports from both Iran and these heavy-handed American tactics have led to sharp rise in India's oil import bill.
 - ✓ The U.S. attempts to undercut India's strategic ties with Iran are going to pose serious challenges for Indian foreign policy. The common concerns of India and Iran about threat of terrorism emanating from Pakistani territory make Iran an important geopolitical partner of India.
- **US-Pakistan Relationship:** Despite Washington's claims to having **de-hyphenated** its relations with India and Pakistan, the US has not been able to extricate itself from the liabilities of its complex alliance with Pakistan. It will constrain areas of convergence between the US and India when it comes to dealing with terrorism emanating from Pakistan.
- **Trade ties:** Trade ties are also a source of tensions. India has been a huge beneficiary of the Generalized System of Preferences (GSP) program of USA, which has been ended recently by the Trump administration. {Refer the Special Article on this}
 - Presently, the US, often complains about India featuring in the top 10 countries with which the US registers a trade deficit, accuses India of seeking billions in exchange for committing to the Paris accords.
 - The US now levies tariffs on steel and aluminium products, to the tune of Indian exports possibly losing US\$245 million on these products.
 - To combat this loss, India toyed with the idea of levying equally high retaliatory tariffs on US imports, e.g. chickpeas and Bengal gram, lentils etc.

Conclusion

The US appears to have a positive vision of strategic convergence between India and the US and fully appreciates the need for two countries to work together not only for mutual benefit but also for the sake of global peace.

9.2. INDIA-US TRADE RELATIONS

Why in news?

recently U.S. has withdrawn **Generalized System of Preferences (GSP)** benefits on 94 products for all countries.

What is Generalized System of Preferences?

- It is a **non-reciprocal preferential tariff system** which **provides for exemption from the Most Favoured Nation principle of World Trade Organization**.
- It involves reduced MFN tariffs or duty free entry of eligible products exported by **beneficiary countries (developed countries)** to markets of **donor countries (developing countries)**.
- GSP measure was **adopted at UNCTAD Conference** in 1968 and later enacted by General Agreement on Trade and Tariff (now WTO) in 1971.
- The objective of GSP was to give development support to poor countries by **promoting capacity development and trade**.
- 11 Developed countries including the US, EU, UK, Japan etc., extend GSPs to imports from developing countries.
- U.S. has a particularly strong GSP regime, under Trade Act, 1974. India has been the largest beneficiary of the GSP. In 2017, India's duty-free export to the US under the GSP was more than \$5.6 billion.
- Now, 50 products (out of a total of 94 products) from India have been removed from GSP particularly impacting handloom and agriculture sectors.

Most Favoured Nation Status

- MFN clause under WTO requires a country to provide any concessions, or granted in a trade agreement to one nation to all other World Trade Organization member countries.
- It ensures non-discriminatory trade policy because it ensures equal trading among all WTO members.
- However, in the case benefits are provided under free-trade agreements, like those laid out in the North American Free Trade Agreement, those are not subject to the MFN clause as long as the goods are traded between the participating countries only.

Related News

India-US Solar Dispute: India wins solar case against US at WTO

Recently, India won a major trade dispute against the US at the World Trade Organization, with a dispute settlement panel pronouncing that subsidies and mandatory local content requirements instituted by eight American states breached Trade-Related Investment Measures (TRIMs) Agreement and Subsidies and Countervailing Measures Agreement.

Impact of GSP withdrawal on India

- **Impact on Current Account Deficit (CAD) and rupee:** GSP withdrawal will cost India \$70 million in raised duties from GSP benefits. It will reduce the trade surplus that India has against trade with US leading to higher CAD which also runs the risk of further weakening rupee.
- **Impact on MSME and agriculture:** Small and medium size business could be impacted. Especially export of handloom made home textiles products are expected to be affected.

India-US Trade Relations

Major Impediments in trade relations

- **Tariff issues:** US under Trump regime has taken different position as compared to previous stands in trade negotiations. **US President called India "the tariff king"** and raised issues with India like:
 - Indian motorcycles imported into the US tariff free while US motorcycles imported to India face high tariffs.
 - Intellectual property rights: India has been placed in Priority Watch List of the USTR's Special 301.
- **Subsidies issues:**
 - **Subsidies given by some US states to local renewable energy producers.(Refer Box)**
 - US is against the Minimum Support Price (MSP) regime of India and accuse India of violating WTO subsidies norms and limitations.
- **Visa related tensions:** India is the largest beneficiary of H1-B visa scheme of US. But US in recent times has increased visa fees for H1-B applicants and cut their quotas. This has been detrimental for the interest of Indian IT companies. India has raised concerns on this issue.

10. IMPORTANT INTERNATIONAL/REGIONAL GROUPS AND SUMMITS

10.1. WORLD TRADE ORGANISATION

Why in news?

There have been calls for reforming WTO given the concern regarding rising protectionism.

WTO and its evolution

- **WTO i.e. World Trade Organization** was set up under **Marrakesh Treaty (1994)** as a result of Uruguay Round (1986-1994).
- WTO as an organization was expected to play larger role for **improved living standards, employment generation, trade expansion with increasing share for developing countries and overall sustainable development**. Trade liberalization was seen as means for achieving the above-mentioned objectives.
- Basic principles of trade liberalizations that were to be followed were:
 - **Non-discrimination**—Countries will not discriminate one from another. It had be achieved through Most Favored Nations status i.e. neutral trading relations and National treatment to non-domestic producers.
 - **Reciprocity**—The concessions conferred by countries had to be mutual.
- These principles are implemented through Ministerial Conferences, taking **consensus-based decisions** based on **'one country one vote** which demonstrates **democratic structure and processes of WTO**.
- Also, a **dispute resolutions** mechanism provides protection against arbitrariness. The raison d'être of WTO lies in its rule based binding commitment, retreating from which poses greater risks, a scenario unfavorable to member states.

Organizational Structure of WTO

- **Ministerial Conference** - It Includes all members, **meets once in 2 year** and the **11th Ministerial Conference** was held in **Argentina**)
- **General Council** – It acts a **Dispute Settlement Body and Trade Policy Review Body**.

Brewing Discontent

- A democratic inclusive WTO however, started showing signs of discontent. The issues came to surface in the very first Singapore Ministerial (1996).
- Singapore issues spilled over to Seattle, Cancun and finally to Doha Ministerial. The recent trade war between US and China where US is increasing import tariffs is a symptom of the larger rot.

Reasons for Crumbling Of WTO

- **Changing world order**: The unipolar world under US was represented through institutions like WTO. Trade during this phase became rule based in nature which favored the west. But the world order is now witnessing structural changes with rise of developing countries and their increasing share in world trade. This is perceived by US and EU as unfavorable whom they have attacked by resorting to policies of protectionism. E.g. China via trade war, Solar panel case against India in Dispute Settlement Body.
- **Process Loopholes**: The negotiation process prime facie seems democratic but **Ministerial Conferences are accused of being opaque** and overly technical. The **green room meetings** prohibit participation of majority of countries. It has proven to be disproportionately advantageous to developed countries. Moreover, **consensus-based rule making** has become a root cause in stagnation in reforms.
- **Nature of agreements**: Agreements signed under WTO are alleged to be discriminatory and exclusionary in functioning. DDA (Doha Development Agenda) has still not been able to provide permanent solution to subsidies under domestic support. WTO do not have any agreement to deal with digital enabled trade i.e. e-commerce.
 - Allegations are leveled by developed countries against developing of flouting TRIPS. They oppose generic medicines, compulsory license and import substitution. On the other hand, developing countries cite public health concerns and level allegations of ever-greening against pharmaceutical companies.
- **Dispute Resolution**: The dispute resolution mechanism is costly and lengthy. It is majorly resorted to by developed countries and developing countries are victims to the mechanism. There is politicization of the Appellate Body appointment and reappointment process.

Why WTO remains relevant?

- Amidst all these challenges that WTO faces, we cannot deny the role it has played in integrating and opening the world trade.
- WTO regulates 98% of global trade flows. The average value of tariffs has reduced by 85% since 1942. Tariff reduction along with technological advances have driven extra-ordinary expansion of global trade.
- Trade as a share of GDP has grown from 24% in 1960 to 60% in 2015. Expansion of trade has fueled economic growth, created jobs and increased household incomes around the world.
- An ever-deepening rules-based system—notably under the GATT and WTO—brought more openness, transparency, and stability.
- Trade act as a powerful force too for inclusive Growth, by lowering poverty and by opening opportunities for small firms, women, farmers as well as fishermen.
- As nations' economies have become more and more inter-dependent, breakdown of a trade organization will be major blow to international trade order.

Way Forward

- **Plurilateral trade negotiations-** As WTO is a member led organization, all countries i.e. developing and developed have to join hands to improve its structure and processes. WTO should move to Plurilateral negotiations where like-minded countries can come forward to discuss issues specific to them and form rules with respect to the common issue.
- **Services** today form a bulk of trade i.e. two third of global GDP, yet global trade policy lags behind in services facing higher barriers than goods. To rectify these, GATS has to become more open and transparent. It has to address monopolistic practices, financial regulations and irregular immigration.
- **Trade related policies for inclusiveness-**
 - All member countries need to understand different levels of development of different countries. On the basis of this, a consultation committee has to be formed. The negotiation meetings have to be more open, transparent and inclusive.
 - The agreements on agriculture should be restructured to address concerns of developing countries and Least developed countries.
 - Social security laws, skill upgradation, flexible mobility of workers within the international agreements will impart more stability and sustainability to the multilateral trading system.
- **Collective Bargain** Like Minded Groups like G-33, African community has to increase their collective bargain in order to demand favorable provision in agreements on agriculture, services, intellectual property etc. The **dispute mechanism** should become more powerful and member driven.
- **Change in the mindset of developed countries** - Developed countries like US and EU have to be convinced of the larger role WTO played in their growth and maintenance of open trade system. The time has come for the emerging economies and the developing world to have a greater say in how to shape multilateralism and its institutions. The developed nations have to realize this truth.

10.2. UNSC REFORMS

Why in news?

India has criticised the slow pace of UN Security Council reform process and opaque methodologies, non-attribution of assertions and obfuscation of references by the member states which are blocking the early reform of the UN.

More about the news

Since 1993, the UN General Assembly has hotly debated Council reform but has not been able to reach agreement, primarily due to “institutional inertia”.

Why reforms?

- **Changed Geopolitics:** The Security Council's membership and working methods reflect a bygone era. Though geopolitics have changed drastically, the Council has changed relatively little since 1945,

What constitutes UNSC reform agenda?

Five sets of issues have been identified by the General Assembly. These are

1. Categories of membership
2. The question of the veto
3. Regional representation
4. Size of an enlarged Council and its working methods and
5. The Security Council-General Assembly relationship.

when wartime victors crafted a Charter in their interest and awarded "permanent" veto-wielding Council seats for themselves.

