

# INTERNATIONAL RELATIONS



**Classroom Study Material 2022**

( September 2021- to June 2022 )



# INTERNATIONAL RELATIONS

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### Previous Year Question

A reference sheet of syllabus-wise segregated previous year questions from 2013-2021 (for the International Relations Section) has been provided. In conjunction with the document, it will help in understanding the demand of the exam and developing a thought process for writing good answers.



# A NOTE FOR THE STUDENTS

Dear Students,

- Precision of content in good answer is no longer a dispensable luxury, but a simple necessity. And the preparation to write a precise answer starts well before one picks up a pen and starts to formulate the answer. A good understanding of the topic asked along-with a ready set of data and examples assists one in approaching the most difficult of the questions.
- This is further assisted by a good presentation style, which depicts the information in an easy-to-understand manner.



In this context, we made few changes to the Mains 365 documents last year, which included

## Topic at glance:

which gave a comprehensive view of the topic, connecting the current and static aspects along-with providing necessary data and facts.

## Infographics:

Designed in a manner that they can be readily used in the answers

## Previous years questions:

A QR code linked syllabus wise segregated list of previous years questions was added.

Along-with these, this year we have made few more additions to help you revise the topics and approach answers in a precise manner, these include:

have been designed and added in the articles to help you identify and revise the important datasets of the topics.



## Appendix:

An appendix of key data and facts has been added at the end of the document to facilitate quick revision.

A QR code linked list of relevant Weekly focus documents has been added in the end of the document to ensure easiness in approaching these topics.



We hope that these additions will help you not only developing a comprehensive understanding of the topics but also provide the necessary inputs to write effective and well-presented answers.

**Knowing is not enough: we must apply. Willing is not enough: we must do.**

-Johann Wolfgang von Goethe

All the best!  
Team VisionIAS





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# 1. INDIA AND ITS NEIGHBOURHOOD RELATIONS

## 1.1. INDIA-CHINA

### RISING CHINA AT A GLANCE

China's rise as an economic, technological, military, and political powerhouse has resulted in a tectonic shift in the power balance. There is an ongoing discussion that China is emerging as a new superpower and replacing the US from the global power structure.



#### Facets of China's rise

- ➔ **Economic Rise:** China's GDP reached US\$17.7 trillion, and it is estimated that it **will surpass the US by 2028**.
  - China was the **only major economy to have avoided a contraction during the COVID pandemic**.
- ➔ **Technological Rise:** China is **driving technological innovations in emerging areas** such as A.I., robotics, space technology etc.
- ➔ **Military Rise:** China's **defense expenditure has rapidly increased over the years** and it is now the second largest military spender in the world.
- ➔ **Geo-strategic Rise:** China now has presence across the continents through its Belt and Road initiative (BRI).
- ➔ **Rise as a political powerhouse:** China has also **created quasi-institutional initiatives** such as the Asian Infrastructure Investment Bank, thereby **assuming a bigger role on the multilateral stage**.
- ➔ **Rise as an overseas influencer:** China's interest in sectors such as energy, transport, information and digital technology,



#### Global Implications

- ➔ **Altering Global order** with US hegemony likely to give way to a bipolar or multipolar world.
- ➔ **Recurrence of war like situations:** Weak response by US- Europe in the present Russia-Ukraine war situation will embolden China to undertake a military takeover of the Taiwan.
- ➔ **US-China rivalry and its widespread implication in financial markets or to combat climate change.**
- ➔ **China became an inevitable trade partner:** Australia has joined the RCEP despite its differences with China.
- ➔ **Increased deployment of military in vital Sea Lanes of Communications (SLoCs) like in South China Sea**
- ➔ **Impending threat of arms race:** For instance, Japan and South Korea have significantly increased defense expenditures due to their tense relations with China.
- ➔ **Economic implications** under China's BRI has landed recipient nations like Sri Lanka in a debt trap.



#### Implications for India

- ➔ **Potential to escalate and destabilise the Indo-Pacific region** as China has territorial disputes with many nations in the region.
- ➔ **Security of the borders:** An assertive China is unlikely to seek an early settlement of the ongoing border dispute with India.
- ➔ **China's support to Pakistan under CPEC**
- ➔ **India's dependency on China** from electrical machinery and appliances to pharmaceutical drug API.
- ➔ **Dilemma for India:** whether to be more aggressive in positioning itself as a balancer to China in Southeast Asia and Central Asia as an economic partner or to follow the status quo.
- ➔ **Dominance at Multilateral Platforms like WHO, WTO, BRICS, RIC, and SCO** is inimical to India's interest.
- ➔ **China's capacity to influence India's smaller neighbours.**



#### Way Forward for India

- ➔ **Concentrate on self-strengthening** to fully seize the opportunity to become an alternative destination for manufacturing as well as to reduce India's economic dependence on China.
- ➔ **Safeguarding the foundational sources of India's international influence** by integrating economically with neighbours, and reinvigorating regional institutions.
- ➔ **Balancing politics in Asia:** India can work with countries like US, Japan in the form of '**minilaterals**' who, as external balancers, share some Indian concerns about Chinese behaviour and could help to change or mitigate it.

*India must not allow an obsession with China to distract itself from the main goal of its national strategy: the transformation of India. As China persists with its increasingly assertive and nationalist course in the decade ahead, India must use a combination of engagement and competition .*



# INDIA-CHINA ECONOMIC TIES AT A GLANCE

India-China economic relations constitute an important element of the Strategic and Cooperative Partnership between the two countries. However, India has a huge dependency on China which negatively affects India's interests. Amid the ongoing border standoff between India and China, there has been nationwide call for ban on Chinese goods. This calls for attention towards extent of India's Economic engagement with China.

## Nature and Extent of Dependency



### Reasons for India's dependency on China

- ⊖ **Low share of manufacturing in GDP** vis-à-vis domestic needs.
- ⊖ **Liberalised trade and FDI regime.**
- ⊖ **Highly competitive Chinese goods** in comparison to domestic products (in terms of price, utility, design etc.)
- ⊖ **Ineffectiveness of trade remedial measures and enforcement.**
- ⊖ **Absence of quality control** and standardisation of products in domestic market.



### Steps to Restrict Chinese Imports in India

- ⊖ **Production Linked Incentive (PLI) scheme** to boost domestic manufacturing under AtmaNirbhar Bharat program.
- ⊖ **Use of free trade agreements (FTAs)** with other trading partners.
- ⊖ **Changed FDI Policy**
- ⊖ **Anti-dumping duties**
- ⊖ **Barring Chinese firms from bidding** for public procurement of goods and services on the ground of national security.
- ⊖ **Banning Chinese mobile apps** citing security and public order concerns.



### Way Forward

- ⊖ **Rethinking Trade Strategy** by focusing on gradual phasing out of Chinese imports and making India self reliant.
- ⊖ **Changing the pattern of engagement for a more diverse dialogue engagement-** Utilising platforms like Joint Group on Economic Relations, Science and Technology (JEG) setup in 1988 or Strategic economic dialogue (SED) established in 2010.
- ⊖ **Striking balance** between creating an investment friendly environment and safeguarding of security and privacy.
- ⊖ **Adequate funding of startups.**
- ⊖ **Promoting Economic Paradiplomacy** i.e giving states more autonomy to pursue their engagement with Chinese provinces



### Impact on India's domestic industry

- ⊖ Chinese imported goods are labour intensive and **negatively affect domestic employment.**
- ⊖ Chinese products dominate the unorganised retail thus **affecting MSME Sector.**
- ⊖ **Increases fragility of supply chains** as seen during COVID pandemic
- ⊖ **Threatens viability of price sensitive industries** like solar industry.
- ⊖ Poor quality Chinese products have **negative impact on human health and local environment.**



### Challenges in boycotting China

- ⊖ Artificially reducing trade deficit **will undermine efficiency and come at a cost of consumer's benefits.**
- ⊖ **Will hurt the Indian poor consumers the most** who are the most price-sensitive
- ⊖ **Will impact Indian exporters and producers** as more than 50% of India's imports from China are either capital or intermediate goods.
- ⊖ **Will barely hurt China** as China's exports to India are just 3% of China's total exports.
- ⊖ **India may lose its policy credibility** vis-s-vis other foreign investors.

*For eroding China's economic influence in the long-term, India must move forward in the direction of call for Atmanirbhar Bharat, build trading ties with other Asian powers and raise its export competitiveness.*



### 1.1.1. CHINA'S LAND BORDER LAW

#### Why in News?

China's new law on land borders has come into effect from 1<sup>st</sup> January, 2022.

#### About the Land Borders Law

- It designates the responsibilities of various agencies in China, from the military to local authorities, in guarding the frontiers.
- China shares its land boundary with 14 countries including India, third longest after Mongolia and Russia.
  - With India and Bhutan China is yet to finalise the border agreements.

#### India's Concerns against the new law

- India described new law as matter of concern as it can affect existing bilateral pacts on the management of the border and the overall boundary question.
- Law could formalize some of China's recent action in disputed regions with India and Bhutan.
- There is also the possibility of China limiting the water flow in the Brahmaputra or Yarlung Zangbo river as the law calls for measures to protect the stability of cross-border rivers and lakes.
- China might endeavour to prevent India's infrastructure development using military and diplomatic coercion under the umbrella of the new law.

#### Disputed border with China

- Border is not clearly demarcated throughout and there is no mutually agreed Line of Actual Control (LAC).
  - LAC is divided into three sectors: Western sector (Ladakh), Middle Sector (Himachal Pradesh and Uttarakhand) and Eastern Sector (Arunachal Pradesh and Sikkim).
- India's consistent and principled position is that Arunachal Pradesh and the entire UTs of J&K and Ladakh have been, are and shall be an integral part of India.
- Possible impact of unresolved border dispute on India
  - **Economic fallout:** Chinese companies have made into certain sensitive Indian economic sectors.
  - **China's growing alliance with Pakistan:** Through investments (e.g. CPEC), and supporting Pakistan on various issues like on Kashmir in UNSC, on terrorism, on NSG etc. has emboldened Pakistan to continue its policy of asymmetric warfare against India.
  - **Strengthening alliances:** India can work towards strengthening its partnership with all major powers, including the US, Europe, Japan and Russia, and enhancing its own standing in the great power constellation.
  - **Impact on Perceptions:** Indian public sentiment on China, already turning sour due to the pandemic, is further deteriorating. Among other things, this has resulted in calls to boycott Chinese products, partners and sponsors.

#### China's Current border standoff with India

- Recently, India and China held the 16th round of talks (after a gap of 4 months) to revive the stalled process of disengagement and de-escalation in Eastern Ladakh.
- The ongoing standoff began when Chinese soldiers crossed the LAC around the Galwan River valley (Eastern Ladakh) during May 2020 leading to high levels of tension between India and China.
- 15 rounds of discussion have already taken place and the two countries have withdrawn the front-line troops from the north and south banks of Pangong Lake and at Gogra Post but have been unable to withdraw troops at other friction points- Patrolling Point-15, Demchok and Depsang.

#### Related news

##### China's new maritime law comes into force

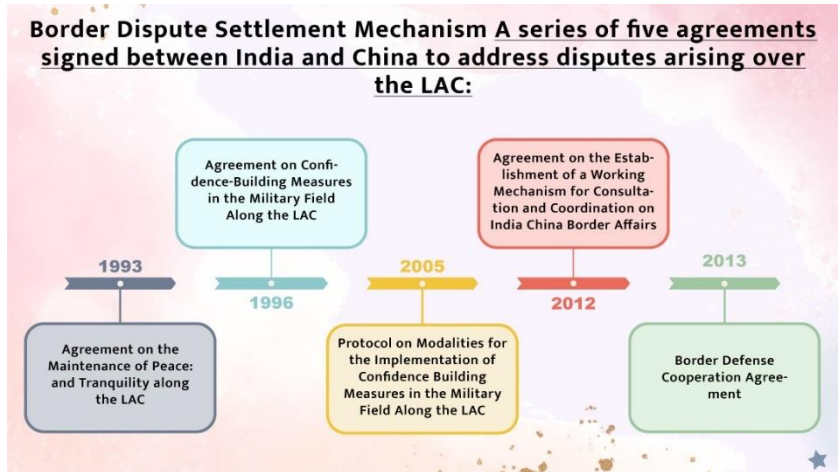
- As per this law, foreign vessels will have to submit details to Chinese authorities when transiting through its 'territorial waters'.
  - This claim is contested by its neighbours in the region and by US.
  - The waters around China are hotly contested. Under a "nine-dash line" map, China claims most of the South China Sea (SCS) as its sovereign territory.





**Reasons for unresolved border dispute**

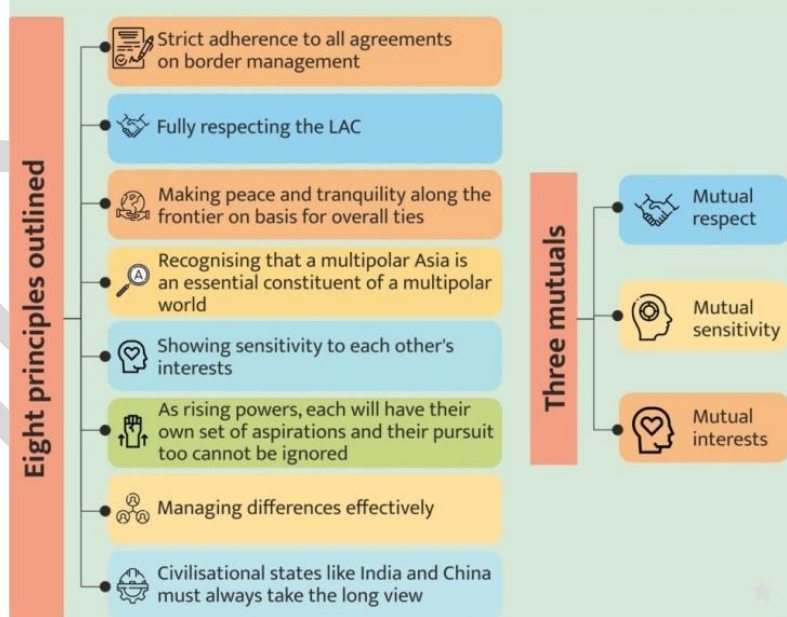
- **Resourceful/strategic sections:** Ladakh is valuable to India as it helps supply freshwater, geothermal resources and as it connects the Chinese Xinjiang province with western Tibet, Ladakh is also of great significance to China.
- **Growing power imbalance with China:** China, with an economy five times the size of India's, is also investing heavily in the region, countering Indian influence.
- **Perceived threat from India's geopolitical interests:** India's **Neighbourhood First policy**, closer ties with the United States and its allies and growing influence in the Indian Ocean region were perceived negatively in China.
- **Growing Power imbalance:** India sees itself as the net security provider in South Asia and Indian Ocean Region, and China is challenging India's position, especially with CPEC, and also with its investments and growing relationship with India's neighbours.



**Way forward**

- **Better understanding of each other's regional initiatives** through open dialogue is important to build trust.
  - The Indo-Pacific vision is as much a developmental necessity for India as the BRI may be to China.
- **Mutually demilitarising the armed forces deployed** by both countries.
- **A balanced trade and economic relationship.**
- **Acknowledgment of India's multilateral aspirations** by China can allow both to collaborate on emerging issues like climate change.
- **Accommodate the legitimate interests on key partnerships:** China's with Pakistan and India's with the United States.

**Eight broad principles and three mutuals for India and China**



**1.2. 1971 INDO-PAK WAR AND ITS IMPACT**

**Why in News?**

Commemorating 50 years of India's victory in 1971 war, the nation paid tribute to the brave Indian soldiers for their sacrifice which ensured victory in the war.

**What was the context behind the war?**

- The **Indian subcontinent** represents a **geographically unique** region with long shared **ethnic, linguistic, cultural, and historical ties**, especially with immediate neighbors.



- E.g. Nepal with UP-Bihar, Bangladesh with West Bengal-Assam, present day Pakistan with bordering Indian states etc.
- Under the '**Partition of India**', the territory of Pakistan was divided into two distinct geographies, i.e. **West Pakistan** (now **Pakistan**) and **East Pakistan** (now **Bangladesh**).
- With West Pakistan's dominance over institutions such as Parliament, Judiciary etc., the people of East Pakistan soon started to face **injustice and suppression** on various fronts such as-
  - **At Social Level:** The Bengali ethnic identity and language didn't get due recognition. E.g. Urdu was declared as the national language despite **Bengali or Bangla** speaking majority.
  - **At Economic Level:** Low representation of East Pakistan people in jobs, including Army and Civil Administration, with almost 400% gap in per capita income of two regions.
  - **At Political Level:** The nation was largely controlled by military leaders (Ayub Khan from 1958-69 and Yahya Khan from 1969-71). The West Pakistan further failed in-
    - ✓ **Meeting greater autonomy demands** of East Pakistan in 1966, and
    - ✓ **Democratic transfer of power** to Sheikh Mujibur Rahman after his party (**Awami League**) landslide victory in the **1970 election**.
- Soon, it turned into forceful suppression of **East Pakistan**, i.e. killing of **unarmed civilians, mass exodus and rape** under **Operation Searchlight** and in turn **Bangladesh Liberation War**.

**Outcome of the war: Simla Agreement** Simla Agreement was signed by India and Pakistan on 2nd July 1972 as a **peace treaty** seeking to reverse the consequences of the 1971 war and a **blue print for managing future relationship**. It contained a set of following **guiding principles**:

- A **mutual commitment to the peaceful resolution** of all issues through direct bilateral approaches.
- To build the **foundations of a cooperative relationship** with special focus on people to people contacts.
- To **uphold the inviolability of the LoC in Jammu and Kashmir**.
- **Respect for each other's territorial integrity**, sovereignty, unity and political independence.
- **Non-interference** in each other's internal affairs
- Sovereign equality
- Abjuring hostile propaganda

**Criticism:** Through the agreement, India desired a lasting solution to the Jammu and Kashmir issue and improved bilateral relations with Pakistan. However, it could not live up to its expectations on both the fronts as Pakistan blatantly violated the terms of the agreement through its repeated efforts to raise the Kashmir issue in multilateral forums, using terror to interfere in India's internal affairs and involve third parties in finding a solution to the dispute.

**Significance of the agreement:**

- Agreement helped India to build international pressure on Pakistan for its unilateral actions against India. For eg- during Kargil War in 1999.
- Recently, India successfully thwarted the USA's attempt to mediate on the Kashmir issue.

**Way ahead:** India should reinvigorate its efforts to engage Pakistan in a constructive dialogue and strategically use soft diplomacy for reinforcing the spirit of the Simla agreement with more maturity.

### Why did India enter into the war?

- **Threat to Humanity:** The atrocities on the people of then **East Pakistan** involved blatant misconduct and the injustice was a threat to others, as Martin Luther King Jr. said, '**Injustice anywhere is a threat to justice everywhere**'.
- **Mass Exodus of People:** By November 1971, nearly 10 million refugees entered into India because of atrocities, **creating a huge socio-economic challenge** for Border States.
- **Silence of the Western nations over atrocities:** Despite repeated Indian requests, UN and other nations like US failed to move towards a peaceful solution to prevent annihilation of a community.
- **Pakistan aggression against India:** Finally, the air-strikes on Indian territory from West Pakistan in 1971, under Operation '**Chengiz Khan**', dragged India into war in order to **uphold peace, justice and humanity**.

### Conclusion

The 13-day war was not just a blitzkrieg operation to change the political structure of a nation. It was a war to protect the moral and democratic traditions. Thus, the Swarnim Vijay Parv is a celebration of the political leadership and professionalism of our armed forces, as well as of the country, considered as the oldest living civilization of the world.

#### India-Bangladesh vs India-Pakistan: Contrasts and Learnings

Over the period of 50 years, in the east, India and Bangladesh have cooperated at bilateral and regional level. The same has not been possible in North-west, with Pakistan. This can be attributed to following reasons-



- **Political stability and policy continuity:** This has helped Delhi and Dhaka to deepen bilateral ties over the last decade.
  - In contrast, the political cycles in Delhi and Islamabad have rarely been in sync.
- **Concern for mutual security:** Cooperation in countering terrorism built deep mutual trust between Dhaka and Delhi. That trust helped deal with many complex issues facing the relationship.
  - In the case of Pakistan, its army has sought to use cross-border terrorism as a political lever to compel India to negotiate on Kashmir.
- **Depoliticization of important economic issues:** Delhi and Dhaka have steadily moved forward on issues relating to trade, transit and connectivity by dealing with them on their own specific merits.
  - Pakistan, on the other hand, has made sensible bilateral commercial cooperation and regional economic integration hostage to the Kashmir question.

### 1.3. INDUS WATER TREATY

#### Why in news?

The 118th meeting of the Permanent Indus Commission (PIC), was held in New Delhi.

#### Highlights of the meeting

- Pakistan had assured India of all necessary actions to ensure the free flow of Fazilka drain into the Sutlej river.
- The Indian side underscored that all its on-going hydro-electric power (HEP) projects including Pakal Dul, Kiru and Lower Kalnai are fully compliant with the provisions of the Treaty.

#### About the Indus Water Treaty (IWT)

- IWT was **signed in 1960, between India and Pakistan and brokered by the World Bank.**
- **Objective:** The treaty fixed and **delimited the rights and obligations of both countries** concerning the use of the waters of the Indus River system.
- **Provisions for sharing of river water:** All the water of the **eastern rivers – Sutlej, Beas, and Ravi** which amounts to around 33 million acre-feet (MAF) annually — is **allocated to India** and is for unrestricted use. And the water of **western rivers – Indus, Jhelum, and Chenab** which is around 135 MAF annually has been **assigned mostly to Pakistan.**
  - India has the right under the Treaty to generate hydroelectricity through run-of-the-river projects on the western rivers. These are subject to specific criteria for design and operation. And, under the Treaty, Pakistan has the right to raise objections on design of Indian hydroelectric projects on western rivers.
    - ✓ **Run-of-the-river hydroelectricity project** is a type of hydroelectric generation plant whereby little, or no water storage is provided.
- **Other Provisions:**
  - It provided for the **funding and building of dams, link canals, barrages, and tube wells**—notably the Tarbela Dam on the Indus River and the Mangla Dam on the Jhelum River.
  - The **treaty required the creation of a Permanent Indus Commission**, with a commissioner from each country, in order to maintain a channel for communication and to try to resolve questions about implementation of the treaty. In addition, a **mechanism for resolving disputes** was provided.

#### Indus River Basin



#### Why abrogation of the treaty is not a viable option?

- **Going against international law:** The IWT **does not have a unilateral exit clause.** Even the severance of diplomatic and consular relationships between India and Pakistan cannot terminate the IWT.
- **Effect on India's other lower riparian state:** The abrogation of the IWT will send alarm bells ringing in India's other lower riparian country like Bangladesh which receives about 91% of its waters from the rivers flowing from India.
- **China's cooperation on hydrological data:** Growing China-Pakistan nexus can result in China withholding Hydrological data in response to the abrogation of the treaty.
  - Such data plays an important role in gauging the amount of water coming from Tibet into Arunachal Pradesh and taking measures to avert any major disaster or floods in the state.



### Prevalent issues within the treaty

- **Pakistan's frequent opposition to the Indian projects:** The opposition is majorly on the issue that whether projects on Jhelum and Chenab conform to the technological specifications specified in the agreement. The issue has seen its manifestation in **several projects such as Kishanganga Hydroelectric Project (KHEP), Jhelum, Ratle Hydroelectric Project, Chenab and the recent Pakal Dul, Kiru and Lower Kalnai in Jammu & Kashmir on the Chenab river.**
- **Politics:** For instance, Pakistan maintains high troop levels and alertness around the canals on the eastern front, fearing that India will try to take control of the western rivers.
  - As the diplomatic relations between India and Pakistan saw a downward spiral in recent times, **some observers in India called for abrogation of the treaty.**
- **Compounding effect of climate change:** Melting of glaciers may increase water flow in the short term, but it will also deplete groundwater recharge in the long run. Similarly erratic rainfall bringing further challenges to address potential flood risks. This is likely to aggravate tensions around issues of water distribution and flow management.
- **Conflict-resolution method through a third-party guarantor:** The World Bank is the guarantor of IWT and relies on the riparian to report any issue related of illegal intervention in the river flows. However, there is no definite way of knowing if illegal intervention really happened or it is only a case of low seasonal flows due to climate variability.
- **No regular data sharing as planned in the treaty:** The flow data sharing is significantly important to understand the dynamics of river basin in totality.

### Way Forward

- **Globally advocating India's position:** Over the years, India has been a generous upper riparian state as it has utilized only about 93% of its stipulated water storage capacity. Further, only about 25% of the total estimated capacity of electricity that can be harnessed from the three western rivers in Kashmir has been tapped so far.
  - This position could be advocated to counter Pakistan's attempts to internationalize the issue by involving World Bank.
- **Seeking cooperation:** Efforts could be made to seek cooperation with Pakistan in areas wherever it is possible. For example, Article VII of the IWT talks about "future cooperation" and calls for taking up joint studies and engineering works on the rivers.
- **Changing approach:** Both countries could also benefit from **focusing more on a sub-basin level** instead of managing the area with a singular holistic approach. Interventions at the sub-basin level **that can account for contextual factors**, such as the socio-economic composition of the area and the existing hydrology, would make the action more effective.
- **From rationality to relationality:** To achieve a stronger Indus Water Treaty, both states must shift from acting based on the rationality of water sharing and focus instead on its relationality (benefit sharing). Relationality expands the definition of water from surface water quantity, to water quality, preservation of wetlands and biodiversity, soil erosion, conjunctive use of ground and surface water, and nature-based solutions.
- **Renegotiating the treaty:** A parliamentary panel has recommended renegotiating the treaty with Pakistan to address the impact of climate change on water availability in the Indus basin and other challenges which are not covered under the treaty.
- **Incorporate contemporary principles of international watercourse laws such as Helsinki Rules:** This is crucial to balance the rights and duties of the riparian states and for the holistic and integrated water resources management of the Indus river system.
  - The **Helsinki Rules** on the Uses of the Waters of International Rivers is an international guideline that **asserts the rights of all bordering nations to an equitable share in the water resources** and is applicable to all drainage basins that cross national boundaries, except where other agreement between bordering nations exists.

### Conclusion

Indus Water Treaty is often cited as an example of the possibilities of nonviolent coexistence that exist despite the troubled rapport between both neighbouring countries.



India's current mechanism of cooperation in river water sharing with other countries



Countries	Mechanism for cooperation
India-Nepal	<ul style="list-style-type: none"> <li>The Kosi Treaty of 1954, under which the embankments in Nepal were established and maintained.</li> <li>The Mahakali Treaty pertains to sharing water of Mahakali river.</li> </ul>
India-China	<ul style="list-style-type: none"> <li>Memorandum of Understanding upon provision of Hydrological Information of the River Brahmaputra.</li> <li>Memorandum of Understanding on Hydrological Data Sharing on River Sutlej.</li> <li>Expert-Level Mechanism to discuss interaction and cooperation on provision of flood season hydrological data and emergency management.</li> </ul>
India-Bangladesh	<ul style="list-style-type: none"> <li>The Ganges Treaty is an agreement to share surface waters at the Farakka Barrage near their mutual border.</li> <li>System of Transmission of flood forecasting data on major rivers like Ganga, Teesta, Brahmaputra, and Barak during the monsoon season.</li> </ul>
India-Bhutan	<ul style="list-style-type: none"> <li>Comprehensive Scheme for Establishment of Hydro-meteorological and Flood Forecasting Network on rivers Common to India and Bhutan.</li> <li>A Joint Group of Expert (JGE) on Flood Management.</li> </ul>

Mains 365 - International Relations

### 1.4. INDIA'S ENGAGEMENT WITH TALIBAN

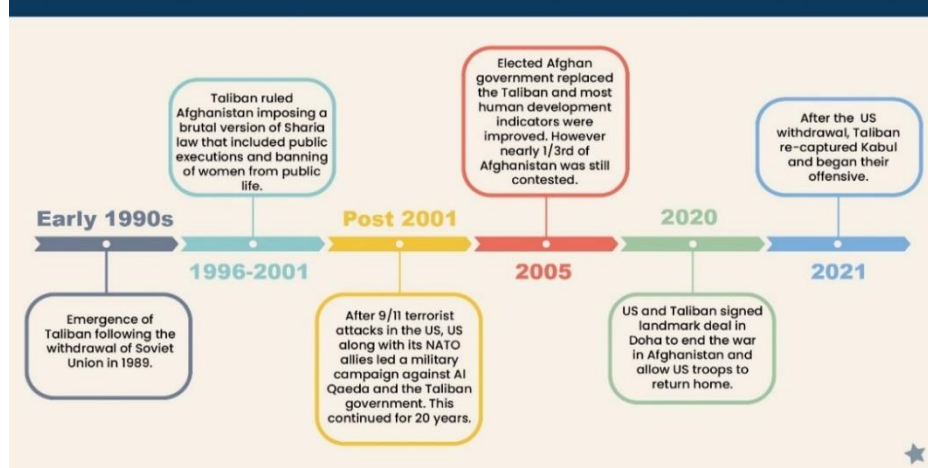
Why in news?

India has reopened its Embassy in Kabul after nearly ten months of Taliban takeover of Afghanistan.

More on news

- The developments acquire significance as India had refused to recognise the Taliban administration in Afghanistan and had urged the international community to go slow in recognising the Taliban.

#### BACKGROUND OF AFGHANISTAN-TALIBAN ISSUE: THE STORY SO FAR



- The present engagement is therefore **seen as change in India's approach with respect to Taliban**.
- The **government has however clarified** that the ongoing visit did not amount to granting diplomatic recognition to the Taliban regime in Kabul.

### Why should India engage with Taliban?

- **Rising International Engagements:** India has so far focused only on the isolating Taliban. However, beyond a point, this option will yield diminishing returns, as many other countries are now starting to engage the Taliban and India is an important stakeholder in Afghanistan.
  - **14 nations have opened their missions in Kabul in the last ten months.**
- **Declining Influence of Pakistan:** While Pakistan remains a pivotal player even today, its influence and control over the Taliban are circumscribed by its own economic, diplomatic, and security challenges.
  - A view that has gained ground in the Indian establishment is that it is time to **de-hyphenate Pakistan from the Taliban** especially in this scenario.
- **National Security:** Afghanistan in the past, provided space to terror groups like al Qaeda and ISIS. Taliban also has ties with the Lashkar-e-Taiba and Jaish-e-Mohammed. An engagement with the Taliban would give an **opportunity to convey Indian concerns directly** and encourage those elements within the group who wish to open up its diplomatic choices.
- **Mutually beneficial:** Taliban encouraged India to reopen its mission in Kabul, resumed direct flights to the country and also accept Afghan military trainees.
- **Greater possibilities of diplomatic engagement:** Taliban in power are more divided than they were as a fighting force, and that the situation may provide room for a layered political and diplomatic engagement with different actors.
- **Reconnecting with natives:** Indian outreach to the Taliban will help it reconnect with the Afghan people, a link that snapped after the Taliban takeover last August.

### Downsides of India's engagement

- **Shows inconsistency in India's policy:** India has always supported **"an Afghan-led, Afghan-owned and Afghan-controlled" process for enduring peace and reconciliation in Afghanistan**. It involved active engagement with the elected Afghan Government and isolation of the Taliban regime.
- **Security concerns:** India continues to face threat from terrorist factions such as the Haqqani group, which is a key member of the Taliban. Also, recently a UN Taliban monitoring committee report shows that terror groups are continuing to find safe haven on Afghan soil with the Taliban's support.
- **No change in the ideology of Taliban:** Taliban has not changed from its previous mediaevalism. Attacks on minorities are continued and restrictions on women have increased, from not being allowed to attend school to curbs on free movement in public spaces and at work.
  - This is **in conflict with India's ethos** and may create negative perception of India for Afghan people.
- **Dealing with Pro-China Neighbours of Taliban:** As India increases its engagement with Taliban, it would need to redefine its relationship with Tajikistan as the latter has a deeply adversarial relationship with Kabul and has moved very close to Beijing in the past decade.
  - China today is Tajikistan's biggest debt holder and its biggest investor. Also, Dushanbe is a supporter of Chinese repressive policies against Sunni Muslim Uighur community.

### Way ahead

The template behind India's engagement with the Taliban is based on India's historic ties with Afghanistan. Taliban is here to stay and for India, there is no alternative but to deal with it. It is necessary for both sides to take into account each other's concerns and improve diplomatic and economic relations.

## Indian investments in Afghanistan



**Assistance in constructing, upgrading, rebuilding or restoring buildings and various type of infrastructure.** Examples-

- Afghanistan's Parliament in Kabul.
- Reconstruction of the Salma dam (Afghan-India Friendship Dam).
- Construction of Zaranj-Delaram road.
- High Impact Community Development Project (HICDP) program



**Transfer of various objects like ambulances, buses, biscuits, medicine military vehicles and helicopters, etc.**



**People-to-people exchanges.** Examples-

- Offering scholarships for Afghan students.
- Organizing training for Afghan soldiers, policemen and public servants.



## 1.5. INDIA-SRI LANKA

# INDIA- SRI LANKA RELATIONS AT A GLANCE

India and Sri Lanka have a legacy of intellectual, cultural, religious and linguistic interaction and the relationship between two countries is more than 2500 years old.



Bilateral merchandise trade amounts to about **\$ 3.6 billion** in 2020.



Sri Lanka was among the **largest trade partners of India in the SAARC** in 2020.



India was one of the **largest contributors to FDI in Sri Lanka** and **2nd largest trading partner** in 2020.

## BILATERAL RELATIONS



### Areas of Cooperation

- ⊖ **Economic:** India-Sri Lanka Free Trade Agreement (ISFTA) in 2000 contributed significantly towards the expansion of trade between the two countries.
- ⊖ **Development projects:** Sri Lanka is India's one of major development partners. For eg. India housing project.
- ⊖ **Culture:** Buddhism, spread by Ashoka in Sri Lanka, is one of the strong pillars connecting both nations. Other include Indian Technical and Economic Cooperation Scheme, Study in India Tourism etc.
- ⊖ **Military Exercises:** MITRA, SHAKTI, IN-SLN etc.



### Recent developments

- ⊖ **India inks deal with Sri Lanka** to jointly develop Trincomalee oil tank farm.
- ⊖ **Renewable energy projects** and investments in information technology in Sri Lanka by India.
- ⊖ **Credit lines** for fuel and food.
- ⊖ India and Sri Lanka extended the existing **S&T cooperation for 3 more years**, with focus on new areas like waste-water technologies, biotech, sustainable agriculture, big data etc.
- ⊖ India provided a **\$ 400 m credit swap facility** to Sri Lanka and deferred Asian Clearing House settlement of \$515.2 million.
- ⊖ Sri Lankan government prepared a **roadmap to repair its ties with India**.



### Challenges

- ⊖ **China's influence:** Sri Lanka's endorsement of China's BRI and handing over of Hambantota port to China.
- ⊖ **Trust deficit:** 13th amendment to Sri Lankan constitution, Non-signing of Comprehensive Economic Partnership Treaty (CEPA) and refusal of currency swap agreement (2021) by Sri Lanka
- ⊖ **Fishermen issues:** About traditional fishing rights in and around Talaimannar & Katchathivu coast.
- ⊖ **Stalled infrastructure projects:** Jaffna Hybrid energy project, cancellation of Sampoor power plant, scrapping of East Container Terminal (ETC) project.



### Way Forward

- ⊖ **Prioritizing India's interest** in defense & geo strategic arena.
- ⊖ **Leveraging strength of economic relation** to counter China.
- ⊖ **Deepening people to people contact**.
- ⊖ **Other areas** to strengthen ties can be promoting religious links, increasing trade & investment, resolving fishermen's issue.

*India-Sri Lanka relationship is strong and poised for a quantum jump by building on the rich legacy of historical linkages and strong economic and development partnerships that have been forged in recent years.*

### 1.5.1. SRILANKAN CRISIS

#### Why in news?

Recently, India has extended financial assistance for purchasing fuel, food, and medicines, to help Sri Lanka tackle a massive economic and energy crisis.

#### More in news

- India has assured its **continued cooperation in coping with the unprecedented economic crisis in the Sri Lanka.**
- Sri Lanka has also **asked India if it can reach out to some of its bilateral and multilateral partners** like the US, Japan, Australia, and ASEAN, and play “guarantor” to seek financial help for Sri Lanka.
- Sri Lanka **has been going through a severe economic crisis caused in some measure** by a shortage of foreign exchange resulting in lengthy power cuts, price spirals and a shortage of essential items.

#### Reasons for the Sri-Lanka crisis

- **Depletion of foreign reserves:** Economic mismanagement has **depleted most of Sri Lanka’s foreign reserves.** Sri Lanka defaulted on its foreign debt worth \$51 billion as it faces the worst economic crisis, for the first time since its independence in 1948.
  - Sri Lanka’s **high dependency on imports for essential items like sugar, pulses, and cereals may result further in the economic meltdown** as Sri Lanka lacks foreign reserves to pay for its import bills.
  - The situation was further aggravated due to additional **tax cuts which ended up hurting Government Revenue.**
- **Debt Trap Diplomacy:** It is claimed that Sri Lanka was caught in a **vicious web of money lending by China** for infrastructure projects (Hambantota Port) and were unable to pay them back.
- **Fall in tourism:** The rise of the Covid-19 pandemic and **Easter bomb blast 2019** led to a **fall in tourism revenues,** as loss of visitors from three key countries- India, Russia and UK.
  - Tourism earnings fell from **\$4 billion in 2018 to \$500 million in 2021.**
  - Tourism is Sri Lanka's **third largest foreign exchange earner.**
- **Agriculture crisis:** In 2020, due to **ban on chemical fertilizers** and switching overnight to make agriculture 100% organic had a negative impact on the economy, especially in rice and sugar production.
- **War-induced inflation:** The ongoing Russia-Ukraine war resulted in **steep price inflation of crude oil, sunflower oil and wheat.**
- **Fall in FDI:** Foreign direct investment (FDI) has **drastically decreased to \$550 million in 2020** as compared to \$790 million and \$1.6 billion in 2019 and 2018, respectively.
- **Weak currency:** In 2022, Sri Lankan Rupee **depreciated by more than 50 percent** against the US dollar, 31.6 percent against Indian Rupee.

#### Role of India in Sri Lanka crisis

- **Enhance production:** India can boost the essential medicines production, and later **develop Indian pharmaceutical production facilities in the short-term,** while working to build the capacity of Sri Lanka’s own industry.
  - As of now, 85% of all pharmaceutical products in Sri Lanka are imported, which makes them vulnerable to price spikes.
- **Investment:** The credit lines and currency swaps will help Sri Lanka address its immediate concerns, and investments approach will provide a long-term solution.
- **Counter China:** Any disillusionment in Colombo with Beijing eases India’s effort to keep the Lankan archipelago out of **China’s ‘string of pearls’ game in the Indo-Pacific,** as witnessed by cancellation of the Chinese energy projects in the Jaffna Peninsula.
- **Global exports: Opportunities for Indian exporters to export products** such as tea, textile products and increase market share.
- **Defence:** India is offering a free-Floating Dock Facility and a Dornier Reconnaissance Aircraft to Sri Lanka, along with a training team. This will further help **boost security in the Indian Ocean region.**
- **Infrastructure creation:** India has an opportunity to have a **major role in infrastructure creation in Sri Lanka** as highlighted by renewable energy projects in Mannar and Pooneryn in north, port development etc.