- **Reforms Long Overdue:** It was expanded only once in 1963 to add 4 non-permanent members. Although the overall membership of the UN has increased from 113 to 193 but no change in the composition of the UNSC happened.
- **Inequitable economic and geographical representation:** While Europe is over represented, Asia is under represented. Africa and South America have no representation at all.
- **Crisis of legitimacy and credibility:** Stalled reform agenda and various issues including its Interventions in Libya and Syria in the name of responsibility have put the credibility of the institution in jeopardy.
- **North South Divide:** The permanent UNSC membership of portrays the big North-South divide in the decision making of security measures. For instance, there is no permanent member from Africa, despite the fact that 75% of its work is focused on Africa.
- **Emerging issues:** Issues such as transnational threats, deepening economic interdependence, worsening environmental degradation also call for effective multilateral negotiations based on consensus yet all critical decisions are still being taken by the veto-wielding permanent members of the Security Council.

Credentials for India's bid for membership

- Founding member of UN.
- World's largest democracy and both demographically and geographically holds a significant position.
- One of the fastest growing large economies in the world.
- One of the largest contributors to UN peace keeping missions and India suffered highest number of fatalities over the years, which is acknowledged time and again.
- India is seen as a responsible power, which adheres to rule of law, global norms. India's elevation will make UNSC more credible, representative.

India and UNSC reforms

- India has adopted a **multi-layered strategy** to assume the long awaited permanent seat in the Security Council consisting of two components: Maximising support in the UN General Assembly and Minimising resistance in the UN Security Council.
- India hopes that its continued engagement at various **Global South forums** such as G 77 and NAM, African Union would garner much needed numbers in the UNGA. This is reflected in India's strong defence of the principle of sovereignty and the constant voluble criticism of the "Responsibility to Protect."
- India's growing **strategic partnerships** with the P5, growing economic strength, including the nuclear deals with US, Russia, rapprochement with China paints a favourable picture for Indian Explicit public declarations supporting India's candidature as a permanent member in the Council are reiterated by countries like France, UK.
- India has also formed the **G4 with Brazil, Germany, and Japan**, its "coalition of the willing", and a "collaborative strategy" to negotiate reforms of the Council. The four nations support each other's bids for permanent seats on an expanded Security Council.

Why delay in reforms?

- **Lack of Political will-** Changing the composition of the P5 involves changing the UN's charter which will further require the backing of two-thirds of the General Assembly including the current P5 which is difficult to obtain due to lack of political will and consensus among them.
- **Lack of consensus** among member States and regional groups like G-4, L-69, African Union, Uniting for Consensus, Organization of Islamic Conference and also divergent demands of various groups.
- **Use of Veto power-** There are various countries and groups demanding permanent membership and veto power, which the P5 are not ready to accede.

Way forward

In the current circumstances it has become crucial for the UNSC to reform itself and uphold its legitimacy and representativeness in the world. However, for that to happen political will, especially of P-5 nations and strong consensus among all the nations is the need of hour.

10.3. UN PEACEKEEPING

Why In news?

India has evacuated its entire peacekeeping CRPF contingent from Tripoli in Libya.

About UN Peacekeeping

- UN Peacekeeping is a unique and dynamic instrument developed by the UN organization as a way to help countries torn by conflict to create the conditions for lasting peace.
- **Origin:** UN Peacekeeping was born at a time when Cold War rivalries frequently paralyzed the Security Council. The **first UN peacekeeping mission** was established in May 1948, when the UN Security Council authorized the deployment of UN military observers to the Middle East to form the **United Nations Truce Supervision Organization (UNTSO)** to monitor the Armistice Agreement between Israel and its Arab neighbours.
- Over the past 70 years, more than 1 million men and women have served under the UN flag in more than 70 UN peacekeeping operations. More than 100,000 military, police and civilian personnel from 125 countries currently serve in 14 peacekeeping operations.
- The **financial resources** of UN Peacekeeping operations are the collective responsibility of UN Member States. Decisions about the establishment, maintenance or expansion of peacekeeping operations are taken by the United Nations Security Council.
- Earlier, UN Peacekeeping's **goals were primarily limited to maintaining ceasefires and stabilizing situations** on the ground so that efforts could be made at the political level to resolve the conflict by peaceful means. Those missions consisted of military observers and lightly armed troops with monitoring, reporting and confidence building roles in support of ceasefires and limited peace agreements.
- Today's multidimensional peacekeeping operations involve **civilian, military and police personnel all working together** and are called upon to maintain peace and security, and also to facilitate the political processes, protect civilians, disarm combatants, support elections, protect and promote human rights and restore the rule of law.

Principles of UN peacekeeping:

These principles, act as a tool for maintaining international peace and security, are inter-related and mutually reinforcing:

- **Consent of the parties:** UN peacekeeping operations are deployed with the consent of the main parties to the conflict. The commitment by the parties to a political process and their acceptance of a peacekeeping operation provides the UN with the necessary freedom of action, both political and physical, to carry out its mandated tasks.
- **Impartiality:** Peacekeepers should be impartial in their dealings with the parties to the conflict, but not neutral in the execution of their mandate.
- **Non-use of force except in self-defence and defence of the mandate:** UN peacekeeping operations are not an enforcement tool. However, they may use force at the tactical level, with the authorization of the Security Council, if acting in self-defence and defence of the mandate.

India and UN peacekeeping

- India's contribution to UN peacekeeping dates back to its inception in the 1950s, when the Indian Army contributed troops as well as medical corps during the **Korean War from 1950 to 1954**. Since that first mission, India has participated in **more than 50 missions**.
- India has provided **more than 2 lakh military and police** officers to UN Peacekeeping over 70 years. Currently India is the **third largest troop contributor in the world**, with over 6,000 personnel deployed in Cyprus, Congo, Haiti, Lebanon, the Middle East, South Sudan and Western Sahara, helping save lives, protect people and setting the stage for a lasting peace.
- India has **lost the highest number of its peacekeepers** in various UN peacekeeping operations in the last 70 years, with 168 military, police and civilian personnel from the country laying down their lives in the line of duty.

Reforms needed in UN peacekeeping operations

- **Politics of cooperation** must drive the design and implementation of peace operations.
- **The full spectrum of United Nations peace operations must be used more flexibly to respond to changing needs on the ground:** The sharp distinctions between peacekeeping operations and special political missions should give way to a continuum of responses and smoother transitions between different phases of missions.



- The United Nations should embrace the term “**peace operations**” to denote the full spectrum of responses required and invest in strengthening the underlying analysis, strategy and planning that leads to more successful designs of missions. These must be drawn upon to deliver quick situation-specific responses in a sequenced and prioritized manner.
- **The United Nations Secretariat must become more field-focused and United Nations peace operations must be more people-centered:** awakening of United Nations Headquarters to the distinct and important needs of field missions, and a renewed resolve on the part of United Nations peace operations personnel to engage with, serve and protect the people they have been mandated to assist.
- **Conflict prevention and mediation must be brought to the fore:** At the global level, the UN must mobilize a new international commitment to preventing conflict and mobilizing partnerships to support political solutions. It must find ways to draw upon the knowledge and resources of others beyond the United Nations system through civil society, including community, religious, youth and women groups, and the global business community.
- **Setting clear direction and forging common purpose:** Achievable mandates can be crafted through meaningful and effective consultations between the Security Council, Secretariat, regional actors and, when uniformed forces are required, with troop- and police-contributing countries.
- **Improving the speed, capability and performance of uniformed personnel:** The UN and its partners must overcome significant constraints to rapid deployment in response to crises.
- **Engaging with host countries and local communities:** By shifting from merely consulting with local people to actively including them in their work, missions will be able to monitor and respond to how local people experience the impact of peace operations.
- **Addressing abuse and enhancing accountability:** Troop-contributing countries must vigorously investigate and prosecute national personnel indulging in sexual exploitation and abuse. The UN should ensure that individual victims of sexual exploitation and abuse are compensated for the harm they suffer from UN personnel.

Record of UN Peacekeeping**Major successes:**

- **UN peacekeeping missions were successful** implementing a peace agreement in Sierra Leone (1999 to 2005), Burundi (2006), Cambodia, El Salvador, Guatemala, Mozambique, Namibia and Tajikistan. These impressive records of peacekeeping achievements led it to win **Nobel Peace prize in 1988**.
- **Women peacekeepers** playing an increasingly prominent role and are crucial towards improving the performance. They serve as police officers, troops, pilots, military observers, and other uniformed and civilian posts, including in command positions.

Failures of peacekeeping:

- An internal study by UN found that UN peacekeeping missions routinely **avoid using force to protect civilians under attack**, intervening in only 20% of cases despite being authorized to do so by the UNSC.
- **Srebrenica (1995):** Towards the end of Bosnia’s 1992-1995 war, Bosnian Serb forces executed 8000 Muslims, making it the **worst massacre post Second World War** European history despite the presence of peacekeeping troupes.
- **Rwanda genocide (1994):** UN ignored evidence that the genocide was planned and refused to act once it had started.
- **Somalia (1995):** UN withdrew all peacekeeping troupes in Somalia after killing of many US soldiers, led many UN officials to describe it as a greatest failure of our lifetimes.

Related News

The UN Secretary-General recently launched an **Action for Peacekeeping (A4P)** to renew mutual political commitment to peacekeeping operations. Through this the Secretary-General called on Member States, the Security Council, host countries, troop and police contributing countries, regional partners and financial contributors to renew their collective engagement with UN peacekeeping and mutually commit to reach for excellence.

10.4. SHANGHAI COOPERATION ORGANIZATION**Why in news?**

Recently, the countries of Shanghai Cooperation Organisation adopted the **Bishkek Declaration** in 19th SCO summit, held at Kyrgyzstan’s capital Bishkek.

About SCO

- SCO is a Eurasian **political, economic, and military organisation**. Along with BRICS, SCO is seen as an attempt by China & Russia to **challenge the Western dominated global order** and **counterbalance the activities of United States and NATO** in Central Asia.
- Currently, SCO has **8 Member States** - China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan, India and Pakistan; **4 Observer States** - Afghanistan, Belarus, Iran and Mongolia and **6 Dialogue Partners** - Azerbaijan, Armenia, Cambodia, Nepal, Turkey and Sri Lanka.
- It has **two permanent bodies** — the **SCO Secretariat** based in Beijing and the Executive Committee of the **Regional Anti-Terrorist Structure (RATS)** based in Tashkent.
- The SCO Secretariat is the main permanent executive body of the SCO, while the **Council of Heads of State** is the top decision-making body in the SCO.
- Its driving philosophy is known as the **“Shanghai Spirit”** which emphasizes harmony, working by consensus, respect for other cultures, non-interference in the internal affairs of others, and non-alignment. **Culture has become an important element** of the SCO, attuned to the group’s search for an **inclusive Eurasian identity**.
- The Prime Minister of India, in his address to SCO in Bishkek Summit, presented his vision for the organization in the form of **HEALTH** (healthcare cooperation, economic cooperation, alternate energy, literature and culture, terrorism-free society and humanitarian cooperation), which closely tied with the declaration.