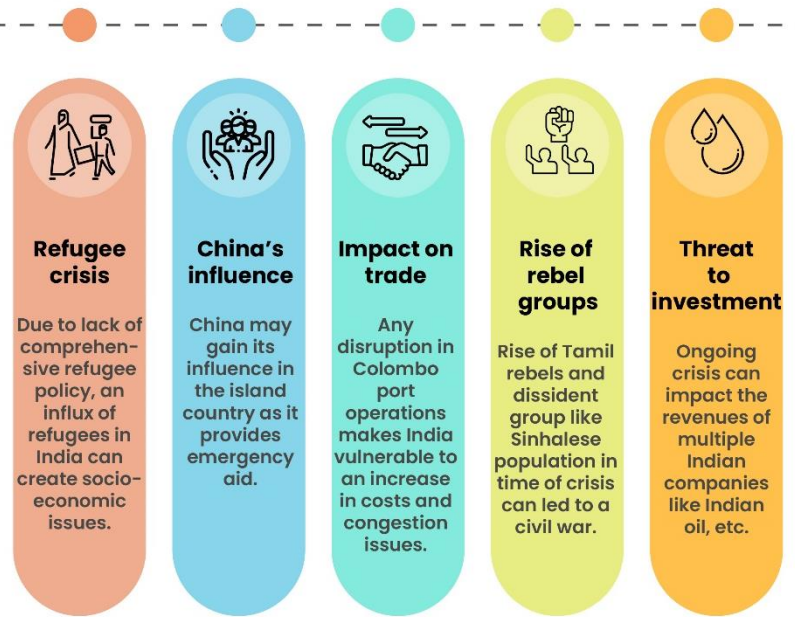


- Indian businesses can build supply chains that intertwine the Indian and Sri Lankan economies in goods and services ranging from tourism to information technology services.

- **Resolving past issues:** Crisis should be used as an opportunity for New Delhi and Colombo to thrash out a **solution to the Palk Bay fisheries dispute**, a longstanding irritant in bilateral ties.

- Also, India should ensure that the present crisis is not used to step up smuggling activities and trafficking in both countries.

## Impact of Sri Lankan crisis on India



### Conclusion

Neither Sri Lanka nor India can afford to have strained relations. India needs to engage with Sri Lanka even more closely in line with India's Neighbourhood First Policy and step-up people-centric developmental activities while scrupulously clear of any interference in Colombo's domestic affairs.

#### Developments in India-Sri Lanka Fisheries Dispute

- Recently **Sri Lankan authorities have detained** 68 Indian fishermen and 10 boats **on charges of alleged poaching and illegal fishing** in the island nation's waters.
- **Reasons behind India- Sri Lanka fisheries dispute:**
  - **Lack of defined maritime boundary:** Though India and Sri Lanka signed **four Maritime Boundary Agreements** between 1974-76, there is **no well-defined maritime boundary** between the two countries.
    - ✓ The 1974 agreement between the two nations **ceded the resource-rich Katchchativu islet to Sri Lanka**, which the Tamil fishermen had traditional fishing rights for centuries.
  - **Tightened surveillance:** Since 2009, the Sri Lankan navy has **tightened surveillance** of its northern maritime boundary to halt a **potential return of Tamil insurgents**.
  - **Depletion of marine resources along the Tamil Nadu coast** (due to incessant bottom-trawling) has meant that the Indian fishermen are drawn to the relatively resource-rich Sri Lankan waters.
    - ✓ **Sri Lanka has banned bottom-trawling** in their waters in 2017.

### 1.5.2. GEOPOLITICS OF INDIA-SRI LANKA-CHINA TRIANGLE

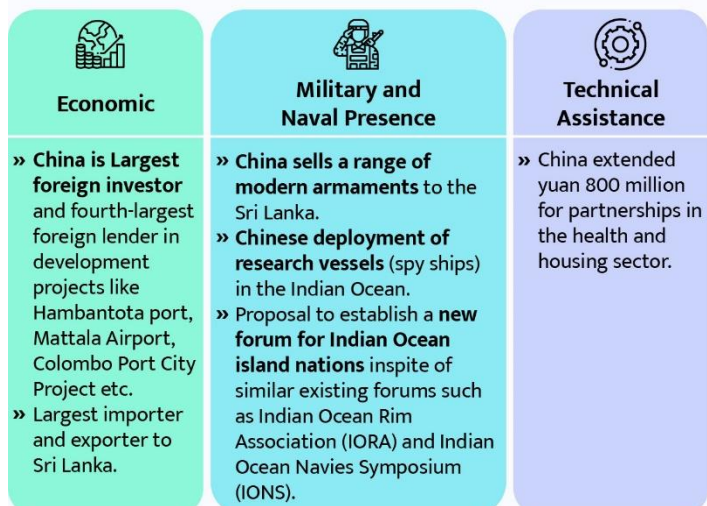
#### Why in news?

China's growing presence in Sri Lanka is generating concerns about the Indo-Sri Lanka bilateral relationship.

#### How the growing clout of China affects India-Sri Lanka bilateral relationship?

- **Threat to maritime security:** A permanent People's Liberation Army (PLA) presence in the eastern Indian Ocean will certainly inhibit the Indian Navy's deployment options and will neutralise the geographical advantage it enjoys in these waters.
  - For instance, recently, Sri Lanka has approved a Chinese firm – Sinosar Etechwinee Joint Venture is barely 50 km from Tamil Nadu coast.

#### CHINA'S CLOUT OVER SRI-LANKA



- **Favouring China over India:** China is viewed as a more reliable partner in enabling domestic economic development timely completion of projects, cost-effectiveness and quality of infrastructure etc.
  - For instance, Last year, Indian government took five months to approve a loan moratorium sought by Colombo while Beijing approved an additional loan from its development bank in no time.
- **Impact on trade:** Chinese imports were reduced by 8 percent in 2020, while in contrast, imports from India went down by approximately 19 percent.

**Way ahead to reinvigorate India-Sri Lanka Ties**

- **Exploring new domains:** In education, healthcare, and tourism, India is a far stronger partner than China.
- **Leveraging India's Soft Power:** In the technology sector, India could create job opportunities by expanding the presence of its information technology companies in Sri Lanka thereby boosting the island nation's service economy.
- **Sharing experience:** As Sri Lanka embarks on the arduous project of drafting a constitution, India can lend its own experience in managing minority rights and diverse populations.
- **Strengthening cultural relations:** The two countries can look to create a Buddhism knowledge and tourism corridor.
- **Cooperation in maritime security:** As maritime countries in the Indian Ocean, India and Sri Lanka have a shared interest in ensuring maritime security and safety.



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## 1.6. INDIA'S NORTHEAST NEIGHBOURS

# INDIA'S NORTH-EASTERN NEIGHBOURS AT A GLANCE

External Affairs Minister recently indicated that **Bangladesh, Bhutan, Myanmar, and Nepal** were India's most trusted global partners along with Japan and members of the ASEAN.



The northeast region shares international borders of **5,812 km**



Neighbouring countries include **China, Bangladesh, Nepal, Bhutan, and Myanmar.**



### Significance of trusted relation with North-eastern neighbours for India

- **Development in Northeast region (NER):** Better trade with East Asia can also spur rapid growth of India's underdeveloped NER.
- **Security of North-eastern region:** Engagement with neighbouring nations is pertinent in presence of an aggressive China.
- **Geopolitical:** Greater engagement with region provides India a stronger diplomatic and economic foothold.
- **To Connect with Southeast Asia under the Act East policy.**
- **Integration with regional and global supply chains** as countries like Bangladesh, Vietnam, Thailand, and Malaysia becoming major manufacturing hubs.



### Measures taken to improve relation with North-eastern Neighbours

- **Act East policy:** Interaction in three important domains: commerce, culture, and connectivity.
- **Partnership with regional and Multi-lateral organization** in the East such as ASEAN, ARF, EAS, BIMSTEC, ACD, MCG and IORA.
- **Connectivity projects:** India-Myanmar-Thailand (IMT) Trilateral Highway, Kaladan Multi-Modal Transit Transport (KMMTT), and a railway that links Akhaura in Bangladesh to Agartala etc.



### Major issues/areas of concern

- **India's Security Concerns:** Lack of resources, poor border infrastructure, and boundary disputes with countries like China compelled the government to become more inward looking.
- **The Narcotics Industry fuelling crimes against the State:** The "Golden Triangle" promotes Drug trafficking and insurgent groups.
- **Refugee problems in northeast India** due to low population density, open borders etc.
- **Long delay in completion of connectivity projects** like trilateral IMT highway due to bureaucratic and procedural issues on the Indian side.
- **India's economic slowdown and inward orientation, decision** to stay out of the RCEP agreement, disappointed regional business.
- **India's Limited capacity** to provide development assistance, market access and security guarantees.



### Way Forward

- **Improving connectivity**
- **Focusing new areas of cooperation** like digital technologies.
- **Leveraging cultural linkages:** India's cultural diplomacy through Indian Government's "Buddhist Circuit" initiative, should resonate with East Asian nations.
- **Strategic cooperation:** Particularly in the maritime domain, where China has demonstrated increasingly assertive behaviour.
- **Enhancing bilateral trade** through regular high-level consultations and meetings.

*This centrality of neighbours in India's foreign policy stems from the clear understanding that a peaceful periphery is essential for India to achieve her multifarious developmental goals. Moreover, India firmly believes that a stable and prosperous South Asia will contribute to India's own prosperity.*

## 1.7. INDIA-NEPAL

# INDIA-NEPAL RELATIONS AT A GLANCE

India- Nepal marked 75 years of official diplomatic relation. Nepal is an important neighbour of India and occupies special significance in its foreign policy. But the relationship took a nosedive in 2015, with India first getting blamed for interfering in the Constitution drafting process and then for an unofficial blockade that generated widespread resentment against India.

<p><b>Bilateral trade is over US\$ 7 billion</b></p>	<p><b>India is Nepal's largest trade partner</b></p>	<p><b>India's export to Nepal has grown over 8 times in the past 10 years</b></p>	<p><b>Recent initiatives to restore ties include meeting of 6th India-Nepal joint commission, operationalisation of cross border rail link and building of a Buddhist Vihara in Lumbini by India.</b></p>
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## BILATERAL RELATIONS



### Areas of Cooperation

- ➔ **Defence:** India assists the Nepal Army in its modernization, Military exercises like Surya Kiran to boost interoperability.
- ➔ **Water resource:** Kosi Treaty, Mahakali Treaty to discuss issues relating to cooperation in water resources, flood management etc.
- ➔ **Energy:** Power Exchange Agreement for meeting the power requirements in the border areas, Cross-border oil product pipeline from Motihari(Bihar) to Amlekhganj (Nepal), hydroelectric projects in Solu corridor.
- ➔ **Connectivity projects:** Raxaul-Kathmandu Railway project, BBIN.
- ➔ **Education:** India provides scholarships to Nepalese students for various courses.
- ➔ **Culture:** Strong historical and cultural links in terms of religion, language, cuisine, movies etc. (Roti-Beti ka Naata)



### Importance of Political Stability of Nepal for India

- ➔ **Strategic location of Nepal** as it acts as a natural security buffer between India and China.
- ➔ **India's Internal security:** The harmonious relations between the two countries is necessary to nab terrorist and maoist groups having Nepal as their base.
- ➔ **Security of India aided developmental projects** such as cross-border railways, Pancheshwar multipurpose project, motorable bridges over Mahakali River etc.
- ➔ **Flood water management and development of hydropower**
- ➔ **People to people connect and empowerment of Madhes to avoid political spillovers in India.**



### Challenges in relationship

- ➔ **China's rising influence** in Nepal's economy, politics and society impacting India's traditionally dominant influence.
  - ➔ **Anti-India rhetoric** is running high in Nepal.
  - ➔ **Nepal's aggressive stance** over border disputes (Kalapani boundary issue)
  - ➔ **Nepal has joined China's BRI.**
- ➔ **Nepal's discontent in bilateral trade** due to huge trade deficit that it incurs.
- ➔ **Distrust towards India** as a result of India's big brother attitude, lackadaisical approach towards revisiting the Treaty of Peace and Friendship of 1950 and approach of dealing with river treaties.
- ➔ **Unrestricted cross-border movement of people** particularly impacted Nepal's domestic industry, local livelihood opportunities, law and order, and national security during COVID.



### Road Ahead

- ➔ **Focussing on multimodal connectivity between India and Nepal.**
- ➔ **Setting up appropriate bilateral mechanisms to discuss contentious issue.** (boundary dispute resolution between India and Bangladesh should serve as a model)
- ➔ **Multilateral forums** such as BBIN, BIMSTEC, NAM, SAARC etc. must be utilized to serve common interests.
- ➔ **Sustained engagement and limited interference with Nepal** across the political spectrum.
- ➔ **Strengthening Economic cooperation**
- ➔ **Leverage people-to-people links** to ensure a stable and mutually-productive state-to-state relationship.
- ➔ **Revisiting Peace and Friendship Treaty of 1950** as recommended by Eminent Persons' Group set up jointly by the two countries.

*India's long-term interest in this sensitive neighboring country requires interdependence between the two countries which is best served by a stable multi-party democracy and economic prosperity in Nepal.*

### 1.7.1. BANGLADESH-BHUTAN-INDIA-NEPAL (BBIN) MOTOR VEHICLES AGREEMENT (MVA)

#### Why in News?

India, Bangladesh, and Nepal have finalized the enabling **Memorandum of Understanding (MoU)** to implement the **BBIN MVA**, pending ratification by Bhutan.



**More on News**

- **Asian Development Bank** is providing technical, advisory and financial support to it as part of its assistance to **South Asian Subregional Economic Cooperation (SASEC)**.
- The **World Bank** has also announced its **interest to support BBIN MVA**.

**About BBIN MVA**

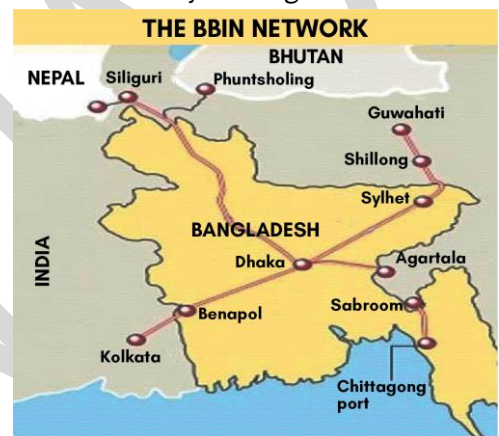
- It was launched in **2015** after the failure of agreement on regional MVA among **South Asian Association Regional Cooperation (SAARC)** in **2014** due to concerns associated with Pakistan.
  - In 2017, **Bhutan opted out temporarily** as its parliament didn't ratify the agreement due to environmental and project sustainability concerns.
  - Once implemented, it will provide- **Safe, Economical, Efficient and Environmentally** sound road transport in the region.

**Major Benefits of BBIN MVA**

- **Strategic Significance:**
  - **Improved Investment and Cooperation** in critical sectors such as energy.
  - **Bring Growth and Development** in Northeast India.
  - **Counter China's Belt and Road (BRI) Initiative** by reducing Nepal's geopolitical dependency on China.
  - **Help India in strengthening its role as a First Responder** to any natural disaster or security hazard in Himalayan countries.
  - **Help in Act East Policy** by connecting it with **India-Myanmar-Thailand Trilateral Highway** for unhindered movement and boost the trade and commerce with ASEAN countries.
- **Socio-Economic Significance**
  - **Enhanced Economic Integration** by enabling seamless cross-border movement of goods, vehicles, and people. According to World Bank, the MVA has the potential to **increase regional trade traffic by 60%**.
  - Realize the full potential of trade and people-to-people contact through **promotion of Sub-regional Cooperation**.
  - **Improved Logistics Performance Index (LPI)** in the region. E.g., the **Petrapole-Benapole border crossing** between India-Bangladesh Border suffers from the problem of slow exports due to long queue times.

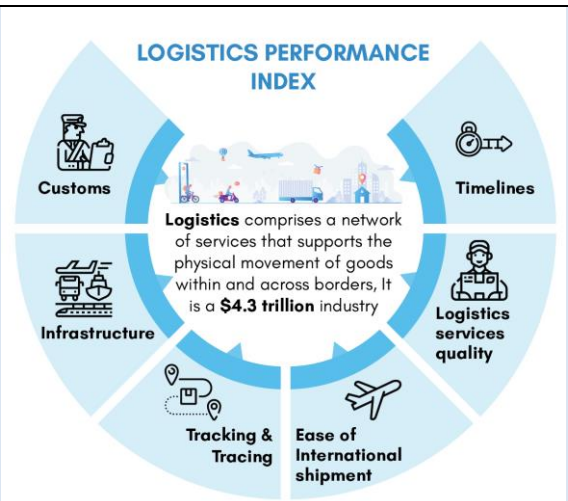
**About SASEC Program**

- It brings together **Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka** for project-based partnership.
- The member countries share common aspirations of economic growth, economic diversification, inclusive growth and sustainability, and energy access and security.
- **Aim:** To promote regional prosperity, improve economic opportunities, and build a better quality of life for the people of the sub-region.
- **SASEC Operational Priorities Sector:** Transport, Trade Facilitation, Energy and Economic Corridor Development.
- **Asian Development Bank (HQ: Metro Manila, Philippines)** serves as **SASEC secretariat**.
- As of March 2022, SASEC member countries have signed and implemented 72 ADB-financed investment projects worth over \$17.28 billion in priority sectors.



**About the International Logistics Performance Index (LPI)**

- The **International LPI (World Bank)** is an indicator of logistics sector performance to benchmark and compare the performance of different countries' logistics sector.
- It measures the performance of **six core components of logistics** in any nation (see image); rated from **1 to 5** with 1 lowest and 5 as best in that component.
- In **2018**, the **International LPI score of India** was **3.18** (ranked **44**, globally).
- Other BBIN nations had even lower LPI scores: **Bangladesh**- Rank 100, **Nepal**- Rank 114 and **Bhutan**- Rank 149.



### Challenges in implementation of the agreement

- **Slow pace of development** in overcoming the shortcomings on access, understanding, interpretation and application of various procedures, rules, and regulations among officials.
- **Technical issues** such as absence of integrated check posts at border crossings etc.
- **Geographical Challenges** such as **Himalayan Mountains, multiple river channels, ecologically sensitive coastal areas** etc.
- **Underdeveloped supporting infrastructure** such as Energy, Information and Communication Technology etc.
- **Clear Ideological divide** among political parties against India (citing the issue of India's dominance in such agreements) in Nepal and Bangladesh.

### Way Forward

In 2021 and 2022, South Asia is projected to grow at 7.1% (World Bank). In such circumstances, BBIN MVA can act as a gateway to surpass it through greater access to ASEAN and East Asian nations as well. Following steps can be considered to reap the benefits and overcome the challenges-

- **Fix timelines with early signing** of Passenger and Cargo Protocols to overcome slow pace.
- **Become signatory of International Conventions** on road traffics (e.g. **Vienna Convention on Road Traffic, 1968**) to address technical issues and be on par with international standards.
- **Hire Professional experts** or learn from the experience of other countries to overcome geographical difficulties.
- **Build and upgrade** roads, rails and waterways along with the supporting infrastructure.
- **Promote discussion on mutual benefits** of the project in neighboring countries to overcome ideological differences.

**फाउंडेशन कोर्स  
सामान्य अध्ययन  
प्रारंभिक एवं मुख्य परीक्षा 2023**

**इनोवेटिव क्लासरूम प्रोग्राम**

- प्रारंभिक परीक्षा, मुख्य परीक्षा और निबंध के लिए महत्वपूर्ण सभी टॉपिक को 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 करंट ऑरिएंटेड अप्रोच
- नियमित क्लास टेस्ट एवं व्यक्तिगत मूल्यांकन
- सीसैट कक्षाएं
- PT 365 कक्षाएं
- MAINS 365 कक्षाएं
- PT टेस्ट सीरीज
- मुख्य परीक्षा टेस्ट सीरीज
- निबंध टेस्ट सीरीज
- सीसैट टेस्ट सीरीज
- निबंध लेखन - शैली की कक्षाएं
- करंट अफेयर्स मैगजीन

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लाइव/ऑनलाइन कक्षाएं भी उपलब्ध



## 1.8. INDIA-BANGLADESH

# INDIA- BANGLADESH RELATIONS AT A GLANCE

India and Bangladesh share a unique relationship, intertwined by a common history (till 1947 partition), language, culture etc. and quest towards a collective future.



**Bilateral trade**  
stood at **\$10.8 billion**



**Bangladesh is the largest**  
**trading partner of**  
**India in South Asia.**



**Bangladesh is**  
**biggest beneficiary**  
**of Line of Credit**

## BILATERAL RELATIONS



### Areas of Cooperation

- ⊕ **Defence and Security:** Military exercises such as MILAN and SAMPRITI, Intelligence sharing and India's supply of military equipment and technology transfer .
- ⊕ **Traditional Sectors** such as tourism, healthcare, education etc. as well as **Frontier technologies** like Nuclear, Space, Information Technology etc.
- ⊕ **Foreign Policy:** Bangladesh is at the centre of 'Neighbourhood First' and Act East' Policies.
- ⊕ **Multilateral Cooperation:** SAARC, BIMSTEC, IORA etc.
- ⊕ **Border Management:** Land Boundary Agreement (2015), Delimitation of Maritime boundary.
- ⊕ **Governance and Cultural ties:** Indian Council for Cultural Relations offers scholarships to students from Bangladesh.



### Challenges

- ⊕ **Sharing of Teesta and Barak river water.**
- ⊕ **Increasing Chinese Interference** through increased FDI and infrastructure offers.
- ⊕ **Illegal Bangladeshi and Rohingya Immigrants** creating Concerns to Internal Security.
- ⊕ **Porous borders** giving rise to illegal activities.
- ⊕ **Rising radicalization:** Ill treatment of minorities and presence of fundamentalists/radical groups like Harkat-alJihad-al-Islami (HUJI) in Bangladesh.



### Steps taken

- ⊕ **Increasing Trade:** reduction in customs and immigration documents, land customs stations, boarder Haat, integrated check posts etc. E.g. Sutarkandi in Assam
- ⊕ **Development Cooperation:** India-Bangladesh Friendship pipeline, Akhaura-Agartala rail link, Rooppur Nuclear Power Plant by India, and Russia in Bangladesh.
- ⊕ **Improving Connectivity:** Protocol on Inland Water Transit and Trade (PIWTT) and building bridges like Feni Bridge
- ⊕ **India's assistance during COVID pandemic.**
- ⊕ **Resolving river disputes:** MoU was signed in 2019 on water sharing of Feni river.



### Way forward

- ⊕ **Cross border immigration management** through digitalization at grass root level.
- ⊕ **Managing water resources** through basin wide approach, regular JRC meetings.
- ⊕ **Encouraging people to people interaction.**
- ⊕ **Expediting projects** like Maitree super thermal power project.
- ⊕ **Operationalising the Agreement on the use Chattogram and Mongla ports** for transshipment of goods to and from north east of India.

*Deepening relationship with Bangladesh has become a necessity in the face of shifting geo-economics. There is scope for India-Bangladesh ties to move to the next level, based on cooperation, coordination, and consolidation.*

## 1.9. INDIAN OCEAN REGION

### Why in news?

Recently, India's President praised India's constant vigil in protecting the Indian Ocean region (IOR) and advocated that India had become a preferred security partner in the region.

### What is Net security provider?

- Net security provider is usually meant as **enhancing the mutual security of more than one country** by addressing common security concerns, including dealing with transnational piracy, or responding to disasters, etc.



- It encompasses **4 different activities**:
  - **Capacity building through training of foreign forces**—both civilian and military, either at home or by deploying trainers abroad.
  - **Military diplomacy** through **military visits and exercises**.
  - **Military assistance** primarily by supplying arms and ammunition.
  - **Direct deployment of military forces** to stabilise a situation arising either out of an environmental disaster, transnational threats, and evacuation of citizens from conflict areas or to protect self-defined national interests.

**Significance of IOR for India**

 <b>Trade</b> India imports about <b>70% of its oil</b> through the IOR and <b>90% of India's international trade by volume</b> is dependent on sea.	 <b>Resources</b> India depends heavily on Indian Ocean resources with her <b>fishing and aquaculture industries</b> being a major source of export as well as providing <b>employment</b> to more than 14 million people.	 <b>Counteracting China's influence</b> China's aggressive soft power diplomacy has widely been seen as arguably the most important element in shaping the IOR environment, transforming the entire region's dynamics.
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- Indian Ocean Region has threats mostly like **piracy, drug trafficking, IUU (Illegal, Unreported and Unregulated) fishing, human trafficking, climate change, etc.**
- The **growing realisation of importance of Indian Ocean Region (IOR) by the littoral states** has brought the seas in the epicentre of a strategic churn.

### How does India act as a Net security provider in Indian Ocean Region (IOR)?

- **India's policies:** India's policy towards countries in the IOR is guided by the '**Neighbourhood First**' policy and Prime Minister's vision of **SAGAR (Security & Growth for All in the Region)**.
  - **India's Neighbourhood First policy:** It focuses on creating mutually beneficial, people-oriented, regional frameworks for stability and prosperity. India's engagement with IOR countries is based on a consultative, non-reciprocal and outcome-oriented approach, which focuses on delivering benefits like **greater connectivity, improved infrastructure, stronger development cooperation in various sectors area**, security and broader people-to-people contacts.
  - **SAGAR Policy:** The vision of SAGAR is building greater trust and promoting respect for maritime rules, norms and peaceful resolution of disputes.



- **Geostrategic positioning:** Indian Ocean encompasses about 1/5<sup>th</sup> of the world's sea area and the Indian Peninsula extends 2000 kms into the sea, bringing approximately 50% of the Indian Ocean within a 1000-mile arc ascribed from Indian Territory. This is coupled with the presence of **major maritime chokepoints and Sea Lanes of Communications (SLOCs)**
  - This provides for a **dominant position for India in the middle of the Indian Ocean** linking Its national and economic interests.
- **Assistance in wake of natural disasters and calamities:** India has been regularly conducting exercises to deepen the Humanitarian Aid and Disaster Relief (HADR) cooperation and coordination among our neighbours with the focus on sharing expertise and assisting building capabilities.
- **Indian Ocean Naval Symposium (IONS):** It was conceived by the Indian Navy in 2008. It is a forum that seeks to enhance maritime cooperation among Navies of the littoral states of the IOR and helps to preserve peaceful relations between nations.

#### Impediments to India for being a Net Security Provider

- **Resource Availability vs Requirement:** Achieving the status of net security provider can put enormous strain on country's finite resources and calls for manifold increase in existing military hardware.
- **Existing Civil-Military Relationship:** The ambiguous civil-military relationship existing in India not only manifests itself in serious differences and lack of clarity over strategy formulation but also over undistorted execution of formulated policies.
- **Non-alignment Policy:** India has ideologically followed the principle of military non-alignment with any super power so as to retain its strategic autonomy which limits opportunities for deeper security partnerships with other countries.
- **Past Experience of Overseas Deployment of Armed Forces:** The recipe of net security provider does encompass 'Overseas Deployment' as a vital ingredient. However, the **experiences in Sri Lanka** continues to have a dragging effect on any thought process involving overseas deployment.
- **Shifting US Policy:** Uncertainty in Indo-pacific policy of US would leave a vacuum in the IOR, which China would be more than obliged to fill. Consequently, for India, this would greatly increase the scope of maritime conflict with China, singly or collusively with Pakistan.
- **Frequency of resurgence and occurrence of non-traditional threats:** These include piracy, maritime terrorism, drug trafficking, illicit weapons trafficking, illegal migrants, etc. as well as, vagaries of climate change.

#### Approach needed for Net Security Provider

- **Focus on capacity building and military diplomacy:** India can easily enhance capacity building (mainly training) & military diplomacy as activities as they are largely uncontroversial and cost effective.
- **Higher Defence Organisation:** This would enable coherent application of strategic thoughts vis-à-vis a myopic threat assessment by individual services, which is the case at present.
  - In addition, it would also **facilitate establishing clearly defined priorities of defence acquisitions** and an assured budget for the same, which are pre-requisites for strategic planning.
- **Formulation of a National Defence Policy:** An assertive defence policy would inspire confidence, not only within India but also amongst the small littoral nations of IOR regarding India's intent, desire and capability to become a net security provider in the region.
- **Coherent IOR Strategy:** Instead of a piecemeal strategy on stand-alone basis with each IOR nation, coherent strategy would help in exerting a positive influence over these nations and help the smaller nations overcome any potential inhibition towards gauging India through the prism of 'Big Brother' syndrome.
- **Development of Andaman, Nicobar and Lakshadweep Islands:** This includes Infrastructure up-gradation in these islands and their development as a potent military base.
- **Capability Enhancement of IOR Nations** particularly their respective navies, would accrue immense benefit for the entire IOR. India is already involved in training of naval personnel from various IOR nations as part of exchange programmes.

## 1.10. INDIA-MALDIVES

# INDIA- MALDIVES RELATIONS AT A GLANCE

India and Maldives share ethnic, linguistic, cultural, religious and commercial links steeped in antiquity. Except for a brief period between February 2012 to November 2018 (when there was pro-China government in Maldives), relations have been close, cordial and multi-dimensional. However, recently, protests under "India Out" campaign have increased in pitch in the Maldives which targets the presence of Indian military personnel in the Maldives over apprehension that the government is planning to hand over the Uthuru thilafalhu atoll to the Indian Navy.



Bilateral trade stands at **US\$ 246 million, heavily in favour of India.**



India emerged as **Maldives' 2nd largest trade partner in 2020.**

## BILATERAL RELATIONS



### Areas of Cooperation

- ⊕ **Bilateral Economic and Trade Relations:** Greater Male Connectivity Project to be developed by India will be a major catalyst for the Maldivian economy.
- ⊕ **Security and Defence Cooperation:** Comprehensive Action Plan for Defence to consolidate defence partnership, Composite Training Centre, Coastal Radar System (CRS) etc.
- ⊕ **Development Assistance projects by India:** Indira Gandhi Memorial Hospital, Maldives Institute of Technical Education, Technology Adoption Programme in Education Sector in Maldives etc. and projects under High-Impact Community Development projects scheme.
- ⊕ **Humanitarian Assistance by India:** During the 1988 coup attempt, the 2004 Tsunami, during 2014 water crisis in Malé (Operation NEER), supply of measles vaccine and rapid and comprehensive assistance since the COVID-19 pandemic.
- ⊕ **Other areas** such as tourism including medical tourism, cultural exchange, people to people contacts etc.



### Challenges

- ⊕ **Domestic Politics in Maldives:** Till 2018, political leaders openly displayed their hostility towards India and preference for China. Later on, as regime changed, India-First Policy was announced in 2018.
- ⊕ **China's influence:** Maldives growing proximity to China and endorsement of belt and road initiative.
- ⊕ **Concerns of expatriate workers** particularly the unskilled workers in Maldives.



### Significance of Maldives for India

- ⊕ **Geostrategic:** Important member of India's 'Neighbourhood First' policy and SAGAR (Security and Growth for All in the Region) vision.
- ⊕ **Geopolitical:** China's 'Belt and Road' Initiative (BRI), involving the Maldives has widened the Chinese sphere of influence that has potential to adversely impact India's interests.
- ⊕ **Geoeconomics:** 50 per cent of India's external trade and 80 per cent of her energy imports transit through the Sea lanes of communication (SLOCs) in the vicinity of the Maldives.
- ⊕ **Role of Net security Provider:** Maldives is positioned like a 'toll gate' between the western Indian Ocean and the eastern Indian Ocean.
- ⊕ **Regional Cooperation** through platforms like SAARC, SASEC, IORA and IONS.



### Way Forward

- ⊕ **Deepening security cooperation** through mechanisms like 'Colombo Security Conclave'.
- ⊕ **Adhering to Gujral doctrine** of 5 basic principles to guide India-Maldives relations

*India-Maldives are perfectly placed to complement each other's strategic interests. In accordance with the Neighbourhood First Policy of the government, India remains a committed development partner for a stable, prosperous and peaceful Maldives.*



## 2. BILATERAL, REGIONAL AND GLOBAL GROUPINGS AND AGREEMENTS INVOLVING INDIA AND/OR AFFECTING INDIA'S INTERESTS

### 2.1. INDIA-US

#### INDIA-US RELATIONS AT A GLANCE

India and United States enjoy a comprehensive global strategic partnership covering almost all areas of human endeavour, driven by shared democratic values, convergence of interests on a range of issues, and vibrant people-to-people contacts.



**Bilateral trade between the stands at USD 119.42 billion**



**United States is India's largest merchandise export destination and 3rd-largest merchandise import supplier**



**US is 2nd largest source of FDI in India in 2020-21**

#### BILATERAL RELATIONS



##### Areas of Cooperation

- ⊕ **Combat terrorism and weapons of mass destruction**
- ⊕ **Protect global commons** like sea routes and sea lanes of communication
- ⊕ **International Cooperation** through platforms like UN, ASEAN, G-20, IMF, Quad
- ⊕ **Defence cooperation:** Defence agreements like LEMOA, COMCASA, Industrial Security Agreement and BECA; Bilateral military exercises like Yudh Abhyaas, Vajra prahar, etc.
- ⊕ **S&T, Space cooperation:** Indo-US science and technology cooperation agreement; Joint Microwave remote sensing satellite named NISAR.
- ⊕ **Diaspora and people to people ties:** Indians are third largest Asian ethnic group in the US.
- ⊕ **Other areas of cooperation** include Education, Health, Energy, cyber security, civil nuclear cooperation, counterterrorism and counter Narcotics etc.



##### Challenges

- ⊕ **Economic sphere:**
  - **Divergences on Pharma patents** (India remained on the Priority Watch List of the U.S. 2021 "Special 301" report),
  - **India's regulatory, transparency and localization policies,**
  - **India's tariff regime,** especially in agriculture,
  - US had cancelled India's developing country status under the Generalized System of Preferences (GSP)
- ⊕ **Strategic sphere:** India's long standing commitment to non-alignment; U.S. withdrawal from Afghanistan
- ⊕ **Defence:** CAATSA particularly regarding S-400 from Russia



##### Way Forward

- ⊕ **Focus on common long-term interests** such as Asian security and prosperity, Combatting Terrorism, Protecting global commons etc.
- ⊕ **Turning challenges into opportunities** like in manufacture of vaccines and net zero emissions.
- ⊕ **Managing differences by understanding each other's concerns** regarding their own national interests.
- ⊕ **Devote diplomatic capital to negotiate and find solutions.**

*India-US relations have a global impact and not just on these two countries. Thus, it is important for India and US to keep their differences aside and work towards a more stable, peaceful and rules based global order.*

## 2.1.1. INDIA-US DEFENCE RELATIONS

### Why in news?

India and US sign project agreement for Air-launched Unmanned Aerial Vehicle (ALUAV).

### More on News

- The Project Agreement for ALUAV is under the umbrella **Defence Technology and Trade Initiative (DTTI)**.
  - Under DTTI, there are 2 categories of projects, **one, related to industry-to-industry projects facilitated by export licenses and second done via Project Agreements (PA)**.
  - The PA for ALUAV is a project of second category undertaken under **Research, Development, Testing and Evaluation (RDT&E) Agreement** which was first signed in January 2006 and renewed in January 2015.
- Also, the fourth '2+2' dialogue between India and the United States was held in Washington DC.

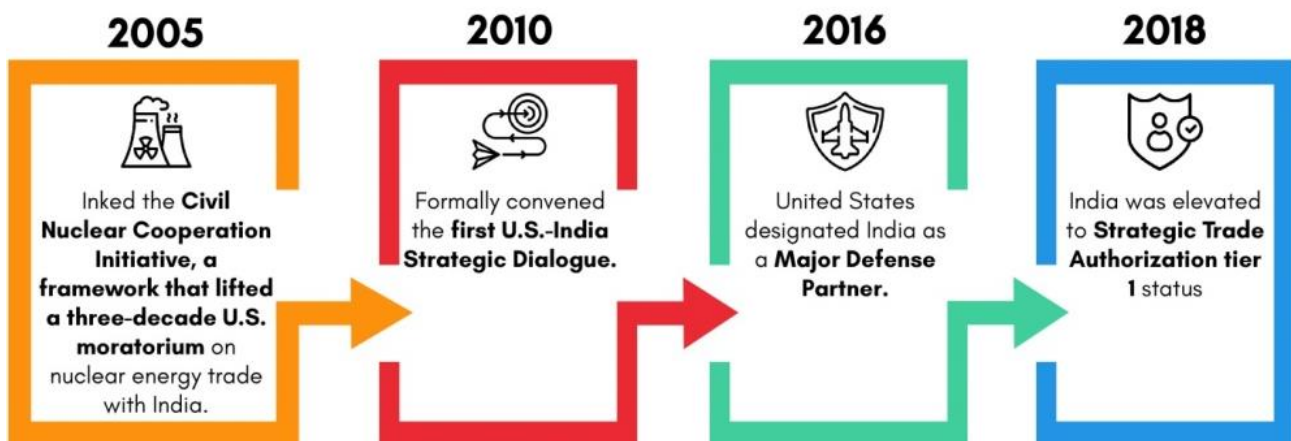
### About 2+2 dialogue

- The 2+2 dialogue is a format of meeting of the **foreign and defence ministers** of India and its allies on strategic and security issues.
- A 2+2 ministerial dialogue enables the partners to **better understand and appreciate each other's strategic concerns and sensitivities** taking into account political factors on both sides.
- India has 2+2 dialogues with **four key strategic partners**: the US, Australia, Japan, and Russia.

### India-US defence relationship

- In 2016, the United States designated India as a **Major Defense Partner** which was elevated to Strategic Trade Authorization Tier 1 status in 2018.
- India has signed four foundational defence agreement of USA.
  - **General Security of Military Information Agreement (GSOMIA)** in 2002 on military information exchange.
  - **Logistics Exchange Memorandum of Agreement (LEMOA)** in 2016 to use each other's military base.
  - **Communications Compatibility and Security Agreement (COMCASA)** in 2018 for interoperability between the two militaries and sale of high-end technology to India.
  - **Basic Exchange and Cooperation Agreement (BECA)** in 2020 to share high-end military technology, logistics and geospatial maps.

## India-US Defence Timeline





## 2.2. INDIA-RUSSIA

# INDIA-RUSSIA RELATIONS AT A GLANCE

Russia has been a longstanding and time-tested partner for India. Since the Strategic Partnership 2000, India-Russia ties have acquired a qualitatively new character with enhanced levels of cooperation in almost all areas of the bilateral relationship. In 2010, the Strategic Partnership was elevated to the level of a Special and Privileged Strategic Partnership.



## BILATERAL RELATIONS



### Areas of Cooperation

- ☞ **Peaceful use of nuclear energy:** Kudankulam Nuclear Power Plant (KKNPP) in India, Rooppur Nuclear Power Project in Bangladesh.
- ☞ **Space Exploration:** GLONASS navigation system, remote sensing and other societal applications of outer space; Human Spaceflight Programme.
- ☞ **Science and Technology:** India-Russia Bridge to Innovation, cooperation in telemedicine, creation of a Traditional Knowledge Digital Library (TKDL), and the Russia India Network (RIN) of universities.



### Significance of Russia for India

- ☞ **Balancing China and its assertiveness.**
- ☞ **Emerging New Sectors of Economic Engagement** like mining, high end technologies, India's footprint in the Russian Far East and in the Arctic.
- ☞ **Combating Terrorism:** Both countries are calling for early finalization of the Comprehensive Convention on International Terrorism at UN.
- ☞ **Support of Russia at Multilateral Forums** like UNSC and NSG.
- ☞ **Russia is one of the largest arms exporters to India.**



### Prominent Challenges in relationship

- ☞ **Growing military partnership between Russia and China.**
- ☞ **Commercial ties with Russia are stagnant despite good political relations.**
- ☞ **India's concerns regarding supply and servicing of Russian defence supplies.**
- ☞ **Russia's criticism of the idea of the Indo-Pacific and the Quad.**



### Way Forward

- ☞ **Broaden collaboration on bilateral and regional issues** by working on new theatres of cooperation such as Eurasian region, Arctic, Afghanistan etc.
- ☞ **Upgrading Defence Cooperation through Make in India: Joint development and co-production** of weapons, promoting **self-sufficiency** and reducing India's dependence on others.
- ☞ **Joint manufacturing of Spare parts and Logistics Support.**
- ☞ **Work on Rules-based International Order** through greater cooperation at UN and other forums (BRICS, SCO etc.)
- ☞ **Deepening economic cooperation:** Operationalization of the 'Green Corridor' project; International North-South Transport Corridor, and the signing of an FTA with EaEU.

*With systemic changes underway in international relations, India and Russia will have to diversify their areas of cooperation beyond energy and defence to build a strong economic and strategic partnership.*

### 2.2.1. INDIA-RUSSIA DEFENSE RELATIONS

#### Why in News?

At the recently held 21<sup>st</sup> **India-Russia summit**, both nations signed a **10-year defence cooperation pact** in the background of ongoing deliveries of the **S-400 air defence systems**.

## Background of India-Russia Defence and Security Cooperation

- India-Russia relationship is based on the principles of **mutual trust, respect for each other's core national interests** and **similarity of positions on various international and regional issues**, both nations are long standing and time-tested partners.
- In 1971, both nations signed the **Treaty of Peace, Friendship and Cooperation** and became Strategic partners in 2000.
- The 2021 summit took it another step ahead with the **first 2+2 dialogue** of Foreign and Defence Ministers to exchange views in global and regional political-security developments.

### Major agreements at 21st India-Russia Summit

Along with the defence cooperation, the major agreements signed between two nations include-

- **Joint production** of more than **600,000 AK-203 assault rifles** to advance self-reliance in the defence manufacturing sector.
- Promote greater economic cooperation with target to increase **bilateral trade to \$30b** and **bilateral investments to \$50b** by 2025.
- **Reserve Bank of India** and **Bank of Russia** to jointly respond against **cyberattacks**,
- Jointly fight against terrorist organizations like **ISIS-Al Qaeda-LeT**, drug trafficking and organised crime etc.

## Defence and Security Cooperation

The Defense relationship between India and Russia have various dimensions **including but not limited to arms trade-**

- **Military and military-technical cooperation** has remained a pillar of **Special and Privileged Strategic Partnership** between India and Russia.
- India purchased the MIG-21 from Russia (erstwhile USSR) in 1962 and the **warm relationship** and **commonality of interests** expanded this cooperation to other armed forces with promotion of licensed production, maintenance, and repair operations in India.
- In 2009, a **bilateral intergovernmental Military and Technical Cooperation** was signed for the period 2011-20.
- Today, joint research, development and production of advanced defence technologies and systems and subsequent export to mutually friendly third countries are the defining feature of **India-Russia defence and security cooperation**. E.g.
  - Joint Venture (JV) to produce BrahMos Missile System.
  - JV to manufacture **AK series assault rifles** at under Make-in-India program.
  - Shareholders agreement on JV to **manufacture Ka-226T helicopters** in India.
- Recently, despite US threat of sanctions, India began taking deliveries of the **S-400 Triumph Air Defence Missile System** (under a \$5.4 billion deal of 2018) for supply of five S-400 regiments to offset air defence capability gaps.

### S-400 Triumph Air Defence Missile System and CAATSA

- The S-400 air defence system is one of the **most advanced mobile air defence missile system in the world**.
  - It is equipped with four different missiles, and it can engage enemy aircraft, ballistic missiles, and Airborne Warning And Control System (AWACS) planes at multiple ranges.
- **The US cabinet has recently passed a bill for sanction waiver under CAATSA Act to avoid retaliatory US actions on India** to help deter aggressors like China as US cannot afford to alienate a **strategic ally and a defense market like India**.
- **CAATSA Act**, also known as **Countering America's Adversaries Through Sanctions Act**, was enacted by USA in 2017 to impose sanctions on three nations, i.e., Russia, Iran, and North Korea.

## Changing Dynamics of Defence and Security Cooperation

The **S-400 Triumph deal signifies deepening of ties between India and Russia**. But this step is not an isolated incident but a culminating effect of changing global and bilateral dynamics-

- **Changing World Order:** The rising new bipolar world with USA and China as global powers has increased the closeness of two nations with rival superpowers, i.e.
  - Russia is becoming close to China while tensions exist between India-China, and
  - India is becoming close to the USA while tensions exist between Russia-USA.
- **Geo-strategic Interests:** With a reasonable shift in India's approach from an inward-looking (strategically as well as economically) and non-aligned nation, the old commonalities of interest between two nations are replaced by divergence in geo-strategic interests. E.g.
  - **Indo-Pacific Region:** India joining the **Quadrilateral Security Dialogue (Quad)** for a free and open Indo-Pacific region with Japan, USA, and Australia.




- **Eurasian Region:** Commonality of interest between India and Europe to curb growing Chinese strategic assertiveness in the region.
- **Economic Relationship:** Unlike India-Russia with bilateral trade of just \$7.5 bn in 2019, the economic relationship between India-USA or Russia-China are far more diverse and deeper.
  - E.g., In 2014, Russia-China signed a \$400 bn gas deal. Similarly, the trade between India-USA in 2020-21 stood at \$80.5 bn with \$13.8 bn of FDI.
- **Modernization with Diversity:** To modernize and diversify away from Soviet-era and Russian military equipment, India has expanded its defense purchases from other nations like France, Israel, and the USA. E.g., Between 2016-20, Russia accounted for 49% of Indian arms purchase in comparison to 70% in 2011-15 (as per SIPRI Fact Sheet).
  - In 2014, Russia removed its self-imposed sanction on arms sale to Pakistan, considered as a warning on Indian diversification.

**Indo-Soviet Treaty on Peace, Friendship and Cooperation : Key features of the Treaty**

Peace	Friendship	Cooperation
<ul style="list-style-type: none"> <li>● Each Party shall respect the <b>independence, sovereignty and territorial integrity of the other party</b> and refrain from interfering in the other's internal affairs.</li> <li>● <b>To halt the arms race</b> and to achieve general and complete disarmament, including both nuclear and conventional, under effective international control.</li> </ul>	<ul style="list-style-type: none"> <li>● The treaty <b>condemned colonialism</b> and reclaimed for their complete elimination.</li> <li>● The treaty aims to <b>maintain regular contacts with each other</b> on major international problems affecting the interests of both countries by means of meetings and exchanges of views.</li> </ul>	<ul style="list-style-type: none"> <li>● Treaty <b>binds both parties to abstain from providing any assistance to any third party that engages in armed conflict</b> with the other Party.</li> <li>● <b>To consolidate and expand mutual co-operation</b> in economic, scientific and technological fields on the basis of the principles of equality, mutual benefit and most-favored-nation treatment.</li> </ul>

**Significance of the Treaty**

- Upholds principle of Strategic Autonomy as it is not a military alliance but showcases India's capacity for independent action.
- **Convergence of interests** as it symbolised an extraordinary convergence of national interest of both countries on the most critical issues of war and peace.
- **Contemporary significance:** its geopolitical underpinnings remain of enduring value, and are reflected in the special and privileged Strategic Partnership.



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## 2.3. INDIA-UNITED KINGDOM (UK)

# INDIA-UK RELATIONS AT A GLANCE

India- UK celebrate 75 years of bilateral ties. India and UK are bound by strong ties of history and culture and their shared commitment to democracy, fundamental freedoms, multilateralism and a rule based international order.



**Bilateral trade stands at \$15.5 billion with a trade surplus in favour of India.**



**India as the 2nd largest investor in the UK and UK is the 4th largest investor in India.**



**UK is the largest market in Europe for Indian IT services.**

## BILATERAL RELATIONS



### Areas of Cooperation

- ⊕ **Defence:** Defence and International Security Partnership (DISP), tri-services joint exercise (Konkan Shakti)
- ⊕ **Education, Research and Innovation:** UK-India Education and Research Initiative and UK Research and Innovation (UKRI) programmes.
- ⊕ **Climate and Environment:** Engagements through mechanisms like Ministerial Energy Dialogue. India-UK Green Growth Equity Fund for mobilising institutional investments in the renewable energy, waste management etc in India.
- ⊕ **Cultural Linkages:** Nehru centre in the UK have been actively promoting Indian culture. 2017 was celebrated as India-UK year of Culture.
- ⊕ **Indian Diaspora** is one of the largest ethnic minority communities in UK contributing 6% of the country's GDP.



### Issues in India-UK relations

- ⊕ **Colonial Legacy:** Anti-colonial resentment against Britain.
- ⊕ **British Intervention in India's domestic politics** including providing sanctuary to financial offenders, on Kashmir issue and in farmers' agitation.
- ⊕ **Business environment in India:** Complicated laws on tax, imports, and FDI hinders doing business in India.
- ⊕ **UK's immigration policies** limits the movement of people.
- ⊕ **Closeness to Pakistan and China:** UK's advocacy of Pakistan and its concerted effort to make China the anchor of post-Brexit economic policy.
- ⊕ **Diego Garcia issue:** The contention between Mauritius and the UK over the sovereignty of the Diego Garcia. India's principled opposition to colonialism has made it support the Mauritian claim.



### Impact of Brexit Deal on India

- ⊕ **Advantage for Service sector:** In sectors such as IT, R&D, architecture and financial services, India may gain in both the markets in UK as well as EU.
- ⊕ **Trade deal from both sides:** Brexit opened the opportunity for India to sign trade deals separately with both the EU and the UK.
- ⊕ **Operational issues** for exporters in meeting different standards and registrations for both the markets.
- ⊕ **Challenges to Indian companies** headquartered in UK or EU due to restrictions on the movement of professionals.



### Road Ahead

- ⊕ **Strengthening institutional mechanism** and avenues for people to people connect in education, capacity building, employment etc.
- ⊕ **Strengthen cooperation and coordination** in the UN, G-20, WTO, WHO, IMF etc.
- ⊕ **Migration and Mobility:** Implementing the comprehensive Migration and Mobility Partnership, signing a Social Security Agreement and Enhanced cooperation under the bilateral Extradition and Mutual Legal Assistance Treaties.
- ⊕ **Furthering the negotiations on the India-UK FTA.**
- ⊕ **Deeper cooperation in technology and emerging frontiers** like sustainable and green finance, and cyber security.

*As India seeks to carve out a new role for itself in the evolving global order as a leading power and the U.K. recalibrates its strategic outlook post-Brexit, this is a unique moment in India-U.K. ties. Need is to steer bilateral relations towards a Vision 2047 for shared security and prosperity of their people and the planet.*



## 2.4. INDIA-EUROPEAN UNION

# INDIA-EU RELATIONS AT A GLANCE

The relationship between India and the European Union (EU) are based on shared values and principles such as democracy, rule of law, rules based international order and multilateralism.

Factors shaping India-EU relations in current times include Changing geopolitical developments such as Russia-Ukraine war, rise of China, Convergence of interests in the Indian Ocean and New emerging world order after COVID-19.



**Bilateral trade amounts to USD 116.36 billion in 2021**



**EU is India's second-largest trading partner after the US**



**EU is the second largest destination for Indian exports**

## OVERALL RELATIONS



### Significance of EU for India

- ⊕ **To counter China**
- ⊕ **Post-Brexit scenario**, India recognizes that its own economic prospects depend on the continued growth and internal stability of its largest trading partners.
- ⊕ **Economic logic**: India has been a **beneficiary of preferential tariffs** under the EU's **generalised system of preferences**, European companies in India provide millions of jobs, trade agreement with EU would help India in further expanding and **diversifying its exports and securing the value chains**.
- ⊕ **Potential relationship** with smaller countries of EU like Denmark, Estonia, and Portugal.



### Areas of Cooperation

- ⊕ **Strategic Engagement**: India-EU Trade and Technology Council (TTC) focusses on a range of issues like tech standards, climate and green tech, secure supply chains etc.
- ⊕ **Blue Economy**: The EU's **Blue Growth Initiative**, corresponds with India's call to embrace a **"Blue Revolution."**
- ⊕ **Defending multilateralism and rule based order**: both sides are considering each other an important partner on **several reform agendas like UN, WTO and so on**.
- ⊕ **Indo-pacific**: EU's Indo-Pacific strategy has much to **complement New Delhi's goals in the region**.
- ⊕ **Fighting climate change** and facilitating the transition to a **sustainable economy through Clean Energy and Climate Partnership**.
- ⊕ **Connectivity**: India and EU have announced **comprehensive Connectivity Partnership** that will provide an **alternative to China's BRI**.



### Concerns in India-EU relations

- ⊕ **Inadequate diplomatic attention**
- ⊕ **Untapped Trade potential** due to absence of a FTA(BTIA).
- ⊕ **Human rights**: EU members expressed concerns about the deteriorating human rights situation in India.
- ⊕ **Lack of people to people ties**.



### Way Ahead

- ⊕ **Early conclusion of FTA**: The BTIA is crucial because both India and the EU are large markets and India's demographic dividend can help the EU with the movement of skilled labour and professionals.
- ⊕ **Strengthening political dialogue**: There is a need to upgrade the yearly dialogue.
- ⊕ **Launching concrete trilateral/ cooperation** projects in pilot partner countries such as Africa, Central Asia.
- ⊕ **Enhancing cultural dialogue with all** countries of Europe

*Over 60 years of friendship, both India and the EU have maintained robust strategic relation, however, in some critical areas, there is still room for enhanced cooperation.*

## 2.4.1. INDIA-FRANCE

# INDIA-FRANCE AT A GLANCE

India and France entered into Strategic Partnership in 1998 and both are committed to the shared values of democracy, fundamental freedoms, rule of law and respect for human rights. Recently, India and France reviewed their increasing bilateral collaboration in Indo-Pacific region.



Bilateral trade stands at \$10.75 bn



France is among the top 10 foreign investors in India



### Areas of Cooperation

- ⊖ **Space Cooperation:** TRISHNA and Megha-Tropiques satellite, Ka-band propagation experiment, major supplier of components and equipments for the Indian space programme.
- ⊖ **Civil Nuclear Cooperation:** Jaitapur plant, France's support was vital in India's accession to Multilateral Export Control regimes.
- ⊖ **Cultural:** Vivekananda Cultural Centre, Celebrations of the International Day of Yoga and promoting people to people contact via Migration and Mobility Partnership agreement.
- ⊖ **S&T and Education:** Indo-French Centre for the Promotion of Advance Research (CEFIPRA), Indo-French Ministerial-level Joint Committee on Science and Technology.
- ⊖ **Emerging areas** such as advanced technologies like AI, sustainable growth and development among others.



### Significance of a deepening alliance with France For India

- ⊖ **Alignment of outlooks and ideals** of multilateralism, pluralism and a non-military, deterrence-based policy.
- ⊖ **Defence modernization:** France is a market to procure increasingly critical military technologies like critical naval nuclear reactor technology, Rafale jets.
- ⊖ **Cooperation in space activities:** India-France agreed on Space Security Dialogue (SSD) for understanding of the emerging space environment and the possible threats.
- ⊖ **Additional security through proposed Joint Patrols** in the north-western Indian Ocean, IORIS (the Indian Ocean Regional Information Sharing & Incident Management) web-platform.
- ⊖ **Opportunities for greater collaboration in other significant sectors** such as health, education, research and innovation, energy and climate change through **International Solar Alliance (ISA), COVAX and ACT.**

*France can open the pathway for India's deeper engagement with Europe, especially after BREXIT. Both must further deepen their cooperation, expanding it in new domains to meet emerging challenges and broadening their international partnership.*

### 2.4.1.1. INDIA-FRANCE DEFENCE PARTNERSHIP

#### Why in news?

Recently, India and France agreed to strengthen defence and security partnership.



### More on news

- Countries agreed on **enhancing intelligence and information sharing, bolstering mutual capabilities, expanding military drills** and pursuing new initiatives in maritime, space and cyber domains.
- France's reiteration to **expand strategic cooperation with India comes nearly two months after the unveiling of a new security alliance AUKUS** by Australia, the UK and the US – perceived as a counter to China's aggression in the Indo-Pacific region.
  - AUKUS involves building submarines for Australia, and its announcement had angered the French government after Australia pulled out of a separate submarine deal with France.

### Significance of deepening defence and security partnership with France

- **Defence modernization:** France remains a market to procure increasingly critical military technologies as India struggles with its indigenous defence industries and increasingly strained defence budgets.
  - For example, India can engage with France to acquire critical naval nuclear reactor technology.
- **Protecting the Indian Ocean Region:** France being a resident power (with its colonial territorial possessions like reunion island) in the Indian Ocean makes it a stakeholder in the region. Protecting the Indian Ocean thus becomes a Common Shared Interest.
  - Indo-French partnership also plays a **vital role in advancing peace, stability and security in the Indo-Pacific region** based on democratic values and a common belief in strategic autonomy and rule of law.
- **Countering Terrorism:** France backed the India's proposal for a global conference on terrorism. France also continues to support India on the Kashmir issue.
- **Support to India's 'Atmanirbhar Bharat'** through defence industrialisation, joint research and technology development in India across a wide range of advanced capabilities.
- **Pathway for deeper engagement with Europe on Indo-Pacific:** French presidency of the European Union in 2022 also presents an opportunity to India to give further shape to EU's engagement in the security of Indo Pacific region under the EU Indo-Pacific Strategy.

### Conclusion

Strengthening defence partnership with countries like France are significant for India's influence on the global stage and addressing emerging areas of concern.

## 2.5. INDIA-EURASIA

### Why in news?

The changing dynamics in international relations and growing significance of Eurasia necessitates India to have a new, integrated approach to Eurasia as per foreign policy experts.

### About Eurasia

Eurasia refers to the **largest continental area** on Earth, comprising 93 countries of Europe, Middle East and Asia and is home to over 5 billion people.

- There is however **no shared international understanding** of what constitutes the region.

### What is leading to the growing significance of Eurasia in the present world order?

- **Strong prospects for economic growth:** The region has an average annual per capita income growth rate of about 4-5% over the past few years.
- **Dramatic rise of China and its growing strategic assertiveness:** The strategic magnitude of (projects like) the BRI, RCEP, Sino-EU trade deal have added to Beijing's powerful leverages in Eurasia.



### Challenges for expanding India's footprint in Eurasia

- **Geographical Limitations:** India lacks direct geographical access to Central Asia.
- **China's dominance:** Beijing's muscular approach to the long and disputed border with Bhutan and India, its pursuit for a security presence in Tajikistan, the active search for a larger role in Afghanistan are examples of China's assertiveness.
- **Pakistan's constant reluctance:** Pakistan has declined to join the recently held Delhi Regional Security Dialogue on Afghanistan as a part of developing a Eurasian strategy.

- **Changing Geostrategic Alignments:** There is growing tie-up with the Eurasian Economic Union (EEU), cooperation in the Arctic region, energy, trade, and in the military domain through joint production and military exercises.
- **Regional geostrategic alliances:** China and Russia are increasingly drawing in Iran, another adversary of the US. All three have recently **deepened their ties with a joint military exercise** in the Gulf of Oman and Iran is also a vital component of the Chinese Belt and Road Initiative.
  - Concurrently, the **China-Iran-Russia-Turkey-Pakistan strategic pentagonal** is taking shape that will impact the geopolitics of Eurasia and West Asia.
- **Region being developed as a countermeasure to Indo-Pacific Region:** China and Russia as a countermeasure are developing Eurasia as a power block.

### Need for India to have integrated approach towards Eurasia

- **Energy Security:** Eurasian states are prospective long-term partners of India in energy (oil, natural gas) and natural resources (uranium and iron ore).
- **Economic Objectives:**
  - **The strategic peninsular location of Eurasia** connecting various sub-regions of Asia and West Asia can be well facilitated by India's recent initiatives such as the Make in India, Skill India and Digital India.
  - **Tourism potential:** India is an emerging tourist nation and Eurasia is important to garner tourists from the region.
  - **Medical and Pharmaceutical industry:** India is working on setting up a Central Asian e-network with its hub in India, to deliver, tele-education and tele-medicine connectivity, linking all the five Central Asian States.
- **Strategic objectives:**
  - **Eurasian Region is interested in decreasing their dependence on China and Russia** and is prepared to support India in its bid to strengthen its position in the region.
  - **Stability in Central Asia:** It is a part of India's "extended neighborhood" and of great geo-strategic value to India.
  - **Complementing Indo-Pacific strategy:** If the Indo-Pacific is about Delhi's new maritime geopolitics, Eurasia involves the reorientation of India's continental strategy needed to address the continental issues such as border disputes.
- **Strengthening Cultural relations:** India's ancient civilisational links exist with Eurasia; the collaboration between the Sangha and the Shreni in the Buddhist era produced lasting interaction between the two regions.

#### Major Initiatives by India

- **Boosting Connectivity to balance China's growing presence in the region**
  - **International North-South Transport Corridor (INSTC)** to gain smooth access into Central Asia and beyond bypassing Pakistan.
  - India, Iran and Uzbekistan discussed ways for **joint use of the Chabahar port** for trade and enhancing regional connectivity.
  - Memorandum of Intent was signed to open a **maritime route between Chennai and Vladivostok (Russia's Far East)**.
- **India-EU Strategic Partnership:** Common roadmap to guide joint action and further strengthen the India-EU Strategic Partnership over the next five years.

### Way ahead for India

- **Greater Engagement with EU and NATO Members:** India's Eurasian policy must necessarily involve this as a crucial step towards a sustained security dialogue with Europe.
- **Intensifying India-Russia Dialogues:** Russia has also extended the scope of Greater Eurasian Partnership (GEP) to include countries like India, Iran, South Korea.
- **Geo-Economic Cooperation:** India can pursue EU countries to engage in Indo-Pacific narrative to mobilise massive economic resources for sustainable development of regional infrastructure, wield political influence and leverage its significant soft power to shape the Eurasian discourse.
- **Collaboration with Iran and Arab peninsula:** India's partnerships with these countries is also critical in overcoming Turkey's alliance with Pakistan.
- **Balancing the priorities:** India needs to balance its Connect Eurasia policy with its Act East Policy and Indo-Pacific Strategy. Being an important member of BRICS, SCO, and RIC, India must utilize the platforms to promote multi-dimensional strategic cooperation with Russia and China.



## 2.5.1. INDIA-CENTRAL ASIA

# INDIA-CENTRAL ASIA RELATIONS AT A GLANCE

India and Central Asian countries are secular, pluralistic, diverse and peaceful societies and have several millennia old historical, cultural and civilizational links. They are natural allies and partners to promote inter-ethnic, inter-religious and inter-cultural harmony and amity.



India's trade with the region amounts to **US\$ 2 billion**



Considered as part of India's extended **Neighbourhood**

## OVERALL RELATIONS



### Significance for India

- ⊕ **Energy Security:** Central Asian countries are endowed with commercially viable natural, mineral and hydel resources.
- ⊕ **Geostrategic importance:** Central Asia has been an arena of "great game", the region lies at the crossroads of Russia, the Middle East, South Asia and the Far East.
- ⊕ **Common challenges** like Illegal Drug trade, Religious extremism, fundamentalism and terrorism.
- ⊕ **Agricultural cooperation** like setting up of **commercial agro-industrial complexes**.
- ⊕ **Trade and Investment** in the sectors like Banking, Insurance, Power generation, IT and pharmaceutical.



### Challenges

- ⊕ **Poor connectivity** due to adverse geographic terrain and India-Pakistan border issues.
- ⊕ **Untapped trade potential** due to trade regulatory hindrances and political fragility.
- ⊕ **Geopolitics of energy and presence of major powers** like China through its BRI.
- ⊕ **Volatile security scenario** especially in regards to Pakistan, Afghanistan and Iran-USA dynamics.
- ⊕ **Internal issues:** Problems of governance, regulation of movement across the borders and many inter-state disputes.



### Steps Taken to strengthen relationship

- ⊕ **Defence agreement** with Tajikistan
- ⊕ **Civil nuclear cooperation** with Kazakhstan
- ⊕ **TAPI** (Turkmenistan, Afghanistan, Pakistan, India) **pipeline**
- ⊕ India provide grants under **High Impact Community Development Projects (HICDP)**
- ⊕ **Connectivity efforts :**
  - **Connect Central Asia Policy**
  - **International North-South Transport Corridor (INSTC) agreement**
  - **Chabahar Port Project**
  - India acceded to the Customs Convention on International Transport of Goods under cover of **TIR Carnets** to facilitate transport of goods between India and Central Asia via Iran
  - **Ashgabat Agreement**



### Way Forward

- ⊕ **Finalize FTA** between India and Eurasian Economic Union (EAEU)
- ⊕ **Revitalizing interaction in cooperation with countries like US , Russia** for stabilizing region and ensure interests of all partners.
- ⊕ **Annual military exercises and joint manufacturing** of defence related equipments.
- ⊕ India can help central Asia in **strengthening their local self-government**.
- ⊕ **Soft-diplomacy**

*Despite several challenges, India and Central Asian Countries' relations are moving forward that shows each other's commitment to further their relations even in the face of adversities. A strong and good relationship between India-Central Asia is key not just for Eurasia but also for the Peace and Stability of the world.*

## 2.5.2. INDIA TURKMENISTAN RELATIONS

# INDIA- TURKMENISTAN RELATIONS AT A GLANCE

India enjoys close, friendly, and historical ties with Turkmenistan. Both countries share centuries-old civilizational and cultural linkages. India was one of the first countries to recognize Turkmenistan's independence in 1991 and establish formal diplomatic relations in 1992.



Bilateral trade stands at **US\$29.97 million** with India registering a surplus.



Turkmenistan is a part of India's extended neighbourhood.

## BILATERAL RELATIONS



### Significance of Turkmenistan

- ⊖ **Strategic:** Strategically placed in Central Asia; Acts as a link to other Central Asian countries and the Caspian region.
- ⊖ **Political:** Supports India's permanent membership in a reformed and expanded UN Security Council; Supported India's initiatives as a non-permanent member of UNSC for the period of 2021-22.
- ⊖ **Economic:** Turkmenistan's gas reserves are estimated to be the world's fourth largest, representing about 10 percent of global reserves; Also rich in petroleum, sulfur, iodine, salt, bentonite clays, limestone etc.
- ⊖ **Culture:** Vishwa Hindi Diwas is celebrated in Turkmenistan every year. Indian Cinema and music is popular among Turkmen people. Central Asia's first Yoga and Traditional Medicine Centre was inaugurated in Ashgabat.



### Challenges in India Turkmenistan relations

- ⊖ **Connectivity concerns** due to adverse geographic terrain and India-Pakistan border disputes.
- ⊖ **Unrealised trade potential:** Besides the physical barriers, factors such as trade regulatory hindrances and political fragility have often created obstacles in the free flow of trade.
- ⊖ **Security challenges** such as international terrorism, cross border terrorism, extremism, radicalisation, illegal migration, trafficking in narcotic drugs and psychotropic substances, and transnational organised crime.



### Major Initiatives

- ⊖ **Connect Central Asia Policy** envisages deeper mutual relations with the region including Turkmenistan.
- ⊖ **International North-South Transport Corridor (INSTC):** It encompasses ship, rail and road routes connecting India with Russia, Central Asia and Europe via Iran. India is also planning to include Chabahar port in the INSTC framework.
- ⊖ **TAPI (Turkmenistan, Afghanistan, Pakistan and India) project:** The project aims to transport 33 billion cubic metres of gas from Turkmenistan's Galkynysh gas field to Afghanistan, Pakistan and finally India through the proposed 1814-km long pipeline, also called the 'Peace Pipeline'.
- ⊖ **Ashgabat Agreement (India joined in 2018):** It aims to establish an international multimodal transport and transit corridor between Central Asia and the Persian Gulf.



### Way Forward

- ⊖ **Strengthening connectivity:** Turkmenistan has conveyed readiness to join the International North-South Transport Corridor (INSTC) and also proposed Kazakhstan-Turkmenistan-Iran railway line.
- ⊖ **Increasing cooperation in various sectors** like energy, petrochemicals, transport, communications, information and technology, textile, etc
- ⊖ **Strengthening ties at geo-political level**
- ⊖ **Greater attention to all facets of cultural cooperation.**

*Pursuing their mutual objectives of economic growth and stable neighbourhood, India and Turkmenistan, by deepening their partnership and understanding, can help bring stability in Afghanistan and emerge as two nodes connecting the peoples and businesses of Central Asia and South Asia to bridge the divide created by colonial-era policies.*



## 2.6. INDIA-MIDDLE EAST

# INDIA-MIDDLE EAST RELATIONS AT A GLANCE

India has enjoyed exceptionally close, historic and civilizational ties with Middle East/West Asia which is a part of its extended neighborhood.

### Changing Dynamics of India-Middle East Relations



**Past:** India's need to develop economically made the Middle East increasingly important, both as a source for fuel imports and for Indian labour and remittances.



**Present:** India is now following the same course, but intensified the approach as "Look West" policy, by focusing on three main axes: the Arab Gulf countries, Israel and Iran.



#### New areas of cooperation with various countries in the region include:

- ⊕ **Israel:** Defence, agriculture, science and technological relations.
- ⊕ **Iran:** Projects such as INSTC and Chabahar port development, can play a key role in containing Pakistan, while also offering a counterweight to China's rise.
- ⊕ **Other countries:**
  - **Iraq, UAE and Saudi Arabia** are potential trade partners and investors.
  - **Saudi Arabia:** Increasing number of Indian pilgrims performing Hajj in Saudi Arabia.
  - **Jordan** supplies rock phosphate and is also a link for Palestine.
  - **Gulf Cooperation Council (GCC) countries** finally recognized the potential dangers to the region of Pakistani-sponsored terrorism against India.



#### Steps taken in recent times

- ⊕ **Economic diversification drive in the Gulf economies** (Saudi Arabia's Vision 2030) has created an accelerating pace of engagement.
  - The major oil companies of the region- ARAMCO and ADNOC are deepening their engagement with the Indian companies both public and private.
- ⊕ **Indian's pandemic response in the region** by providing medicines and sending medical professionals.
- ⊕ **India has recently signed FTA with UAE and revived FTA negotiations** with Israel



#### Constraints Associated with the Look West Policy

- ⊕ **Israel's improving status with the Arab world may not endure:** This could put pressure on Gulf regimes to reverse their current rapprochement with Israel that could impact India's growing closeness with Israel.
- ⊕ **Modest scale of India's efforts in Central Asia and the Middle East,** compared to China's Belt and Road.
- ⊕ **Vulnerability of Indian Diaspora in the Region** due to COVID crisis induced protectionism with regard to employment.
- ⊕ **India's susceptibility to regional conflicts:** Saudi-Iranian rivalry and the boycott of Qatar by Saudi Arabia and the UAE. Similarly, Israel suspects Iran of sponsoring Hamas and Hezbollah against it.



#### Way ahead

- ⊕ **Mediating Role:** India can help mitigate sanctions and ease the US 'maximum pressure' strategy by using its leverage with the US, Saudi Arabia and Israel.
- ⊕ **Humanitarian assistance** for response to the after effects of pandemic in the region.
- ⊕ **Strategic partnership and sustained soft power diplomacy** with Iran, Saudi Arabia and Israel.
- ⊕ **Substitutes for Oil:** India should be relooking at options for oil supply.
- ⊕ **Extending collaborations in** areas like semiconductor design and fabrication and space technology with countries like UAE and Israel

*There is a strong and growing multifaceted partnership between India and Middle East countries and the region offers real opportunities for India to grow and develop in mutually beneficial way. As in the Indo-Pacific, so in the Middle East, regional coalitions are bound to widen India's reach and deepen its impact.*

### 2.6.1. I2-U2 JOINT WORKING GROUP

#### Why in news?

India along with United States and two Middle east countries Israel, and the United Arab Emirates set up a new joint working group "I2-U2" to enhance cooperation and partnerships.

### Significance of the grouping

- **I2-U2** which stands for India, Israel, UAE and the US mirrors the Indo-Pacific Quad, and **marks the growing convergence between Indian and U.S. interests** in Asia and a **fundamental shift in India's foreign policy** in the Middle East.
  - Keeping its distance from the United States, Israel, and the Persian Gulf states on regional issues has long been India's default mode in the Middle East.
  - This also highlights that India is now ready to move from bilateral relations conducted in separate silos towards an **integrated regional policy**.
- The initial **focus of the group will be on economic issues rather than strategic ones** where the format would leverage complementary capabilities in areas such as energy, climate, trade, regional security.

### 2.6.2. INDIA-UAE RELATIONS

## INDIA-UAE RELATIONS AT A GLANCE

India and United Arab Emirates (UAE) enjoy strong bonds of friendship based on age-old cultural, religious and economic ties between the two nations.



## BILATERAL RELATIONS



### Areas of Cooperation

- ⊖ **Energy Security of India:** UAE is an important supplier of crude, LNG and LPG to Indian market.
- ⊖ **Diaspora and People to People relations:** Indians form the largest ethnic community (30% of population) in the services sector of UAE and send remittances of about USD 15 billion a year.
- ⊖ **Defence and Security:** Joint military exercises and cooperation in Indian Ocean Region Dialogue.
- ⊖ **Terrorism:** UAE cooperates with India for Extradition and intelligence sharing.
- ⊖ **Technology Partnerships:** Red Moon Mission and Golden Visa residency permits.



### Challenges

- ⊖ **Energy Pricing** as UAE and India are major players on both sides (producer and consumer) of the energy market.
- ⊖ **Balancing each other's geopolitical ambitions**
- ⊖ **Treatment of Indian labour by UAE**
- ⊖ **Concerns of UAE over treatment of minorities in India.**



### Way Forward

- ⊖ **Improving investment climate in India** to attract more investments from UAE.
- ⊖ **Enhance defence engagements**
- ⊖ **Cooperate in untapped and emerging fields** like Medical Tourism, Renewable Energy and Education Sector.
- ⊖ **Enhance People-to-People ties**

*The relations with UAE are important for India just not in bilateral spheres but also in India's Extended Neighbourhood and LookWest Policy of India. The fast paced improvement in India-UAE relations show that the relation between them is bright and full of hope and are on the right track*



**2.6.2.1. INDIA-UAE COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (CEPA)**

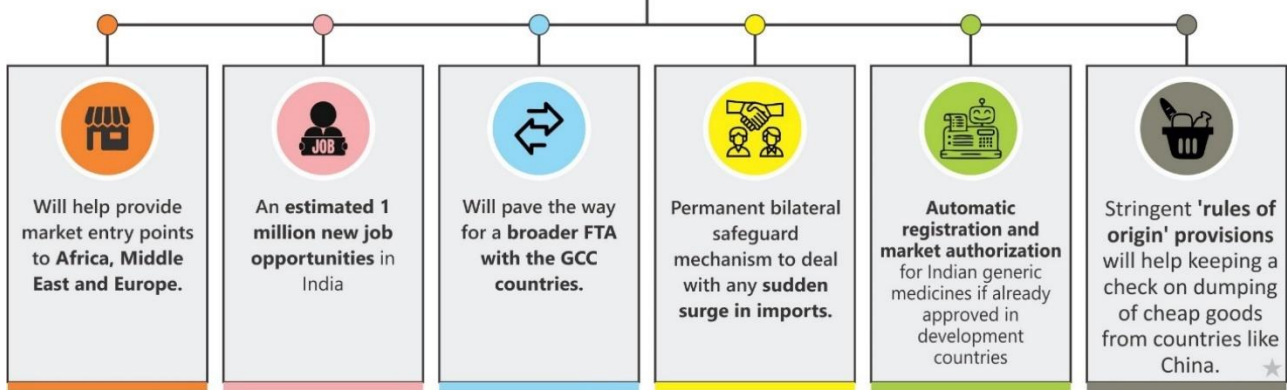
**Why in news?**

Recently, India-UAE signed have the CEPA to deepen their economic ties.

**Salient features of India-UAE CEPA**

- It is the **first deep and full free trade Agreement to be signed by India with any country** in the past decade.
- The agreement will cover Trade in Goods and Services, Rules of Origin, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, IPR, Investment, Digital Trade and Cooperation in other Areas.

**Significance of CEPA**



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2.6.3. INDIA-ISRAEL

# INDIA-ISRAEL RELATIONS AT A GLANCE

India and Israel are strategic partners and share values of democracy and pluralism. The two countries have continued to deepen their strategic partnership, with a focus on innovation and research as two knowledge-based economies.

 <b>Bilateral merchandise trade stood at US\$ 5.66 billion with the balance of trade being in India's favour.</b>	 <b>India is Israel's third largest trade partner in Asia</b>	 <b>Trade in diamonds constitutes close to 50% of bilateral trade</b>
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## BILATERAL RELATIONS



### Areas of Cooperation

- ⊕ **Political Relations:** Full diplomatic relations were established in 1992, which were upgraded to a strategic level in 2017. Recently India and Israel along with US and UAE formed the 'New Quad' or the 'Middle-Eastern Quad'.
- ⊕ **Economic and Commercial Relations:** In recent years, the bilateral trade has diversified into several sectors such as pharmaceuticals, agriculture, IT etc. and **India has benefited from Israeli expertise and technologies** in horticulture mechanization, micro-irrigation and post-harvest management etc.
- ⊕ **Technological R&D and Technological Innovation Fund (I4F)** for co-development and commercialization of innovative technologies benefiting both countries.
- ⊕ **Defence & Security:** India imports critical defence technologies from Israel; Joint production and development of key defence items such as **Barak missile**.
- ⊕ **Culture and Education:** India is an attractive, alternative tourist destination for Israel; New funding programme of joint academic research.
- ⊕ **Indian Community:** Around 85,000 Jews of Indian-origin in Israel.



### India's De-Hyphenated Policy: Israel and Palestine

- ⊕ In international politics, de-hyphenation means **dealing with two countries, having adversarial relationship between them, in an independent manner.**
- ⊕ Traditionally, India's foreign policy towards Israel and Palestine has been a hyphenated foreign policy. However, **hyphenating the ties** with Israel – linking them to ties with the Palestinian Authority – essentially **prevented India from pursuing a pragmatic policy** of what was in India's best interests.
- ⊕ India in the recent year has been following a de-hyphenation policy between Israel and Palestine. It means **India's relationship with Israel would stand on its own merits, independent and separate from India's relationship with the Palestinians.** The de-hyphenation is a balancing act, with India shifting from one side to another as the situation demands.

*India and Israel have several complementarities dating back to history to contemporary period and this partnership could open up newer areas of collaboration in space, technology and satellites.*



### Areas of Concern

- ⊕ **Trade and investment potential is not harnessed fully:** Trade is mainly confined to diamonds and defence.
  - Free Trade Agreement talks are stagnated for more than a decade.
- ⊕ **Emerging fissures in the West Asian region:** Growing closeness of Israel and Saudi Arabia against Iran.
- ⊕ **Creates challenge** for India to balance its relations with the three.
- ⊕ **Human Rights violation by Israel against Palestine:** India has been vocal about human rights violations, however India faces strategic dilemma in dealing with the issue.
- ⊕ **Connectivity** between two countries is still poor which has led to limited people to people ties.
- ⊕ **Israel's close ties with China**



### Way Forward

- ⊕ **Enhancing people to people connect**
- ⊕ **Education:** India's institutes of higher education could benefit from the strong culture of research and innovation that thrives in Israel.
- ⊕ **Learning from Israel's Water Management Technologies**
- ⊕ **Cooperation in Semiconductor Manufacturing**
- ⊕ **Mutual learnings on community practices**



## 2.7. INDIA-AFRICA

# INDIA-AFRICA RELATIONS AT A GLANCE

India has a long history of partnership with Africa, with solidarity and political affinity going back to the early 1920s when both regions were fighting against colonial rule and oppression. However, India's economic engagement with Africa began intensifying in the early 2000s both bilaterally and with the regional economic communities such as African Union (AU).