Significance of SCO’s membership to India

- **Security:** SCO’s main objective of working cooperatively against “three evils” of terrorism, separatism, and extremism is in consonance with India’s interests.
 - Regular participation in **Regional Anti-Terrorist Structure (RATS)** and joint military exercises (India participated in 2018) will help **enhance combat capabilities and intelligence sharing**.
 - It could be a **platform for bilateral negotiations with Pakistan** on issues of mutual interest without bringing in bilateral disputes. It can also **help India counter Pakistan propaganda** on other multi-national forums like Organization of Islamic Cooperation (OIC).
 - Both Central Asian Region countries & India face serious threat from illegal drug trade emanating from **‘Golden Crescent’** of opium production (Iran-Pak-Afghan) and are also victims of illegal arms trade. SCO provides a platform for multilateral cooperation.
- **Connectivity:** SCO is also a potential platform to advance **India’s Connect Central Asia policy** - through trade, people to people contact and cultural connect.
 - This is much in line with India’s focus on connectivity as evident India’s efforts - **International North South Transport Corridor & Ashgabat Agreement**, construction of **Chabahar Port** and setting up an **air freight corridor between Kabul, Kandahar and New Delhi**.
- **Economic Interests:**

Additional Information - Shanghai Five

- After the end of Cold War, China sought to establish **security cooperation with Central Asian states** to prevent Uighurs of Central Asia & Xinjiang province in China to create unrest together.
- Hence, a group called **‘Shanghai-5’ (China, Kazakhstan, Kyrgyzstan, Russia & Tajikistan)** was established in 1996 to undertake confidence building measures & demilitarize borders.
- In **2001**, Uzbekistan joined the grouping & it was renamed as Shanghai Cooperation Organization (SCO).

Main Highlights of Bishkek Declaration

- Condemned terrorism ‘in all its forms and manifestations’
- Supported WTO and the multilateral trading system
- Called for **‘consistent implementation’** of the Joint Comprehensive Plan of Action with Iran
- **Supported a political settlement for Syria** through the dialogue process and ‘post-conflict restoration’ by different states in Syria
- Signed **‘Roadmap for Further Action of the SCO Afghanistan Contact Group’** which argued in favour of ‘inclusive peace process conducted and led by Afghans themselves’.

SHANGHAI COOPERATION ORGANIZATION

MEMBER COUNTRIES



- With SCO countries contributing almost **42% of the world population** and **20% of the GDP**, the proposed FTA with Eurasian Economic Union can **provide India with a wider market base** for its IT, telecommunications, banking, finance and pharmaceutical industries.
- With cultural connect and shared history, it also has **potential to boost tourism sector** of the country (presently SCO countries constituted only 6% of India's total tourists).
- **Energy & Minerals:** Being closer to India geographically, mineral trade with Central Asia can entail significant cost savings. Being an energy deficient country with increasing demands, India provides an assured market for Central Asian countries and Russia.
 - SCO countries along with Iran, Azerbaijan & Turkmenistan **hold some of the largest oil (~25%)** and **natural gas reserves (~50%)** of the world. Kazakhstan is the largest producer of **Uranium**. Uzbekistan & Kyrgyzstan are important regional producers of **Gold**.
 - **SCO Energy Club** can facilitate deeper interactions between producers (Russia, Kazakhstan, Uzbekistan and Iran) and consumers (China, Tajikistan, Kyrgyzstan, India, Pakistan and Mongolia)
 - SCO membership could help **advance talks on construction of stalled pipelines like TAPI & IPI**
- **Political significance:** SCO also provides a stage to India for achieving some of its foreign policy goals
 - It will help India to **play an active role in its extended neighbourhood**.
 - **Presence of Iran & Afghanistan** as observers also makes it an important venue to discuss vital regional issues. Eurasian powers, along with China, Russia and Pakistan, are bound to play a major role in Afghanistan's security affairs. SCO membership could help India from not being left out of the peace process.

How India's inclusion will help SCO and Eurasian region?

- Inclusion of India makes SCO **one of the most powerful organizations** with membership of global powers from Eurasian region – China, India and Russia.
- Initially seen as a manifestation of China's regional ambitions and politically motivated axis, democratic **India's inclusion will give SCO a greater global acceptance**.
- India's **experience of working in multi-cultural groups** and **technical & managerial expertise** will greatly enhance the effectiveness of the organization.

Challenges for India at SCO

- **Trust Deficit** between members like India & Pakistan and India & China can be major drag on the effectiveness of the organization.
- **China's Belt and Road initiative:** India's position on BRI is contrary to other members, all of which have supported the initiative. Funds are being allocated for BRI projects by AIIB and NDB of which India is an active member. This could be a potential friction point.
- **Global geopolitics:** The growing proximity of Russia and China and India's attempts towards better relations with the US makes the organization vulnerable to competitive geopolitics. For instance,
 - **Iran**, who is an observer at SCO and a major trade partner of India, is engaged in a major conflict with US. The US sanctions **has forced India to stop buying oil from Iran**.
 - India's position on Syria is at variance with the US and its regional allies like Saudi Arabia and Israel. It has **supported the current regime** during the ongoing conflict, while **agreeing to get further involved in the reconstruction process**.
- **Definition of terrorism:** India's definition of terrorism is different from the definition of SCO under RATS. For SCO, terrorism coincides with regime destabilization; whereas for India it is related to state-sponsored cross border terrorism.
 - SCO's targets are groups like East-Turkestan Islamic Movement (ETIM) and Al-Qaeda, whereas groups like Lashkar-e-Taiba, Jaish-e-Mohammad and Harkat-ul-Mujahideen, operational in India, do not come under the ambit of the SCO anti-terror structure.
- **Limited existing economic footprint:** India's bilateral trade with Central Asia stands at about \$2 bn and with Russia about \$10 bn in 2017. In contrast, China's trade with Russia has crossed \$100 bn in 2018 and stands at over \$50 billion with Central Asia.
- **Other regional organizations:** Proliferation of other regional undertakings – Eurasian Economic Union (EAEU), Belt and Road Initiative (BRI), Greater Eurasian Partnership, Collective Security Treaty Organization (CSTO), Conference on Interaction and Confidence-Building Measures in Asia (CICA) etc. - may also pose a challenge for SCO.

Way Forward

Whether the SCO grows into a successful regional forum depends on its ability to overcome bilateral differences between its members and their respective geopolitical calculations.

- In this situation, India needs to improve its own standing and enhance its presence in the Eurasian region. The opening of Chabahar port and entry into Ashgabat agreement should be utilized for a stronger presence in Eurasia besides a clear focus on operationalizing INSTC.
- Consistent efforts should be made by SCO mutual trust among the member states. India's concerns over violations of 'sovereignty and territorial integrity' must be adequately addressed by China.
- There should be consensus over issues like terrorism and extremism and RATS-SCO should be tasked to identify and assess the presence of major terrorist groups throughout the SCO region.

10.5. BELT AND ROAD INITIATIVE

Why in news?

The second **Belt and Road Forum (BRF)** was recently held in Beijing, two years after first forum was held in May 2017.

About Belt and Road Initiative (BRI)

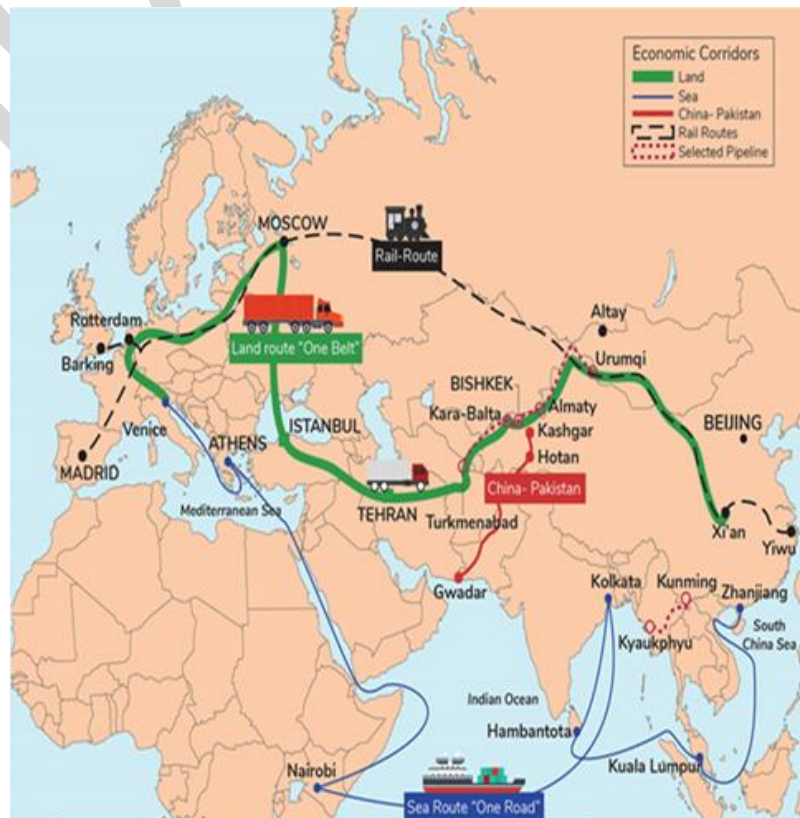
- The BRI announced in 2013, is made up of a “**belt**” of overland routes and a maritime “**road**”, which aims to connect Asia, Europe and Africa.
- The **Belt** refers to the **Silk Road Economic Belt** which comprises overland routes: connecting China, Central Asia, Russia and Europe.
- The **Road** refers to the **21st Century Maritime Silk Road** designed to provide an impetus to trade from China to Europe through the South China Sea and the Indian Ocean, and from China through the South China Sea towards the South Pacific.

Importance of BRI

- In the wake of the global slowdown, BRI offers a new model of development to China to maintain its economic growth. OBOR envisions **building networks of roadways, railways, maritime ports, power grids, oil and gas pipelines**, associated infrastructure projects which helps Chinese economy.
- BRI has **domestic and international dimension**: as it visualises a shift from developed markets in the west to developing economies in Asia, Africa and a shift in China's development strategy concentrating on provinces in central and western China instead of the developed east coast region.
- **Strategically important** as China utilises its economic clout to build its soft power.

Criticism and Issues with BRI

- **Debt-trap diplomacy** of China where BRI projects are pushing recipient countries into indebtedness and do not transfer skills or technology. For instance, **Hambantota** port, where Sri Lanka was forced to lease the port to China for 99 years. Also, there has been rethinking of projects in Malaysia, Maldives, Ethiopia and even in Pakistan.





- **BRI represents political and economic ambitions of China** making countries like the US, Japan, Germany, Russia, and Australia unhappy about the impact of Beijing's moves on their own economic and political interests.
- **China-Pakistan Economic Corridor (CPEC)**, an important component of BRI, passes through Pakistan-Occupied Kashmir, is the main reason for India signaling its displeasure over BRI and not participating in both the BRFs.
- Other concerns raised include:
 - operational problems
 - lack of information transparency
 - lack of evaluation on the impact of regional social culture
 - over-expansion of the scope of the types of BRI projects,
 - environmental concerns stemming from China's infrastructure buildout

Significance of the Second Belt and Road Forum for International Cooperation (BRF)

- It saw China deliberately seeking to **recalibrate how it is approaching the BRI** amid lingering concerns and challenges.
- In his remarks, Chinese President Xi Jinping not only talked about the progress made under the initiative but also addressed some of the concerns about the BRI, including **exclusivity, sustainability, and standards**.
- It saw the showcasing of China's efforts to address concerns with the unveiling of new initiatives - Chinese finance ministry's new **Debt Sustainability Framework**.
- However, India has boycotted both the BRFs citing territorial sovereignty and other reasons.

Why India should join BRI?