**Bilateral trade amounts to \$66.7 billion.**



**India is fourth largest partner for Africa**



**India is fifth largest investor in Africa**

## BILATERAL RELATIONS



### Significance of Africa for India

- ⊖ **Geostrategic:** Critical to India's security as threat of radicalism, piracy, organized crime emerges from Horn of Africa region; Emerging as a theatre for major power rivalry having substantial military presence on the continent.
- ⊖ **Geopolitical:** Support of African countries is important for India's aim of gaining a permanent seat in UNSC; Provides a space for displaying both India's soft and hard power.
- ⊖ **Economic:** Africa's growing middle class; Ample agricultural land which can address India's food security.
- ⊖ **Energy security:** Africa is home to about 30% of the world's mineral reserves and has substantial presence of oil and natural gas reserves.



### Concerns related to India's engagement with Africa

- ⊖ **Modest economic engagement when compared with China:** Though Indian-African trade has grown over the years it is modest in comparison to China's \$254 billion trade.
- ⊖ **Slow project delivery by India** in its development partnership commitments, especially in comparison to China.
- ⊖ **Lack of synchronisation** between LoCs, grants and capacity building initiatives
- ⊖ **Lack of resources** with India
- ⊖ Few agribusiness firms have been criticised for **land-grabbing and displacing local population.**
- ⊖ **Cumbersome bureaucracy** on both ends also makes it difficult for funds to reach its intended beneficiaries.
- ⊖ **Numerous cases of violence and discrimination against African students** in India.



### Way Forward

- ⊖ **Focused Africa strategy** for the next decade and identification of a **few areas for closer cooperation.**
- ⊖ **Explore greater collaboration with Indian civil society organisations, NGOs, and Indian diaspora** to implement development projects in Africa at low costs.
- ⊖ **Timely completion of projects.**
- ⊖ **Promote development-friendly private investments** for mutual benefits.
- ⊖ **Annual India-AU dialogue** at the track 1.5 level i.e. involving government representatives, academia, business leaders and functional sectors of both sides.

*Africa's development is fundamental to India's foreign policy and the latter's rise as one of the global system's poles is both desirable and necessary. India must maintain and further strengthen pan-African engagement.*

### 2.7.1. CHINA'S GROWING FOOTPRINT IN AFRICA

#### Why in news?

China has been investing across the African continent throughout the last decade and China is also **using private military companies to expand its footprint in Africa.**

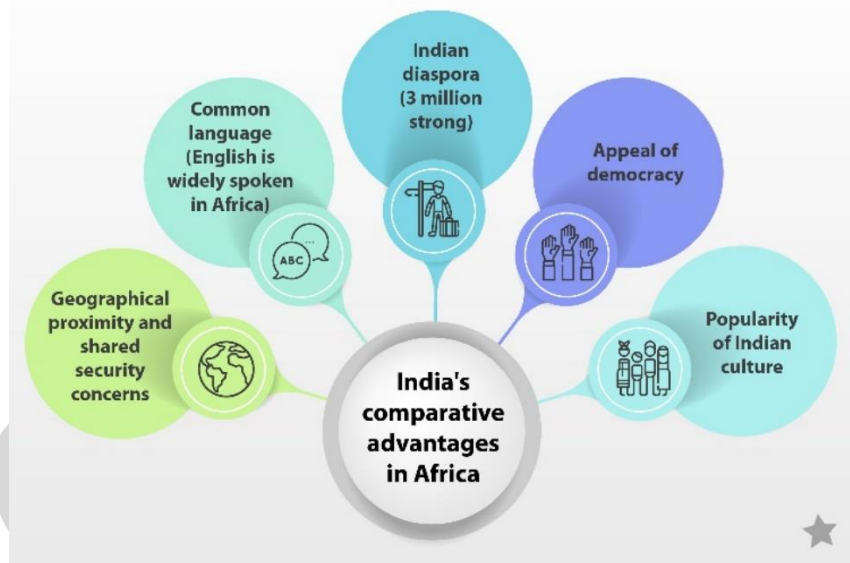
## About China's increasing footprint in Africa

- **China launched 'Going Out' policy in 2001**, which encouraged mainly Chinese state-owned enterprises (SOEs) to venture abroad, both to **gain access to natural resources** and to **open up new export markets** for Chinese finished goods.
  - **Belt and Road Initiative (BRI)** is seen as an enhanced version of the 'Going Out' policy.
- With a total trade of USD 200 billion in 2019, **China is Africa's biggest bilateral trade partner**.
  - It is estimated that **62% of African bilateral debt** is owed to Chinese creditors.
- China continues to provide arms and equipment to African countries and has emerged as a **key arms supplier** to the Continent.
  - China's **first military base outside its mainland is in Djibouti**.
- **Increasing Africa's dependency on China** has raised fears of **unsustainable debt**.
  - **There are also concerns over Chinese labour practices**, often viewed as unfair, with various cases reported of **harsh working conditions**, low salary below the minimum wage standards etc.
  - Chinese companies have also been observed that often they carry out covert activities such as spying.

## How India's approach for Africa is different from China?

India's developmental partnership, with Africa is guided by the **'Kampala Principles'**—a set of 10 principles enunciated by Indian PM in 2019.

- **Developing together as equals:** Contrary to China's focus on **resource extraction and elite level wealth creation**, India's bilateral partnership with African countries can best be defined by the spirit of **DEVELOPING TOGETHER AS EQUALS**.
  - Indian engagement lays emphasis on long term i.e. enhancing **Africa's productive capacity, diversifying skills and knowledge, and investing in small and medium-sized enterprises**.
  - India through its **investments of over \$11b**, has focused on **core competencies of human resources development, information technology, maritime security, education and health care**.
  - The ambitious **India-Japan-Africa Growth Corridor (IJAGC)** aims to achieve **closer developmental cooperation** with Africa. It is envisioned as a **maritime corridor**, built on (pre)existing routes with India, combining **Indian soft power in Africa with Japanese financial backing**.
- **Facilitates local participation:** Indian project construction and financing in Africa is aimed at **facilitating local participation and development**. Indian companies **rely more on African talent** and do **capacity building of the local population**.
  - India claims to maintain **non-discriminatory approach** by **transferring technologies, creating employment, and posing minimum threat** to local producers.
- **Capacity building:** The majority of seats for capacity building in Centers of Excellence all over India through the **International Technical and Economic Cooperation (ITEC) programme**, are reserved for African countries. India also **offers scholarship programmes for African students** in Indian educational institutions.
  - The **e-Vidya Bharati and the e-Aarogya Bharati initiatives** focus on awarding 15,000 scholarships to African students from its inception in 2019 through to 2024.
- **Fight against the COVID-19 pandemic:** India has gifted 150 metric tons of medical aid to 25 African countries. Under the **'Vaccine Maitri'** initiative, India supplied **24.7 million doses of Made in India COVID vaccines as grants, and commercial** and COVAX supplies to 42 countries in Africa.
  - A few African countries such as Mauritius are pushing **for health-care partnerships in traditional medicines and Ayurveda** for boosting immunity.





## 2.8. INDIA VIETNAM

# INDIA-VIETNAM RELATIONS AT A GLANCE

The year 2022 marks the 50th year of the establishment of diplomatic journey between India and Vietnam. The two countries, with historical roots in the common struggle for liberation from colonial rule and the national struggle for independence, share traditionally close and cordial bilateral relations. In 2016 strategic partnership of 2007 was elevated to Comprehensive Strategic Partnership. Both recently signed a "Joint Vision statement" for Defence partnership towards the year 2030.



**Bilateral trade between India and Vietnam stands at US\$ 11.12 billion**



**Vietnam is India's 4th largest trading partner within ASEAN**

## BILATERAL RELATIONS



### Areas of engagement

- ⊖ **Economic:** Five key sectors identified as thrust areas including garment and textile, pharmaceuticals, agro-commodities, leather & footwear and engineering.
- ⊖ **Political:** Bilateral Institutional mechanisms like Joint Commission Meeting at Foreign Ministers' level and Strategic Dialogue.
- ⊖ **Development Partnership:** Mekong-Ganga Project, Indian Technical and Economic Cooperation (ITEC) and e-TEC initiatives, Ph.D. fellowships and digital connectivity.
- ⊖ **Defence cooperation:** Defence policy dialogues, military to military exchanges, high-level visits, cooperation in U.N. Peace keeping, ship visits and Exercise Passex.
- ⊖ **Regional and international cooperation** through platforms like ASEAN, East Asia Summit, Mekong Ganga Cooperation, Asia Europe Meeting (ASEM) besides UN and WTO.



### Significance of Vietnam for India

- ⊖ **Critical component of India's foreign policy:** Act East policy, Indo-Pacific Vision, SAGAR policy.
- ⊖ **Support to India on International Platform** like membership to India in expanded UNSC.
- ⊖ **Countering China** in South China Sea.
- ⊖ **Strong Trade Complementarities** like in defense sector
- ⊖ **Energy Security:** Oil & petroleum exploration in South China Sea.
- ⊖ **Maritime Security & safety:** Nearly 50 % of India's trade is from Indo-Pacific.



### Concerns

- ⊖ **Chinese claims over South China Sea** can threaten India's prospect of exploring hydrocarbons in the region.
- ⊖ **India's decision to opt out from RCEP** can adversely impact growth of trade relations.
- ⊖ **Inconsistent trade growth** due to differences in foreign policy.



### Way Forward

- ⊖ **Promoting closer people to people exchange:** Buddhist & Cham cultures, direct flights, ease of travelling etc.
- ⊖ **Enhancing Economic Cooperation** with sub regional frameworks as Indian Ocean Rim Association (IORA), BIMSTEC.
- ⊖ **Further expansion of cooperation** in areas such as climate change and sustainable development, health care, and the digital economy.

*In the 21st century, India and Vietnam have been poised together to strengthen relations. With the changing geopolitical developments that have come to characterise the present order of international politics, both countries are in the process of redefining their strategic positions towards each other.*

## 2.9. INDIA-JAPAN

# INDIA-JAPAN RELATIONS AT A GLANCE

The friendship between India and Japan has a long history rooted in spiritual affinity and strong cultural and civilization ties. Throughout the various phases of history, the two countries have never been adversaries and bilateral ties have been singularly free of any kind of dispute.

 <b>Bilateral trade stands at US\$ 11.87 billion</b>	 <b>Japan is the largest Official Development Assistance (ODA) partner for India.</b>	 <b>In 2020, India was the 18th largest trading partner for Japan, and Japan was 12th largest trading partner for India.</b>
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## BILATERAL RELATIONS



### Significance of the relationship

- ⊕ **Multilateral cooperation** through platforms like Quad, G20, G4, etc.
- ⊕ **Economic cooperation:** India and Japan signed CEPA in 2011; Renewed Currency Swap Agreement.
- ⊕ **Defense cooperation:** Defense exercises such as Dharma Guardian, Shinyuu Maitri; JIMEX; **Acquisition and Cross-Servicing Agreement (ACSA)** to exchange supplies and services.
- ⊕ **Strategic Cooperation:** Indo-Pacific Ocean's Initiative; Supply Chain Resilience Initiative; 2+2 Dialogue; Asia-Africa Growth Corridor (AAGC), etc.
- ⊕ **Culture:** Partner City Affiliation Agreement between Varanasi and Kyoto in 2014
- ⊕ **Historical ties:** Indian culture, filtered through Buddhism, has had a great impact on Japanese culture.
- ⊕ **Science & Technology:** India-Japan Emerging Technology and Innovation Fund in 2019; India-Japan Digital Partnership; ISRO and JAXA are working on a joint lunar polar exploration (LUPEX) mission.



### Concerns

- ⊖ **Trade:** India-Japan trade remains just a quarter of trade with China; Limited Success of CEPA; entry barrier for Indian companies and products.
- ⊖ **Difference on Cross-border Data Flow:** While India is looking at data localization, under 'Osaka Track' Japan proposed standardization of cross-border data flow.
- ⊖ **Scepticism on the feasibility of the AAGC.**
- ⊖ **Different interests:** India's exit from RCEP was disappointing from Japan's view.
- ⊖ **Common ground:** India and Japan relation is developing in backdrop of rising China but not because of mutual grounds of development such as- trade, science & technology cooperation etc.
- ⊖ **Pending projects:** Flagship bullet train project between Ahmedabad and Mumbai is still a work-in-progress with land acquisition still not complete.



### Way Forward

- ⊕ **Investment:** Improved logistics, a more open, stable and consistent trade policy regime, and the establishment of a 'centralized single window clearance system' will increase India's attractiveness for Japanese investors.
- ⊕ **Robust trade:** Both leaders must recognize the need for enhancing bilateral trade and encourage further review of the implementation of CEPA through existing mechanisms.
- ⊕ **Counter China:** The annual trilateral Malabar exercise, which also includes United States, can give a vision where the three nations can combine militarily to counter the Chinese threat in the region.
- ⊕ **Energy security:** Develop stronger partnerships in areas such as ensuring energy security through a **Green Energy Partnership** and **creating new innovative partnerships** in Manufacturing and MSME sectors.

*As India expanded its footprint in East and Southeast Asia, it has found support from Japan which has also been steadfast in its support for New Delhi's position on its border disputes with China.*



## 2.9.1. 70 YEARS OF INDIA-JAPAN RELATIONS

### Why in news?

- Recently, Prime Ministers of India and Japan held **14th India Japan Annual Summit in New Delhi**.

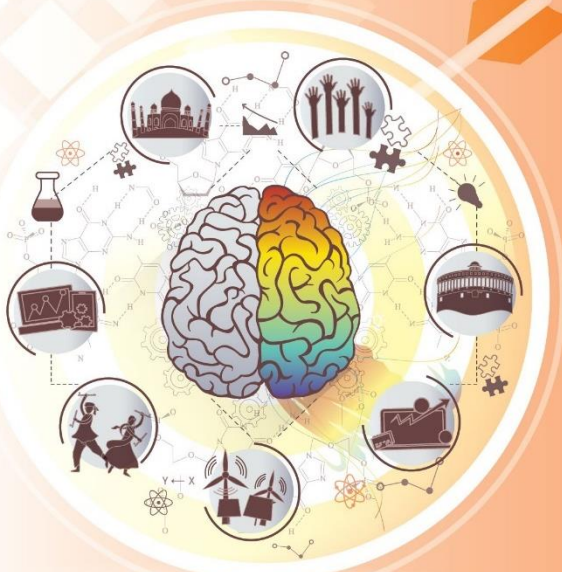
### More on News

- Also, year **2022 marks the 70th anniversary** of the establishment of their **diplomatic relations**.
- As a mark of India's deepest respect for former Japanese Prime Minister Shinzo Abe, a one-day national mourning was observed in India following Abe's assassination.

### Key Highlights of the summit

Initiative/cooperation	Features
<b>Clean Energy Partnership (CEP)</b>	<ul style="list-style-type: none"> <li>Launched under the overall ambit of the '<b>India-Japan Energy Dialogue</b>' established in 2007 for cooperation towards <b>achieving sustainable economic growth</b>, addressing climate change and ensuring energy security.</li> </ul>
<b>Joint Crediting Mechanism (JCM)</b>	<ul style="list-style-type: none"> <li><b>Established for implementation of Article 6 of the Paris Agreement</b> related to private capital flow to developing countries.</li> </ul>
<b>Sustainable development</b>	<ul style="list-style-type: none"> <li>Both countries signed <b>Memorandum of Cooperation (MoC)</b> on Sustainable Urban Development such as decentralized domestic wastewater management, intelligent transport management system etc.</li> </ul>
<b>Climate initiative</b>	<ul style="list-style-type: none"> <li>Japan would be joining the <b>Indian-Swedish climate initiative LeadIT (Leadership Group for Industry transition)</b> to promote heavy industry green transition.</li> </ul>
<b>Development of Northeast India</b>	<ul style="list-style-type: none"> <li>Both sides agreed to <b>launch 'Sustainable Development Initiative for the Northeastern Region of India'</b> which includes both ongoing projects and possible future cooperation in connectivity, healthcare, new and renewable energy, as well as initiative for strengthening bamboo value chain.</li> </ul>
<b>Seat at UNSC</b>	<ul style="list-style-type: none"> <li>Indian Prime Minister reiterated <b>India's support for Japan's candidature</b> for a non-permanent seat at the UNSC for the term 2023-2024.</li> </ul>
<b>Investment</b>	<ul style="list-style-type: none"> <li>Japan to invest <b>Rs. 3.2 lakh crores in India</b> over next five years. Both sides are working as 'One team -One project' on <b>Mumbai-Ahmedabad high-speed rail corridor</b>.</li> </ul>
<b>Cybersecurity</b>	<ul style="list-style-type: none"> <li>MoC signed in the field of cybersecurity for information sharing, capacity building programs and cooperation.</li> </ul>

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## 2.10. INDIA-AUSTRALIA

# INDIA- AUSTRALIA RELATIONS AT A GLANCE

India and Australia have much in common, underpinned by shared values of a pluralistic, Westminster-style democracies, Commonwealth traditions, expanding economic engagement and increasing high level interaction.



**Bilateral trade stands at more than \$24 billion**



**India is Australia's 7th-largest trading partner**



**Two-way foreign direct investment is \$1.4 billion**

## BILATERAL RELATIONS



### Areas of Cooperation

- ⊕ **Economic and commercial relations:** Australia's "An India Economic Strategy to 2035" to shape bilateral ties and **Grains Partnership**, to use Australia's expertise in post-harvest management.
- ⊕ **Defence and security cooperation:** Military exercises (AUSINDEX, Exercise Malabar), Joint Declaration on Security Cooperation and Civil Nuclear Cooperation Agreement.
- ⊕ **Regional and multilateral cooperation** through platforms like G-20, Commonwealth, IOR-ARC, ASEAN Regional Forum, QUAD etc.
- ⊕ **Science and Technology:** Australia-India Strategic Research Fund and Agreement on Cyber and Cyber-Enabled Critical Technology.
- ⊕ **Global cooperation:** Both share common concerns like Chinese aggression and shared interests in Open and Inclusive Indo-Pacific.
- ⊕ **People to People Relations:** Indian diaspora including students (nearly 7 lakh) in Australia.



### Challenges

- ⊕ **Differences in approach towards Indo-pacific:** For India, the **entire Indian Ocean** take precedence, while for Australia it is **southwest Indian Ocean**, its immediate north, and **vast stretches of the South Pacific**.
- ⊕ **Asymmetric priorities and worldviews:** For India, defence engagements have taken precedence in the Indo-Pacific. By contrast, Australia placed a higher priority on economic and trade engagement.
- ⊕ **Contrasting strategic circumstances:** Australia is significantly more dependent on the United States for its security and on China for its prosperity than India.
- ⊕ **Lack of movement on trade agreements:** **Comprehensive Economic Cooperation Agreement (CECA)** remains inconclusive and **Regional Comprehensive Economic Partnership (RCEP)** from which India opted out.



### Recent Developments

- ⊕ **Economic Cooperation and Trade Agreement (ECTA)** was signed recently and is **first free trade agreement (FTA) of India with a developed country** after more than a decade.
- ⊕ **SAIEP (Study Australia Industry Immersion Program)** for current Indian students at Australian universities to enhance their employability.
- ⊕ **Maitri Scholars to provide support to Indian students** to study in Australia's world-leading universities.
- ⊕ Both countries have formally **re-launched CECA negotiations** and committed to conclude it by **end of 2022**.



### Way Ahead

- ⊕ **Deepen technological Cooperation.**
- ⊕ **Improve interoperability in defence sector and in maritime sphere**
- ⊕ **Enhancing coordination in regional institutions and forums**, such as the East Asia Summit and IORA.
- ⊕ **Deepening and broadening trade and economic linkages**

*The overall relationship between India and Australia has the potential to assume greater prominence and the prospects for bilateral relationship are recognised in both countries as strategically useful, economically productive and aligned with each other's new agenda.*

### 2.10.1. INDIA-AUSTRALIA VIRTUAL SUMMIT

#### Why in news?

Recently, the **2nd India-Australia Virtual Summit** was held between India's and Australia's Prime Minister.



### Highlights of the summit

- Both countries have developed a **substantial progress in deepening political, economic, security, cyber, technology and defence cooperation.**
- A significant outcome of the summit was the decision to **hold annual summits at the level of the Heads of Government under the Comprehensive Strategic Partnership (CSP).**
- Also, **India and Australia have pledged to work together for building more trusted and resilient supply chains** and ensuring broad and inclusive growth in the **strategic Indo-Pacific region.**

### Recent Developments in India-Australia relations

Key Highlights of the summit	
<b>Economic and trade cooperation</b>	<ul style="list-style-type: none"> <li>• Both countries agreed to <b>establish annual summits between PMs</b> under CSP.</li> <li>• Increase cooperation between <b>India's National Investment and Infrastructure Fund and Australia's Future Fund</b>, which is a sovereign wealth fund.</li> <li>• Renewal of India-Australia <b>MoU on Tourism Cooperation.</b></li> </ul>
<b>Climate, energy, science, technology and research cooperation</b>	<ul style="list-style-type: none"> <li>• Australia to <b>invest over AUD 280 million</b> to drive collaboration in areas such as <b>clean technologies, maritime shipping, disaster resilience, information sharing space, innovation</b> etc.</li> <li>• <b>MoU on Australian critical minerals project</b> between Khanij Bidesh India &amp; Australia's critical minerals facilitation office to mine critical minerals.</li> <li>• <b>Cooperation on cyber governance, cyber security, capacity building</b>, cybercrime, digital economy, and critical and emerging technologies via inaugural India-Australia Foreign Ministers' Cyber Framework Dialogue.</li> </ul>
<b>People-to-people ties</b>	<ul style="list-style-type: none"> <li>• Establish <b>Taskforce on Education Qualifications Recognition</b> to improve arrangements for recognition of qualifications for access to higher education, and support employment opportunities.</li> </ul>
<b>COVID-19 cooperation</b>	<ul style="list-style-type: none"> <li>• <b>Promote fair, timely and equitable access</b> to high quality, safe, effective and affordable COVID-19 vaccines, treatments and critical medical supplies globally.</li> </ul>
<b>Security and defence cooperation</b>	<ul style="list-style-type: none"> <li>• Establish <b>Young defence officer exchange program</b> to boost military cooperation, improve training opportunities and enhance capabilities.</li> </ul>
<b>Regional and multilateral cooperation</b>	<ul style="list-style-type: none"> <li>• <b>Cooperation between Quad members</b> on advancing its positive and ambitious agenda to promote regional stability and prosperity.</li> </ul>

## 2.11. GROUP OF 7 (G7)

### Why in news?

Indian PM participated in the G7 summit which was recently held in Germany.

### Highlights of the summit

- **Partnership for Global Infrastructure and Investment (PGII) scheme:** G7 leaders unveiled the scheme to mobilise USD 600 billion in funding by 2027 to deliver transparent and game-changing infrastructure projects in developing and middle-income countries, in a move seen as a counter to China's Belt and Road Initiative.
- **Emission Reduction:** Environment ministers from the G7 announced a target to have a highly de-carbonised road sector by 2030 and to phase out greenhouse gas emissions from their energy sectors by 2035.
- **LiFE Campaign:** India highlighted Global Initiative for LiFE (Lifestyle for Environment) campaign with a goal to encourage an eco-friendly lifestyle.
- **On Russia-Ukraine Crisis led energy crisis:** India highlighted the need for equal energy distribution amongst the population of rich and poor nations.

#### G7 by the Numbers

**46%**

of global GDP is represented by the countries that make up the G7

**1/10<sup>th</sup>**

of the world's population lives in G7 countries

**25%**

of global carbon dioxide emissions



### About G7

- The G7 is an **informal forum of leading industrialised nations**, which dominate global trade and the international financial system.



- **Purpose:** It meets annually to discuss issues such as global economic governance, international security and energy policy, besides a host of other issues topical to the prevailing situation.
- **Members and Partners:** It include **Canada, France, Germany, Italy, Japan, the United Kingdom and the United States** as core members.
  - In addition to the core nations, **there are other invitee nations (acting as partners) that are democracies and classified emerging economies.**
    - ✓ In the recent summit for example, India was invited along with Argentina, Indonesia, Senegal and South Africa as guests.
  - There are also various organisations such as IMF, World Bank, WHO that are part of the international governance.
  - Russia joined G7 in 1998, creating the G8, but was excluded in 2014 for its takeover of Crimea.
  - The EU is not a member of the G7 but attends the annual summit.

### Significance of India's presence in G7 summits

- It **provides an opportunity** to cement the perception that India has the will and capability to contribute to the larger international cause.
- **Gives India a greater exposure** to be closely embedded in the international system of governance.
  - With major institutions such as the IMF and World Bank, the Indian story is heard with greater focus and scope remains for furtherance towards positive conclusions.
- **Developing focused relationships and partnerships:** As a nation with abiding geopolitical interests in Europe, West Asia, the Trans-Caucasus, Indian Ocean Region and the Indo Pacific, the Indian presence at major summits of this nature reflect its deep desire towards engagement across the board.

### Challenges with G7

- **Dealing with the Russia-Ukraine war:** G7 nations have although imposed sanctions and bans on Russia. But, because of their huge dependency, they cannot take harsher steps against Russia.
  - For example, import restrictions on Russian oil and gas would also hurt their own economies.  
**European nations get a quarter of their oil and 40% of their gas from Russia.**
- **Internal disagreements among group members:** For e.g. clash of the USA with other members over taxes on imports and action on climate change.
- **Perceived as an exclusive group:** Several countries and individuals still perceive the G7 as an exclusive, closed group that disregards the interest of smaller nations.
- **China's rise:** There is a growing sense that China poses a threefold threat to G7 countries- economically, ideologically, and geopolitically.
  - The massive Belt and Road Initiative (BRI) has prompted concerns about Beijing's influence over developing countries. The **build back better world** was announced last year to counter the BRI but the idea fell through.
- **Substandard progress on tackling global problems:** Such as phasing our fossil fuels (G7 accounts for nearly 25% of global CO<sub>2</sub> emissions), terrorism (ISIS has thousands of fighters from G7 countries), migrant crisis (West Asian crisis in Syria, Yemen, Iraq led to a migrant exodus towards the European nations) etc.
- **Perceived as outdated:** The group no longer reflects the current state of geopolitical realities.
  - For instance, many incumbent members like Italy and Canada possess less economic and political power in comparison to non-members like India and China.
- **Non-Binding nature:** Unlike other bodies such as NATO, the G7 has no legal existence or a permanent secretariat. Further, the meeting commitments are non-binding in nature.
  - All decisions and commitments made at G7 meetings need to be ratified independently by governing bodies of member states.

#### Achievements of G7

- G7 played crucial role in setting up a **Global fund to fight malaria and Aids** in 2002.
- G7 finance ministers **agreed to back a global minimum tax of at least 15% on multinational companies.**
- In 2015, members launched the **Global Apollo Program** to tackle climate change through clean energy research and development.

### Way Forward

- **More Representation-** The grouping **should become more representative in nature** and emerging economies like India and South Korea must be made a part of the group.



- **Catering to the global challenges-** The new principles and policies of the group **should reflect a global outlook** rather than merely focusing on the myopic interests of the developed world. This would result in **prudent tackling of global problems** like climate change.
- **India's Engagement at G7-** India being a rising economic power and a responsible global stakeholder, it remains one of the few nations which can engage with the G-7 in providing solutions to global problems.

## 2.12. G20

# G20 (GROUP OF TWENTY) AT A GLANCE

An strategic multilateral platform connecting the world's major developed and emerging economies. Objectives include Policy coordination between its members, promoting financial regulations and creating a new international financial architecture.

### Represents



### Achievements of G20

- ⊕ **Setting the path for the future of global economic growth.**
- ⊕ **Addressing global crisis such as** 2008 financial crisis, the Iranian nuclear program, COVID-19 pandemic and climate change.
- ⊕ **Bringing Tax reforms** for benefit of low income developing countries. Rome summit led to an agreement of a 15 percent minimum tax as well as new rules to redistribute tax revenue from big multinational companies.
- ⊕ **Recast bilateral ties:** Bilateral meetings on the summit's side lines have occasionally led to major international agreements.
- ⊕ **Human Resource Development and Employment:** Commitment to **reduce the gender gap** in workforce participation by 25% and **the share of young people at risk of being left** behind in the labour market by **15% by 2025.**

### India and G20

- ⊕ India has been a **founding member** of G20
- ⊕ Some of the proposals that India made in the previous G20 summits:
  - International action on terrorism.
  - Dealing with the economic offenders.
  - **Global Taxation:** Base Erosion and Profit Sharing (BEPS) framework.
  - Dealing with issues arising from New Digital Technologies.

### Challenges faced by G-20

- ⊕ **Lack of effective power:** G20 is not a legally binding institution.
- ⊕ **Transparency and Accountability** due to **absence of a formal charter.**
- ⊕ **Protectionism:** Some of the group's policy prescriptions have also been unpopular, especially with liberal groups.
- ⊕ **Ineffective measures:** Delinquency in combating climate change, addressing social inequality and global threats to democracy.
- ⊕ **The exclusivity of its membership has attracted criticism:** Disproportionate non-representation of African countries.

### Way forward

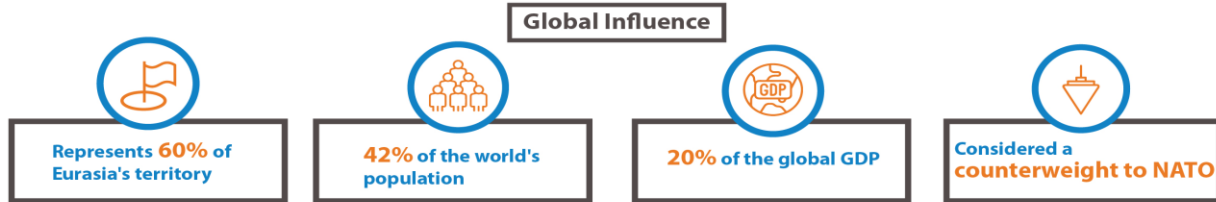
- ⊕ **Continuity of issues** taken up across presidencies.
- ⊕ Provide the **vision to bind all the countries** especially the emerging markets.
- ⊕ **Strengthen its ties with the UN** in promoting development.
- ⊕ **Focus on infrastructure and food security.**
- ⊕ Post COVID, **critical role to build robust global supply chains.**

*The world is so interconnected and integrated now that countries have to work together to resolve all global issues. G20 has a vital role to play in this.*

## 2.13. SHANGHAI COOPERATION ORGANIZATION (SCO)

### SHANGHAI COOPERATION ORGANIZATION (SCO) AT A GLANCE

It is a permanent intergovernmental political, economic and military organization founded in 2001 with the main goals as strengthening mutual trust and promoting effective cooperation among the member states, ensuring peace, security, and stability in the region; and establishment of a democratic, fair and rational new international political and economic order.



#### Relevance of the SCO for India

- ⊕ A **potential platform to advance India's Connect Central Asia policy** and formulate an appropriate Eurasian strategy.
- ⊕ **Controlling regional terrorism:** SCO's defense-centric structures and activities of RATS have achieved considerable successes in curbing regional terrorism.
- ⊕ **Afghanistan issue:** SCO member States expressed their support for Afghanistan as an independent State, free of terrorism, war and drugs which will benefit India.
- ⊕ **Political:** At annual summit of the SCO, India gets opportunity to renew bilateral ties with regional countries.
- ⊕ **Economic:** CAR is rich in **iron-ore, coal, oil, gas, uranium** etc. Frequent meeting of leaders and the India-Central Asia Business Council under the SCO would give fillip to the economic cooperation.
- ⊕ **Energy Cooperation:** SCO can unblock India's access to Eurasia and provide a fillip to projects like TAPI.



#### Challenges for India in the SCO

- ⊕ **Dominance of China:** Barring India, the Belt and Road Initiative (BRI) has been endorsed by all the members.
- ⊕ **Eurasia's emerging geopolitical reality** entailing shifting great power rivalries, undercurrents of geostrategic and geo-economic cooperation and competition, and desire of Central Asian states for greater strategic manoeuvre.
- ⊕ **India-Pakistan Rivalry**
- ⊕ **Russia-Pakistan-China axis-** Growing closeness of Russia-China and China -Pakistan create hurdles for India at strategic level in furthering its interest in SCO.
- ⊕ **Weak fight against terrorism:** SCO has not taken any visible counterterrorism measures against threats emanating from Af-Pak region.



#### Way ahead for India

- ⊕ **Maintaining strategic autonomy:** India should retain its independent voice against dominance of other members in the grouping.
- ⊕ **Revitalise connectivity projects:** The opening of Chabahar port and entry into Ashgabat agreement should be utilized for a stronger presence in Eurasia.
- ⊕ **Improving relations with China and Pakistan:** It will promote economic cooperation, trade, energy and regional connectivity.
- ⊕ **Play a constructive role in CAR:** India could play a role in de-radicalisation of youths in Central Asia and leverage its soft power.
- ⊕ **Strengthen People-to-people connectivity and strengthen educational cooperation** to deepen mutual understanding and trust with SCO members.

*By reinforcing mutually beneficial cooperation, preventing confrontation and conflict, and maintaining equal and indivisible security, SCO can build a just polycentric world order, in full conformity with the norms of international law and principles of mutual respect.*

### 2.13.1. REGIONAL ANTI-TERRORIST STRUCTURE

#### Why in news?

Recently, meeting of Shanghai Cooperation Organization's (SCO's) Regional Anti-Terrorist Structure or RATS held in New Delhi to discuss enhancing cooperation in fighting various regional security problems.

#### About Regional Anti-Terrorist Structure (RATS)

- The Agreement on RATS as a permanent SCO body was signed in 2002.
- RATS has been a **coordinating center for combating terrorism, separatism and extremism** at the regional and global levels.



- RATS platform provides a **mechanism for interaction for ensuring the security** of the SCO member states **from transnational crimes associated with terrorism**, such as illegal migration and trafficking of drugs, weapons, explosives, etc.
- Under RATS' working relationship, the **member countries coordinate with each other and other global organisations to gather information to tackle terrorism**.
  - **RATS also maintains a database of terrorists and terror organisations** from across its member countries.
  - Within the RATS framework the **anti-terrorist capacity of the SCO member states is being developed** by holding the annual joint antiterrorist exercises.

## 2.14. BENGAL INITIATIVE FOR MULTI-SECTORAL TECHNICAL AND ECONOMIC COOPERATION (BIMSTEC)

### BIMSTEC AT A GLANCE

BIMSTEC marked its 25<sup>th</sup> year in 2022. Conceived through the Bangkok Declaration in 1997, the grouping aims to accelerate economic growth and social progress among members across multiple sectors. BIMSTEC's principles are Respect for sovereign equality, territorial integrity, political independence, no-interference in internal affairs, peaceful co-existence, and mutual benefit.

#### Represents



22% of the world's population



combined GDP of US\$ 2.7 trillion



#### Significance of BIMSTEC for India

- ⊕ **Strategic:** BIMSTEC is key to fulfil the country's strategic aspirations to cater to the wider concept of 'Indo-Pacific' and an Indian Ocean community.
- ⊕ **Economic:** Connectivity with Southeast Asian markets, presence of important sea lanes of communications and hydrocarbon reserves in bay of bengal.
- ⊕ **Regional cooperation:** BIMSTEC acts as a bridge between South and Southeast Asia, making it a natural platform to fulfil our key foreign policy priorities of 'Neighbourhood First' and 'Act East'.
- ⊕ **Security:** BIMSTEC presents an opportunity to enhance India's Blue Economy and Maritime Security through regional cooperation.
- ⊕ **To counter Chinese influence due to BRI.**



#### Challenges with BIMSTEC

- ⊕ **Untapped potential** due to lack of close internal economic integration among the countries.
- ⊕ **Aggression of certain states:** Apprehensions about China's expanding presence in the bay (so called as "Malacca Dilemma") impacting the autonomy of the shipping routes.
- ⊕ **Stalled progress in FTA:** Adopted a framework to negotiate an FTA in 2004 but still pending.
- ⊕ **Regional geopolitics:** Reluctance to convey the impression of anti-china.
- ⊕ **Physical Infrastructure:** Poor road and rail connectivity, insufficient last-mile links and cumbersome customs and clearance procedures.
- ⊕ **Aggravated security threats in the region** including terrorism and transnational crime such as piracy and IUU fishing.



#### Major connectivity initiatives in the region

- ⊕ **Kaladan Multimodal project:** The project envisages connecting **Kolkata to Sittwe port** in Myanmar, and then Mizoram by **river and road**.
- ⊕ **IMT Trilateral Highway:** It will connect India and Thailand through Myanmar. The highway will run from **Moreh in Manipur to Mae Sot** in Thailand via Myanmar thereby establishing connectivity between **India and Southeast Asian countries**.
- ⊕ **Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicles Agreement (MVA)** for the **free flow of good and people** between them.



#### Way forward

- ⊕ **Strengthening political engagement:** The decision taken in Colombo to host a **summit every two years** is welcome if implemented.
- ⊕ **Concluding FTA.**
- ⊕ **Collaborate in mitigating non-traditional security threats.**
- ⊕ Prioritize **sustained physical connectivity** and high-quality infrastructure.
- ⊕ Prioritising multilateralism including facilitating **tourism diplomacy, academic and student-exchange programmes, and cross-border public health initiatives.**

*BIMSTEC region has come a long way. Solidarity and cooperation between member countries is the need of the hour to make Bay of Bengal, a bridge of connectivity, a bridge of prosperity, a bridge of security.*

### 2.14.1. BIMSTEC CHARTER

#### Why in news?

The **fifth summit** of the regional grouping, the **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)**, held virtually in **Colombo**.

#### Important outcomes of the Summit

- **Adoption and signing of the BIMSTEC Charter** presents BIMSTEC as “an **inter-governmental organization**” with “**legal personality.**” The grouping now views itself **not as a sub-regional organisation** but as a **regional organisation**.
- To **re-constitute and reduce the number of sectors of cooperation** from 14 to a more **manageable seven**. Each member-state will **serve as a lead for a sector (Refer table)**.
- Adoption of the **Master Plan for Transport Connectivity** applicable for 2018-2028 which lays out a guidance framework for connectivity related activities in the region in the future.
- **Three new agreements** signed by member states:
  - BIMSTEC Convention on **Mutual Legal Assistance** in Criminal Matters;
  - BIMSTEC Memorandum of Understanding on Mutual Cooperation in the field of **Diplomatic Training**;
  - Memorandum of Association on Establishment of **BIMSTEC Technology Transfer Facility**.

Lead	Sector
<b>Bangladesh</b>	Trade, investment and development
<b>Bhutan</b>	Environment and climate change
<b>India</b>	Security, including energy
<b>Myanmar</b>	Agriculture and food security
<b>Nepal</b>	People-to-people contacts
<b>Sri Lanka</b>	Science, technology and innovation
<b>Thailand</b>	Connectivity

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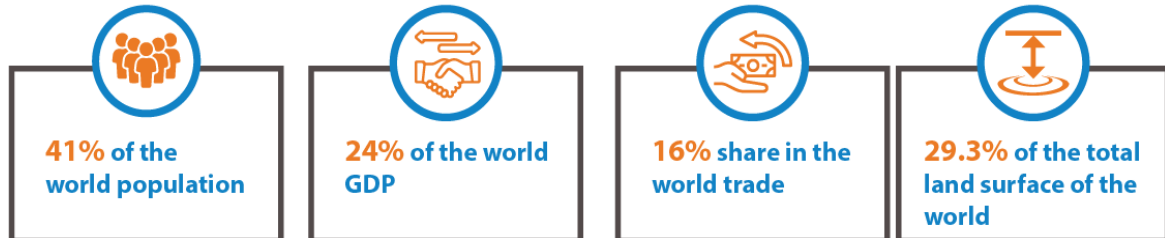


## 2.15. BRICS

# BRICS AT A GLANCE

BRICS started in 2001 as BRIC, an acronym coined by Goldman Sachs for Brazil, Russia, India, and China with an aim to promote peace, security, development and cooperation in the world. South Africa was added in 2010.

## REPRESENTS



### Significance of BRICS for India

- ⊖ **Voice of developing countries** against terrorism and for protection of their rights from WTO to climate change.
- ⊖ **Safe space to modulate rivalry:** During the Doklam standoff of 2017 and the recent Ladakh standoff, both China and India remained engaged through BRICS.
- ⊖ **Providing a transcontinental reach:** With the presence of Brazil and South Africa.
- ⊖ **Boosting India's demand for institutional reforms** such as UNSC, WTO, etc.
- ⊖ **Contribution in creating an inclusive international financial architecture.**
- ⊖ **Import dependency:** Thirty-four per cent of India's total imports are from the other four BRICS nations.
- ⊖ **Achieving SDG goals to eradicate hunger and poverty:** BRICS Agricultural Research Platform has been created to promote cooperation in agricultural research and innovations.
- ⊖ **Balances India's growing partnerships with the West** (such as through QUAD) which helps in highlighting its commitment to **strategic autonomy and multi-aligned foreign policy.**



### Challenges faced by the grouping

- ⊖ **Dominant role of China within the group.**
- ⊖ **Disparities among the members** due to a mix of democratic and authoritarian regimes.
- ⊖ **Suspicious among members** about Chinese regional and global ambition may impact group's functioning in future.
- ⊖ **Approach towards institutional reforms:** BRICS is interested only in selective reform of the UNSC.
- ⊖ **Lack of capital:** More investment, more capital is needed in the NDB.
- ⊖ **Low Intra-country trade:** Imports and exports among BRICS nations are low due to geographical distance and restrictive trade environments.



### Achievements of BRICS

- ⊖ **Establishment of the New Development Bank (NDB) and Contingent Reserve Arrangements (CRA)**
- ⊖ **Bringing incremental changes** in the International Monetary Fund (IMF) such as doubling of quota.
- ⊖ **Launching of BRICS Vaccine R&D Centre;** a testament of Commitment of BRICS countries towards Global Pandemic Response.
- ⊖ **BRICS Science, Technology and Innovation (STI) Framework Programme** in 2015 facilitated a common response to COVID-19.
- ⊖ **Medical cooperation: Ufa Declaration** was adopted in the 7th summit in 2015.

#### India's contribution to BRICS

- ⊖ Proposal of the New Development Bank.
- ⊖ **Urbanization Forum** for tackling challenges of rapid urbanization for all members.
- ⊖ **Institutionalised the practice of holding BRICS Academic Forum.**
- ⊖ **Other important initiatives** related to online education, a virtual university, BRICS language schools, young BRICS Forum, disaster management etc.



### Way Forward

- ⊖ **Overcome diversities and seek common interest.**
- ⊖ The BRICS nations need to **move towards a bottom-up approach** to increasing private sector and citizen involvement.
- ⊖ **Reprioritising Counterterrorism in BRICS agenda:** Finalising a result-oriented action plan for implementing the BRICS Counter-Terrorism Strategy
- ⊖ **Building a collective strategy and identifying priority processes** to implement it.
- ⊖ Push for much **enhanced multilateral efforts** by furthering its deep connect with the Global South.

*BRICS has managed to begin a process of institutionalisation as well as increased intra-BRICS cooperation in various areas. Despite the differing foreign policy positions in several areas, BRICS had remained an important arena for 'discussing the prospects of geopolitical evolution.'*

## 2.15.1. 14TH BRICS SUMMIT

### Why in news?

BRICS Leaders adopted the 'Beijing Declaration' in 14th BRICS Summit, convened under the Chairmanship of China, in virtual format.

### Highlights of the Summit

- **Discussions:**
  - The leaders held discussions in **fields of Counter-Terrorism, Trade, Health, Traditional Medicine, Environment, Science, Technology & Innovation etc.**
  - On Ukraine issue, group support **talks between Russia and Ukraine** and expressed support to efforts of the UN Secretary-General, UN Agencies and International Committee of the Red Cross (ICRC) to **provide humanitarian assistance.**
- **India proposed initiatives:** India called for strengthening of the BRICS Identity and **proposed establishment of Online Database for BRICS documents, BRICS Railways Research Network, and strengthening cooperation between MSMEs.**
  - India will be organizing **BRICS Startup event** this year to strengthen connection between Startups in BRICS countries.
- **Denial of Safe Haven to Corruption:** BRICS welcomed the BRICS Initiative on **Denial of Safe Haven to Corruption** which further strengthen anti-corruption capacity building through **education and training programs and enhance anti-corruption exchanges and cooperation** within multilateral frameworks.
- **Others:**
  - The High-level Dialogue on **Global Development, non-BRICS engagement** segment of the Summit was also held.
  - Leaders will continue to discuss the **possibility of admitting new countries** to the five-nation grouping on the basis of **full consultation and consensus.**
    - ✓ Recently, **Iran and Argentina** have applied to join the BRICS mechanism. This could be the **first expansion of the group** since South Africa was included in 2010.

“ The Secret To Getting Ahead Is Getting Started ”



**ALTERNATIVE CLASSROOM PROGRAM** *for*

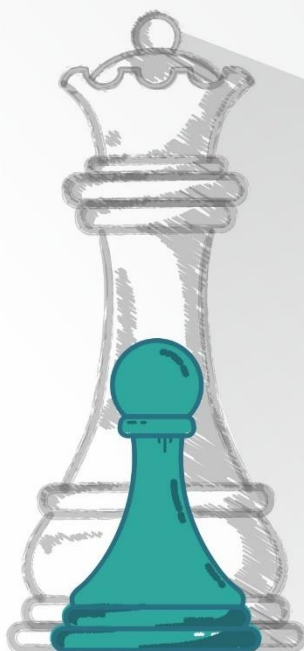
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# 3. EFFECT OF POLICIES AND POLITICS OF DEVELOPED AND DEVELOPING COUNTRIES ON INDIA'S INTERESTS

## 3.1. INDO-PACIFIC REGION

### INDIA-INDO-PACIFIC AT A GLANCE

It's a **geopolitical construct** substituting "Asia-Pacific" and representing an **integrated theatre that combines the Indian Ocean and the Pacific Ocean. However, Various stakeholders have differing interpretations of what constitutes it.**

#### Represents



#### Key elements of India's vision for the Indo-Pacific (PM's Shangri La Dialogue, 2018) includes

- ⊕ A free, open, inclusive region
- ⊕ Southeast Asia at the centre of Indo Pacific
- ⊕ A common rules-based order for the region
- ⊕ Equal access to common spaces on sea and in the air, as a right under international law Circumventing power rivalries through partnerships.



#### India's interests in the Indo-Pacific

- ⊕ **Peace and security** in the Indian Ocean
- ⊕ **Expanding its presence in the region**, especially in Africa, the Middle East and Southeast Asia
- ⊕ **Maintain its role as a net security provider**
- ⊕ **Countering China**
- ⊕ **Enhancing Trade and Investment Cooperation** and Promoting sustainable development
- ⊕ **Other Interests:** Regulating illegal, unregulated, and unreported (IUU) fishing, deep sea mineral exploration and effective disaster risk management.



#### India's policy towards the Indo-Pacific Region

- ⊕ **Strengthening and preserving traditional roles in IOR** such as Security Provider, Providing Developmental Assistance etc.
- ⊕ **Naval Strategy:** Maritime Domain Awareness (MDA) and Joint Exercises.
- ⊕ **Partnerships:** Indo-Pacific Economic Framework for Prosperity (IPEF), QUAD, ASEAN, BIMSTEC, Forum for India-Pacific Islands cooperation (FIPIIC),
- ⊕ **Foreign Policy:** Separate Indo-Pacific Division (IPD), Project Mausam, Act East Policy, SAGAR, Indo Pacific Oceans' Initiative, Trilateral Development Corporation (TDC) fund etc.



#### Challenges faced by India

- ⊕ **Limited Naval Capacity and Lack of military bases**
- ⊕ **Challenges to trade:** Emergence of insulating tendencies amongst economies after COVID, Tariff and non-tariff measures (NTMs) and poor infrastructure connectivity.
- ⊕ **Slow pace of developments of initiatives**
- ⊕ **Balancing Continental and Maritime Strategies**
- ⊕ **Challenges to MDA:** submarine deployments, grey shipping and dark shipping.
- ⊕ **Barriers to fruitful partnerships:** Lack of definitional consensus and differences in priorities.



#### India's policy

- ⊕ **Issue based Coalitions and Partnerships** framed by a model of burden sharing.
- ⊕ **Enhancing engagements** with non-traditional players such as Micronesia
- ⊕ **Strategic use of Island Territories**
- ⊕ **Debt solutions for vulnerable countries**
- ⊕ **Innovative mechanisms** such as QUAD+ (minilateral engagement in Indo-Pacific to include other crucial emerging economies.)

*Collective efforts will contribute to the maintenance of a free, open and inclusive Indo-Pacific region, where there is respect for territorial integrity, peaceful resolution of disputes and adherence to international rules and norms.*

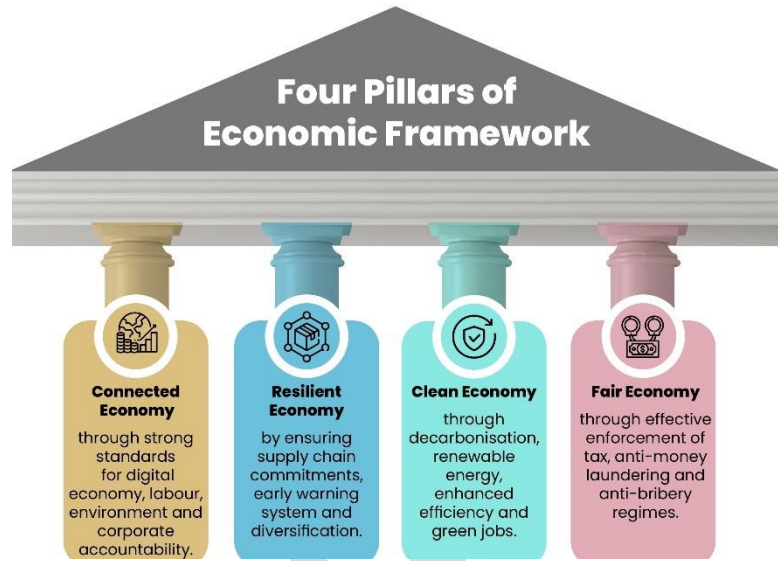
### 3.1.1. INDO-PACIFIC ECONOMIC FRAMEWORK FOR PROSPERITY (IPEF)

#### Why in News?

Recently, **India agreed to be a part of the Indo-Pacific Economic Framework for Prosperity (IPEF)**, a U.S.-led economic grouping comprising 14 countries.

#### About IPEF

- IPEF is a U.S.-led framework for participating countries to **solidify their relationships and engage in crucial economic and trade matters that concern the region**, such as building resilient supply chains battered by the pandemic. **It is not a free trade agreement.**
- Member states:** US, Australia, Brunei, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, Fiji, and Vietnam.
  - Together, these **countries account for 40% of the global GDP.**
- Additionally, the framework would be open to other countries willing to join in the future.
- The economic framework broadly rests on four pillars** (See infographic).
- Countries are free to join (or not join) initiatives** under any of the stipulated pillars but are expected to adhere to all commitments once they enroll.
- IPEF is **more about standard setting and facilitating trade** and **will not involve more market access for its members.** Nor will it negotiate lower tariffs.



#### Significance of IPEF

- Better Economic Partnerships:** Establishing new rules of commerce to strengthen economic partnership among participating countries.
- Rule based Indo-Pacific:** Building a free and open Indo-Pacific that is connected and prosperous, secure as well as resilient, and has sustainable as well as inclusive economic growth.
- Making supply chains more resilient,** thereby protecting against costly disruptions that lead to higher prices for consumers.
- Countering China:** IPEF will help to counter the growing economic and strategic influence of China in the Indo-Pacific.
- Strengthening partnership on key global issues:** by focusing on clean energy, decarbonization, tackling the climate crisis, enforce effective tax, anti-money laundering, and anti-bribery regimes etc.

#### Significance of IPEF for India

- Participation in regional trade:** For India, after Regional Comprehensive Economic Partnership (RCEP) exit, the IPEF membership keeps it in the room on Asian trading arrangements.
- Aligned to domestic requirements:** IPEF's non-specific and flexible nature also suits India, providing scope of negotiations for environmental restrictions on fossil fuels, data localization etc.
- Better economic opportunities:** IPEF is providing India another opportunity to be part of a mega economic arrangement, but outside the influence of China.

#### Concerns for India

- Stated objectives of IPEF include **pursuing rules in digital economy**, such as standards on cross-border data flows and data localisation. This is **something India has been avoiding in all its free trade deals** as it does not want to lose sovereignty over its data.
- The IPEF also wants to **frame rules on labour standards, environment norms and decarbonization, which India has never been keen on**, including in its free trade pacts.
- US could also use IPEF** to pressurise India on supporting a **permanent moratorium on customs duties on electronic transmissions** at the WTO.



- **Participation in resilient supply chains:** building resilient supply chains is one of the motives of the IPEF. India can consider members as alternative sources for its raw materials requirements.

**Issues with IPEF**

- **Lack of clarity:** Concerns are on the feasibility of a grouping in which U.S. officials have made clear would neither constitute a ‘free trade agreement,’ nor a forum to discuss tariff reductions or increasing market access.
- **Short in countering China:** In its current format, the IPEF might not be able to counter China’s economic dominance in the region owing to the lack of direct incentives offered in IPEF.
- **Advancing U.S. interests:** U.S. appears to be making the deal more about benefits to the U.S. economy than to the Indo-Pacific region as a whole.
- **Overlap with BDN and B3W:** The conceptual baggage of IPEF (setting “rules,” “standards,” and “principles”) has already appeared and been tested in both the **Blue Dot Network (BDN)** launched in 2019 and the **Build Back Better World (B3W)** initiative launched in 2021. Both B3W and BDN were defined in terms of countering China and its Belt and Road Initiative (BRI). Neither has so far produced much tangible substance and momentum.
- **Possible violation of WTO rules:** IPEF is not proposed as an FTA. In the absence of an FTA, WTO rules will not permit granting of preferential treatment amongst IPEF members.
- **Absence of dispute settlement mechanism:** Another critical question is: what kind of dispute settlement mechanism would be incorporated in the IPEF to avoid unilateral actions by signatory countries?

**Conclusion**

3Ts—Trust, Transparency, and Timeliness—as mentioned by the Indian Prime Minister are very important for the success of this initiative. Trust and transparency will be built only if members, particularly the US, accommodate each other’s interests. If achieved, both will lead to timely delivery of the intended outcome. If the US is not accommodative and driven by its own interests, the IPEF may not be a success

**Significance of IPEF for U.S.**

- IPEF is **part of the U.S.’s more than a decade old “Pivot to Asia” programme**, re-imagining the Indo-Pacific as a geographic construct including America (QUAD is also part of the same pitch).
- **U.S. allies and partners in the region** view the U.S. military and diplomatic presence in the region as welcome but they also **expect US to be an active and reliable partner in regional economic affairs.**

**Reasons for slow pace of engagement with Indo-Pacific**

- **U.S. strategy fails to account for regional economic trends** – particularly the fact that in the last two decades the region has increasingly become economically integrated through a series of FTAs, several of which incorporate China but not U.S.
- It fails to account for **divergent interpretations of the geographic boundaries** of the Indo-Pacific.

**Indo-Pacific strategies by other countries**

Country	Idea	Objectives
EU	EU Strategy for Cooperation in the Indo-Pacific	<ul style="list-style-type: none"> <li>• <b>Solidify and defend the rules-based international order</b>, by promoting inclusive and effective multilateral cooperation based on shared values and principles.</li> <li>• Establish mutually <b>supportive trade and economic relations with the region.</b></li> </ul>
Japan	Free and Open Indo-Pacific Strategy	<ul style="list-style-type: none"> <li>• <b>Develop a free and open Indo-Pacific region as “international public goods”</b>, through ensuring the rule-based international order, in a comprehensive, inclusive and transparent manner.</li> <li>• <b>Attaching importance to ASEAN’s centrality and unity</b>, in order to bring stability and prosperity for every country as well as secure peace and prosperity in the region as a whole.</li> </ul>

**3.1.2. QUAD**

**Why in News?**

Recently, second ever in-person meeting of the Quad was held.

**About Quad**

- Quadrilateral Security Dialogue (Quad) is an **informal association of India, the United States, Australia, and Japan.** The group met for the **first time in 2007 on the sidelines of the Association of Southeast Asian Nations (ASEAN).**

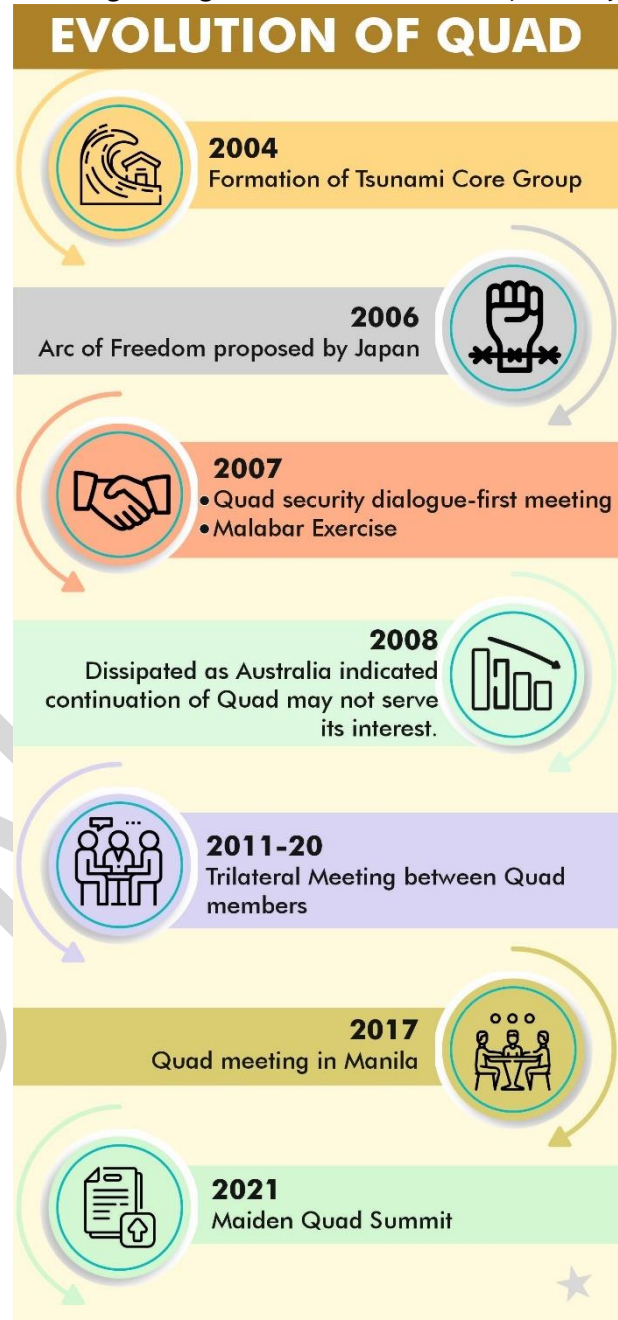
- Its origin can be traced back to the **evolution of Exercise Malabar and the 2004 Tsunami** when India conducted relief and rescue operations for itself and neighboring countries and was later joined by the US, Japan and Australia.
- Set up **to counter the growing might of China economically and militarily**, this version eventually dissipated in 2008.
  - India was particularly **sensitive to China's reaction** at the time given its desire for a Nuclear Suppliers' Group waiver.
  - Also, there have been **doubts about the utility of a quadrilateral** since India already has trilaterals with Japan and the U.S., and Australia and Japan.
- **In 2017, faced again with the rising threat of China**, the four countries revived the Quad. **Quad 2.0 is the outcome of substantial groundwork over the 2017-2021 period.**
  - The core objective of the Quad is to secure a **rules-based global order, freedom of navigation and a liberal trading system.**
  - It is considered an alliance of maritime democracies, and the forum is maintained by meetings, semi-regular summits, information exchanges and military drills of all the member countries.

### Significance of Quad for India

- **Balancing China's influence:** India is working with Quad partners to offer alternatives to China's Belt and Road Initiative, a project that undermines India's territorial sovereignty and regional primacy.
- **Rising importance of Indo-Pacific:** QUAD provides India with a **powerful platform to advance East Asia's interests, strengthen its Act East policy and work more on platforms like Asia Africa Growth Corridor.**
- **Evolving Foreign policy strategy:** Aligning with like-minded countries without making a formal alliance or discounting its relationship with countries outside Quad is a hallmark of India's evolving foreign policy strategy.
- **Supplementing India's defense capabilities:** Quad can help India overcome its limitations pertaining to finances, naval capacity, military reconnaissance, and technological and surveillance capabilities.
- **Additional collaboration on emerging threats:** All four states have been the subject of extensive and persistent cyberattacks emanating from nation-state-supported institutions, notably from China.

### Challenges for Quad

- **Implication on India's other bilateral/multilateral engagements:** Recently, China argued that by moving closer to the US and the US-led Quad in recent years India has worsened India-China and India-Russia relations and halted progress in the development of BRICS and Shanghai Cooperation Organisation.
- **Unclear objectives:** Such ambiguity does not project a good signal because many political observers are simply viewing it as an anti-China alliance, which undermines its potential in other essential areas such as climate change issues and vaccine diplomacy.
- **Unresolved issues**
  - **Climate Change issues:** India has worked with Quad countries on the Solar Alliance, Paris Accord etc., but has not yet signed on to Net Zero and ending coal deadline.





- **Critical Technologies and Resilient Supply Chains:** While India is keen on building alternate supply chains to end dependence on China, it is not part of the Osaka track, that includes other Quad countries, when it comes to cross border data flows.
- **Conflicting signals from US:** Even as the agenda for the Quad meeting is being evolved, the US announced a new trilateral defence partnership with Australia and the UK (AUKUS) leaving friends and allies mystified.
- **Divergence on acceptable risks and costs:** Reasons like existence or absence of direct territorial disputes with China, perceptions of the potential risks of retaliation by China and finally the limitations of each nation's strategic culture.
- **China's influence:** China has strong economic ties with Quad members, especially Australia, which can be used to coerce or influence nations in its favour. This can turn out to be problematic for India.

#### Way forward for Quad

- **Collective action:** Collective security among the Quad nations has to be worked to safeguard the member nations' freedom and security.
- **Need for clear vision:** Quad nations need to explain the Indo-Pacific Vision in an overarching framework to advance everyone's economic and security interests. This will reassure the littoral States that the presence of QUAD benefits the region.
- **Expanding the Quad:** India has many other partners in the Indo-Pacific. Therefore, India should pitch for countries like Indonesia, Singapore to be invited to join the Quad in the future.
- **Need for a Maritime Doctrine:** India should develop a comprehensive vision on the Indo-Pacific, which would ideate on the current and future maritime challenges, consolidate its military and non-military tools; and, engage its strategic partners.

### SIGNIFICANCE OF QUAD FOR OTHER MEMBERS

	<p><b>Japan</b></p> <ul style="list-style-type: none"> <li>▶ Japan depends heavily on <b>open sea lanes for its trade</b> with the world.</li> <li>▶ <b>China's assertion of its sovereignty in the South China Sea</b>, as well as Chinese provocations towards islands China and Japan both claim in the East China Sea, has made <b>Japan wary of China's military build-up</b>.</li> </ul>
	<p><b>Australia</b></p> <ul style="list-style-type: none"> <li>▶ China's rapid rise is <b>changing the calculus for Australia</b> in Indo-Pacific and it has relied on US to play the role of external balancer in the region.</li> <li>▶ Quad <b>complements Australia's other bilateral, regional and multilateral cooperation</b>, including with ASEAN.</li> </ul>
	<p><b>US</b></p> <ul style="list-style-type: none"> <li>▶ <b>Indo-Pacific is important to U.S. maritime interests.</b> In 2019, \$1.9 trillion worth of U.S. trade passed through the region.</li> <li>▶ <b>China's growing willingness to challenge the regional status quo</b> worries U.S.</li> </ul>

**Related information: Global Security Initiative (GSI)**  
 Recently, Global Security Initiative (GSI) was put forward by China to counter the US Indo-Pacific strategy and the Quad .

- GSI calls for a "**common, comprehensive, cooperative and sustainable**" security and building an Asian security model of mutual respect, openness and integration".
- It is envisaged to uphold the **principle of "indivisible security"**.
  - The principle of "indivisible security" means that **no country can strengthen its own security at the expense of others.**

## 3.2. AUKUS

#### Why in News?

- Recently, India's Foreign Secretary stated that **AUKUS had no links with the Quad** and won't impact the functioning of the grouping.

#### About AUKUS

- **AUKUS**, by Australia, UK and US, is a **new security alliance that aims for deeper cooperation in the Indo-Pacific and greater sharing of defence capabilities** within the alliance.
- The plan is to give **access to cutting edge military technology to Australia** by its two partners, including futuristic capabilities like artificial intelligence and quantum technologies.
  - As part of the pact, **Australia will abandon its US \$43 billion plan to build French conventional submarines**, and instead build vessels based on US-UK technology.

#### AUKUS and India

- **Complications**
  - **New Challenge in Indo-pacific:** There is apprehension that the deal could eventually lead to a crowding of nuclear attack submarines in the Eastern Indian Ocean, eroding India's regional pre-eminence.

- **U.S' unreliability:** France's unhappiness (due to Australia's plan to build US-UK based vessels instead of French) with AUKUS has complicated the situation a bit from India's perspective as it has excluded its long-time ally France from the grouping despite being a NATO partner.
- **Provocative to China:** The agreement could provoke Beijing into expanding military activity in the littorals in the Indian Ocean.
- **AUKUS vs Quad:** AUKUS has taken the focus away from the Quad. The agreement suggests preferential treatment on the part of US for a close Anglo-alliance partner.
- **Impact on other multilateral engagements:** Recently, France has pulled out of India-France-Australia foreign ministers trilateral (formed to counter balance China) to protest against AUKUS.
- **Technology Pursuit:** Following the deepening of Quad ties, some in India were hopeful that U.S. would consider providing the Indian Navy with nuclear submarine propulsion technology.
  - ✓ Clarification by U.S. that the sharing of submarine propulsion technology will be only with United Kingdom and Australia puts paid to Indian expectations.
- **Opportunities**
  - It will **strengthen the Quad's agenda to keep the Indo-Pacific region free, open and inclusive.**
    - ✓ AUKUS could also extend itself to bolstering the Quad's efforts **on maritime exercises, security and efforts in countering COVID-19, climate change,** cooperating on critical technologies, and building resilient supply chains.
  - The pact opens up a window of opportunity for **more strategic collaboration between India and France.**
  - **To deal with China:** By clearly declaring its intention to deter China, AUKUS expands New Delhi's options in dealing with Beijing.

### 3.3. GEO-POLITICAL RISE OF SOUTH PACIFIC

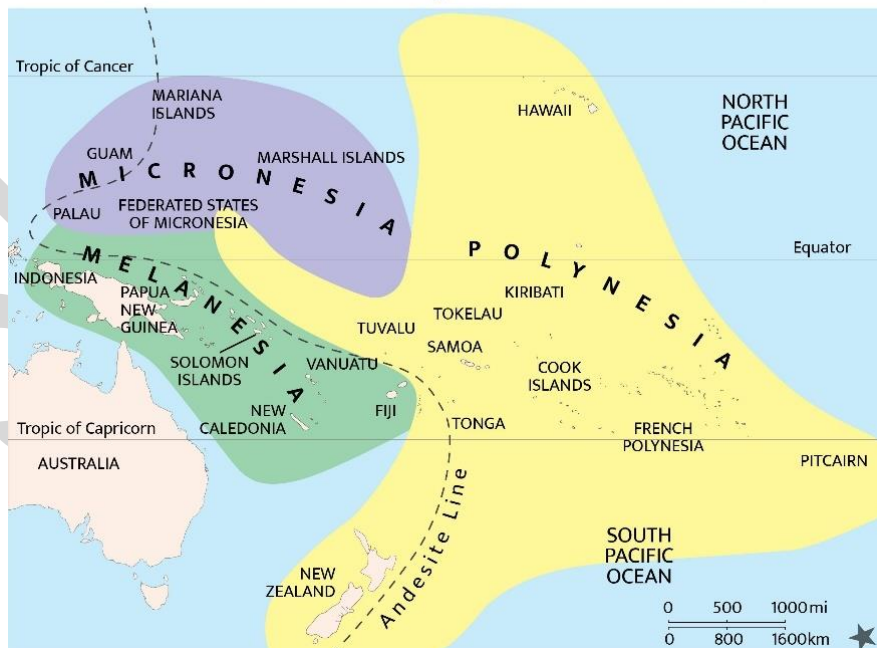
#### Why in News?

Recently China and the Soloman Islands entered into a security alliance with each other.

#### More about news

- The pact will pave the way for China to deploy security forces in the Pacific Islands as well as for the Chinese navy, which has been rapidly growing its fleet as well as spreading its reach far from China's shore, to use its port.
- The **South Pacific** consists of 14 independent states and other dependencies administered by the U.S., France, Australia, and New Zealand.

### South Pacific Geopolitical Construct



#### Implications of the Pact

- The security deal appears to be a direct response to **the establishment or revival of larger Indo-Pacific security groupings**, in particular the AUKUS pact.
- It will impact the fragile state of **Pacific multilateralism.**
- Hard power focus will **undermine far more pressing concerns** among the Pacific Islands, ranging from the ongoing danger related to climate change to sea-level rise.
- It will increase destabilization within the Solomon Islands and could set a concerning precedent for the wider pacific island region.



## Significance of the South Pacific Region

- **Rising China's Footprint:** Increased Chinese economic involvement comes with the peril of China extending its engagement to the domain of security. The recent engagement with Solomon Islands is a case in the point.
- **Trade and Transportation:** The Pacific island sits at critical sea lanes of communications that connect Asia and Latin America. The ideal position they occupy is important for open and safe transportation.
- **Rich Mineral resources and Exclusive Economic Zone:** It is rich in minerals such as copper, nickel, gold, and liquefied petroleum gas and has huge fishing potential. Furthermore, the unexplored seabed of the South Pacific holds great prospects as well.
- **Strategic location:** Due to its geographical location, the South Pacific is an ideal location for establishing a monitoring and tracking station for satellites. For instance, India's Mars mission was monitored in Fiji. The region proved its worth in telemetry, tracking, and command for the Mars mission.
- **Biological Diversity:** The flora and fauna of this region are highly diverse and many of the species that are found in this region are highly endemic and hence not found in any other region of the world.

### Recent steps taken by US in South Pacific

- **'Partners in the Blue Pacific' Initiative:** Launched by US, Australia, New Zealand, Japan and the United Kingdom as an informal mechanism for effective and efficient cooperation with the region's small island nations.
- **Enhanced support to the region:** US aims to set up two new embassies in Kiribati and Tonga, reopen the one in the Solomon Islands and appoint its first-ever envoy to the Pacific Islands Forum.

## Significance of South Pacific for India

- **India's Act East Policy:** India's relations with Pacific Island Countries are part of the extended Act East policy.
- **Support at multilateral forums:** India has been seeking support from these countries to attain its ambition of becoming a permanent member of the UNSC.
- **Trade Potential:** India's export to the region is just 1.4 percent of its export and imports from this region are 2.5 percent of its total imports. Considering the fact that the Pacific economies are "very open economies, reflected in lower tariff rates", there is immense scope for growth on the trade front.
- **Indian Diaspora in the region:** India has a huge diaspora in the South Pacific region (close to 0.29 million NRIs and 0.59 million PIOs).

### The steps taken by India

- India participated in the **Pacific Islands Forum (PIF)** annually since 2002 as one of the 17 dialogue partners.
- At the second **Forum for Indian and Pacific Island Countries (FIPIIC)** meeting in Jaipur in 2016, India announced the setting up of a **network of marine biology research stations** in the region and an institute for sustainable coastal and ocean research.
- India has announced a **US\$ 200,000 grant in aid** to be provided to Pacific Island countries annually.

## Way Forward

- The countries in the region should have **equal access as a right under International Law**, use common spaces on sea and in the air that would require freedom of navigation and unimpeded commerce, and peaceful settlement of disputes.
- **Expansion of Indian Diplomatic Mission:** Indian Diplomatic Missions are present only in two countries of the South Pacific Islands in Fiji and Papua New Guinea apart from New Zealand and Australia in the entire South Pacific. To enhance India's presence in the South Pacific, New Delhi could consider establishing diplomatic missions in the Cook Islands, Fiji, Solomon Islands, and Samoa.

## Conclusion

South Pacific is increasingly becoming a contested strategic space with the growing interests of regional and extra-regional players. China and India, which have largely ignored the region in the past are now gearing up to augment their role in the region. At the same time Australia and New Zealand, and the USA are working to maintain their dominant position.

### 3.4. NORTH ATLANTIC TREATY ORGANIZATION (NATO)

#### Why in news?

NATO Summit was held recently in Madrid (Spain) amid Russia-Ukraine War.

#### Key outcomes of the summit

<b>2022 Strategic Concept</b>	<p>It is NATO's guiding document which reflects the emerging security reality.</p> <ul style="list-style-type: none"> <li>It identifies <b>Russia as the most significant and direct threat</b> to Allied security,</li> <li><b>Addresses China for the first time</b> and</li> <li>Includes other challenges like terrorism, cyber and hybrid threats, maritime security etc.</li> </ul>
<b>Support to Ukraine and other partners at risk</b>	<ul style="list-style-type: none"> <li>A strengthened <b>Comprehensive Assistance Package for Ukraine</b>, including support in areas like secure communications, anti-drone systems and fuel.</li> </ul>
<b>Adapting the Alliance to emerging challenges</b>	<ul style="list-style-type: none"> <li>Agreement to <b>cut greenhouse gas emissions</b> by NATO as an organisation by at least 45 per cent by 2030, down to net zero by 2050.</li> <li>Launch of the <b>NATO Innovation Fund</b>, which will invest EUR 1 billion over the next 15 years in start-ups developing dual-use emerging technologies, such as artificial intelligence.</li> </ul>

#### About NATO

- NATO was **formed in 1949** with the aim of acting as a deterrent to the threat of Soviet expansion in Europe after World War II.
- Purpose:** The organization **acts as a collective security alliance** with the aim of providing mutual defense through military and political means if a member state is threatened by an external country. (**Article 5** of the NATO charter).
  - Article 5 has been invoked once, by the United States, in the wake of the 9/11 attacks in 2001.
- The most recent additions to NATO were Montenegro in 2017 and North Macedonia in 2020, **bringing the total number of NATO member states to 30.**
  - NATO's **Open door policy** (Article 10 of the charter), allows any European country that can enhance and contribute "to the security of the North Atlantic area" to join.
- Major Non-NATO Ally Status:** It is a designation given by the US government to close allies that have strategic working relationships with the US Armed Forces but are not members of the NATO.
  - The **US has designated 30 other countries** including Japan, S.Korea, Japan, Israel etc. as major non-NATO allies.
  - The status **confers a variety of military and financial advantages** such as participation in defence research projects and counter-terrorism initiatives, buy depleted uranium ammunition etc. that otherwise are not obtainable by non-NATO countries.

#### Why NATO is focussing on China?

NATO has justified its new focus on China as a “**collective defence**” against what it views as Chinese encroachment on European interests:

- Key ports, such as the Port of Piraeus in Greece, one of the largest in Europe, are now majority-owned by Chinese companies.
- Increased Chinese naval patrols in the Atlantic ocean region.**
- China's rising interest in the Arctic Sea.**
- Extensive cyberattacks** on Western commercial and military targets by Chinese state.
- Claims of Chinese ownership** over the resource-rich waters of South China Sea, a strategically vital waterway.

#### Issues with NATO

- Conflicts and Difference of opinion among members:** NATO leaders have fundamentally different views about terrorism, Russia, and European security.
  - Conflicts among NATO members — for example, Greece and Turkey — have sharpened.
- Lack of a clearly-defined mission**
- The alliance is losing its edge in strategic competition** with an increasingly technologically advanced, militarily capable and politically aggressive Russia.

#### Relevance of NATO in contemporary times

- To deal with a rapidly changing security environment:** Russia's invasion of Ukraine, terrorism, growing global uncertainty, more sophisticated and disruptive cyber and hybrid threats, and exponential technological change continues to represent a global security challenge and a threat to stability.
  - It played an important role in the international security ambit.**



- ✓ NATO **condemns Russia's aggression** against Ukraine as it gravely undermines international security and stability, and is a blatant violation of international law and offers unwavering **support for Ukraine's independence, sovereignty and territorial integrity.**
- ✓ For nearly 20 years, NATO Allies and partner countries had **military forces deployed to Afghanistan** to ensure that the country would not again become a safe haven for international terrorists.
- ✓ NATO has also **remains a key pillar in the fight against the Islamic State of Iraq and Syria (ISIS)** with its support of the Global Coalition to Defeat ISIS.
- **It is the longest surviving inter-governmental security organisation** of the world and its membership has increased over the period of time.
- Finland and Sweden are on the cusp of joining NATO.
- **Response to COVID:** NATO responded to the COVID-19 crisis by protecting military personnel, facilitating the airlift of critical medical supplies, and harnessing resources to deliver innovative responses.
  - **NATO's Eastward Expansion:** Key decisions taken at the recent summit point towards NATO's eastward expansion from Europe to Asia-Pacific. This **highlights its ensuing role in establishing peace and stability in the Asian region.**
  - China has been named in the NATO's document for the first time.
  - For the first time, four Indo-Pacific countries- **Australia, Japan, New Zealand and the Republic of Korea** **joined a NATO summit**, to deepen cooperation and address global challenges.

### Conclusion

**India has a long standing policy of not joining any military alliance.** While there is no government proposal yet for joining NATO, experts suggest building a very focused, carefully crafted partnership – so that India and NATO can actually proceed with meaningful cooperation which could include joint military exercises, defense planning for maritime contingencies and technology sharing.



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# 4. IMPORTANT INTERNATIONAL INSTITUTIONS, AGENCIES AND FORA- THEIR STRUCTURE, MANDATE

## 4.1. UNITED NATIONS


### 4.1.1. UNSC

## UNSC AT A GLANCE


United Nations Security Council was established by the UN Charter in 1945 as one of the six principal organs of the UN. Its primary responsibility is to work to maintain international peace and security. India officially began its eighth term as a non-permanent member of UNSC for the 2021-22 period. UNSC recently adopted the UNSC Resolution 2593 to ensure that Taliban-ruled Afghanistan doesn't become a breeding ground for terrorism.



The council has **5 permanent members and 10 non-permanent members elected for two-year terms.**



Its decisions (known as resolutions) are **binding on all member states.**



India is a **founding member of UN** and has served as **non-permanent member of UNSC for 7 terms.**



#### Need for reform in UNSC

- ⊖ **Outdated institution:** With no permanent representation from Africa, Asia, Latin America, and the Caribbean it is no longer representative of the present world order.
- ⊖ **Wide-ranging powers** of UNSC– e.g. the imposition of sanctions –encroach on state sovereignty.
- ⊖ **Lack of recognition to countries** such as India, Japan and Germany that make considerable contributions to the UN .
- ⊖ **Veto powers:** Frequent divisions within the UNSC P-5 end up blocking key decisions using veto powers.
- ⊖ Ineffectiveness of the council **discourages multilateralism.**



#### Challenges in front of India

- ⊖ **Lack of consensus on the definition of terrorism:** The CCIT is facing a deadlock due to differences between various countries.
- ⊖ **China's assertion** at the global stage and its support for Pakistan.
- ⊖ **Post COVID Global Order:** Recession, narrow nationalism challenges the prospects of global cooperation.
- ⊖ **Global geopolitics:** Russia-Ukraine War, deteriorating relations between superpowers, increasing tensions between **USA and Iran.**
- ⊖ **Lack of resources for multilateral diplomacy-** staff, finances, intellectual and institutional infrastructure.
- ⊖ **Regional rivals opposed to the G4** seeking permanent membership in UNSC.