- **India as a participant of Asian era:** Projected as **Project of the century**, BRI signals the political end of the old order where the G7 shaped the economic agenda. BRI involves 126 countries and 29 international organizations covering half of world's population, **and India may be isolated from this new economic order**.
- **Shaping global economic rules:** BRI is evolving standards of multilateralism, including linkages with the United Nations SDGs. The **IMF** described it as a **"very important contribution"** to the global economy and is collaborating with the Chinese authorities on sharing the best international practices, regarding fiscal sustainability and capacity building. Being part of it, India can also shape new economic global rules.
- **A platform for voicing Indian concerns:** **Italy**, a member of the G7, also joined BRI, and **Japan** also sent special envoy, despite its reservations over project. India could also have **raised concerns by joining the BRF**.
- India should **provide alternatives and solutions**- rather than merely criticizing the project. India should improve its implementation performance so as to provide a viable option to other countries.

Why India is boycotting BRI?

- CPEC **violates India's sovereignty** as it passes through the part of the Pakistan-occupied Kashmir that belongs to India and no country can accept a project that ignores its core concerns on sovereignty and territorial integrity.
- India also raised concerns regarding **unsustainable debt trap**, environmental concerns, and transparency in assessment of project costs, and skill and technology transfer to help long term running and maintenance of the assets created by local communities.
- India is **too big to be isolated** and India's continued objection will make China to consider its core concerns.

Way forward

- India should highlight its territorial concerns to China and seek **appropriate response recognising India's sovereignty**.
- India should give a **South Asian character to the two BRI corridors** on India's western and eastern flanks, by linking them with plans for connectivity in the ASEAN and SAARC region.
- India can **cooperate with like-minded countries** like Japan, US, Australia to provide alternatives to BRI, e.g. Asia-Africa Growth Corridor etc.

10.6. WHO REFORMS

Why in news?

Recently, the World Health Organization announced sweeping reforms to **modernize and strengthen** itself. It has put out a **seven point agenda** to achieve its **triple billion targets**.

About WHO

- The World Health Organization (WHO) is a **specialized agency** of the United Nations that is concerned with international public health. It was established on 7 April 1948, and is headquartered in **Geneva, Switzerland**.
- The WHO is a member of the **United Nations Development Group**.
- WHO has **194 member states**: all of them are Member States of the United Nations except for the Cook Islands and Niue
- The **World Health Assembly (WHA)** is the legislative and supreme body of WHO. It meets annually and reviews various works of WHO. It also appoints the Director-General every five years.
- The WHO is **financed by contributions** from member states and outside donors.
- The WHO supports the development and distribution of safe and effective vaccines, pharmaceutical diagnostics, and drugs, such as through the **Expanded Programme on Immunization**.

Relevance of WHO

- Providing leadership on Global Health
- Shaping the research agenda
- Setting the standards for Global Health
- Advocating for Evidence-Based and Ethical Policy
- Monitoring and Assessing Health Trends and Concerns

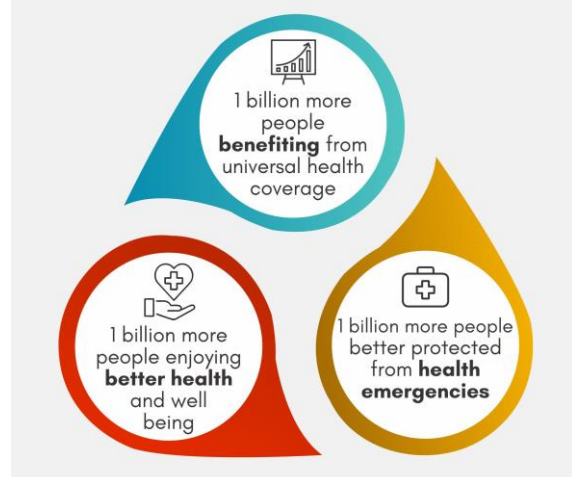
Need for Reforms

- **Unable to respond effectively to existing and anticipated global health challenges**- e.g. faulted response to the 2014 Ebola outbreak.
- **Widening gap between the agency's mandate and capabilities**- A report by independent experts concluded that WHO lacks the capacity to deliver a full emergency public health response. WHO requires a systematic overhaul of its structure and practices to build this capacity.
- **Donor dependency**- with only 30 percent of its budget under WHO control, the organization's agenda is guided by donor priorities. This goes against the principle of equity, which requires all countries' requirements to be included in its agenda.
- **Lack balance of staff skills**- nearly half of WHO staff includes medical specialists with only 1.6 % social scientists, and 1.4 % lawyers. Although medical specialists are crucial for technical expertise, other staff composition is needed to understand the local traditions and culture, manage international relations and perform some of its core functions such as creating rules and principles for global health.
- **Emergence of new global institutions**- which have challenged the WHO's leadership in global health such as Global Fund to Fight AIDS, Tuberculosis and Malaria, GAVI Alliance, and Unitaid etc.

WHO Reforms underlying the Seven Point Agenda

- **Aligning WHO's processes and structures with the "triple billion" targets and the Sustainable Development Goals**- by adopting a new structure and operating model to align the work of headquarters, regional offices and country offices, and eliminate duplication and fragmentation.
- **Harnessing the power of digital health and innovation**- by supporting countries to assess, integrate, regulate and maximize the opportunities of digital technologies and artificial intelligence, supported by a **new Department of Digital Health**.
- **Making WHO relevant in all countries**-by overhauling the Organization's capabilities to engage in strategic policy dialogue.
 - This work will be supported by a **new Division of Data, Analytics and Delivery** to significantly enhance the collection, storage, analysis and usage of data to drive policy change in countries.

TRIPLE BILLION TARGETS OF WHO





- This division will also track and strengthen the delivery of WHO's work by monitoring progress towards the "triple billion targets" and identifying roadblocks and solutions.
- **Investing in a dynamic and diverse workforce through new initiatives-** including the WHO Academy, streamlined recruitment process to cut hiring time in half, management trainings, etc.
- **Strengthening WHO's work to support countries in preventing and mitigating the impact of outbreaks and other health crises** by creating a new **Division of Emergency Preparedness**, as a complement to WHO's existing work on emergency response.
- **Reinforcing a corporate approach to resource mobilization aligned with strategic objectives** and driving new fundraising initiatives to diversify WHO's funding base, reduce its reliance on a small number of large donors and strengthen its long-term financial stability.

Significance of these reforms

- **WHO staff could become more attuned to local issues-** avoiding a repeat of the situation from the West Africa Ebola outbreak, when poor communication and relations between Geneva and the regional office for Africa and country offices led to a "botched" response.
- **Increase the WHO's technical capacities and capabilities-** Creating new departments focused on science, antimicrobial resistance and digital health will also broaden the WHO's range of expertise and keep up with the latest public health challenges and opportunities.
- **Help focus on the mission of WHO-** which does not have the capacity to do everything and has frequently found itself responding to situations rather than setting its own agenda. It may also encourage member states to provide additional resources if they have a better idea of where that money is going.

Way Forward

- **Need to coordinate with other global players-** as these reforms do not address how the organization should interact with major global health players like the Bill and Melinda Gates Foundation and Doctors Without Borders
- **Need to mobilize more resources-** WHO's current biennial budget is 4.42 billion, with overwhelming majority dictated by donors and their priorities, which leaves the organization limited control over the funding.

10.7. ARCTIC COUNCIL

Why in news?

Recently, India was re-elected as an Observer (first it became in 2013) to the Arctic Council.

About the Arctic Council

- It was established by the **eight Arctic States through the Ottawa Declaration of 1996**. These are— Canada, Denmark (including Greenland and the Faroe Islands), Finland, Iceland, Norway, Russia, Sweden and the United States.
- It is **not a formalized treaty-based international legal entity** and does not allocate resources.
- **Six organisations representing the indigenous people of the Arctic** region have also been granted the status of permanent participants in the Council.
- It is one of the leading intergovernmental forums, for discussing issues concerning the Arctic region, including **scientific research**, and **peaceful and sustainable use of resources** in the region.
- All decision-making happens through **consensus** between the permanent members.
- The Council **does not prohibit the commercial exploitation** of resources in the Arctic.

Arctic: Characteristics and Issues

- **Resource rich Arctic:**
 - Varied estimates suggest that the Arctic holds a significant portion of 30% of the world's undiscovered natural gas and 13% of its undiscovered oil reserves.
 - However, exploitation of the resources has been difficult because of the natural barriers created by **harsh weather conditions and difficult terrain**.
 - **Also**, the resources are unevenly distributed, for instance, the **Russian region is richer in gas reserves, while the Norwegian region has more oil resources**.

- **Scramble for Arctic:** As the various countries scramble for a share of its resources, it could give rise to conflict and tensions.
 - Recently, China has released its first **official Arctic policy white paper**, outlining its ambition for a **Polar Silk Road**.
 - There are existing disputes related to territorial claims between the region's coastal states, such as those between **Canada and Greenland, Russia and the US etc.**
- **Environmental hazards:** There is also the danger of extraction activities triggering negative consequences on the fragile Arctic ecosystem, such as oil spills, as was seen in the **1989 Exxon Valdez oil spill in Alaskan waters**. It will create the so-called '**Arctic-paradox**'. As routes open up because of climate change, the non-renewable resources previously inaccessible will then be extracted, and these activities in turn will contribute to further **global warming**.
- **Arctic not a Global Common:** There is a lack of overarching guidelines for how stakeholders can engage the Arctic's resources, akin to the **Antarctic Treaty of 1959** that limited the use of the Antarctic only for scientific and peaceful purposes and freed it from any territorial claims making the **Antarctic a global common**.
- **Ease of navigability triggered by ice-melt giving rise to new shipping routes:** The other area of potential disputes relates to the **opening of new shipping routes** (via Canada, US, Russia) owing to the melting Arctic ice. Advantages will be huge economic returns via:
 - shortening of journey time (40-percent shorter distances between Europe and East Asia.)
 - reduction of costs.
 - Free of piracy and terrorism thus more secure than the conventional sea lanes.
 - Estimates suggest that by 2025, **over 60 million tonnes of energy resources will be transported via the Northern Sea Route**, including coal and LNG.

India's ongoing efforts in terms of scientific research and investments in Arctic

- In the absence of an official Arctic policy, India's Arctic research objectives are centred on **ecological and environmental** aspects, with a focus on climate change. However, off late it has acquired strategic importance as well.
- The major objectives of the Indian Research in Arctic Region are:
 - To study the hypothesized tele-connections between the **Arctic climate and the Indian monsoon** by analysing the sediment and ice core records from the Arctic glaciers and the Arctic Ocean.
 - To **characterize sea ice in Arctic** using satellite data to estimate the effect of global warming in the northern polar region.
 - To conduct research on the **dynamics and mass budget of Arctic glaciers** focusing on the effect of glaciers on sea-level change.
- **Himadri**, India's only research station in the region opened in 2008.
- National Centre for Antarctic and Ocean Research was renamed as the **National Centre for Polar and Oceanic Research (NCPOR)** in 2018.
- **Norwegian Programme for Research Cooperation with India (INDNOR):** India and Norway's bilateral research cooperation.
- **NCPOR signed a contract with FESCO Transportation Group** for access to the icebreaker vessel which will be utilised both for general cargo deliveries to Antarctic stations and scientific activities in the Arctic region as India currently lacks a Polar-suitable vessel.
- **Economic endeavours:**
 - In the energy domain, India and Russia's top oil and gas companies have signed agreements and are cooperating on shared production projects and offshore exploration.
 - **India's ONGC (Videsh)** holds a 26-percent stake in Russia's Vankorneft project.