#### India's contribution in UNSC

- ⊖ **India will chair the Taliban and Libya sanctions committees and the Counter-Terrorism Committee** of the UNSC during its tenure.
- ⊖ **Active participant in all UN initiatives** such as SDGs, UNFCCC
- ⊖ Formulation of the **Universal Declaration of Human Rights (UDHR)**
- ⊖ **First country to raise apartheid issue at UN.**
- ⊖ **Largest UN Peace Keeping troops provider** and first country to deploy all women contingent.
- ⊖ **Instrumental in establishing the G77, UNICEF, UNEP, UNCTAD etc.**
- ⊖ **Drafting of Comprehensive Convention on International Terrorism (CCIT)** in 1996.



#### Opportunities for India in its two-year term

- ⊖ **Making the UNSC effective and more representative.**
- ⊖ **Strengthen climate change dialogues** leveraging India's leadership through ISA and CDRI.
- ⊖ **Fight against terrorism:** Seeking more cooperation and coordination between the UN and FATF.
- ⊖ **Deal with China's growing hostility** by building a narrative and consensus against China's ill motives.
- ⊖ **Strengthen new alliances** such as QUAD, deepen collaboration with France and Germany in the security arena.
- ⊖ **Revitalise engagement with traditional partners in the global south** such as Africa by articulating their peace and security concerns in the UNSC.
- ⊖ **Shaping debates on emerging issues** such as Biological warfare, Growing nuclear risks etc.
- ⊖ **Strengthening India's Bid for Permanent Seat** by showcasing sincere leadership on international security concerns.
- ⊖ **Reforming peace keeping efforts** by leverage its strengths in Information and Communication Technology (ICT).


*India's new stint at the UNSC should be more purposeful about integrating its UNSC engagement with India's broader national goals and and pragmatic about adapting to the changed conditions at the UNSC. The dictum of Vasudhaiva Kutumbakam (the whole world is a family), must manifest in bridging the geopolitical divide and ensuring global justice in areas of common global concern.*



4.1.2. UNHRC

## UNHRC AT A GLANCE


It is an inter-governmental body established in 2006 replacing the former United Nations Commission on Human Rights. It is made up of 47 States, and is responsible for the promotion and protection of all human rights around the globe.



**Equitable geographical distribution of seats.**



**Decisions, resolutions, and recommendations are not legally binding.**



**Three-year terms with one-third of the members being renewed each year.**

## BILATERAL RELATIONS



### Significance of UNHRC

- ⊖ **Platform for Dialogue** among states with regard to human rights issue.
- ⊖ **Special procedures to monitor human rights.**
- ⊖ **Promote human rights education and learning** as well as advisory services, capacity building, etc.
- ⊖ Reviewing Human rights record of member states through **Universal Periodic Review (UPR).**
- ⊖ **Encourages Civil Society Participation** in the promotion and protection of human rights.



### Achievements of UNHRC

- ⊖ The number of **country-specific reports** submitted by special procedures **increased by 104 percent.**
- ⊖ **Adoption of resolution on Internet free speech.**
- ⊖ **Adoption of resolution on prevention of human rights violations** and respond promptly to human rights emergencies.
- ⊖ **Recognition of the Right to a Healthy Environment** as a Human Right.



### Issue with UNHRC

- ⊖ **Membership Criteria:** Criteria of nominee's human rights record and commitment to highest standards are unenforceable.
- ⊖ **Different view on human rights** taken by different countries makes it difficult to build consensus.
- ⊖ **Tainted democracies:** Poor records in certain civil and political rights criteria, such as press freedom, etc.
- ⊖ **Secret Ballot System:** Easier for countries with questionable human rights records to be elected to the Council.
- ⊖ **Prone to politicization:** States generally vote in favour of their national interests rather than human rights interests.
- ⊖ **Reprisals against Human rights defenders** such as NGOs.



### Road Ahead

- ⊖ **Procedural reforms** such as open ballots in Council elections, lowering the two-thirds vote threshold to make it easier to remove a Council member.
- ⊖ **Protecting Human Rights Defenders** from Reprisals.
- ⊖ **Strengthening UPR** through systematic follow-up and implementation and adopting a more rigorous test.
- ⊖ **Provision of timely and accurate information** to reduce politicization and build consensus.
- ⊖ **Ensuring National implementation** of international human rights obligations.
- ⊖ **Technical assistance and capacity-building** support and additional resources for human rights reporting.

*As individuals, while we are entitled to our human rights, we should also respect and stand up for the human rights of others. India's re-election is a robust endorsement of its strong roots in democracy, pluralism and fundamental rights.*

4.1.3. UN PEACE KEEPING

Why in news?

Over 87,000 UN Peacekeepers Face Greater Threats from Complex Conflicts.

### Challenges in solving conflicts for peacekeeping forces today include

- **Conflicts are driven by multiple factors** including ethnic tensions and the impact of organized crime to illegal exploitation of resources and terrorism.
- **Conflicts are multi-layered** i.e. not only local and national, but also regional and global. For ex, increasing terrorist activity in Africa's impoverished Sahel region.
- **Presence of conflict enhancers**, including digital technologies, impact of fake news and misinformation and usage of increasingly sophisticated means.
- **Political and security environment deteriorated.**

### Steps required to make UN peacekeeping more effective:

- **Improved medical support and equipment** to make peacekeepers more nimble, mobile and reactive, especially more helicopters.
- **Increasing the number of women** in peacekeeping operations as more women in peacekeeping means more effective peacekeeping.
- **Digital transformation** of peacekeeping which will enable better communication and help in countering misinformation, and the better collection and processing of information.

#### About UN Peacekeeping

- Peacekeeping operations get their **mandates from UN Security Council.**
- Their troops and **police are contributed by Member States**
- They are guided by **three basic principles: Consent** of the parties; **Impartiality** and **Non-use of force** except in self-defense and defense of the mandate.
- **India is the largest provider of troops** and has deployed more than a quarter of million troops over the years in as many as 49 peacekeeping missions.

### 4.1.4. UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL (ECOSOC)

#### Why in news?

India got elected to four United Nations ECONOMIC And Social Council (ECOSOC) bodies.

#### More about the news

- The bodies include the Commission for Social development, the Committee on NGOs, Commission on Science and technology for development, and the Committee for economic, social, and cultural rights.
- India was **re-elected to the committee for economic, social, and cultural rights.**
- India was elected in the Asia-Pacific States category along with Afghanistan, Kazakhstan, and Oman.

#### About ECOSOC

- The 54-member ECOSOC is at the heart of the United Nations system to advance the three dimensions of sustainable development-**economics, social and environmental.**
- It was established as **one of the six principal organs of the UN** by the UN charter in 1945.
- **Functions:**
  - It links a diverse family of subsidiary bodies and UN entities dedicated to sustainable development, providing **overall guidance and coordination.**
  - It is responsible for **promoting higher standards of living**, full employment, and economic and social progress.
  - It **identifies solutions** to international economic, social, and health problems; facilitates international cultural and educational cooperation.
  - It encourages universal respect for **human rights and fundamental freedoms.**
  - It is responsible for the **follow-up to United Nations summits and conferences.**
  - **Financing for sustainable development.**

#### Important UN bodies under the preview of ECOSOC.

- International labor Organization (ILO)
- Food and Agriculture Organization of the United Nations (FAO)
- United Nations Educational, Scientific and Cultural Organization (UNESCO)
- World Bank Group
- World Health Organization (WHO)
- International Monetary Fund (IMF)
- World Intellectual Property Organization (WIPO)
- UN women
- International Fund for Agricultural Development (IFAD)

#### ECOSOC Achievements

- **Addressing the diversity of the world's sustainable development challenges**



- **Engaging financial and trade institutions:** By convening High-level Meetings with the WTO, and UNCTAD, ECOSOC engages the global multilateral financial institutions in support of the United Nations development agenda.
- **Advancing the humanitarian policy agenda:** Since 1998, the ECOSOC humanitarian Segment has been addressing challenges and operational and normative progress on the humanitarian policy agenda.
- **Putting women at the heart of development efforts:** The Commission on the Status of Women (CSW) has played a significant role within the United Nations intergovernmental system in drawing attention to women's rights.
- **Responding to the global HIV/AIDS epidemic:** Established in 1994 by an ECOSOC resolution and launched in 1996, UNAIDS – the Joint United Nations programme on HIV/AIDS – leads the global response to fighting HIV/AIDS, tuberculosis, and malaria.
- **Connecting development and human rights:** The Human Rights Commission was one of the first functional commissions created within ECOSOC. It was charged with drafting the Universal Declaration of Human Rights. The Commission was later transformed, in 2006, into the Human Rights Council.



### Conclusion

India will play a major role in achieving sustainable development goals as a member of ECOSOC. India will help other developing and underdeveloped countries in achieving their sustainable development targets.

## 4.2. WORLD HEALTH ORGANISATION (WHO)

### Why in news?

WHO adopted a sustainable financing model to improve the World Health Organization's financing model.

### Current financing model of WHO

- WHO budget largely consists of two funding types, namely **assessed contributions** and **voluntary contributions**.
- WHO's work was **previously funded entirely by assessed contributions** from Member States.
- While WHO's budget has increased substantially – from US\$ 1.4 billion for 1990–1991 to US\$ 5.8 billion for 2020–2021 – **assessed contributions have remained more or less static** at about US\$ 1 billion.

### About the proposed Sustainable Financing Model

It calls for members' mandatory/assessed contributions to rise gradually to account for 50 per cent of agency's core budget by 2028, from less than 20 per cent now.

### What is the take of countries on the model?

- **USA:** U.S. government opposed the reform because it has concerns about the WHO's ability to confront future threats, including from China.
  - It is **pushing instead for the creation of a separate fund**, directly controlled by donors, that would finance prevention and control of health emergencies.
- **Brazil:** WHO needed to investigate other ways to raise funds, such as charging for its services, cutting costs or relocating operations to cheaper countries.

### Need for Sustainable Financing Model

- **Limited funding:** WHO's annual operating budget is smaller than that of many university hospitals, and diversified among an array of public health and research projects.
- **Over reliance on voluntary contribution** from member states and charities, **forces the agency to focus on priorities set by funders**, and makes it less able to criticise members when things go wrong.
- **Persisting pockets of poverty:** This leads to a situation of under and overfunding across programme budget segments.

- For instance, there is a chronic underfunding of areas including noncommunicable diseases, emergency preparedness, and data and science functions.
- **Timely response to the changing public health environment:** Sustainable funding is critical to respond to and address areas such as emergency preparedness, non-communicable diseases.
- **Human Resource:** Budgetary constraints impede the Organization’s ability to attract and retain the best professionals in global health.
- **Donor reliance:** Top five donors(USA, China, Japan, Germany, UK) of voluntary contributions represent between 30% and 60% of the financing for WHO Programme budget. Withdrawal of any of these major donors leaves an immediate, substantial funding gap that cannot be bridged easily due to the very limited amounts of sustainable, flexible and predictable financing.
  - For instance, U.S. funding had declined by 25 percent during the COVID pandemic.
- **To make long-term planning possible and to strengthen WHO’s ability to deliver on work to lead and coordinate global health.**

**Other persisting challenges with WHO**

- **Lack of defined functions**-There is no single document which comprehensively describes its responsibilities, obligations and powers with respect to infectious diseases.
- **Recommendatory powers**- Unlike bodies like World Trade Organisation (WTO), it has no ability to bind or sanction its members.
- **Capacity to work in an outbreak**-
  - Its coordinating authority and capacity are weak and it merely works as a technical organisation.
  - It relies on bureaucracy and regional offices for control.
  - It lacks the ability to direct an international response to a life-threatening epidemic.



**Conclusion**

COVID-19 crisis has demonstrated the fundamental importance of the global detection, response and coordination roles that only WHO can play across all Member States. But delivery on this mission relies on WHO itself being in sound financial health. Committing to the more sustainable financing of WHO is to invest in a healthier and safer world for all of us.

**4.2.1. PANDEMIC TREATY**

**Why in news?**

Members of the World Health Organisation (WHO) held the first round of negotiations towards the pandemic treaty.

**More on News**

- In December 2021, the **World Health Assembly (WHA) agreed to start a global process to draft the pandemic treaty.**
- **WHA adopted a decision titled “The World Together”** at its second special session since it was founded in 1948.
  - Under the decision, WHO **established an intergovernmental negotiating body (INB) to draft and negotiate the contents of the pandemic treaty** in compliance with Article 19 of the WHO Constitution.



### About Proposed Treaty

- The main goal of this treaty would be to **foster an all-of-government and all-of-society approach**, strengthening national, regional, and global capacities and resilience to future pandemics.
- It is expected to cover aspects like **data sharing and genome sequencing of emerging viruses and equitable distribution of vaccines and drugs** and related research throughout the world.
- **European Union (EU) also wants a ban on wildlife markets** to be included in the treaty.
- While the **EU wants the treaty to be legally binding**, the U.S., Brazil and India have expressed reservations about the same.

### Need for a Pandemic Treaty

- **Strengthen capacities:** It would enable countries to **strengthen national, regional, and global capacities and resilience** to future pandemics.
- **Structure the necessary collective action:** It would **set out the objectives and fundamental principles** in order to structure the necessary collective action to fight pandemics.
- **Such a treaty will**
  - Ensure **higher, sustained and long-term political engagement** at the level of world leaders of states or governments.
  - Define **clear processes and tasks**.
  - Enhance **long-term public and private-sector support** at all levels
  - Foster **integration of health matters across all relevant policy area**
- **It would support and focus on:**
  - **Early detection and prevention of pandemics.**
  - **Resilience** to future pandemics.
  - **Response** to any future pandemics, in particular by ensuring **universal and equitable access** to medical solutions, such as vaccines, medicines and diagnostics.

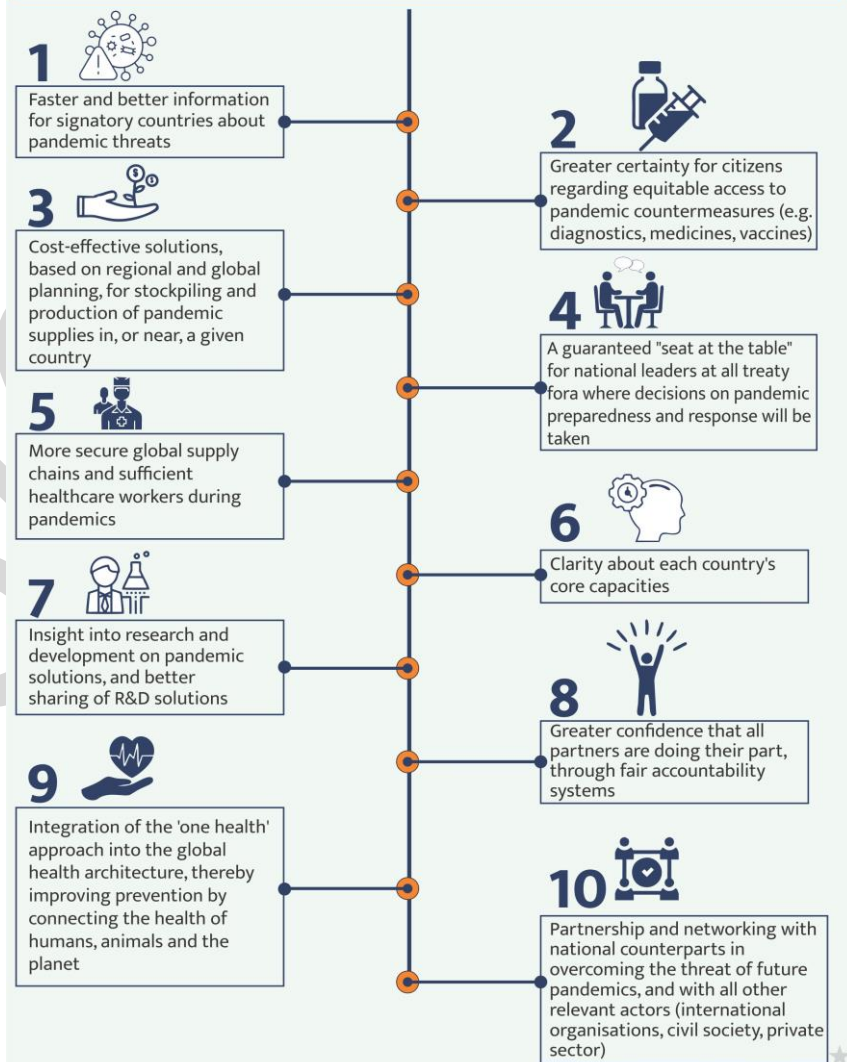
### World Health Assembly (WHA)

- The World Health Assembly is the **decision-making body of WHO**.
- It is attended by delegations from all WHO Member States and focuses on a specific health agenda prepared by the Executive Board.
- The main functions of the World Health Assembly are to **determine the policies of the Organization, appoint the Director-General, supervise financial policies, and review and approve the proposed program budget**.

### Article 19 of WHO Constitution

- It gives the World Health Assembly the authority to adopt **conventions** or agreements on matters of health.
  - A **two-third majority is needed** to adopt such conventions or agreements.
- The **WHO Framework Convention on Tobacco Control** was set up under **Article 19** and it came into force in 2005.

## Incentives and benefits of an international treaty on pandemics



- A **stronger international health framework** with the WHO as the coordinating authority on global health matters
- **"One Health" approach**, connecting the health of humans, animals and our planet.

### Concerns raised against the proposed pandemic treaty

- It **lacks focus, clarity, and coherence on what issues countries should prioritize** (among surveillance, outbreak notification, the sharing of genetic sequence information, trade and travel measures etc) in a treaty and why.
- It **distracts from the demands for better access to vaccines and treatments**, and instead tries to create a narrative that a lack of rules prevented the world from mounting an effective international response to the COVID-19 pandemic.
- **Most of the provisions** that the proposed treaty look forward to including in the proposed pandemic treaty, **are available under the International Health Regulations (IHR)**. There is a need for effective implementations of those provisions.
- Government responses to COVID-19 have purportedly violated or manipulated many treaties and **critics doubt that a new treaty will generate the commitment**.

#### About International Health Regulations (IHR)

- IHR are an **instrument of international law that is legally-binding** on 196 countries, including the 194 WHO Member States.
- IHR provide an overarching **legal framework that defines countries' rights and obligations in handling public health events** and emergencies that have the potential to cross borders.
- They create **rights and obligations for countries**, including the requirement to report public health events.
- It also **outlines the criteria to determine whether a particular event constitutes a "public health emergency of international concern"**.

### Conclusion

COVID-19 pandemic is the biggest challenge to the global community since the 1940s. There will be other pandemics and other major health emergencies. No single government or multilateral agency can address this threat alone.

To that end, nations should work together towards strengthening the existing WHO's mechanisms for handling a pandemic and also a global discussion on the need for a pandemic treaty to reinforce global health security, in particular on preparedness and response to health emergencies, in light of lessons learnt from the pandemic.

## 4.3. NON-ALIGNED MOVEMENT

### Why in News?

Recently, Non-Aligned Movement (NAM) has completed 60 years.

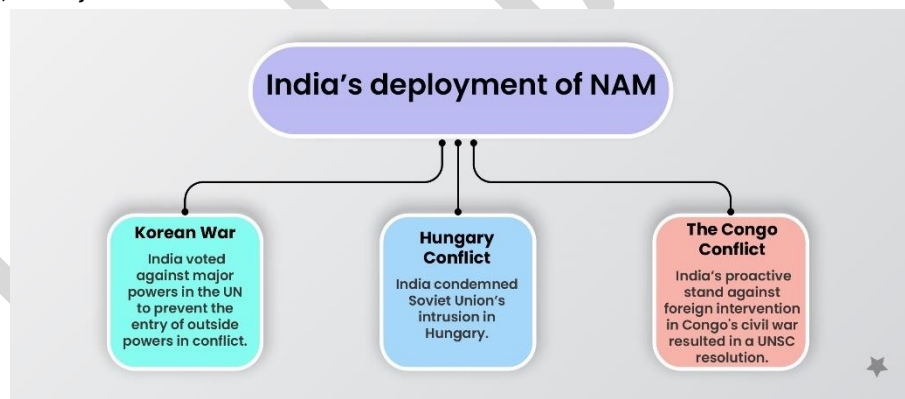
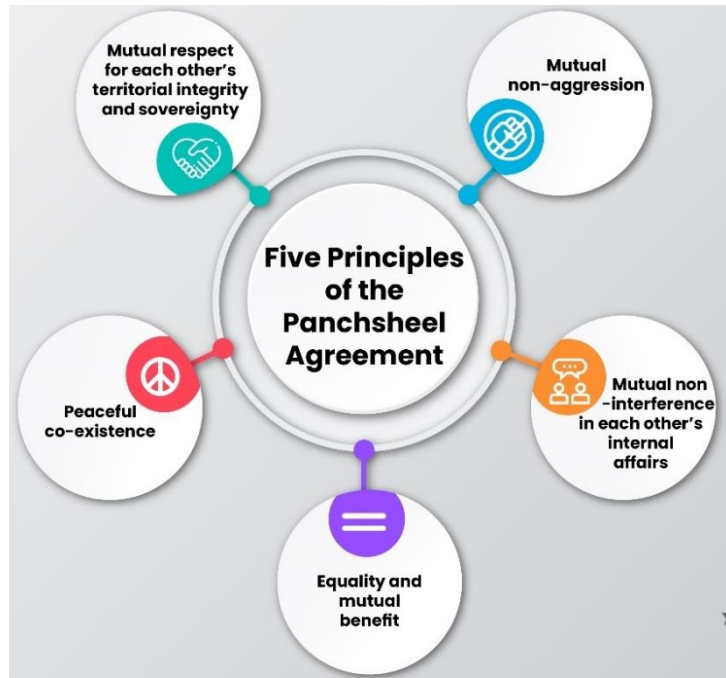
### More about NAM

- The concept of not aligning a country's policy with others can be traced to the **Congress of Vienna (1814-15)** when the neutrality of Switzerland was recognized.
- **Origin of NAM:** Asia-Africa Conference held in Bandung, Indonesia in 1955 also known as the **Bandung Asian-African Conference**.
- The principles that would govern relations among large and small nations, known as the **"Ten Principles of Bandung"** were proclaimed at that Conference.
- After World War II, the world was engaged in the cold war by forming two military blocks.
- In this scenario, India followed the policy of Non-Alignment and set its priority on fighting poverty, illiteracy, and the building of a newly independent nation. Therefore, it did not join or approved the western block of the Soviet Union.
- The First Summit of the Movement of Non-Aligned Countries was held in **Cairo, Egypt in 1961**.
- **India, Egypt, Indonesia and Yugoslavia** pioneered the formation of the movement.
- The policy of NAM was based on the **5 principles of Panchsheel**.
  - The Panchsheel Agreement, (also known as **the Five Principles of Coexistence**), are a set of principles to govern relations between states. They were first codified during an agreement between **India and China** in 1954.



## Reasons for declining importance of NAM

- **Outdated Economic Stand:** For years, NAM has been trying to get rich nations to give aid to poor nations. It wants those rich nations to commit 0.7% of their GDP as aid. This demand has not been met, except by a few countries.
- **Lack of Economic Pragmatism:** Many of the economic ideas which were in vogue in the past are updated today. However, many NAM members are rooted in ideas of socialism and state control, ideas popular during the cold war era. This has made them impossible to move forward.
- **Duplicity:** NAM today competes with G-7, ASEAN, and the Commonwealth, which are similar groups of nations. It has no position even on issues like human rights, child exploitation, and gender issues. As a result, its members have to follow Western dictates in this regard.
- **Lack of Leadership:** The statesmen who started NAM had a vision, today NAM has none. There is no leadership on global issues, and there are also disagreements among the members. As a result, the organization has no direction as to the path it should take.



## Current Relevance of NAM

- **An integral part of foreign policy:** Many developing countries like India still follow the NAM policy. The policy to avoid colonization and imperialism continues to remain valid for all small and developing countries.
- **Check on big power ambitions:** It stood as a unifying force against the traditional foreign policy of great power and strictly restricts imperialism, nationalism, and universalism.
- **Catalyst to foster South-South co-operation:** NAM raises issues that are of major concern for the south such as nuclear non-proliferation, poverty and terrorism. It initiates economic, political, and social development corners to achieve desired results of moving from developing to developed nations.
- **Voice of developing nations:** Each year its strength increases which act as force and give its members to put their points on international issues. This is significant in an increasingly changing world order.
- **Alternative world power:** With its strength and motive to democratize the international system, NAM has proved its qualification as an alternative world power which would promote equality and peace all over the world and even provide new dynamics to the existing world's politics.
- **Preservation of territorial integrity and sovereignty:** NAM proved its relevance with the ideals of preserving the independence of every nation. This policy will survive long lasting till the time a sovereign nation-state exists irrespective of any periodical, marginal changes, in the existing system all over the world.

## Conclusion

The NAM has to think of its rejuvenation rather than becoming redundant by redefining its role in the changed international situation. The changed scenario necessitates a shift of emphasis on priorities. On the occasion

60th anniversary of NAM, it is important to have widespread discussions and debates about identifying the challenges the movement has to address in the wake of dynamics of increasing bipolar tendencies of the world.

## 4.4. WORLD TRADE ORGANISATION (WTO)

**Why in news?**

12th Ministerial Conference of the WTO was held recently.

**Key takeaways of the conference under the “Geneva Package”:**

Particulars	Features
<b>Curtailling harmful fishing subsidies</b> on illegal, unreported and unregulated (IUU) fishing for the next four years	<ul style="list-style-type: none"> <li>There would be <b>no limitation on subsidies granted or maintained by developing or least-developed countries</b> for fishing within their exclusive economic zones (EEZ).</li> <li>Also, technical assistance and capacity building shall be provided to such countries through the <b>WTO Fisheries Funding Mechanism</b>.</li> </ul>
<b>Global Food Security</b>	<ul style="list-style-type: none"> <li>Binding decision to <b>exempt food purchased by the UN’s World Food Programme (WFP)</b> for humanitarian purposes, from any export restrictions to <b>address food shortages</b>.</li> </ul>
<b>E-commerce transmissions like music, e-books, films etc.</b>	<ul style="list-style-type: none"> <li>Members agreed to <b>continue the long standing moratorium on custom duties on e-commerce transmissions</b> until the subsequent Ministerial Conference or until March, 2024, whichever is earlier.</li> </ul>
<b>Covid-19 vaccine</b>	<ul style="list-style-type: none"> <li><b>Temporary waiver of certain requirements under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)</b> concerning the use of compulsory licences to produce covid-19 vaccines for 5 years.</li> </ul>
<b>Sanitary and Phytosanitary (SPS) Declaration</b>	<ul style="list-style-type: none"> <li>The Declaration commits WTO members to launching a work programme to identify new challenges in the implementation of the WTO’s SPS Agreement.</li> </ul>

### Major Agreements at WTO

**Agreement on Agriculture (AoA):** Specific and binding commitments made by WTO Member governments in the three areas of: market access, domestic support and export subsidization for improving agricultural trade.

**Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS):** Stipulates most-favored-nation treatment and national treatment for intellectual properties, such as copyright, trademarks, geographical indications etc. and requires member countries to maintain high levels of intellectual property protection.

**Agreement on the Application of Sanitary and Phytosanitary Measures (SPS):** Establishes multilateral frameworks for the planning, adoption and implementation of SPS measures to minimize their adverse effects on trade due to arbitrary and unjustifiable use.

**Agreement on Technical Barriers to Trade (TBT):** Aims to prevent industrial standards and safety/environment regulations, from becoming unnecessary trade barriers by securing their transparency and harmonization with international standards.

**Agreement on Trade Related Investment Measures:** Banned those investment measures which have direct adverse effects on trade in goods. Example include local content requirements (which require that certain components be domestically manufactured).

**General Agreement on Trade in Services (GATS):** Provides general obligations regarding trade in services, such as most-favored-nation treatment and transparency.

#### Implications for India

- Curtailling of Fisheries subsidy:** Experts are of the view that although exemptions are provided but, four years are not sufficient and would push small Indian fishers towards an uncertain future.
  - Also, there is **no mention of Special and Differential Treatment (given to developing countries under WTO agreements) guidelines.**
- Exemptions for World Food Programme:** A blanket exemption for food exports could constrain its work in ensuring domestic food security.



- Also, **India's demand to seek a permanent solution on public stockholdings (PDS system)** of food grains has been pushed to MC13 in 2023.
- **Waiver of IPR on Covid-19 vaccine production:** The TRIPS decision will boost vaccine equity, accessibility & affordability and will enable ease of authorisation for production of patented vaccines in India for domestic requirements as well as exports.
  - But, the **current agreement is a watered down version** of the original proposal made by India and South Africa in 2020 which **demand a broader intellectual property waivers on vaccines as well as treatments and tests.**
- **E-Commerce Transactions:** India has asked the WTO to review the extension of the moratorium on custom duties as developing countries including **India faced the brunt of the financial consequences of such a moratorium.**
  - Extending duty-free market access due to the moratorium resulted in a **loss of \$10 billion per annum globally — 95% of which was borne by developing countries** (UN Conference on Trade and Development report).
  - India and South Africa had sought to **preserve policy space for the digital advancement of developing countries** by letting them generate more revenues from customs and thereby facilitate more investment.

**Other Unresolved Issues for India at WTO**

- **Agricultural subsidies:** The WTO views India's Minimum Support Price (MSP) as a trade distorting measure and placed it under **amber box provisions at WTO** meaning it has to be capped at 10 per cent of the total value of concerned product.
  - **India has challenged this on the arguments that** the primary agenda for MSP and other price support mechanism is not export promotion but **food security.**
- **Non-tariff barriers to trade:** These include **Technical barriers to trade (TBT) and Sanitary and Phytosanitary Measures (SPS).**
  - India has been urging towards rationalization and standardization of these non-tariff barriers.
- **Negotiations on Non-trade issues like** environment and labour standards. India has stated that for the time being, 'non-trade' must be completely kept out of the negotiating table.
- **Recognition of Geographic Indications (GI):** The **current trading arrangement does not recognize the GI Tags domestically provided to goods** which decreases the marketability of the product in the global markets.
  - India suggests extension of **higher levels of protection to the GI** for products like Basmati rice, Darjeeling tea.
- **Investment Facilitation:** India argues that developing countries should be given flexibility for application of TRIMS (Agreement on Trade-Related Investment Measures) in domestic policy while permitting foreign investment.

**About WTO**

- The World Trade Organization is the **only international organization that deals with the rules of trade between countries.**
- Founded in 1995, the WTO is run by its 164 members, and all **decisions are taken through consensus and any member can exercise a veto.**
  - It is the **successor to the General Agreement on Tariffs and Trade (GATT)**, a group founded in 1948 whose rules created the modern multilateral trading system.

**Challenges faced by WTO and its solutions**

The World Trade Organization (WTO) faces an existential crisis and its **main functions are progressively becoming ineffective.** There are calls for substantial reform of the organisation due to following reasons:

Issue	Challenge	Potential solutions
<b>Ineffective against China's policies</b>	The WTO has not been able to counter China's tariff manipulation and unfair trade practices.	WTO needs to strengthen its enforcement capacity to deal with such practices to become a credible trading system.
<b>Changed Global Economic distributions</b>	Developing countries like India play a large role in the trading regime in the current era.	The operational framework of WTO needs to be revised to consider this changed economic balance.
<b>Dysfunctional WTO appellate body</b>	The U.S. has systematically blocked the appointment of new Appellate Body members (judges) which it believes has resulted in unfavorable rulings for the US in its trade disputes.	Concerted efforts need to be made to make the appellate body functional and dispute settlement system operational.
<b>Long decision-making process</b>	As the decision making is through consensus, it takes a long time and most of the time political and ideological differences come in a way of reaching a consensus.	Member countries need to iron out the differences to arrive at a common ground.
<b>Lack of inclusiveness</b>	With an increasingly global trading system, exclusion of some countries makes it a less effective organization.	Efforts need to be made at making the organisation fully representative.

	<b>Countries such as Iran, Iraq, Lebanon and Uzbekistan have not joined WTO yet.</b>	
<b>Move towards bilateral/ regional/plurilateral trading regimes</b>	Since the pace of negotiations in the WTO has been slowing, countries are increasingly moving towards other forms of trading regimes such as RCEP.	Rules and procedures of WTO need to evolve to remain relevant in the emerging scenario.
<b>Effect of COVID-19 Pandemic</b>	COVID-19 pandemic has forced countries to impose comprehensive export bans and restrictions resulting in disruptions in the global supply chains. There is potential for more trade disputes to arise in the future.	Strengthening WTO's dispute settlement system is the need of the hour to tackle the emergent situation.

#### 4.4.1. AGREEMENT ON AGRICULTURE (AOA)

##### Why in News?

Recently, to meet the domestic food security needs of poor population, India **invoked peace clause under the AoA for the 3<sup>rd</sup> time.**

##### About Agreement on Agriculture (AoA)

- Coming into force in **1995**, AoA provides a **framework for long-term reform of agricultural trade and domestic policies** to ensure fairer competition and a less distorted sector. It covers:
  - Market access:** the use of trade restrictions, such as tariffs on imports
  - Domestic support:** the use of subsidies and other support programmes that directly stimulate production and distort trade.
  - Export competition:** the use of export subsidies and other government support programmes that subsidize exports.
- Under the Agreement, **WTO members agree to “schedules” or lists of commitments that set limits on the tariffs they can apply** to individual products and on levels of domestic support and export subsidies.
- Peace Clause was negotiated at Bali conference in 2013** that allowed developing countries to go beyond the 10 % cap for its MSP with immunity from legal challenge from other WTO member countries for the next four years.
- In **2020, India became the first country to invoke peace clause** as rice subsidies exceeded cap in 2018-19.

##### Concerns raised by India and other developing nations on AoA

Provisions	Concerns	India's proposals to address these concerns
<b>Permanent &amp; Workable solution to food security</b>	<ul style="list-style-type: none"> <li>There should be a <b>permanent solution to the dispute over public stockholding of foodgrains instead of the peace clause.</b></li> <li>Developing countries <b>should not be penalized for breaching any limits.</b></li> </ul>	<ul style="list-style-type: none"> <li>All measures taken by the developing countries for <b>poverty alleviation, rural development, rural employment and diversification of agriculture should be exempted</b> from any form of reduction commitments.</li> <li>Primary agricultural commodities such as rubber, primary forest produce, jute, coir, abaca and sisal etc. should be included.</li> </ul>
<b>High farm subsidies provided by developed countries</b>	<ul style="list-style-type: none"> <li>These subsidies <b>destabilise and depress the international market prices</b> impacting adversely farm incomes in developing countries.</li> </ul>	<ul style="list-style-type: none"> <li><b>All forms of export subsidisation</b> including export credit, guarantees, price discounts and insurance programmes etc. in developed countries <b>should be added to the export subsidies.</b></li> </ul>
<b>Market Access</b>	<ul style="list-style-type: none"> <li><b>Use of Sanitary &amp; Phytosanitary (SPS) Measures &amp; Technical Barriers to Trade by Developed Countries</b> to selectively ward off imports from developing countries by imposing higher standards.</li> </ul>	<ul style="list-style-type: none"> <li>Developing country members <b>should be exempt from any obligation to provide any minimum market access.</b></li> <li>Developing country members <b>should be allowed to maintain appropriate levels of tariff bindings</b> keeping in mind their developmental needs and the high distortions prevalent in the international markets.</li> </ul>

#### 4.4.2. IP WAIVER

##### Why in news?

The **current waiver agreement is a watered down version** of the original proposal made by India and South Africa in 2020 which **demand a broader intellectual property waivers on vaccines as well as treatments and tests.**



### More on News

- The World Trade Organisation (WTO) Agreement on **TRIPS**, which came into effect in 1995, is the **most comprehensive multilateral agreement on IP**.

### Arguments in favour of IP waiver

- **Vaccine inequities:** According to WHO, nearly 80% of Covid-19 vaccines were administered in just 10 rich countries last year, while more than 2.5 billion people await their first shots.
- **Vaccine nationalism:** The “vaccine nationalism” exemplified by pre-orders of vaccines by many wealthy states (including the U.S., UK and EU) has been blamed for reducing the availability of vaccines in low- and middle-income countries (LMICs).
- **Affordability:** The waiver of patent protections could allow countries with fewer resources (e.g., Middle Africa) to reduce the price necessary to produce large quantities of vaccine.
- **Ending pandemic:** Furthermore, repeated waves of COVID with different strains has made it more clear that the pandemic will not end until global vaccination reaches a sufficient level.

### Arguments against IP waiver

- **May not resolve the issue of inaccessibility:** Remedying this failure in global health requires addressing many complex issues, such as the logistics for administering the vaccination in low-income countries.
- **Cannot address the urgency of the pandemic:** Negotiations will take time given the consensus-based nature of the institution and the complexity of the issues involved. Thus, waiver will only have effects in the medium and long term.
- **Implementation Challenges:** Waiver will not remove possible reliance by private parties on their acquired IP protection.
- **No guarantee for accessibility of vaccines for other disease:** The recent focus on the Covid-19 vaccination should not hide the broader vaccination issues in the Low-Middle-Income-Countries (LMICs). As of 2018, 74 of 194 WHO member states had no adult vaccination programme for any disease.

### Way Forward

- **Improving manufacturing capabilities in LMICs:** Massive investment are needed in manufacturing capabilities and removal of the bottlenecks for mass-producing vaccines.
- **Supply of raw material:** The almost instantaneous tripling of demand for specialised materials is placing huge pressure on many pharmaceutical and medical supply chains.
- **Easing the export of vaccines:** Lifting or simplifying some requirements for the exports of Covid-related pharmaceutical products (not only vaccines) produced under a compulsory license for at least three years.
- **Set up massive vaccination campaigns in LMICs:** This may require, for example, huge investments in logistics, setting up call centres, and the immediate launch of awareness campaigns through various media.
- **Global alliance for enhancing accessibility:** Solidarity by several governments or other agencies for example, by the program for *COVID-19 Vaccines Global Access (COVAX)* supported by Global Alliance for Vaccines and Immunization (GAVI), Coalition for Epidemic Preparedness Innovations (CEPI), and the World Health Organization (WHO).

## 4.4.3. SERVICES DOMESTIC REGULATIONS (SDR)

### Why in News?

Recently, **67 member countries** of the **World Trade Organisation (WTO)** concluded their negotiations on Services Domestic Regulations (SDR).

### Trade in Services and General Agreement on Trade in Services (GATS)

- Representing **60% of world GDP in value-added terms** and over **50% of employment**, the **International Trade Rules on Services are governed by GATS**.
- It is an outcome of Uruguay Round which entered into force in 1995.
- It provides a **framework of rules** governing services trade on all services with two exceptions as:
  - Services supplied in the exercise of governmental authority, and
  - Coverage measures affecting air traffic rights and services directly related to the exercise of Air Transport Services.

- GATS is applicable to **four-modes** of supplying services (as given in **Image**) and establishes a mechanism for all WTO members (to varying degree) to make commitments to liberalize trade in services.
- It also provides a mechanism for resolving disputes between countries.

### Services Domestic Regulation (SDR) and its Potential Benefits

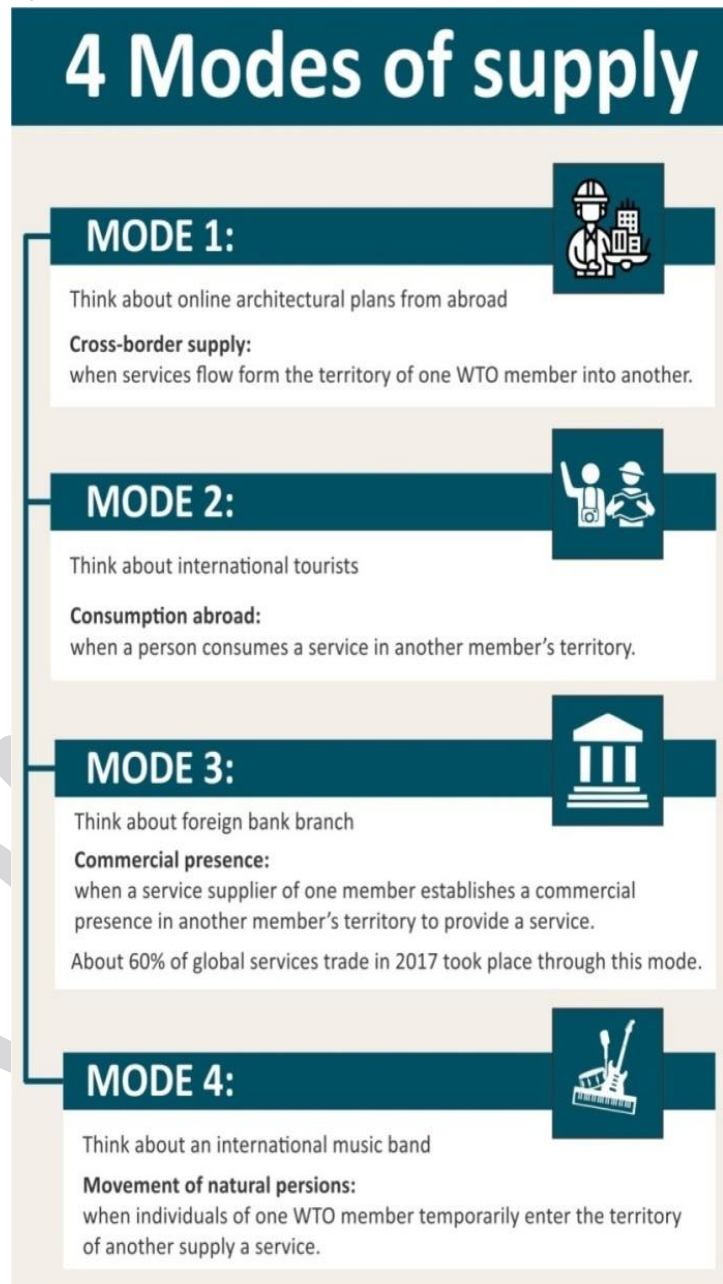
- Launched at the 11<sup>th</sup> **Ministerial Conference** at Buenos Aires (2017), the new **plurilateral agreement** is the first set of rules on services in **24 years** at WTO.
- **Incorporation methodology:**
  - The new disciplines under it will be incorporated as **additional commitments** by the member's services commitments under **GATS Schedules** (GATS Article XVIII).
  - The signatories have agreed to leave the pact open for other countries to join in and apply it on a "**Most-Favored Nation (MFN)**" basis.
- **Potential Benefits:**
  - With cost-of-service trade estimated to be **twice as high** as trade costs for goods, SDR will reduce the costs attributable to regulatory divergence and opaque regulations.
  - It will check cumbersome procedures though its objectives, means etc.
  - These rules contain provisions on **non-discrimination between men and women**. It will **support women empowerment** and boost **women's participation in services trade**.

### Concerns over SDR by nations like India

- It establishes a **competing and parallel mechanism** to pursue and achieve same objectives without the entire WTO membership consent.
- New disciplines will **further deny market access** to short-term service providers,
  - E.g. US, Canada, and EU have restricted market access to independent professionals and used **Mode 4** to deny market access to short-term services.
- It can be used to bring in rules to **erect barriers to services trade** and **cross-border movement of professionals** through **qualification and licensing requirements**, and **technical standards**.
- **Working Party on Domestic Regulation (WPDR)** was established in 1999 (under **Article VI:4** of GATS) precisely to put these disciplines- domestic regulations (qualification requirements and procedures, technical standards, and licensing requirements) from constituting unnecessary barriers to trade.

### Conclusion

The new disciplines address a **dynamic and fast-growing segment** of global output through **easy availability of information** on Qualifications, processes for applying and obtaining the licenses, clarity on reasons for rejection of application, and technical standards affecting trade in services.





# 5. DYNAMICS OF CHANGING WORLD ORDER

## 5.1. SOUTH ASIA ENERGY SECURITY

### Why in News?

The recent low power generation in India led to power shortage hit its neighbors as well, calling for greater energy cooperation in South Asia for energy security.

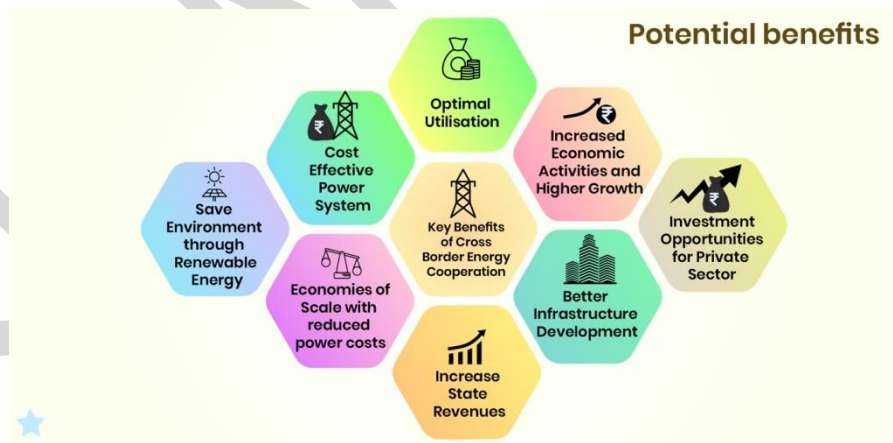
### About South Asia and its Energy Needs

- South Asia, sometimes also known as the **Indian Subcontinent**, is an **Asian sub-region** comprising **eight countries** lying **North of the Indian Ocean** and **South of the snowy Himalayan range**.
- It is home to **almost a quarter** of the world's population and among world's **fastest growing regions**; projected to grow by 6.6% in 2022 and 6.3% in 2023 by World Bank.
- But it is **highly uneven** due to **different challenges** faced by them with **energy security** as one **common** challenge under **increasing price** of imported oil and gas and **limited** domestic energy resources. E.g., recently **Sri Lanka ran out of cash for fuel**.



### Need for Energy Cooperation in South Asia

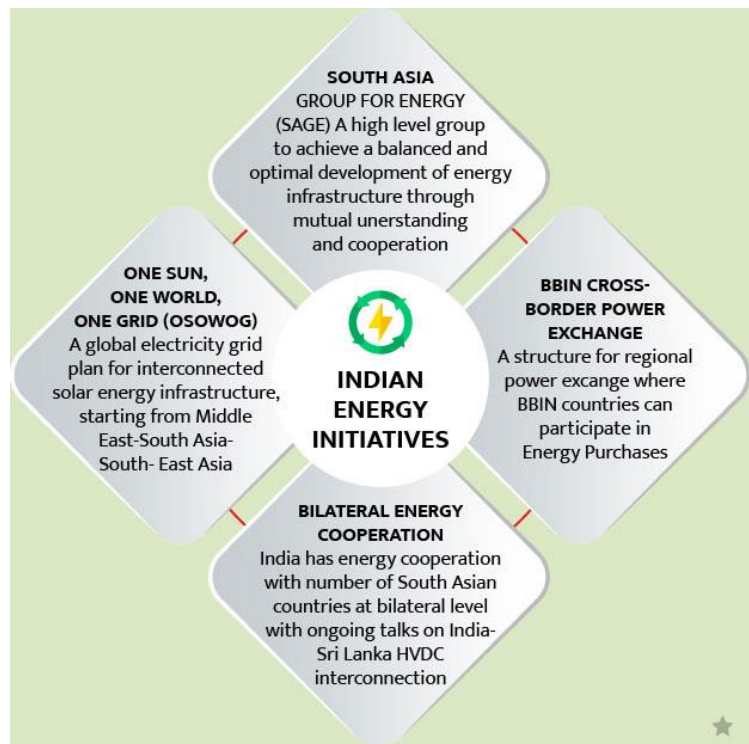
- **Seasonal Complementarities:** The natural differences in energy resources demands effective use of seasonal complementarities to overcome **demand-supply mismatch**. E.g.
  - The coal rich countries like India can supply energy in winter (dry season) to hydropower dependent countries (Bhutan and Nepal), which in turn help others during in the wet season (monsoon)- when coal and solar energy see a decline.
- **Better Bargaining Power:** Alliance between South Asian countries and other oil consuming nations will improve their bargaining power with oil producers' cartel (e.g. OPEC).
- **Revive Stalled Projects:** Energy cooperation between them can help revive projects which have been stalled for decades. E.g.
  - The stalled **Iran-Pakistan-India (IPI)** gas pipeline, **Turkmenistan-Afghanistan-Pakistan-India (TAPI)** pipeline and **Myanmar-Bangladesh-India** pipeline.
- **Regional Security:** It will also help the region to reduce interference from outsiders, especially China with problematic policies (such as debt-trap diplomacy).
- **Resilient Energy Supplies:** Increased energy cooperation can help each other in having more resilient energy supplies, especially in extreme climate events.
- **Untapped potential:** The total hydropower potential of Bhutan and Nepal together is more than 1 lakh MW. But only around 1% of it is actually tapped.
- **Achieve Sustainable Development Goals (SDGs):** Energy Cooperation between them will raise people's standard of living and help to achieve SDGs such as **Affordable and Clean Energy (SDG 7)**, **Responsible Consumption and Production (SDG 12)** etc.



### Constraints in Regional Energy Cooperation

The **intermittent energy resources** in the region create a **natural inclination** towards connected regional infrastructure and joint management. But the energy cooperation is limited to few bilateral successes due to various constraints such as:

- **Geopolitical Constraints:** The progress on multilateral projects is slow (e.g. TAPI). Also, they are unable to capitalize on initiatives such as the 2014 regional energy cooperation framework from SAARC.
- **Economic Constraints** due to limited financial resources limit regional energy integration through necessary infrastructure. The **increasing economic instabilities** in few countries have further limited it.
- **Differences in Priorities:** The lack of diversification of fuel basket with different dominant fuels such as coal in India, gas in Bangladesh and Pakistan, hydropower in Bhutan and Nepal leads to different priorities.
- **Limitations on Hydropower:** The **high seismic activities in Himalayas** and other uses of rivers by riparian states limit the size and type of hydropower plants.
- **External Influence:** The growing influence of China through projects like China-Pakistan Economic Corridor limits energy cooperation, especially connected to the Pakistan region.
- **Limited focus on Renewable Energy:** Despite significant renewable energy potential in all South Asian countries (solar, wind and biomass), they are not yet tapped by all due to technological and financial constraints.



### Way Forward

- **Strategic Investments:** Facilitate financing of strategic energy projects with maximum economic opportunities.
- **Harmonize Regulations:** The technical standards and regulations in the region should be harmonized for deeper interconnectivity and networks.
- **Capacity Building:** Facilitate policy dialogue for mutual understanding and cooperation to lower dependence on fossil fuels and promote Green growth for diverse energy-mix.
  - It will also help in effective use of **seasonal complementarities** through bilateral, sub-regional and regional agreements.
- **Address Geopolitical Concerns** to complete stalled projects and joint developments for future.
- **Economic Stability:** Partnering with international financial institutions (e.g. World Bank, IMF) for economic stability in neighboring countries. It will boost economic development and resilience in markets to push for regional supply arrangements.

## 5.2. ALTERNATIVES TO BELT AND ROAD INITIATIVE (BRI)

### Why in news?

The United States aims to **raise \$200 billion over five years** to fund needed infrastructure in developing countries under a G7 initiative aimed at countering **China's Belt and Road project**.

### More about news

- The effort is now called the **Partnership for Global Infrastructure and Investment, or PGII**.
- The announcement is an **official launch and a rebranding** of what had been rolled out last year at the G7 in the UK as **"Build Back Better World" (B3W)**.



### About BRI (Belt and Road Initiative)

- Launched in 2013 as **One Belt One Road**, BRI is a Chinese infrastructure development project to fund the development of **land and sea routes to link Asia, Africa, and Europe** along the route of the **historic Silk Road**.
- BRI combines **two initiatives** (refer map):
  - **The (land based) Silk Road Economic Belt**, a long-term vision for the infrastructural development, connectivity and economic cooperation of **Eurasia** and is spanning **six development corridors**:
    - ✓ New Eurasian Land Bridge Economic Corridor (NELBEC)
    - ✓ China – Mongolia – Russia Economic Corridor (CMREC)
    - ✓ China – Central Asia – West Asia Economic Corridor (CCWAEC)
    - ✓ China – Indochina Peninsula Economic Corridor (CICPEC)
    - ✓ Bangladesh – China – India – Myanmar Economic Corridor (BCIMEC)
    - ✓ China – Pakistan Economic Corridor (CPEC)
  - **21st Century Maritime Silk Road**: It connects China to Southeast Asia, Indonesia, India, the Arabian Peninsula, Somalia, Egypt and Europe, encompassing the South China Sea, Strait of Malacca, Indian Ocean, Gulf of Bengal, Arabian Sea, Persian Gulf and the Red Sea.

### About Partnership for Global Infrastructure and Investment (PGII)

- It seeks to provide an alternative to **China's estimated \$1 trillion in hard infrastructure** investment around the world in the last decade.
- This G7 initiative is funding projects in **four major categories**:
  - **clean energy,**
  - **health systems,**
  - **gender equality**
  - **information and communications technology.**
- At the centre of PGII is a different approach to financing infrastructure projects: using **limited official finance** to catalyse **greater volumes of private capital**.
  - This stands in contrast to BRI, which provides financing largely via **state-to-state channels creating unsustainable debt levels**.
- The idea is to **combine government funding with private capital** from pension funds, private equity funds and insurance funds, among others.

### India's concerns over BRI

- **Geopolitical concerns**: India is particularly concerned about the BRI infrastructure and connectivity projects in the **smaller South Asian countries** and **Indian Ocean littoral states**.
  - It is apprehensive that the BRI projects will enhance China's stature and **undermine India's influence** over those states.
- **Sovereignty and security concerns**: India is **opposed to one of the flagship projects** of the BRI: **China-Pakistan Economic Corridor (CPEC)** which connect China's Xinjiang autonomous region with Pakistan's Balochistan Province.
  - It contends that the project runs through **(Pakistan-controlled) Kashmir** and hence it **'violates Indian sovereignty'**.

### India's response

- **MAUSAM project** to strengthen bilateral ties with countries in the Indian Ocean region.
- **SAGAR (security and growth for all in the region)** concept with multiple objectives such as:
  - protecting **maritime interests,**
  - enhancing economic and security cooperation in the littoral,
  - **promoting collective action** to deal with maritime threats,
  - building **greater trust and promoting respect** for maritime rules, norms and peaceful resolution of disputes.
- Increased **aid, investment and other economic engagements** to counter Chinese influence in neighbours like Nepal, Sri Lanka and Maldives.

### Why Alternatives to BRI are emerging?

- **Fragmented nature**: Belt and Road is not a **unified, coherent strategy**, but rather as a **fragmented collection of bilateral arrangements** made on **different terms**.
- **Opaque nature causing mistrust**: The Chinese government has never published **detailed information about the size and terms** of Belt and Road loans. This vacuum of information **feeds confusion and mistrust**.
- **Debt trap diplomacy**:
  - China took the Hambantota port of Sri Lanka for 99 years on lease over the issue of loan default.
  - According to **AidData** (an international development research lab), over 40 lower- and middle-income countries (LMIC) now have levels of debt exposure to China **higher than 10 per cent of their national GDP**.
- **Political backlash**: BRI projects are built using **low-interest loans** as opposed to aid grants. Some BRI investments have involved **opaque bidding processes** and required the use of **Chinese firms**.

○ In 2018, in Malaysia, there was a campaign against **overpriced BRI initiatives**.

• **Slow progress due to implementation issues:**

As per a report, **35% of the BRI infrastructure project portfolio** has encountered major implementation problems, such as **corruption scandals, labour violations, environmental hazards, and public protests.**

• **Environmental costs:**

The BRI has been criticized for causing **severe and irreversible impacts** on the environment and jeopardizing progress towards **long-term sustainable development.**



**What are the other alternatives to BRI?**

• **EU's Global Gateway Project:** The project aims to **mobilise up to €300 billion** in investments between 2021 and 2027 to underpin a **lasting global recovery.**

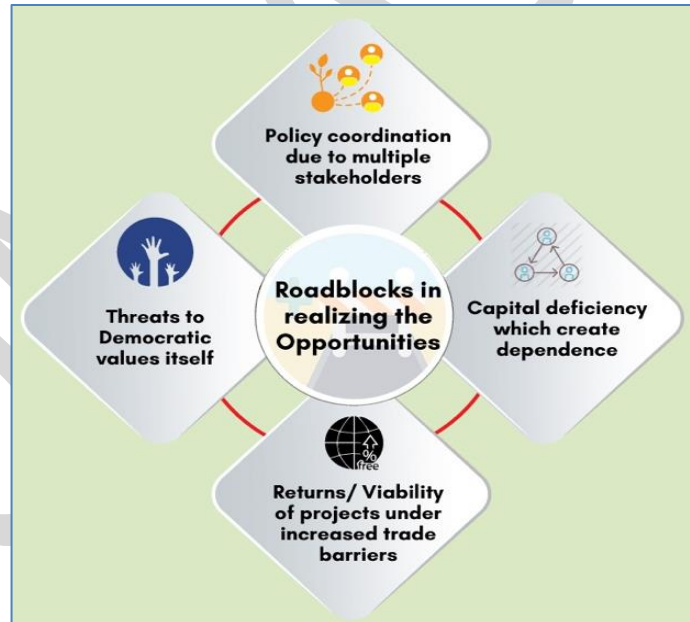
- It will support **smart investments** in quality infrastructure, respecting **highest social and environmental standards**, in line with **international norms** and standards.
- It is a European Strategy to boost **smart, clean, and secure links in digital, energy and transport** as well as strengthen **health, education, and, research systems** across the world.

○ EU's **Global Gateway** provides a positive offer for its partners by financing them under **fair and favourable terms** in order to **limit the risk of debt distress** in contrast with China's BRI

• **Clean Green Initiative:** Launched by UK at COP26, a with over 3 billion pound of climate financing for clean and resilient infrastructure in sectors such as clean energy, transport and urban development in **developing countries** over the next **five years.**

• **Asia-Africa Growth Corridor (AAGC):** Another attempt put forth by India and Japan in 2017 is AAGC. This bilateral partnership intends to foster **quality and sustainable (social and transport) infrastructure, development projects, and connectivity** in Africa.

○ It aims to promote a "free and open" world order, while also **providing an alternative to China's increasing investments and influence in Africa.**



**Opportunities for India in Global Infrastructure**

• **Partnership with EU:** Recently, **EU signed a Comprehensive Connectivity Partnership with India** to support 'resilient and sustainable connectivity projects' in Africa, Central Asia, and Indo-Pacific for **digital, energy, transport and people-to-people** connectivity.

• **Bilateral engagements:** The space created due to distrust over China and the ills of BRI lends can be filled by India especially in **development projects in African and South-east Asian countries** (where traditionally both China and India have been competing).



## Way Forward for India

- **Improving Policy Coordination:** Plan and support large scale, high impact infrastructural development projects by streamlining the bureaucratic web and creating single-point processes.
- **Enhancing Viability of Projects:** Promote economic cooperation by facilitating cross-border investments and deepen supply chain integration to address the damaging impact of Covid-19.
- **Overcoming Capital deficiency:** By deepening the bilateral and multilateral **financial Integration** among like-minded nations with use of private sector-to-private sector financing model.
- **Promoting Democratic Values:** Promote people to people cultural exchange with visible performance improvements through projects to gain people's trust and confidence.
- **Building domestic capabilities** with a long-term perspective to offer more services from creating infrastructure to offering mobility and other solutions.

## 5.3. RUSSIA-UKRAINE WAR

### Why in News?

The Russian Ukraine war has been going on for more than last 100 days.

### Background

- Russia-Ukraine ties go back to **late 1700s**, when **Catherine the Great** brought most of the present Ukrainian territory under the Russian empire.
- After a brief period of **autonomous existence** (1917-20), Ukraine became part of the **Soviet Union**.
- Finally, in **1991** it declared its independence as the **Soviet Union** collapsed.
- The present-day war traces its root to below three points, i.e.
  - Attempts **by Ukraine** to end cultural ties built with **Russia**,
  - Protect the **autonomous existence of Ukraine**, and
  - **Growing influence of North Atlantic Treaty Organization (NATO)** in erstwhile Soviet Union region with Ukraine as a major remaining territory between direct Russia-NATO faceoff.



### Present Position of Ukraine and Russia

#### Ukraine

- Wants to join **Association Agreement (AA)** with the European Union (EU), equivalent to Eurasian Economic Union (EAEU), for early integration of its political and economic relations with EU.
  - It will eliminate most tariffs on trade in goods under the **Deep and Comprehensive Free Trade Agreement (DCFTA)**, opening the gates for EU legislation membership.
- **North Atlantic Treaty Organization (NATO) membership** is essential for its national security policy, especially after the **Russian annexation of Crimea in 2014**.

#### Russia

- Ukraine **should not join** NATO as a member.
- NATO should **return to 1997 position**, i.e., position before signing of **NATO-Russia Founding Act**, no new infrastructure building to station troops from NATO in these regions etc.
- Marginalization of **historical cultural-ties** and of people of Russian identity must stop.

#### Reasons for Russia's interest in Ukraine

- **NATO's support to Ukraine:** Russia is not happy with efforts by the US and European Union to induct Ukraine into the US-led military alliance of NATO and keep it out of Russian control. Ukraine acts a crucial buffer between Russia and NATO.
- **Historical ties:** Russia has deep cultural, economic, and political bonds with Ukraine.
- **Russian Diaspora:** Among Russia's top concerns is the welfare of the approximately eight million ethnic Russians living in Ukraine.
- **Superpower image:** Losing a permanent hold on Ukraine, and letting it fall into the Western orbit, was seen by many as a major blow to Russia's international prestige.

### 5.3.1. RESPONSES TO THE WAR

The **Minsk Agreement's** failure in bringing conclusion to the **geopolitical tension** between Russia and Ukraine highlights the need for a **permanent peaceful solution**. But the world seems to be more divided to respond to the challenge.

#### Response from Western Nations

- **Resolutions against Russia** at the United Nations General Assembly (UNGA), UN Security Council (UNSC), International Atomic Energy Agency (IAEA) etc., **use of sanctions and diplomacy** to put pressure on others, including India.

#### India's Response

- **India abstained from voting** in all resolutions (see infographic).
- These principles work towards a **safe and sustainable solution** based on **international norms and principles**.
- It does not vilify any side but provides **humanitarian relief and assistance** to people rather than arms to them.
  - For instance, India sent **90 tonnes** of humanitarian assistance to **Ukraine**.
- It highlights **strategic autonomy** in times of a global upheaval and to reach a peaceful resolution through shared responsibility.

#### Concerns for India due to Ukraine crisis

- **To maintain balance between Russia and US:** India has good relations with both Russia and the US and **sidling with one of these countries could cost India its relationship with the other**.
  - However, India has **maintained its neutrality from distant conflict in Eastern Europe**. Indian government has **abstained from the procedure vote on Ukraine at the UN Security Council**.
- **Brings Russia-China closer:** Russia is already averse to the Indo-Pacific concept and the Quad as a revival of Cold War bloc politics and views them as being against its Asia-Pacific interests. Any Ukraine conflict and a resulting breakdown of Russia-West ties will strengthen Russian opposition to these concepts and forums which are binding us to the US.
- **India's Investment in Russia:** India's plans in Russia's energy sector and in the development of its Far East policy, in general, would become problematic. This is due to the reluctance of the private sector to fall afoul of the complex US sanctions and exclusion of Russian banks from the SWIFT.
- **Arms Trade with Russia:** Russia remains the major arms supplier of India.
  - As per SIPRI data, Russia contributed **46%** of India's total arms imports in **2017-21 (69% in 2012-16)**.

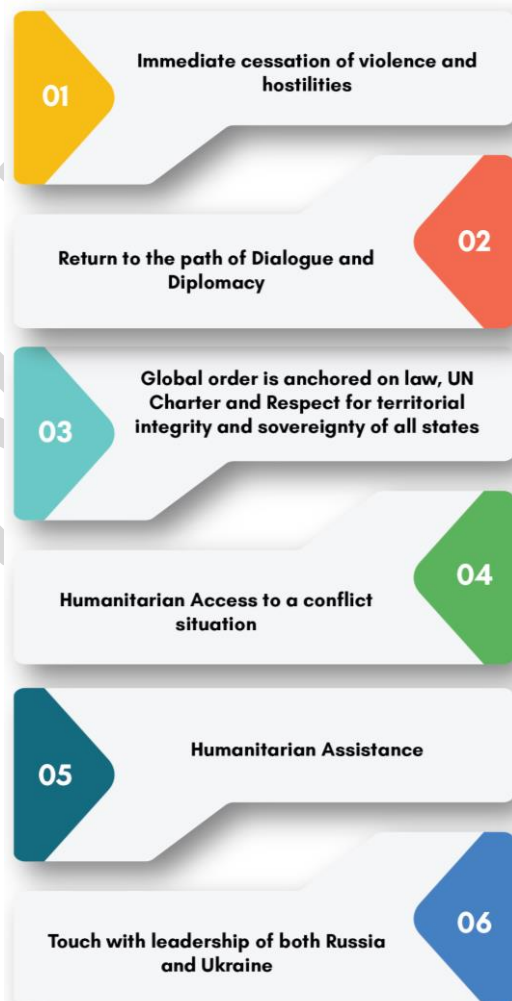
#### Minsk Agreement – I (2014)

- A **12-point ceasefire agreement** signed between Russia, Ukraine Organisation for Security and Cooperation in Europe (OSCE) and the pro-Russia leaders from Donetsk and Luhansk **at Belarus**.

#### Minsk Agreement – II (2015)

- Also known as **Normandy Four**, it was signed between **France, Germany, Ukraine, and Russia** after failure of Minsk Agreement-I.
- It gave **13-point package** to facilitate implementation of Minsk Agreement.

#### PRINCIPLES BEHIND INDIA RESPONSE

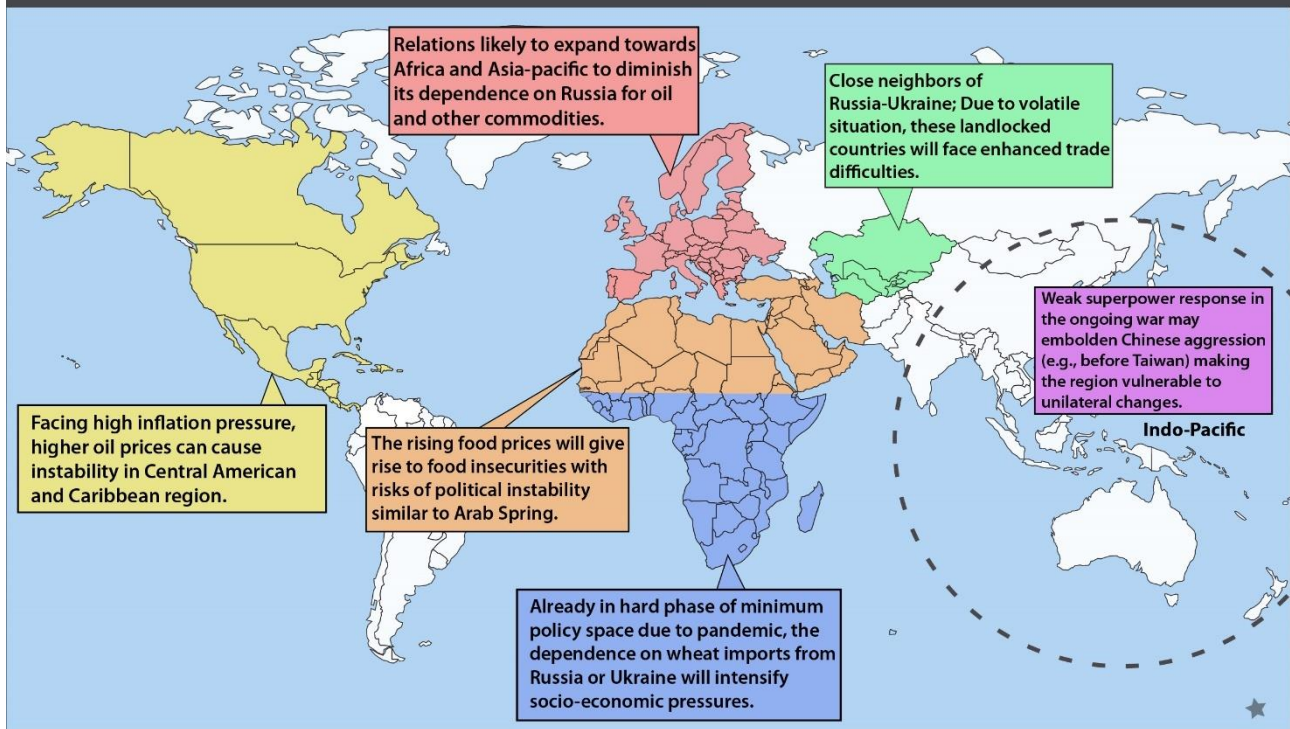


### 5.3.2. GLOBAL GEOPOLITICAL CHANGES AND INDIA

The Russia-Ukraine war has amplified the long-held Western world obsession against Russia. Use of coercive tactics has further divided nations into two **geopolitical blocs**. As the war progresses, it can lead to significant geopolitical changes across the world including changing dynamics of India's relations with major powers.



## Potential Changes/Threats in different Regions



### India's Current Approach and its Geopolitical Equations with Major Powers

- **India's approach:**
  - India has adopted the **strategic autonomy** approach to maximize its policy space. E.g.
    - ✓ **Priority to National Interest over bloc politics** helped India in getting discounted oil, fertilizer, and other commodities from Russia,
    - ✓ **Diplomatic Activism** helped India to evacuate over 22,500 Indians and foreign nationals from 18 countries in a mission mode (**Operation Ganga**).
  - But lot of future depends on continuity of **Geopolitical Pragmatism** and India's **geopolitical equations** with major powers. Presently, it shares good relationship with almost all major powers except China, due to reasons like tensions on India-China border.
- **Emerging differences:** Shadows of ongoing Ukraine crisis loom large over its relationship with western world because of differing perception. E.g.
  - **EU and UK** have cordial relationship with India with ongoing trade, climate change and Indo-pacific as areas of common interest. But **expectation gaps have increased because of different perspectives on Ukraine crisis**.
  - **India-USA** partnership is a **Comprehensive Global Strategic Partnership** covering multiple areas (Indo-Pacific, terrorism and violent extremism, drug-trafficking, cyberspace etc.) based on shared interests. But USA wants to nudge India away from Russia and shift towards USA on major areas such as **defence and oil**.
- **The desire and dynamism to accommodate these differences** will play a significant role in India's equation with western world, especially when Russia is a time-tested friend (with Treaty of Peace, Friendship and Co-operation) since 1971.

### 5.3.3. SOCIO-ECONOMIC IMPACT OF WAR

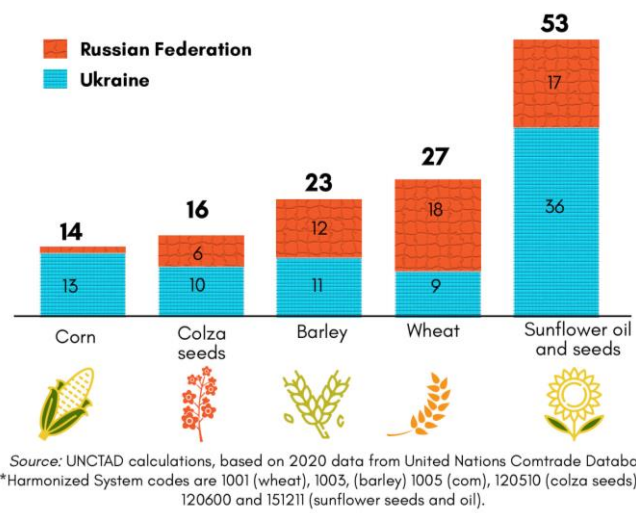
In the modern interconnected world, the impact of the Russia-Ukraine war is felt across the world. **India is also not untouched with significant socio-economic impacts** felt or to be felt such as:

- **Rise in Oil Prices:** With India being the 3<sup>rd</sup> largest oil importer after China and USA, every 1-dollar price rise increases India's import bill by ₹10,700 crore on annualized bases.
  - A corollary of oil price rise is the **rise in Global Inflation** which will **hurt India's growth** with increased cost of living and disturbance to other macroeconomic variables.

- **Gas Prices:** Gas prices have increased over **50%** this year after a **fivefold** rise last year. This price rise increases India's import bill and the **current account deficit**.
- **Agriculture:** Russia and Ukraine are major global suppliers of some commodities (see **image**). Also, Russia accounts for **15%** of global **nitrogenous fertilizer** trade and **17%** of global **potash fertilizer** trade.
  - On one hand it has opened new opportunities for India in wheat export and on the other hand it has caused hardships over fertilizer availability and **sunflower oil** as **Ukraine** accounts for **1.4 MT** of India's imports out of total **1.9 MT** import every year.
- **Metals:** Russia is a major producer of Titanium, Palladium, Scandium, Rough Diamond etc. Due to war and sanctions, it will have negative impact on India's **diamond industry** (reduced imports) and supply chain issues for semiconductor industry, **automobile companies** etc.
- **Export Concerns:** Russia and Ukraine are major export destinations of Indian pharmaceutical industry. Also, Russia accounts for 18% of Indian tea exports.



**Russian Federation and Ukraine: Global players in agrifood markets (Percentage)**



**Way Forward**

“Wisdom is to live in tune with the mode of the changing world.”

-Thiruvalluvar

India needs to live in tune with the ongoing **global upheaval** maintaining optimal relationship with all major powers. Emphasis needs to be given on following areas-

- **Handle Financial Volatility** from inflation, mounting trade costs and disruption by reconfiguring the complex global supply chain for sustainable development.
- **Overcome social impacts** by improving overall prosperity to emerge as a stronger geopolitical actor.
- **Reduction of its dependence** on other nations for its defence and critical supply needs i.e., taking forward the idea of Atmanirbhar Bharat.
- **Work towards end of Cold War Mentality** by engaging with all major stakeholders on multiple forums and making efforts to strengthen global institutions.
- **Building upon the UN Charter**, international law and respect for sovereignty and territorial integrity to ensure a common and sustainable legal order.

**5.4. FOREIGN MILITARY BASES**

**Why in News?**






The construction of a secret Chinese military base near a port in Abu Dhabi has been stopped after intervention from the US administration.

**About Foreign military Bases**

- By definition, a military base is **an installation created to serve as support for military operations and logistics**.



- Basing of military forces on foreign territory, at locations leased from or co-occupied with the local authorities, is a practice almost as old as warfare itself.
- These bases are **routinely used by military forces to supply their personnel with the means and equipment** to respond to a threat within the land it occupies.
- Foreign military bases are **found in more than 100 countries and territories** within or near the land.
  - US currently maintains a world-wide network of some 1000 military bases and installations.
  - **Farkhor Air Base in Tajikistan is India's foreign military base overseas.**

Significance of Foreign military bases				
 Contingency Responsiveness	 Deterrence and Assurance	 Securing National Interest	 Security Cooperation	 Others Roles
›In-place forces provide the immediate capabilities needed to counter major acts of aggression by countries that have been identified as posing a substantial military threat to base owning countries.	›Military related mobility infrastructure allows the nations to project substantial combat power around the globe, contributing to deterring potential adversaries and assuring friends and allies.	›For ex: Africa represents an important French supplier of oil and metals and is a significant market for France's exports. ›Therefore, to secure its national interests, France maintains military bases in countries such as Chad, Djibouti, Gabon, Ivory Coast, and Senegal.	›Forces based overseas benefit from the interoperability and adaptability skills and the greater cultural awareness gained from more frequent training with foreign partners.	›Hosting states personnel during an operation, being a platform for military maneuvers, serving as stock or location of test-ranging for weaponry and as posts of intelligence operations.

### Concerns regarding foreign military bases

- **Economic Cost:** The financial burden of maintaining a sizeable military force in foreign countries and the need to justify the level of military spending have been important considerations.
  - For ex: wars in Afghanistan and Iraq continue to cost large amounts of money and complicate the US basing process.
- **Emerging geopolitics situations** have necessitated a comprehensive review of such bases, particularly in the light of the threats associated with failed states, under-governed areas within states and regional conflicts.
- **Operational Risks:** Some adversaries will have capabilities (such as long-range precision-guided weapons) to inflict substantial damage on forward bases and forward-deployed forces.
- **Can bring political instability:** If agreements are negotiated with non-popular local governments, the foreign presence can be seen as an authoritarian policy by the population and by other states as well.
- **Environmental concerns:** The testing of new weaponry, including chemical and nuclear weapons, might represent a risk of contamination and of accidents.
- **Outdated Role:** Key threats are redefined amid growing religious extremism, terrorism and other asymmetric threats (e.g. unconventional warfare, threat of proliferation of weapons and technologies of mass destruction).

### Conclusion

Forward military basing has changed in the light of the new global and regional challenges and strategies. Certain parts of Asia have emerged as new areas of concern, which has strengthened the motivation for establishing bases there. Therefore, there is a growing need to reposition foreign based military resources in order to better and more effectively perform both traditional and new functions.

#### China's Foreign Military bases

- It **opened its first foreign military base in Djibouti** in the Horn of Africa in 2017. It is said to be building its second foreign military base at Ream, Cambodia.
- China's aim is **to protect its overseas investments and cope with emerging challenges** in the international political system through foreign military bases.

- **Impact on India**
  - **First pearl of a necklace unfolding** along the sea route that connects China to the Middle East. It has fuelled worries in India that it's part of China's strategy to encircle the Indian subcontinent ("the string of pearls") with the help of military alliances and assets in Bangladesh, Myanmar, and Sri Lanka.
  - People's Liberation Army Navy (PLAN) expanding presence in maritime Southern Asia **challenges the Indian Navy's preeminent regional status.**
  - Prospect of Chinese warships being permanently positioned at Karachi or Gwadar **inhibits the Indian Navy's coercive options during a crisis.**
- **India's response**
  - **Cooperating with other nations:** India's military relations with France, which includes a Mutual Logistics Support Agreement, enables Indian naval warships to seek access to the French naval base in Djibouti.
  - **Strengthening ties in IOR:** In response to China's overseas military base in Djibouti, India has sought to access facilities in the Seychelles, Oman and Singapore.
  - **Improving capabilities:** To counter increasing Chinese surveillance activities close to the Andaman Islands, India has been investing in the development of an integrated surveillance network in the Bay of Bengal and Arabian Sea with radar stations in Sri Lanka, the Maldives, and other littoral locales to keep track of Chinese naval activity.

## 5.5. INDIA IN THE EMERGING WORLD ORDER

### Why in news?

Amidst the recent crisis, some of India's foreign policy experts have come together to outline the contours of the new world order and what India should do to achieve its objectives.