India's future role and contribution in the Arctic Region

- **Engagement in research and scientific activities:** It should also encourage **businesses and private parties to participate** in the multiple research avenues.
- **Sustainable development and Enhanced Cooperation:** India should collaborate with countries in the sharing of facilities and expertise, which will increase India's experience. For example: collaborating with China in the **field of climate change in the Himalayas**.
- **A Platform for Increasing India's Clout:** India's relative absence in Working Groups where other Observers are actively engaged displays India's underexploited potential in Arctic governance.
- **Collaboration to diversify the sources:** As India does have a growing demand for energy, procurement of Natural Gas or newer resources like **methane hydrates**, from the Arctic region in collaboration with countries, will diversify its energy imports.

10.8. G-20

Why in news?

Recently, the 14th G-20 summit was held in **Osaka, Japan**.

Background

- The G20 Summit on Financial Markets and the World Economy is held every year to discuss the critical issues affecting the global economy.
- The 2019 G20 Summit in Osaka discussed **eight themes** which are crucial to ensure Global Sustainable Development, that are **Global Economy; Trade and Investment; Innovation; Environment and Energy; Employment; Women's Empowerment; Development; and Health**

Important takeaways for India at G-20

- **Taxing global digital companies-** India has made a strong case for adoption of "**significant economic presence**" concept for taxing global digital companies.
 - India had introduced this concept in the Income Tax Act **for taxation of non-residents in India or global digital companies**.
- **Boycotting Osaka Track-** India, South Africa, and Indonesia have boycotted the "**Osaka Track**" on the "**digital economy**", as it overtly undermines "multilateral" principles of consensus-based decisions in global trade negotiations, and denies "policy space" for digital-industrialisation in developing countries.
 - It is an initiative launched by Japan's Prime Minister Shinzo Abe that **seeks the removal of prohibitions on data localisation** and urges nations to negotiate rules on data flows, cloud computing among others. Countries such as US and Europe have supported it.
- India has also supported the fight against **fugitive economic offenders**, need for **WTO reforms** and keeping a **close watch on global current account imbalances**.

Relevance of the G-20

- **Influence on the policies of the countries around the world-** It allows the leaders of the world's major economies to work together to lift growth in mutually-supportive ways and align their domestic policies to the decisions taken by the grouping across Ministerial level meetings and Summits.
 - It provides **good platform for emerging economies like India, China, Brazil, or Turkey** for addressing structural domestic problems of slowing stagnating industrial productivity, job creation, and deflating export prices that requires greater economic cooperation with countries in Europe, the US and Canada.
- **Helps in reshaping the governance of global finance-** as done by developing strict rules on the "too big to fail" problem, increasing the lending capacity of the International Monetary Fund (IMF) and collecting richer information on the shadow banking system.

Group of Twenty (G 20)

- It is an international forum for the governments and central bank governors from 19 countries and the European Union.
- The first G20 Summit was held in Berlin in December 1999 and was hosted by the finance ministers of Germany and Canada.
- It was formed **in 1999** to **discuss policies relating to financial stability**.
- Its agenda was expanded since 2008 including heads of governments / heads of states as well as finance ministers and foreign ministers
- It thus, brings important industrialized and developing countries to discuss important issues in the global economy.
- For the first time, **India will host the annual G-20 Summit in 2022**.



* The 20th group is the European Union, comprising 28 member countries

Globally, the G20 Represents:



- **Helps in strategic balancing among countries-** such platforms provide opportunities for countries to conduct various bilateral and plurilateral meetings such as JAI (Japan-America-India), RIC (Russia-India-China) which tries to address conflicting interests of various groupings on one platform.

Conclusion

As trade tensions escalate among major powers and global growth decelerates, the G-20 countries need to go an extra mile to **present a common framework to tackle global challenges.**

10.9. OIC MEET

Why in News?

Recently for the first time India's External Affairs Minister, attended the inaugural plenary of the 46th session of the Council of Foreign Ministers (CFM) of Organisation of Islamic Countries (OIC).

Background

- India was invited to attend the first summit of the OIC 50 years ago in 1969 in Morocco. But the Indian delegation had to return midway due to a withdrawal of the invitation after Pakistan's objection. It was a setback for Indian diplomacy.
- **In 2002**, it was Qatar that first proposed observer status for India at the OIC foreign ministers' meet but Pakistan had consistently blocked the move.
- **In 2018**, Bangladesh along with Turkey proposed restructuring of the charter of the Organisation of Islamic Cooperation to pave way for the inclusion of non-Muslim countries like India as an 'observer state'.
- The invitation is seen as a major triumph for Indian diplomacy and a major setback for Pakistan. It reflects recent boost in economic and security ties with West Asian nations.

About the Organisation of Islamic Cooperation (OIC)

- It is the **second largest inter-governmental organization** after the United Nations, established in 1969 with a membership of 57 states spread over **four continents**.
- The Organization is the collective voice of the Muslim world. Its administrative **headquarter** is in **Jeddah**, Saudi Arabia.
- It has permanent delegations to the United Nations and the European Union.
- It endeavors to safeguard and protect the interests of the Muslim world in the spirit of promoting international Peace and harmony among various people of the world.

46th Session of CFM of OIC

- **Theme of the meet:** "50 years of Islamic cooperation: The road map for prosperity and development,"
- It adopted the **"Abu Dhabi declaration"**.

"Abu Dhabi declaration":

- It was named **"Document on Human Fraternity for World Peace and Living Together"** and it seeks to encourage stronger relationships between people to promote coexistence among peoples and to confront extremism and its negative impacts.
- The OIC refrained from giving in to Pakistan's demands to include Kashmir issue in the final declaration.

Challenges faced by India in OIC

- **Presence of Pakistan:** Pakistan has always objected India's entry into the group, stating that any country wishing to get observer status should not be involved in any dispute with an OIC member state.
- **OIC's stance on Jammu and Kashmir:** It has been generally supportive of Pakistan's concerns over Jammu and Kashmir. With regards to this, the OIC has been issuing statements criticizing alleged atrocities and human rights violations in the state.
- **Position on Israel:** OIC condemns any arbitrary steps by Israel which undermine the international efforts to reach the two-states solution and achieve peace. Though traditionally, India has been a supporter of the two-State solution, its deepening relation with Israel can be a challenge.

Arguments in favour of India's membership at the OIC

- **Second largest Muslim Community:** Though India is neither a part of the Muslim world nor a Muslim majority state in statistical terms, yet it host the second largest community of Muslims in the world. Countries like Thailand and Russia are observer members, despite having a significant minority Muslim population.
- **West Asian Diaspora:** There are also some eight million Indians in West Asia, who contribute to these economies as well as cultural richness.
- **Co-operation in Strategic and economic matters:** Apart from a large diaspora, India is the third largest economy in the world and one of the biggest importers of hydrocarbons like gas and oil. West Asia and

India's growing economic and energy interdependence makes it difficult for the former to ignore the latter.

- **Countering Pakistan:** India's deepening ties with Islamic world could act as a bulwark to prevent Pakistan from using the secretariat and OIC forum for its own propaganda.

Conclusion

- For India to become a full member, **special concession** has to be invoked as in the case of other Muslim-minority states that became OIC members. However, **given the current state of relations between India and Pakistan** and the sensitivities of managing their own domestic public opinion, OIC members are **unlikely to offer India full membership**.
- On the other hand, Observer status **does not entail voting rights**, and Pakistan will continue to embarrass India by raising the J&K dispute in the OIC even if India had Observer status. Therefore, in the given circumstances, the best option would be for India to **continue to work with individual members** of the OIC to establish friendly relations and deepen bilateral cooperation, and work to **negate the designs of Pakistan** within the OIC ranks.

10.10. INTERNATIONAL CRIMINAL COURT

Why in news?

Recently, Malaysia signed the Instrument of Accession to the Rome Statute, becoming 123rd member state of International Criminal Court.

Relevance of ICC

- **Serve as catalyst for strengthening domestic legal action** in pursuit of justice and accountability for atrocities and international crimes.
- **Act as a court of last resort** with the capacity to prosecute individuals for genocide, crimes against humanity and war crimes, **when national jurisdictions for any reason are unable or unwilling to do so**.
- **Have made particular advances** in combating impunity in **relation to crimes against children and women**. Gender crimes were featured in the vast majority of ICC cases to date.
- **Creating nexus between justice and development** by setting up **Trust Fund for Victims**, which provides assistance to victims and their families to rebuild sustainable livelihoods.

Criticism against ICC

- The ICC has **no police force of its own to track down and arrest suspects**. Instead it relies on national police services to make arrests and seek their transfer to The Hague. **With member-countries refusing to cooperate in arrests, its efficiency is undermined**.
- **Flawed structure** – ICC can open cases on referral by UNSC. Given that **three of the five permanent members of UNSC (USA, China and Russia) are not members of ICC, yet they have the power to refer cases from other countries to the very same** organisation, shows the existence of double standard. Also, **the three powers can veto any indictment** allowing the crime and perpetrator to go unpunished.
- **Financial constraints** - Although the Court's budget has grown in the last years, **it has not grown to the same extent as its workload impacting its efficiency**. The absence of the US in particular makes funding of the court more expensive for others.
- **Limited membership** – A number of important Countries like US, Russia, China, India and others has not joined ICC citing concerns **regarding interference in internal affairs, threat to sovereignty and politically motivated or frivolous prosecutions**.
- **ICC has been criticised by African Union for its racist agenda and bias against African continent**. Since it began its operations in 2002, the Office of the Prosecutor has brought charges against 31 individuals and all of them are African.

International Criminal Court

- It is the first permanent, treaty-based, International criminal court, with jurisdiction to prosecute individuals for international crimes of genocide, crimes against Humanity, war crimes and crimes of aggression.
- Established in 2002 and governed by the Rome Statute, which was adopted in 1998.
- It has territorial jurisdiction over nations that are party to the Rome Statute or have accepted the court's jurisdiction.
- It is an **independent judicial body** distinct from the UN.
- It works in cooperation with UN, Reports annually to the UNGA and also hear cases referred to by UNSC.
- It is located in **The Hague, The Netherlands**.
- **India is not a member of ICC** (neither signed nor ratified).

Conclusion

In order for the court to fully realize its potential, it must **enhance its credibility with clear standards and goals, as well as successful indictments, prosecutions and convictions of heinous war criminals** in different parts of the world. Some steps that can be taken in this regard are:

- Rules must be laid by the ICC and the parties of the Rome Statute to ensure the full support of the states such as economic sanctions as consequence of disobedience of the treaty.
- A permanent policing force directly under the umbrella of the ICC.
- Courting the permanent members of UNSC to sign and ratify the treaty in order to receive more support and power, enabling the court to function properly.
- The indictment of war criminals in other parts of the world, the court must make it a priority to shed the claim of bias against African continent.

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11. MISCELLANEOUS

11.1. SOUTH-SOUTH COOPERATION

Why in news?

UN chief described India as a "valued supporter" of South-South cooperation and praised the India-UN Development Partnership Fund for "championing greater prosperity" for all through its myriad projects benefitting the least developed, landlocked and small island nations.

About South-South Cooperation

- South South Cooperation (SSC) is defined as the exchange and sharing of developmental solutions among countries in the global south.
- It is a methodology of development which facilitates the exchange of knowledge, experience, technology, investment, information and capacity between and among Southern countries through various agencies like governments, civil society organizations, etc. to accelerate all-round development.
- The formation of SSC can be traced to the Asian–African Conference that took place in Bandung, Indonesia, in 1955 which is also known as the Bandung Conference.
- It has emerged as a parallel mechanism to support the global quest for improved quality of life across the world with increasing need of assistance in the south and north's uncertainty in providing it.
- Lately, sustained economic growth in emerging economies has fueled a shift in the global center of gravity from the North to the South and the South began looking beyond the NorthSouth Cooperation (NSC) and Triangular Development Cooperation (TDC).

The **India-UN Development Partnership Fund (UNDPF)** is a dedicated facility within the United Nations Fund for South-South Cooperation established in 2017.

It supports Southern-owned and led, demand-driven, and transformational sustainable development projects across the developing world, with a focus on least developed countries and small island developing states.

United Nations Office for South-South Cooperation (UNOSSC), hosted by UNDP since 1974, was established by the UN General Assembly with a mandate to advocate for and coordinate South-South and triangular cooperation (collaboration and partnerships between South-SouthNorth countries) on a global and UN system-wide basis.

Significance of SSC

- In the past decade S-S trade and investment has expanded more quickly than N-S trade.
- Investors from the South often have important regional know-how, use appropriate technologies and prove more willing to take business risks in a difficult political environment.
- Further, the countries in the South have become an additional source of official development assistance (ODA), thus reducing dependence on north.

Challenges facing SSC

- **Weak institutional setup and framework:** Institutional framework is a big weak link in SSC. Many countries do not have a formal institutional set up for SSC and suffer from huge coordination and harmonization problems.
- **Lack of or insufficient capacity in project management**
- **Huge Diversity:** Owing to diverging development stages and different concerns, the South is no longer monolithic. One size fits all is not the correct approach and specific national conditions have to be taken into consideration.

Way forward

Last year at the IBSA Ministerial meeting, Foreign Ministers of India, Brazil and South Africa (IBSA) adopted a declaration to contribute to greater understanding of development and South-South Cooperation (SSC). The declaration calls for the following Principles and basis for South-South Cooperation:

- **SSC as a common endeavour of peoples and countries of the South:** It notes the shared histories, understanding and beliefs and developmental experiences of global south.
- **Developing Countries as developing Partners:** Developing countries engaged in SSC are not donors and recipients but developing partners.
- **Solidarity and the spirit of sharing** are the primary motivations for SSC.

- **Voluntary in nature:** SSC is voluntary in nature and not obligatory like Official Development Assistance (ODA).
- **Demand driven process:** Partner countries determine the priorities in the SSC projects. Primary responsibility towards development rests with the States themselves under their ownership and leadership.
- **Respect for national sovereignty** is at the core of SSC.
- **Complements North-South Cooperation:** South-South Cooperation serves as a complement to and not as a substitute for North-South cooperation, in supporting the acceleration of the development agenda. It calls upon the global North to honour its ODA commitments fully, scale up existing resources and commit additional resources to provide the necessary means to achieve the goals of the Paris Agreement on Climate Change as well as implementing SDGs.

Related News

Second High-level UN Conference on South-South Cooperation was held recently which marked the 40th anniversary of the **Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (BAPA+40)**.

What is BAPA?

- The Plan proposes a strategic and operational framework for Technical Cooperation among Developing Countries (TCDC).
- From a multidimensional perspective, it recognizes the different forms of cooperation (bilateral, regional, subregional, interregional and multilateral), and envisages the participation and support of diverse actors (developed countries and regional institutions, private sector and individuals) under the leadership of the States.
- The measures that need to be taken to promote and strengthen SSC are outlined, inter alia, in the following recommendations:
 - build knowledge and capabilities of countries to identify their TCDC potential, based on an analysis of national needs and capabilities to share with other developing countries;
 - foster the adoption of policies, legal and administrative frameworks and institutional arrangements conducive to their development;
 - strengthen national information systems and encourage training of human resources;
 - establish and strengthen national mechanisms for promoting cooperation between public sector, private sector and individuals;
 - expand bilateral arrangements and intensify SSC through long-term agreements, programs and projects;
 - strengthen the capacities of regional, subregional and interregional organizations to implement TCDC activities and projects;
 - permeate the United Nations system (UNS) with the spirit of TCDC so all its organizations play a prominent role as promoters; and
 - increase support from developed countries to this form of cooperation.

11.2. INDIA'S DEVELOPMENT PARTNERSHIP

Why in news?

India's development partnership assistance, extended to countries through concessional loans, has more than doubled in the past five years.

Background

- With the achievement of independence, Indian Foreign Policy was guided by the principles of **Panchsheel** and **South-South Cooperation**. India, despite being a poor country, with limited resources, displayed an internationalist responsibility to share its modest resources and capabilities with other developing countries.
- It was believed that India could share its experience in various domains and could also learn from the experience of other developing countries. India was itself a receiver of **Overseas Development Assistance** of major multilateral

Evolution of India's Development Partnership

Year	Programme
1949	Cultural Fellowships Established
1954	Indian Aid Mission (IAM)
1964	First Agreement for Periodic Review of development projects
1961	Economic and Coordination Division (ECD) in the Ministry of External Affairs
1964	Indian Technical and Economic Cooperation Programme (ITEC)
1994	Special Volunteers Programme (SPV)
2003	India Development Initiative (IDI)
2004	India Development and Economic Assistance Scheme (IDEAS)
2005	Development Partnership Division
2007	India International Development Cooperation Agency (IIDCA)
2012	Development Partnership Administration (DPA)

organisations, but did not see any contradiction in a receiver of aid and also share its modest capacities with other countries.

- India thus started its **development partnership** with other nations, covering development, humanitarian and technical assistance to countries in different parts of the world.
- It is being implemented by various ministries and institutions with the Ministry of External Affairs (MEA) as the leading ministry.

Snapshot of India's Development Assistance

- **Training and Capacity Building-** During 2017-18, 10,918 civilian training slots were offered under ITEC Programme to 161 partner countries in various areas such as Agriculture, Food and Fertilizers; Banking, Finance, Education etc. e.g. 150 bureaucrats from Ethiopia are receiving Indian training.
- **Line of Credits-** From 2005-06 to January 2019, 274 LOCs aggregating to **US\$ 26.79 billion** have been extended to 63 countries in various sectors.
- **Infrastructural Development-** some of the prominent ones being-
 - **Afghanistan-** Afghan Parliament, Salma Dam, Zaranj-Delaram highway project.
 - **Sri Lanka-** Refurbishment of the southern railway and from Colombo to Matara.
 - **Bhutan-** Hydropower projects like Punatsangchhu-I, Kholongchhu.
 - **Myanmar-** India-Myanmar friendship road, upgradation of Sittwe Port.
- **Deputation of Indian Experts-** As on November 2017, forty-nine experts in various fields were on deputation to partner countries in areas of Information and Communication Technology (I&CT), Coconut experts, English teachers and Ayurveda.
- **Study tours-** are undertaken at the specific request of ITEC partner countries.
- **Providing equipment-** like Dornier aircraft to Seychelles, helicopter to Maldives.
- **Humanitarian assistance-** like food items to Lesotho, Namibia; medical supplies to Zambia, Syria; building of houses in Nepal, Sri Lanka; NCERT books to Tanzania etc.
- **Aid for Disaster Relief-** like to Nepal after earthquake, even to Pakistan in 2010 when it faced floods.
- **Small Development Projects-** It is about low budget projects, which are demand driven and have participation of local population of that country. The Government of India has committed to various projects in countries like Afghanistan, Nepal, Bhutan, Suriname, Papua New Guinea etc.

Indian Technical and Economic Cooperation (ITEC) Programme

- It was instituted by a decision of the Indian Cabinet on 15 September 1964 as a bilateral programme of assistance of the Government of India.
- It is a demand-driven, response-oriented programme that focuses on addressing the needs of developing countries through innovative technological cooperation between India and the partnering nation.
- Under ITEC and its sister programme SCAAP (Special Commonwealth African Assistance Programme), 161 countries are invited to share in the Indian developmental experience acquired over six decades of India's existence as a free nation.

Successes of India's Development Partnership

- **Transformed into a foreign aid donor nation-** In the financial year 2015-16 India gave Rs. 7719.65 crores as aid whereas it received Rs. 2,144.77 crore in aid from foreign countries and global banks. India ranks above 11 of the 28 OECD donors (Organisation for Economic Co-operation and Development) and is one of the largest development partners in certain regions.
- **Commitment to Neighbourhood First-** Most of India's foreign aid over the past decade has been directed towards its neighbours. An analysis says that 84% of this \$1.6 billion Indian foreign aid is to be directed towards the South Asia, with Bhutan being allotted the largest share of 63% (\$981 million). This is in consonance with India's aspiring status as a regional power.
 - **African Outreach-** where India has contributed in a number of ways such as **Pan-African E-Network Project, TEAM-9 Initiative, etc**
- **Rise of India's Soft Power-** In the AidData's, **Listening to Leaders 2018 report**, India rose to 24th position on a ranking of the most influential development partners. India also outperformed China on the 2017 helpfulness ranking.

Development Partnership Administration (DPA) -

It is housed within the Ministry of External Affairs and is responsible for the overall management, coordination and administration of India's development partnerships.

Challenges faced

- **Lack of funds with Ministry of External Affairs-** The level of budgetary allocation towards the MEA has been criticized by several sources, including a parliamentary panel. Its corpus is smaller than that of Singapore and 2016-17 Union Budget committed less towards the Ministry than in the previous year.
- **Issues with the partner country-** including delays in statutory approvals and land acquisition, local protests (by environmentalists, vested interests and others), lack of necessary infrastructure and changes in the scope of the work.
- **Competition from China-** where China overtakes India in **capacity, finances** and military aid. E.g. to secure the oil fields in Africa. Also, India lags behind China in terms of **project completion and following timelines** as highlighted by the nations who are a part of the Belt and Road Initiative.
- **Lack of Global Linkages-** such as with China and other partners in African countries.

Significance

- **India characterizes such assistance as “development cooperation” and not foreign aid-** Unlike ODA, India does not posit a donor-recipient relationship; it sees assistance as a reflection of a mutually beneficial partnership. It is true that in recent years, the scale of such development cooperation has expanded, while ODA levels have either remained static or even declined.
- India’s development cooperation is based on the **priorities set by the partner country**, with projects determined on the basis of friendly consultations.
- **Acceptance of Responsibility-** In keeping with India's growing stature in international affairs, we must willingly assume greater responsibility in promoting development in other developing countries.
- **Countering China-** in its relentless efforts to compete with India for power and influence in South Asia.