### Various facets of the changing world order

- **Secular diffusion of power:** World today is **less structured and ordered**; neither unipolar, as it was after the end of the Cold War, nor yet multipolar.
  - The relative decline of the United States is not just because of the emergence of China, but also because of significant rise of emerging powers such as India, South Korea in Asia; Nigeria and South Africa in Africa.
  - Besides, there are existing centres of power which continue to wield significant economic and military power such as Japan, Australia, Germany, Russia and European Union.
- **Missing international cooperation:** The lack of a coherent international response to the COVID-19 pandemic and the climate change is proof of an absence of international order and of the ineffectiveness of multilateral institutions.
- **Retreat from Globalisation:** There is an upsurge in narrow nationalism and regionalisation of trade across the world accelerated by technological changes such as cloud computing, 3-D printing and artificial intelligence. The technologies have made manufacturing less dependent on cheap labour in the developing world and on-shoring a viable option in some industries.
- **Shifting geopolitical and economic centres of gravity:** Rise of China and others, and structural China-United States strategic rivalry have shifted the geopolitical and economic centres of gravity from the Atlantic to Asia.
- **Newer global threats:** We are entering a new polarised information age, and face ecological crises of the Anthropocene, making climate change an existential threat.

A **key challenge** in this decade will be India's ability to retain its credibility as a significant countervailing power to China, and leveraging this to mobilise international support for its emergence as a major power.

### Opportunities for India

The way forward for India is **based on the core strategic principles in Non-Alignment 2.0** that are: independent judgement, developing our capacities, and creating an equitable and enabling international order for India's transformation. These can be elaborated as under:

- **Expanding India's strategic autonomy:** The ideal position for India in the India-US-China triangle would be to have better bilateral relations individually with both the US and China, than they have with each other.
- **Increasing security congruence with the U.S.** could enable cooperation in fields significant for India's transformation: energy, trade, investment, education and health. Other areas in which India and the U.S. could increase cooperation are: climate change and energy, on tech solutions for renewable energy, and on digital cooperation.



- **Building Issue-based Coalitions:** Several middle powers such as Japan, Australia are India's natural partners on broader issues such as climate change, counter-terrorism and maritime security. Therefore, it should be possible for India to create larger issue-based coalitions with them.
- **Focussing on maritime security:** Experts suggest the creation of a Maritime Commission, a Bay of Bengal Initiative with partner countries giving high priority to ensure the safety and security of the sea-lanes.
- **Reinvigorating regional institutions such as SAARC** which project India to be the primary source of both prosperity and security in the subcontinent and the Indian Ocean Region.
- **Self-Reliance:** India could benefit at the margins from the unscrambling and relocation of existing supply chains in Asia, but its ability to do so will depend on addressing long-standing challenges that have made it a less attractive destination for foreign investment in manufacturing as compared to other Asian countries such as Vietnam or Bangladesh.
- **Preventing Domestic Politics Affecting Foreign Policy:** In this context, Domestic policies should reflect inclusivity, reducing inequalities, and delivering core responsibilities of health, education and public security to all its citizens. Also, there is a need to realise that India's innate cosmopolitanism is derived from its extraordinary diversity.



## Conclusion

The foundational source of India's influence in the world is the power of its example. This rests on four pillars: domestic economic growth, social inclusion, political democracy, and a broadly liberal constitutional order. If these integral pillars remain strong, India can emerge more prosperous and influential in the years ahead.

### 5.5.1. STRATEGIC AUTONOMY

#### Why in news?

Recently, Foreign Secretary of India listed the **five pillars of Indian diplomacy for strategic autonomy & global good**.

#### More in news

The five pillars of Indian Diplomacy are:

- **Multipolar focus:** India places Neighborhood First, Act East and Think West and has revitalized its approach to these policies.
- **Diplomacy as an international force multiplier for the Government:** Indian diplomacy must be able to work with domestic partners and bridge them with international interests to exploit the opportunities that will inevitably arise.
- **Force for global good:** This pillar ensures **Vasudhaiva Kutumbakam** in action.
  - For example, India's efforts in ensuring global vaccine supply through **Vaccine Diplomacy**.
- **Futuristic Outlook:** It promotes efforts at rebalancing including our endeavor to participate in the search for solutions to common problems.

#### Non-Alignment & Strategic Autonomy

- In **appearance**, the two are different – the one non-alignment, the other multi-alignments; the one is relevant in the bipolar world, the other in the multipolar world; the one where India acted as a key leader of the South, the other where India is a leader among select powers (both Global South and among today's major power centers).
- In **essence**, the two are similar in the sense that both assume India would judge issues and relations on merit, not on the dictates of other powers. Strategic Autonomy is all about issue-based alliances.

#### Strategic Autonomy & Self-reliance

- Unlike in the past, self-reliance today is not about retreating from the world, but of **enhancing India's economic contribution to the global economy**.
- Self-reliance is about empowering India and the speedy **realization of its full national economic potential**.
- When Self-reliance is applied to foreign policy framework, it comes closer to **"strategic autonomy"**.

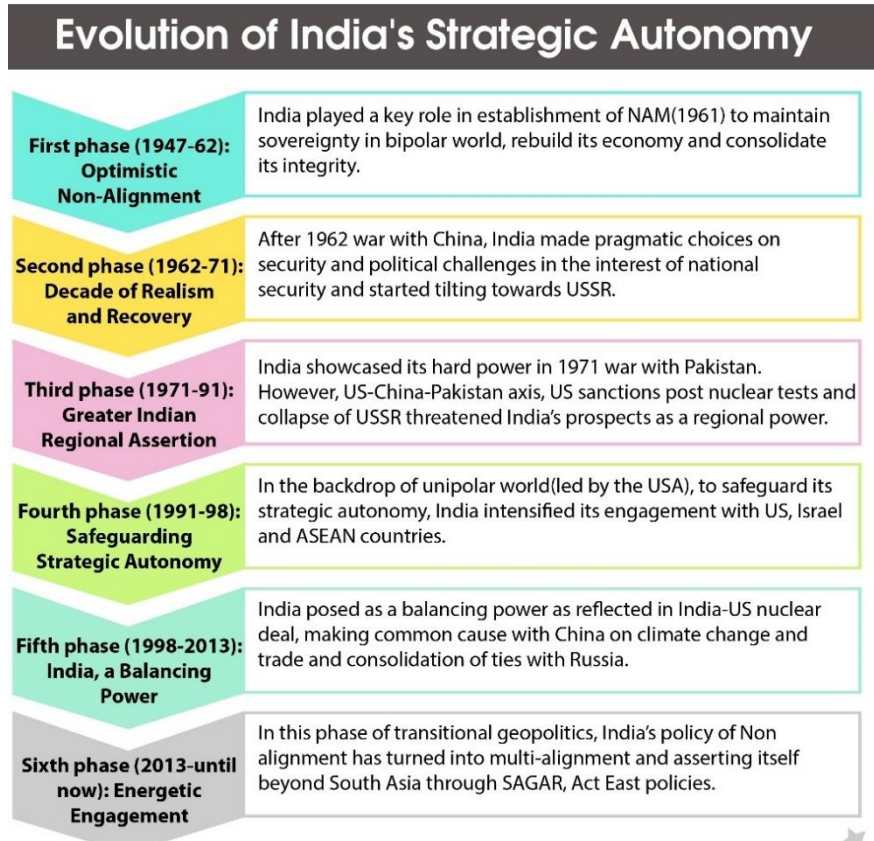
- For example, despite our development needs, India has shown strong commitment to climate action.
- **Indian in thought:** Indian diplomacy is guided by bearings that arise from Indian thinking influenced over centuries by **Kautilya's Arthshastra** or ancient texts such as the **Mahabharata** and the **Bhagvad Gita**. Three strands of Indian diplomacy worth mentioning here are:
  - Tradition of the Middle Path.
  - Human-centric globalization.
  - **Need for strategic autonomy.**

### What is Strategic Autonomy?

- Strategic autonomy denotes the **ability of a state to pursue its national interests and adopt its preferred foreign policy** without being constrained in any manner by other states.

### India and Strategic Autonomy:

- In bipolar or multipolar world orders dominated by globalization, the ability to be strategically autonomous is not absolute but only relative.
- Based on this, India is destined to be even less strategically autonomous.
- **Core security issues:** India resist external pressure to change its policy or moderate its interest on **core issues of national security** irrespective of the costs involved.
  - ✓ For example, core national interests like Jammu & Kashmir issue and nuclear weapons.
- **Non-core security issues:** Under external pressure, India is likely to alter their policy or moderate their interest on non-core security issues if the associated costs are calculated to be disproportionate to the benefits that may accrue from persisting with the preferred policy or interest.
  - ✓ For example, **India's decision to vote against Iran** in the International Atomic Energy Agency under the pressure of United States.



### Need of Strategic Autonomy

- **Geostrategic balancing:** India has always sought to maintain close diplomatic ties with different groups, including those who consider the other as an enemy or a competitor.
  - For example, India's concurrent diplomatic ties with Iran; while pursuing strong relationships with US, Saudi Arabia and Israel (all of them consider Iran as an outcast).
- **Need for Multi alignment:** Today's world is characterized by complex interdependence (where countries are competing on geostrategic issues and cooperating on geo-economic issues) and hence Indian foreign policy requires **strategic hedging**.
  - For example, due to strategic autonomy India has maintained strategic defence relation with United States as well as it is keen to put forward S-400 deal with Russia.
- **Need for greater realism in policy:** India has realized that soft power diplomacy alone is not sufficient for protecting the country's interests and there is a **need for realism as well as pragmatism** in Indian foreign policy.
  - For example, India's early misreading of Pakistan's and China's intentions (Indo-Pak war 1948 & Sino-India war 1962) led to Gilgit-Baltistan & part of Kashmir and Aksai Chin region now being under the effective control of Pakistan and China respectively.



### Challenges to Strategic Autonomy

- **Hostile Neighbors:** Pursuing policy of Strategic Autonomy requires no unsettled international borders or no hostile neighbors.
  - In case of India, China-India as well as India-Pakistan border is long, mountainous and long disputed and both are nuclear powered nations.
- **India's dependence on western countries:** India needs technology, capital, markets, skills, defence equipment, international networking, and global cooperation to resolve global issues. But critical or sensitive technology can come only at the behest of compromising strategic autonomy.
- **American unreliability:** US sanctions on countries where India has a stake often compromise its policy of Strategic Autonomy.
  - **For example,** The North-South Transport Corridor (NSTC) with Iran has stalled due to the US's secondary sanctions threats, which also adversely affects Indian policy towards Afghanistan or unexpected violation of the India's exclusive economic zone by US during a recent "**freedom of navigation**" operation (FONOP) in the Indian Ocean.
- **Rise of Russia-China-Pakistan axis:** A de facto **Russia-China-Pakistan (RCP)** strategic axis has emerged in recent years which has made balancing act a difficult one for India.
  - For example, Russia has now promised a \$14 billion investment in Pakistan's energy sector including \$2.5 billion for the North-South (TAPI) pipeline project.
- **China's dominance in South-Asia:** Another change since 1971 is that China has developed significant relations, chiefly economic, with India's neighbors.
  - Hence, apart from Bhutan, India's immediate neighbors generally find India overbearing and try to engage with China.

### Way forward

- **Pursuing Independent Foreign policy:** The policy of Strategic Autonomy should be used to enhance India's strategic space and capacity for independent agency, allowing maximum flexibility and manoeuvrability to increase the options for New Delhi's choices to promote and protect its interest.
- **Issue based alignments:** Ridding itself of its non-aligned past, India should focus on "**alignment based on issues**" rather than **ideology**, thereby maintaining "**decisional autonomy**".
- **Balancing China's rise:** The logic of strategic autonomy from China nudges India to look for strong security partnerships with the US, Europe, Japan and Australia.
  - On the economic front, India is exploring various forms of collaboration with a broad group of nations that have a shared interest in developing trustworthy global supply chains that are not totally tied with China.
- **Defence Indigenization:** India is dependent on many foreign players (like U.S, Russia etc.) for its defence requirement, this may not pave well in national interest. Even it assumes more significance, especially in the context of counterbalancing China.

To conclude, in this phase of geopolitical transformation, India needs to follow an approach of working with multiple partners on different agendas like Climate Change, Terrorism etc. and hence **Sabka Saath, Sabka Vikas, Sabka Vishwas** is relevant in foreign policy. In some ways, the contemporary shift from non-alignment to strategic autonomy in India is simply a case of the catching up to reality in a multipolar world order. On the lines of **Aatmanirbhar Bharat**, India should pursue an Independent Foreign policy in order to secure its interest and fulfil its global aspirations.

## 5.6. SOFT POWER DIPLOMACY

### Why in news?

India has been ranked 36th in Global Soft Power Index 2021.

### About Soft Power

- Soft power as a tool for foreign policy was **conceptualized by Joseph Nye in the 1990s**. It refers to the ability of a country to **persuade others to do what it wants without force or coercion**.

India's Strengths as a Soft Power	
	India's long history, culture and civilization
	Presence of all the major religions of the world
	Yoga and Meditation
	Music, dance, art and architecture
	Bollywood
	Indian Cuisine
	Indian Diaspora as NRIs and PIOs

- In practice, it entails countries projecting their **values, ideals, and culture** across borders to foster goodwill and strengthen partnerships.
- Soft power usually originates **outside government** in places like schools, religious institutions, and charitable groups. It is also formed through **music, sports, media etc.**

**5.6.1. DIASPORA AS SOFT POWER TOOL**

## INDIAN DIASPORA AT A GLANCE

The Indian Diaspora is a generic term to describe the people and their descendants who migrated from Indian territories. Diaspora composed of "NRIs" (Indian citizens not residing in India) and "PIOs" (Persons of Indian Origin who have acquired the citizenship of some other country).

**India has the largest diaspora population in the world (18 million) as per 'International Migration 2020 Highlights, by UN.**

**UAE, the US and Saudi Arabia host the largest number of migrants from India. Others include Australia, Canada, Kuwait, Oman, Pakistan, Qatar and the United Kingdom.**

**Remittance inflows to India amounted to \$87 billion in 2021, the largest in the world**



### Significance of Diaspora population

- ⊕ **Economic:** Remittance inflows help balance the current account, migrant workers facilitate the flow of tacit information, technologies into India, migration of less-skilled labour (especially to West Asia) help in bringing down disguised unemployment in India.
- ⊕ **Diaspora diplomacy** is an important part of India's "soft diplomacy". For eg. Indian diaspora played a critical role in the fructification of Indo-US Nuclear deal.
- ⊕ **Trans-national entrepreneurship:** Diaspora emerged as a significant source of trade and investment in India .
- ⊕ **Diffusion of experience and exposure:** Diaspora spread the Indian Culture and traditions abroad. Example: Yoga, Ayurveda, Indian Cuisine etc.
- ⊕ **Development of the host country:** Silicon Valley, for example, represents the success of the Indians in the US.



### Challenges faced by Indian Diaspora

- ⊕ **West Asia specific:**
  - **Low oil prices** owing to Shale gas boom, **slower global growth** and fierce competition from skilled labour from the Philippines resulting in job cuts for Indians.
  - **Rising conflicts and instability** due to the Shia-Sunni conflicts and the radical Islamism affecting security of Indians.
  - Exploitative **Kafala labour system.**
  - **Nitaqat Law** which aims to replace a large section of overseas workers with locals in Saudi Arabia.
- ⊕ **US, Canada & UK**
  - Discriminative practices, Protectionism and Stricter H-1B visa norms in US
  - Revision of visa norms in UK post-Brexit.
  - Demands for Dual Citizenship
- ⊕ **Challenges due to Covid-** Non fulfilment of basic needs of migrant workers, loss of wages, and negative response of the host community.
- ⊕ **General Economic Issues:** violation of contractual terms, adverse working conditions, wage related issues, medical & insurance related problems etc.



### Steps taken for the betterment of Diapora

- ⊕ **Dedicated Ministry of Overseas Indian Affairs.**
- ⊕ **Organization of Pravasi Bhartiya Diwas**
- ⊕ **Know India Programme** familiarizes Indian-origin youth (18-30 years) with their Indian roots and contemporary India.
- ⊕ **Oversees Citizenship of India Scheme (OCI)** provides for benefits comparable to citizens in certain fields , gives life time, multiple and multi-entry visa.
- ⊕ **Swarnaprasav Yojana- New Plan Scheme** for promoting the employability of Indian workers abroad.
- ⊕ Indian government signed **social security agreements with many foreign countries**
- ⊕ **New Embassies in Latin America and African countries** to help the Diaspora.



### Way Ahead

- ⊕ Negotiating a **Standard Labour Export Agreements** with the host countries.
- ⊕ **Monitoring and supervision** of our overseas workers by our Missions.
- ⊕ **Compulsory insurance schemes** covering the risks faced by our overseas workers.
- ⊕ **Greater focus on promoting tourism** among 2nd generation PIOs .
- ⊕ Consider setting up of **Special Economic Zones**, exclusively for projects to be set up by NRIs/PIOs
- ⊕ **Issuing special infrastructure bonds** for attracting NRI/PIO investments on the lines of the Israel Bonds.

*Overseas Indian community does serve as an important 'bridge' for the development of the country. The success of this bridge depends on the ability of the Daspora to develop and project a coherent, intrinsically motivated and progressive identity and the capacity of the country to establish conditions and institutions for sustainable, symbiotic and mutually rewarding engagement.*



## 5.6.2. RELIGION AS SOFT POWER TOOL

### Why in news?

Four Holy Relics of Lord Buddha were taken to Mongolia for an exposition to coincide with **Mongolian Buddha Purnima celebrations**.

### More about news

- The four relics come from among **22 Buddha relics**, currently housed at **Delhi's National Museum**.
- Together, they are known as the '**Kapilvastu Relics**' since they are from a site in Bihar believed to be the **ancient city of Kapilvastu**.
- Exposition of **Buddha's relics in each other's countries** is an important component of **Buddhist ties**. The last time Buddha's relics were sent out of the country was in **2013 to Sri Lanka**.
- This shows an opportunity for **India to approach religion as an asset of soft power diplomacy**.

### About Soft Power

- Coined by **Joseph Nye** in the late 1980s, the term "soft power" refers to the ability of a country to **persuade others to do what it wants without force or coercion**.
- In practice, it entails countries projecting their **values, ideals, and culture** across borders to foster goodwill and strengthen partnerships.
- Soft power usually originates **outside government** in places like schools, religious institutions, and charitable groups. It is also formed through **music, sports, media etc.**

### India's strength in Religion as a soft power in diplomacy

- **India's religious diversity is its biggest strength:** India is fortunate to have **all the major religions** of the world. **Four were founded here:** Hinduism, Buddhism, Jainism and Sikhism. **Four came from outside:** Zoroastrianism, Judaism, Christianity and Islam.
- **Home to various religious sites:** India has **numerous sites of importance to the various faiths** like:
  - **Hindu religious sites** like Varanasi, Tirupathy, Madurai etc.
  - **Buddhist religious sites** like Bodh Gaya, Sarnath, and Nalanda.
  - Historic **Churches and Synagogues** in South India.
  - **Dargahs** of Sufi saints like Moinuddin Chishti and Nizamuddin Aulia etc
- **Role in its policy:** India's Look East Policy is being built up by emphasizing India's historical links with Buddhism.
  - The **relationship between Buddhism and state diplomacy** dates back to the days of **Emperor Ashoka**, who following his adoption of the religion began the practice of **dharmavijaya or conquest through Dharma**.
- **Religious diplomacy has been integral to India's tradition:** The principle of "Vasudhaiva Kutumbakam ('the whole world is but one family) was enshrined in Maha Upanishad.
  - **Ashoka sent Buddhist Missionaries** to far off places such as Ceylon, Egypt, Macedonia, Tibet, etc.
  - **The address of Chicago Parliament of Religions in 1893** by Swami Vivekanad brought the much-needed recognition and respect for India particularly its culture and traditions.
- **Religion is a cohesive bond for Indian subcontinent:** Various religions of India help it to connect with all the neighboring countries. Thus, religions provide south Asia its unique identity.

### Buddhism & India

India claims legitimacy in its promotion of **Buddhist diplomacy** in spite the fact that it is host to a relatively small population of Buddhists due to following reasons-

- **Buddhist faith originated in India**, therefore granting it singular historical legitimacy.
- India has **numerous sites of importance** to the Buddhist faith, such as Bodh Gaya, Sarnath, and Nalanda.
- India has nurtured an **image of being a protector of the persecuted** through the presence of the Dalai Lama and the Tibetan parliament-in-exile in Dharamshala.
- **Historical links to Theravada Buddhism** mean that India is in a good position to further relations with other Buddhist countries and create conversation between multiple streams of this faith.

### Recent Instances where India showed strength of religion as a soft power

- **Organising conferences:** For example: In 2011 India hosted the **Global Buddhist Congregation** to mark the **2,600th anniversary of the Buddha's enlightenment**.
- **Visit of leaders to religious sites:** In 2015, **Japanese PM** was invited to **Banaras**, famous for hosting religious sites of **Hinduism as well as Buddhism**.
  - In Singapore, Indian prime minister visited the **Goddess Mariamman temple and Buddha's Tooth Relic temple**.

- **Promoting religious tourism:** Ministry of Tourism is promoting a number of tourist circuits that transgress national borders.
  - An example is **Buddhist tourist circuit** that also includes visits to various sites in Nepal, such as Lumbini and Kapilavastu.

- **Membership for OIC:** India has sought membership to the **Organisation of Islamic Cooperation (OIC)** on the grounds that it has the 2nd largest Muslim population in the world.

#### Concerns/limitations of religion as soft power tool

- **Poor performance in religious tourism:** Though India is currently home to seven of the eight most significant Buddhist sites in the world, it receives **less than 1% of global Buddhist tourism**.
  - South-East Asian nations such as **Thailand and Indonesia are the prime recipients** of such tourism.
- **Domestic policies:** A series of policy initiatives Citizenship Amendment Act (CAA), National Register of Citizens (NRC), etc has triggered religious tensions which may limit the capacity of India's new emphasis on **religious soft power to pay dividends** on the global stage.
- **China is emerging as a competitor:** China promotes the religion of Buddhism on the grounds of its historical association, and the fact that it also possesses the largest Buddhist population of any country in the world.
  - It is also **working through different projects like Lumbini project in Nepal** to attract countries having a significant amount of Buddhist population through its Belt and Road Initiative (BRI) projects.
- **Structural loopholes in the efforts to propagate India's culture:** The performance of the Indian Council for Cultural Relations (ICCR), with centres in about many countries for promoting Indian culture, has been lackadaisical.
  - These centres are still aimed at the diaspora (like Caribbean, South Africa), ignoring strategic and growing relationships with other countries and regions.

#### Yoga as soft power tool

- Yoga can be **India's most successful and popular** soft-power tool.
- One of the major recognitions of **India's soft power** was the United Nations' approval of **21 June as International Yoga Day**.
- India lobbied the UN and managed to win the **support of 175 member states** at the General Assembly for the **resolution setting an International Day of Yoga**.
- On a 2015 trip to Turkmenistan on the Central Asian circuit, Indian PM was invited to **inaugurate a traditional medicine and Yoga center** in the capital of Ashgabat.
- As the yoga industry is still very much dominated by **Indian voices, and authentic instruction in yoga is still perceived to be found only in India**.

#### Measures to strengthen religion as soft power tool

- **Promoting religious tourism:** To nurture a favourable ecosystem for religious tourism, **better coordination between the elements** of the system is needed.
  - **A multi-pronged approach** focusing on product enhancement, bettering connectivity, and **creative promotion and marketing** of products could help achieve an **effective strategy for inbound tourism**.
  - The transnational Buddhist Circuit transcends both national and state borders and since tourism is a state subject in India, there should be **various levels of interaction and coordination** at the international and sub-national level.
- **Soft Power dissemination should be neutral:** There should not be any reference to our interests while propagating our civilization and cultural heritage. This is because using Soft Power to achieve specific goals is a contradiction in terms and can be counter-productive.
- **Others:**
  - **Effective revitalisation of the Nalanda University** project and encouragement of Buddhist studies in well-established universities across the country must take place.
  - **Civil society needs to help spread awareness** among locals through programmes on heritage awareness and conservation.

### 5.6.3. SPORTS DIPLOMACY

#### Why in news?

Sports, over the past few years, had developed into a vibrant field and a tool to materialize the nation's agenda and sports diplomacy has a global impact.



## Sports as a soft power tool of foreign policy

- Sports is a **global cultural and political institution**. It surpasses linguistic, socio-political, cultural, and cross-border differences and enable different nations to unite at one platform and emphasizes on the aspect of unity and integrity among the people.
- Sports-diplomacy falls under the wide umbrella of public diplomacy. It involves **representative and diplomatic activities undertaken by sports people and sporting events to engage, inform and create a favourable image** among foreign publics and organisations, to shape their perceptions in a way that is (more) conducive to the sending government's foreign policy goals.
- The **sportsmen are often seen as harbingers of peace and harmony**. Sports therefore establishes a mutual association which helps in resolving gigantic political issues as well.

### India and sports diplomacy

India has been inclined to sports diplomacy since independence and use it as a tool to showcase its foreign policy and to settle various disputes.

- **Cricket:** Cricket is the strength of Indian sports and cricket diplomacy played a crucial role in the political history of South Asia:
  - **Cricket matches are used as ice breakers and political signalling in the complex India-Pakistan relationship.** For instance, during the 2011 Cricket World Cup, the semi-final is believed to have eased the relationship between India and Pakistan after the polarising 2008 Mumbai attacks.
  - At the same time, India has repeatedly **refused to play cricket with Pakistan on the issue of terrorism.**
  - There was a **significant rise in the Indian economy after the creation of the Indian Premier League (IPL)** in 2008 as it was a major source of representing India's soft power.
  - Indian **boycotted cricket in Sri Lanka** during LTTE struggle.
- **Tennis:** India also **boycotted the Davis Cup (Tennis) final** against South Africa due to its opposition to apartheid policy.

### International Olympic Committee (IOC) in sports diplomacy

IOC is showing two extremes, one side is appreciated worldwide and the other is questionable.

**IOC being an undemocratic, unelected body often get criticised for:**

- **Recognising states** that have not yet been internationally recognized by the United Nations. For instance recognizing East Germany and Kosovo.
- **Telling a national, sovereign state what to do in the name of sport:** For instance, when a country wishes to host an Olympic event, it has to subscribe to specific rules set down by the IOC which includes altering the legal infrastructure to accommodate labour and taxation regulations.

However, the purpose of Olympic games is to spread the philosophy of creating a peaceful and better world. Accordingly, **IOC has also stood up for social causes** to advocate its stand:

- In past, the nations which were engaged in a war-like situation or violated human rights were banished from the games.
  - For instance, In 1948, after World War II, **Germany and Japan were banned** due to their inhumane treatment of prisoners of war. **Russia was banned** from 2018 Winter Olympic as it was found guilty of state-sponsored doping.

## Shortcomings & Critiques against Sports Diplomacy

Sports diplomacy is being accused of several grave implications across the world:

- **Political opportunism:** Ill-judged bans on sporting events devalues a tournament by robbing the spectators of participation by skillful players.
  - For instance, In 1980, the US boycotted Moscow games because of Russian intervention in Afghanistan.
- **Lack trust building:** Diplomatic meeting conducted in the media and public glare is anathema to sound diplomacy, which requires privacy to breed trust and build relations.
- Sports can only temporarily transcend divisions in society.

## Conclusion

Governments across the world should realize that if executed clearly, sports can become a great helping tool in easing out confrontations & distances.

## 6. MISCELLANEOUS

### 6.1. INDIA AND MULTILATERAL DEVELOPMENT BANKS

#### INDIA AND MULTILATERAL DEVELOPMENT BANKS (MDBs) AT A GLANCE

India has been a member of major global and regional MDBs such as World Bank, IMF, AIIB, ADB, NDB etc. Recently, the BRICS New Development Bank (NDB) admitted Bangladesh, UAE, and Uruguay as its new members as part of its extensive membership expansion program.



Primary goal of MDBs is to issue **grants and low-cost loans for improvement in the social and economic conditions.**



IMF allocated **Special Drawing Rights (SDRs) of US\$ 650 billion to extend financial support for softening the COVID impact.**



During MDBs 2008 Global Financial crisis, MDBs provided nearly **\$222 billion in financing to overcome the liquidity crisis**



#### Importance for India

- ⊕ **Help developing countries to fund capital intensive activities** like infrastructure, energy, education, and environmental sustainability.
- ⊕ **Major source of financial and technical assistance**
  - E.g., the **IMF policy-based loans** helped Indian economy to move from the **License-Quota-Permit (LQP) regime to Liberalisation-Privatisation-Globalisation (LPG)**
- ⊕ **Overcome disadvantages suffered due to low credit ratings:** MDBs borrow funds from international capital markets to lend it to developing countries.
- ⊕ **Support in coordinating responses to regional and global challenges.**
- ⊕ **Helps the investors and business leaders** in expansion through new, fast-growing markets.



#### Concerns on MDBs highlighted by India

- ⊕ **Dominance of Developed Countries:** MDBs like the IMF and World Bank are dominated by Global North with under-representation of the Global South (developing countries) in governance.
- ⊕ **Imposition of Conditionality:** Some funding agencies have special terms over sourcing of equipment, infringing sovereignty and detrimental to interests of domestic industries.
- ⊕ **Purpose of Help:** MDBs are criticized for behaving as international bureaucracies with greater focus on moving capital to developing countries instead of delivering results.
- ⊕ **Crowding out Private Funding**
- ⊕ **Lack of Transparency and Accountability:** MDBs are mainly driven by self-regulatory frameworks with no external oversight.



#### Way Forward: Making MDIs more inclusive, representative and developmental

- ⊕ **Post COVID recovery:** In the aftermath of COVID-19 pandemic, MDBs will be a **critical source of financing and capacity support** for developing countries to overcome financial distress.
- ⊕ **Phasing out of direct and indirect conditionalities** with no one-size fit all approach from by World Bank and IMF.
- ⊕ **Introduce changes in internal administrative laws** and subject themselves to **external oversight** for better transparency and accountability.
- ⊕ **Governance Reforms** in World Bank and IMF to increase representation of developing nations for an inclusive and representative governance structure.
- ⊕ **Strengthening of new MDBs** to diversify options and promote South-South cooperation.
- ⊕ **MDBs should focus on development of local markets**, building self-reliance for developing countries, resulting in a resilient and sustainable recovery from pandemic.

*The MDB model is uniquely well-suited to help coordinate responses to development challenges, such as rising economic inequality and climate change. MDBs must adapt to new global realities.*

## 6.2. INDIA'S DEVELOPMENT COOPERATION

### Why in News?

Enhancing the efficacy of India's development cooperation endeavors has been a challenging issue for the past several decades.

### Background

- The first effort by India to shape a framework for India's development cooperation was in **2003** with the announcement of the **India Development Initiative (IDI)**.
- Subsequently, the **Indian Development and Economic Assistance Scheme (IDEAS)** was launched in 2005 for managing credit lines.
- In 2007, Govt suspended IDI and announced the setting up of the **India International Development Cooperation Agency (IIDCA)**, but it never took off.
- There has been clear **lack of firm institutional foundation** to support India's Development Cooperation.
- India needs a **clear vision to lead a sustainable development agenda while positioning itself as a global power** with interests beyond its immediate neighborhood.
  - To achieve this, there is an **urgent need to push for reforms in existing institutional structures** on development cooperation.

#### Efforts by India in development cooperation

- **Indian Technical and Economic Cooperation (ITEC) programme (1964)**, India's capacity-building initiative.
- **India Aid Mission (IAM)** launched in Nepal in 1952.
- **'New, Emerging and Strategic Technologies' (NEST) division** is being set up to facilitate collaboration with foreign countries on advanced technologies, as well as geographical divisions for better coordination.
- **In Ethiopia**, India provided better quality germplasm, new technology for processing and access to markets, apart from support for packaging for better access to European markets.
- India has been supporting the **developmental endeavours of several partner countries in Africa and Asia**.

### About India's development cooperation

- Indian model of developmental cooperation is comprehensive and involves multiple instruments **including grant-in-aid, line of credit and capacity building and technical assistance**.
  - Depending on the priorities of partner countries, India's development cooperation ranges from **commerce to culture, energy to engineering, health to housing, IT to infrastructure, sports to science, disaster relief and humanitarian assistance** to restoration and preservation of cultural and heritage assets.
- Currently, India's development cooperation objectives are broadly **based on the South-South cooperation (SSC) framework** — a technical cooperation tool among the developing countries in the Global South.
- Although the **allocation is less than 1% of India's overall budget**, it is still a significant contribution as compared to other high-income countries, such as Australia (0.22 percent of GDP) and South Korea (0.15 percent of GDP) considering India's US\$ 2 billion in credit lines.
- The **Development Partnership Administration (DPA)**, Ministry of External Affairs, is responsible for the overall management, coordination and administration of India's development partnerships.
- In the last couple of years, India's assistance to other developing countries has multiplied several times.
  - On average, India **provides development assistance of more than \$6.48 billion and receives assistance of \$6.09 billion annually** from key partners as Official Development Assistance (ODA).
    - ✓ ODA involves **financial or technical help given by one country's government to another country** to assist social and economic development or to respond to a disaster in the receiving country.

### Need for India's development cooperation Agency

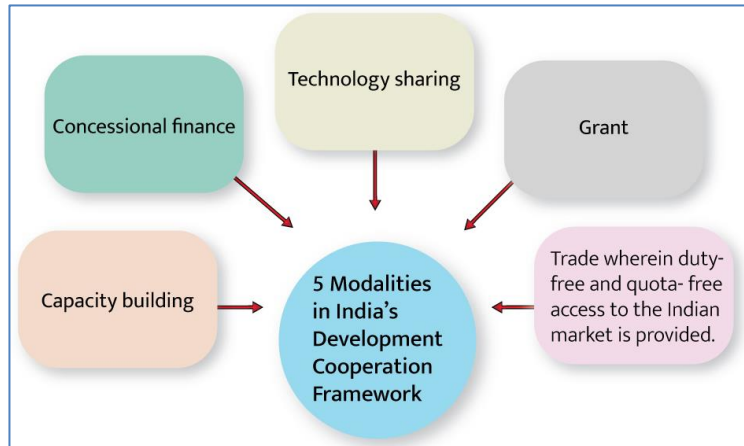
- **Evolution in geopolitics:** Future economic diplomacy agencies will have to be located in a new geopolitical dimension that goes far beyond the impulse of the Bandung Conference of 1955, which set up cooperation channels between Asia and Africa in the colonial and post-colonial era.
- **Post pandemic opportunity:** Post-pandemic, countries worldwide are exploring ways to reinvigorate their development cooperation efforts. This gels well with the increase in the scope of development cooperation following higher economic growth and rising trade and investment flows to emerging markets and developing economies.



- **Enhancing Bilateral relations:** India's development cooperation is moving towards a need-driven approach where meeting the partner country's development objectives goes hand-in-hand with India's objective for strengthening the bilateral relationships through private sector investments.
- **Effective Accountability and evaluation framework:** The lack of information disseminated in the public domain about India's current development cooperation framework has been widely criticised by policy experts.
  - This opacity makes monitoring and **evaluation difficult and creates a credibility crisis.**

### Way Forward

- **Independent development partnership agency:** The proposed new entity should
  - **address better delivery**, monitoring and evaluation mechanisms,
  - **should engage with new actors**, especially from civil society and the private sector
  - **provide handholding to select performing Indian social enterprises** to operate in other countries as well.
  - **facilitate development partnerships** between India and other countries.
  - **support partner countries in combating natural disasters** (Nepal), political and humanitarian crises (Maldives, Afghanistan), and in building social infrastructure (Kenya, Madagascar).
- **India's Development Cooperation Act, 2022:** India's upcoming Development Cooperation Act should reflect that a focused approach towards addressing global crisis is in its national interest.
- **Restructure development finance apparatus:** It is high time India restructures its development finance apparatus for deeper and effective engagement and to address the rapidly evolving development financing landscape.
- **Learn from its own programmes:** India's own development experience is evolving with programmes like the JAM trinity, Ayushman Bharat and other initiatives like Gati Shakti — the learnings from which should be absorbed in the portfolio to be shared with fellow developing countries.



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# WEEKLY FOCUS

## International Relations

TOPIC	DESCRIPTION	LEARN MORE
 <b>India and United Nations Security Council (UNSC) Reforms</b>	<p>As UNSC reaches 75th year of its genesis in 2020, its reformation is considered inevitable for survival of multilateralism. India along with other countries has been fighting for reforms in the UNSC because of the changing economic and political landscape at the global level. Although, India has significant global support, it will have to overcome significant challenges to achieve its desired goals at the multilateral level.</p>	
 <b>India's economic engagement with China</b>	<p>India-China relations have always had a difficult terrain from border disputes to disagreements at multilateral levels. Also, India has been showing negative balance of trade in its bilateral trade with China. However, the anti-Chinese sentiments need to be explored in light of various important aspects of India-China economic, trade and technology relations. Understanding the balance between global economic engagement and embracing Atmanirbhar Bharat holds the key.</p>	
 <b>Globalisation   Ending or Transforming?</b>	<p>It is true that nationalism and protectionism are on the rise; however, Globalization may not be ending but merely changing. The major shifts underway in technology, geopolitics, environment and society are combining to give birth to a new phase of globalization – Globalization 4.0 – whose trajectory will depend in large measure on how well governance at multiple levels – governmental, corporate and international – adapts to these changes. Strengthening our governance architecture to ensure its effectiveness in this new era will require deeper engagement and heightened imagination by all stakeholders, beginning with robust and sustained dialogue among them.</p>	
 <b>Covid-19 and World Order</b>	<p>The World is going through its most challenging crisis since WWII. In all aspects, COVID-19 will be a step towards the new global order. However, at present, it is difficult to discern the shape, form or substance of the post COVID-19 world order but it will certainly depend on the scale and intensity of pandemic and the capability of nations preventing it. Strong multilateral cooperation will continue to be critical in our collective fight against the pandemic as also for a global economic recovery and to ensure that the economic fallouts of the pandemic are evenly distributed, so that no one country has to bear a disproportionate amount of economic recession triggered by the global pandemic.</p>	



 <p><b>India and the Indo-Pacific</b></p>	<p>The emergence of the Indo-Pacific as a new geographic space represents the new strategic reality of the twenty-first century. The Indo-Pacific therefore is a new domain in India's foreign policy engagements. The document examines issues relating to India's unique geography, interests, and potential role in the Indo-Pacific region against the backdrop of a rapidly evolving geostrategic environment. It further discusses new opportunities in the region to secure India's strategic interests and secure its profile as the responsible global power.</p>	
 <p><b>Regional Connectivity: India's Role in the Great Game</b></p>	<p>From strengthening political and cultural ties to fostering economically beneficial associations, 'connectivity' has become a buzzword in recent years. However, no other regional power is as disconnected from its immediate neighbourhood as India. Discussing the significance of regional connectivity for India, the document examines the key drivers of India's new approach to regional connectivity, the progress made thus far and the challenges that India will need to overcome in order to transform itself into a regional strategic architect.</p>	
 <p><b>Forced displacement: A humanitarian crisis and a development challenge</b></p>	<p>Every year, millions of people are forced to leave their home due to conflict, violence, human rights violations, persecution and natural hazards. It speaks louder than ever to the need for solidarity and ensuring that the world's refugees, internally displaced and asylum-seekers are properly protected and cared for while solutions are pursued. This document offers an overview of international forced displacement trends, its widespread implications across the countries, efforts that have been taken to deal with the same and suggests ways to manage this increasingly protracted issue.</p>	
 <p><b>Paradiplomacy_The Pros and Cons of Foreign Policy Decentralisation</b></p>	<p>Paradiplomacy as it is conducted by sub-state governments introduces the idea of decentralisation of political power to make regional governments prominent actors in the international sphere. In this document an attempt is made to examine the scope for subnational diplomacy in India, key choices that need to be made, and potential challenges stemming from the development by sub-state units of international relations.</p>	
 <p><b>Decoding Democracy from Evolution to Threats to Revival</b></p>	<p>Across the world, concern has been growing about the future of democracy, and there is considerable dissatisfaction with how democracy is working in practice. Let us go back through this document to the basic question of what is democracy and how it came into being. Is democracy still the preferred form of government and if yes, what the world leaders and we as citizens can do to protect and strengthen it?</p>	



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