Conclusion

- India is yet to develop robust institutions and networks to manage this new role, to be able to direct and deliver its development assistance and its function in global institutions in the manner that meets its own strategic interests and contributes to a sustainable global development agenda.
- A cue could be taken from the **German Development Assistance Programme**, which has a well laid out list of objectives under the **Coalition Treaty – ‘Shaping Germany’s Future’**.
- India is a key actor in this new global development landscape for not only the money it will contribute but also its influence in shaping future global development conversations and forging new southern alliances.

11.3. COMPREHENSIVE NUCLEAR TEST BAN TREATY

Why in news?

Recently, India has been invited to join Comprehensive Nuclear-Test-Ban Treaty Organisation (CTBTO) in the capacity of an observer.

Background

- It is a multilateral treaty that **bans all nuclear explosions**, for both civilian and military purposes, **in all environments**.
- Since the time it was opened for signature, India did not support the treaty based on its discriminatory nature.

More about CTBT and its architecture

- It was adopted by the United Nations General Assembly in 1996 and opened for signature. So far, **184 countries have signed the treaty and 168 of them have also ratified it** (most recently Ghana on 14 June 2011).
- The CTBT will come into force when all the **44 countries** which possess nuclear capability and research reactors agree to sign and ratify it. It was opened for signature in **1996** but is **yet to come into force** because **eight countries** have not signed or ratified it as yet. **India, North Korea and Pakistan** have neither signed nor ratified the treaty whereas China, Egypt, Iran, Israel and the United States have signed but have not ratified the treaty.
- In order to operationalize this treaty, some measures have been taken to build trust among the states, such as-
 - **The Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO)-** Established in 1997, it has been working towards bringing the Treaty into force, making preparations for effective implementation, in particular by establishing its verification regime and also operate the **IMS** in it.
 - **The CTBT verification regime-** to constantly monitors the planet for nuclear explosions and shares its findings with Member States. It consists of the- **International Monitoring System (IMS)-** a global network of sensors to detect possible nuclear explosions, **International Data Centre (IDC)** and **On-site inspections (OSI)**.

- The supporting organisation of the treaty, i.e. CTBTO has been trying to build trust with India and address its concerns which have restricted India from joining it.
- In this direction, the CTBTO has invited India to join as an observer, which will let India know what is going on this front and obtain benefits from its information without actually binding itself.

India's Stand on CTBT

India did not support the Comprehensive Nuclear Test Ban Treaty in 1996 and still does not due to following reasons:

- **Complete Nuclear Disarmament:** India's principled opposition drew from its emphasis on **universal and complete nuclear disarmament in a time-bound manner**. CTBT does not address complete disarmament.
- **Discriminatory in Nature:** UNSC permanent members have little marginal utility in testing further. They have already conducted nuclear tests and possess nuclear weapons. For India, CTBT would only act as hindrance for conducting nuclear test and developing their technology.
- **Entry into force clause:** Another major concern was Article XIV, the entry-into-force (EIF) clause, which India considered a violation of its right to voluntarily withhold participation in an international treaty. The treaty initially made ratification by states that were to be a part of the CTBT's International Monitoring System (IMS) mandatory for the treaty's EIF. Because of this, India withdrew its participation from the IMS.
- **Technological differences:** There is the possibility that those already possessing nuclear weapons can upgrade their arsenals through sub-critical and laboratory simulated testing which is not banned under CTBT.
- **No time frame mentioned** to dismantle existing nuclear weapons and is silent on complete nuclear disarmament. On the other hand, India is "committed to working towards a CTBT that will promote the goal of total nuclear disarmament".
- **Does not address India's security concerns-** as India faces threats from hostile neighbourhood. E.g. as a party to the CTBT, India would be waiving the possibility of testing and developing its own nuclear weapons whereas China would be able to retain its arsenal as per the NPT. This was compounded by the fear of nuclear collusion between China and Pakistan.
- **Would hinder India's strategic nuclear program development-** for scientific development and energy needs given its growing population and requirement of clean energy.

Benefits India can accrue by joining CTBT

- **Strategic Interests-** By joining CTBT, India can get easy entry to the Nuclear Supplier's Group as well as strengthen its claim to the UN Security Council.
- **May help end the nuclear race in Asia-** especially in the India's neighbourhood, as it may lead to a follow up by Pakistan too (Pakistan has already joined CTBT as an observer).
- **Gain access to data from the International Monitoring System-** which uses advanced technologies like hydroacoustics, infrasound, radionuclide and can help India in areas such as disaster management, plane crash sites, mining and exploration.
- **Become a part of international scientific community-** which comes together under the aegies of the CTBTO and help India tap into numerous scientific cooperation with the world.

India and Nuclear Disarmament

Nuclear disarmament is the act of reducing or eliminating nuclear weapons. India has always been a **proponent** of nuclear disarmament, however is against any form of **discrimination** among the states. Thus, India did not join the **Nuclear Non-proliferation Treaty (NPT)**, but has asserted its support in-

- **1954-** Indian PM became the **first head of state** to call for a **standstill agreement** proposing a ban on nuclear testing.
- **1965-** India advocated a strong non-discriminatory treaty banning nuclear proliferation. India was amongst the **Non-Aligned Eight in the Eighteen Nation Disarmament Committee (ENDC)**
- **1988-** India proposed a comprehensive proposal for "**complete and universal nuclear disarmament**" to the United Nations.
- **1996-** India as a part of the "**Group of 21**", submitted a **Programme of Action** calling for "phased elimination of nuclear weapons" to the **Conference of Disarmament**.
- **1998-** India first adopted a "**No first use**" of nuclear weapons policy after its second nuclear tests, Pokhran-II. India has also adopted that it will not use nuclear weapons against a non-nuclear weapon state.
- **1999-** In its **Draft Nuclear Doctrine**, India stated that a "global, verifiable, and non-discriminatory nuclear disarmament is a **national security objective**."
- **2015-** at the **Conference on Disarmament (Geneva)** India stated that non-discriminatory, multilateral agreements to increase restraints on the use of nuclear weapons will lead to their eventual elimination.

India's stand on other treaties

- India had played an important role in building international momentum for the **1963 Limited Test Ban Treaty**, which India joined. This treaty significantly reduced global levels of fallout, but did little to constrain the nuclear arms race.
- The Indo-US nuclear deal reversed the US ban and facilitated cooperation in the civil nuclear energy field. India reciprocated by committing to separate its civil and military facilities, **placing all its civil nuclear facilities under International Atomic Energy Agency (IAEA) safeguards**, working with the US for the conclusion of an Fissile Material Cut-off Treaty (FMCT) and continuing its voluntary moratorium on nuclear testing.
- India had ruled out the possibility of joining the **Non-Proliferation Treaty (NPT)** as a non-nuclear weapon state but it remains “committed” to a **unilateral voluntary moratorium on nuclear explosive testing**.
- India did not participate in the negotiations on a **Treaty on the Prohibition of Nuclear Weapons** which was concluded in New York on 7 July 2017 quoting that India maintains the **Geneva-based Conference on Disarmament (CD)** as a single multilateral disarmament negotiation forum.

Conclusion

- India believes its security would be enhanced, not diminished, in a **world free of nuclear weapons**. With the changing geopolitics, India can reacquaint itself with today's global nuclear test ban, while making an important contribution to the **multilateral verification regime under the CTBTO**.
- Taking initial steps such as observer status can help India take an informed decision on joining as well as negotiate with other countries to develop a CTBT that would enjoin equal obligations and responsibilities on all Nuclear Weapon States.
- At the same time, India has adhered to the fundamental obligation of the CTBT. Its **voluntary commitment and restraint** were meant to convince the international community of the need for meaningful negotiations to implement a more equitable CTBT and persevere towards global nuclear disarmament.

11.4. EXTRADITION

Why in News?

Recently, UK Court ordered the **extradition of fugitive** Vijay Mallya to India to face fraud charges resulting from the collapse of his defunct Kingfisher Airlines.

Background

- **Increasing Absconding:** Globalisation and increased interconnectivity poses significant hurdles to bring high profile cases to justice, as, it has become relatively easier for offenders in India to escape to foreign countries and evade arrest and prosecution in the country.
- **Low Extradition Success:** India's success rate in extraditing fugitives is abysmally low i.e only one in every three fugitives are being successfully extradited to India.

Significance of Extradition

- **For Serving Justice:** Bringing back offenders from foreign countries is essential for providing timely justice and grievance redressal.
- **Deterrence to Future Absconding:** It serves as a deterrent against offenders who consider escape as an easy way to subvert India's justice system.
- **National Security and Safety:** Extradition of person responsible for terror and criminal activity, will create an environment of Justice and sense of Justice in the people of country.
- **Economic Growth:** Bringing Economic fugitives back, could improve the health of financial institution of India and tackling NPA crisis.

Challenges for India

- **No treaty:** India has a **fewer number of bilateral extradition treaties** compared to other countries and of particular concern is the fact that India does not have extradition treaties with several neighbouring states, such as China, Pakistan, Myanmar and Afghanistan. Eg: India don't have treaty with Antigua and Barbuda, which delays the extradition of Mehul Choksi.

- **Crimes under Treaty:** Extradition is generally limited to crimes identified in the treaty which may vary in relation to one State from another, as provided by the treaty.
- **Overburdening CBI:** Multiple extradition cases such as those related to money laundering, terrorism and economic offences, are either taken up by the CBI or sent to the CBI, by the state police, for investigation. The CBI was created to deal with corruption cases, and is understaffed to take up larger cases involving extradition.
- **Double Jeopardy Clause:** It debars punishment for the same crime twice. It's the primary reason for India's failure to extradite David Headley from the US.
- **Human Right Issues:** UK and other European countries have often denied extradition requests on the possibility that the requested person will be subject to poor conditions or custodial violence in India's prisons. Indeed, overcrowding, crumbling infrastructure, poor sanitary conditions and lack of basic amenities, among others, all contribute to making Indian prisons less of places for rehabilitation and mostly for punishment.
- **Absence of Anti torture legislation:** It has resulted in difficulty to secure extraditions because there is a fear within the international community that the accused persons would be subject to torture in India. For e.g. Denmark denied extradition of Kim Davy in Purulia Arms case due to risk of "torture or other inhuman treatment" in India.
- **Diplomacy, Bilateral relations and Domestic politics:** Extradition process depends on bilateral relations and the opportune use of diplomacy and negotiations to push for the process by the requested country.

Way Forward

- **Enhancing Bilateral Relation:** Leveraging diplomacy and bilateral negotiations to persuade countries to process requests expeditiously. In return, India should on the basis of reciprocity and comity process, expedite extradition requests received from foreign states swiftly and efficiently.
- **Sign More Extradition Treaties:** India has extradition treaties with 47 countries, but till date has managed to get only 62 accused extradited.
- **Effective Preventive Law and Policy measures:** It can deter the escape of offenders, like Fugitive Economic Offenders Bill, 2018, signifies the government's efforts to shift its focus to preventive, ex ante legal mechanisms.
- **Expedite Prison Reform** to dispel concerns regarding poor prison conditions and potential human rights violations of the requested person.
 - India may ratify the **UN Convention Against Torture (1984)** (already signed by India) to establish India's zero tolerance towards torture and custodial violence.

What is Extradition?

- Extradition is the delivery on the part of one State to another of those whom it is desired to deal with for crimes of which they have been accused or convicted and are justifiable in the Courts of the other State
- Extradition Act 1962 provides India's legislative basis for extradition.

Extradition Treaties: Extradition treaties help provide a defined legal framework for the return of fugitives between countries.

- **Section 2(d) of Extradition Act 1962** defines an 'Extradition Treaty' as a Treaty, Agreement or Arrangement made by India with a Foreign State, relating to the Extradition of fugitive criminals and includes any treaty, agreement or arrangement relating to the Extradition of fugitive criminals.
 - **General Conditions of Extradition**
 - **Principle Of Extraditable Offences** lays down that extradition applies only with respect to offences clearly stipulated as such in the treaty.
 - **Principle Of Dual Criminality** requires that the offence for which the extradition is sought be an offence under the national laws of the extradition requesting country as well as of the requested country.
 - **Rule of Specificity:** The extradited person must be proceeded against only against the offence for which his extradition was requested.
 - **Free & Fair Trial:** He must be accorded a fair trial (part of international human rights law now). Judiciary and other legal authorities are likely to apply these principles equally to situations where no extradition treaty exists.
 - **Nodal authority for Extradition in India:** Ministry of External Affairs, Government of India is the Central/Nodal Authority that administers the Extradition Act and it processes incoming and outgoing Extradition Requests.
- Difference Between Extradition and other process**
- **In deportation,** a person is ordered to leave a country and is not allowed to return to that country.
 - **In exclusion,** a person is prohibited from staying in a particular part of a sovereign state.
 - Deportation and Exclusion are **non-consensual orders** that do not require a treaty obligation. Deportation is governed by the **Foreigners Act, 1946.**

- **Addressing investigational delays:** To improve the capacity and organisational efficiencies of law enforcement agencies so that they may conduct speedy investigation in these cases
- **Adopt the Good Practices:** Like by placing suitable organisational mechanisms to familiarise itself with laws and regulations of treaty states. It will also help in improving the synergy between the MEA and law enforcement agencies.
- **Setting up a Separate Cell:** This will help to provide expert legal advice and assistance on drafting, certification and translation of evidence, will help mitigate the possibility of rejection of requests.

11.5. DRAFT EMIGRATION BILL

Why in News?

The Ministry of External Affairs has proposed for introduction of the Emigration Bill, 2019 in Parliament that will replace the existing Emigration Act, 1983.

Background

- The extant legislative framework for all matters related to emigration of Indian nationals is **prescribed by the Emigration Act 1983**.
- It was enacted in a specific context of **largescale emigration of Indian workers to the Gulf region**. It has its intrinsic limitations while addressing the contemporary migration trends.

Need of the new Act

- The **limitations of Emigration Act, 1983** are at times manifested in sub-optimal utilization of existing resources, delays in prosecution of illegal agents, lack of legislative provisions in working out effective framework for various programmes aimed at welfare and protection of migrant workers.
- Further, over the years, the **nature, pattern, directions and volume of migration have undergone a paradigm shift**. The large scale migration of our skilled professionals to developed countries, students pursuing higher studies abroad etc. are some of the salient developments.

Salient features of the bill

- **Emigration Management Authority (EMA):** The Bill proposes to constitute a multi ministry EMA to ensure the overall welfare and protection of emigrants.
- **Bureau of Emigration Policy and Planning & Bureau of Emigration Administration:** These Bureaus will take care of day to day operational matters and will be responsible for all emigration related issues as well as welfare and protection of Indian nationals abroad.
- **Registration/Intimation:** The Bill makes mandatory registration/intimation of all categories of Indian nationals proceeding for overseas employment as well as students pursuing higher studies abroad. The ministry envisages a digital platform for doing this to keep the emigration process hassle-free.

Issues faced by Indian Migrant Workers

- **Lack of migration policy and data:** This affects India's ability to use the potential offered by Indians in the international labour market.
- **Recruitment stage problems:** The recruitment agencies of sending and receiving countries deceive the migrants by overpricing visas, incomplete information of the contract period, salary, overtime and related details. The problem of unauthorized recruitment agents has also increased.
- **Lack of skill development:** It is a major hindrance in finding overseas employment. There are five core elements in preparing the workforce for global mobility including: (i) alignment of qualifications with global standards, (ii) infrastructure development, (iii) credible assessment and certification framework, (iv) pre-departure orientation, and (v) job linkage.
- **Minimum Referral wages:** The government has fixed minimum referral wages to regulate wages of Indian workers employed in the Emigration Check Required countries (those that require emigration clearance from the office of the Protector of Emigrants). These wages have not kept pace with economic changes in the destination countries.
- **Problems in crisis/emergency situations:** During emergency situations the Indian government has so far not institutionalized any permanent mechanism with host countries to evacuate its workers.
- **Workers falling into wrong hands:** Majority of Indian migrants are illiterate and blue collar workers. With such a background, they can be susceptible to the inducement of extremist groups.
- **No rehabilitation policy:** Currently we don't have a rehabilitation policy to help the return emigrants to use their enhanced skilled at the place of destination.
- **Inhuman Living Conditions:** Irregular emigrant workers in the Gulf often are trapped in horrible living and working conditions denied justice and their basic rights.
- **Gender and migration:** There is an urgent need for a gender-sensitive migration policy which should be based on the larger objective of not only protecting but also empowering women.

- **Registration of recruitment agencies and student enrolment agencies** has been made mandatory. Sub-agents working with recruitment agencies have also been brought under the ambit of proposed Bill and it incorporates provision for **rating of Recruitment Agents and student Enrolment Agencies**.
- **Welfare and Protection:** The Bill has comprehensive provisions including insurance, pre-departure orientation, skill up gradation, legal assistance, Migrant Resource Centres, Help Desks, etc.
- **Offences and Penalties:** It takes into account the **increasing incidents of human trafficking, illegal recruitment, illicit trafficking of drugs**, harbouring offenders under the garb of recruitment and those offering emigration services without due process. Besides, it proposes to provide for stringent **punishment for offences against women and children**.

Government initiatives for the Welfare of Overseas Indians

- **MADAD Portal:** It is an **online grievances monitoring** system launched by the Ministry of External Affairs (MEA) in 2015. The e-portal provides Indian citizens living abroad an online platform in which they can **file consular grievances** to the Indian government.
- **Overseas Workers Resource Centre:** A 24x7 toll-free helpline has been set up in Delhi to enable emigrants/ prospective emigrants to seek information and file complaints against Recruiting Agents/ Foreign Employers.
- **Pravasi Bharatiya Bima Yojana, 2017:** It is a **mandatory insurance scheme** aimed at safeguarding the interests of Indian emigrant workers falling under Emigration Check Required (ECR) category going for overseas employment to ECR countries.
- **Indian Community Welfare Fund (ICWF):** It is aimed at assisting Overseas Indian nationals in times of distress and emergency in the 'most deserving cases'.
- **Indian Workers Resource Centre** has been opened in host countries to serve as a one stop service outlet for the information and assistance needs of emigrants.
- **The Mahatma Gandhi Suraksha Pravasi Yojana (MGPSY)**, a voluntary scheme with the objective of protection and welfare of the emigrant workers and to address their social security issues in ECR countries.

11.6. SPACE DIPLOMACY

Why in News?

As part of its space diplomacy, India will set up five ground stations and more than 500 terminals in five neighboring countries – Bhutan, Nepal, Maldives, Bangladesh and Sri Lanka.

More on news

- The infrastructure is being created as an extension of the **South Asia Satellite** launched in 2017.
- It will help put in place **applications** ranging from television broadcasting to telephony and internet, disaster management and tele-medicine.
- This move also helps India in putting our **strategic assets** in the neighborhood.

What is Space Diplomacy?

- **Space Diplomacy** is the art and practice of using space to conduct International Relations and furthering National Interest.
- Space has emerged as **new arena for competition and cooperation** for global powers to compete and establish supremacy. Space technology being highly complex gives any nation international recognition, status and projects its soft-power.

Indian initiatives in Space Diplomacy

- India has also allowed SAARC countries to use its regional positioning system **NAVIC**.
- India has also **collaborated with other countries**, example- NISAR.
- India collaborated with NASA during its **Chandrayan Mission** which found water on the moon.
- Data from Indian satellites is frequently shared with friendly countries for astronomical research which furthers goodwill and enhances relations.
- The ISRO Telemetry, Tracking and Command Network (ISTRAC) operates three international stations in **Brunei, Indonesia** and **Mauritius**.
- The ISRO also established the **India-Myanmar Friendship Centre** for Remote Sensing in 2001
- **South Asia Satellite or GSAT-9** is a Geostationary Communication satellite launched by ISRO to provide various communication applications over South Asian countries. Some other applications include: Tele-medicine, Disaster Management, Banking, e-governance etc.
- The inaugural **India-Japan Space Dialogue** was held in New Delhi on March 08, 2019.

Space as a tool in Indian foreign policy

- **Furthering Neighborhood First Policy:** The South Asian satellite is in line with India's neighborhood first policy.
- **Enhancing Soft-Power of India:** India's ISRO provides a cheaper alternative to developing nations to launch satellites compared to the American or European counterparts, thus bringing them closer to India.
- **New Area of Cooperation:** Space opens up new area of cooperation between India and other states which would further enhance bilateral relations with those countries.

Concerns associated with space diplomacy

- **Lack of legal agreements:** Space is one of the areas where few or no International treaties exist for its peaceful use. United Nations Office for Outer Space Affairs works to promote peaceful use of outer space but there are no binding agreements like NPT or CTBT to prevent weaponization of space.
- **Perpetuates Global inequality between Nations:** Because only a few nations have space technology, it makes other underdeveloped and developing nations dependent on developed nations to make use of space.
- **Space-weaponization:** Weaponization of space may become a new tool in the hands of nations in the future as a part of their space diplomacy. The space-weapons could be hundred times more lethal than current weapons and have a potential to wipe-out humanity.

Related Bodies

The United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) is the forum for the development of international space law. The Committee has concluded five international treaties:

- **The "Outer Space Treaty"** which regulates activities of States in the Exploration and Use of Outer Space.
- **The "Rescue Agreement":** on the Rescue of Astronauts, the Return of Astronauts and the Return of Objects Launched into Outer Space.
- **The "Liability Convention":** Convention on International Liability for Damage Caused by Space Objects.
- **The "Registration Convention":** Convention on Registration of Objects Launched into Outer Space.
- **The "Moon Agreement":** which governs the Activities of States on the Moon and Other Celestial Bodies.

United Nations Office for Outer Space Affairs (UNOOSA)

- It serves as the secretariat for Committee on the Peaceful Uses of Outer Space (COPUOS).
- It is also responsible for implementing the Secretary-General's responsibilities under international space law and maintaining the United Nations Register of Objects Launched into Outer Space.

Asia-Pacific Space Cooperation Organization (APSCO)

- It is an inter-governmental organization operated as a non-profit independent body with full international legal status.
- It is headquartered in Beijing, **China**.
- Members include space agencies from: **Bangladesh, China, Iran, Mongolia, Pakistan, Peru and Thailand, and Turkey**.
- **Indonesia is a signatory state and Mexico as observer state**
- It includes sharing data, establishing a space communication network, and tracking space objects.
- India should consider forming an organization like this.

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