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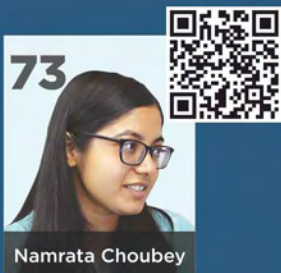
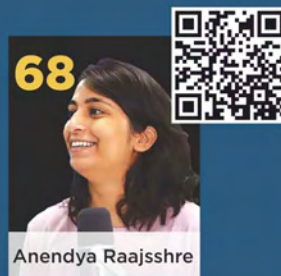
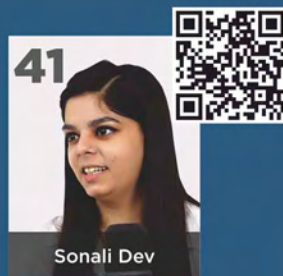
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PREFACE

Dear Aspirants,

International Relations and Internal Security constitute a very important section of GS Paper II and GS Paper III syllabus of UPSC Mains exam, respectively. Together both sections account for 80-100 marks in the mains exam. This section, if prepared well, is very rewarding for candidates, as questions are mostly based on current affairs.

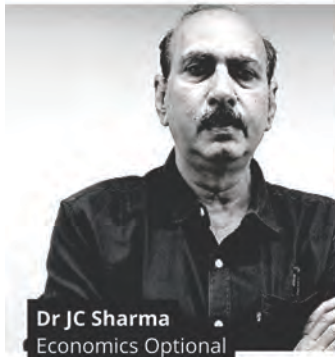
Our approach in this Mains Compass is producing a comprehensive textbook for International Relations and Internal Security for the coming mains exam. We have tried to cover the entire syllabus. Students hopefully will benefit from the book.

For the best results, students are advised to refer to this book along with RAU's MAINS QIP program wherein there will be extensive testing and discussions on the important themes from the coming Mains exam point of view.

All the best!!!

Rau's IAS Team

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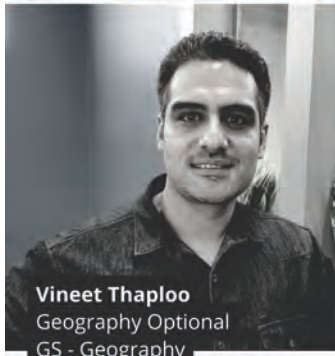
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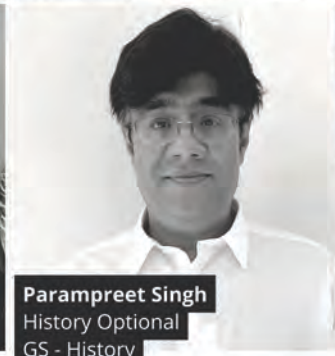
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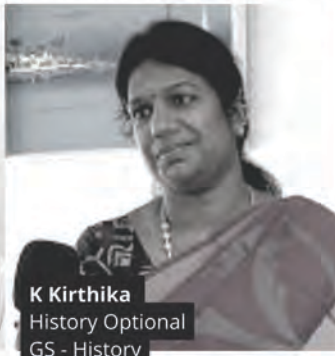
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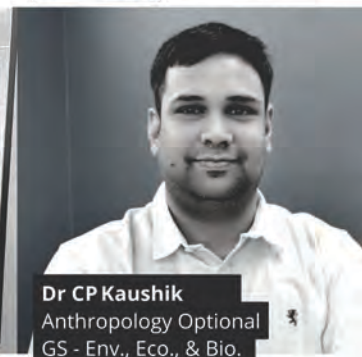
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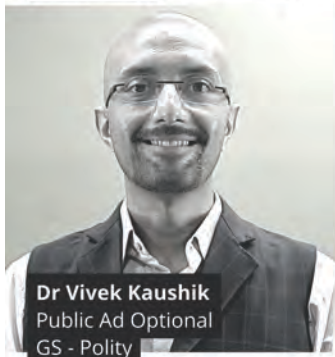
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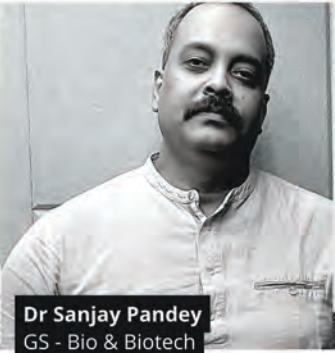
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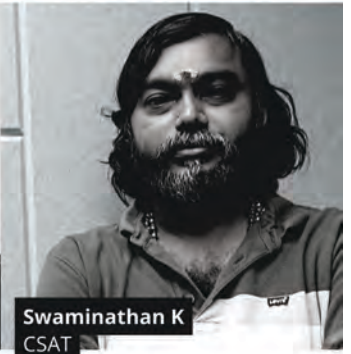
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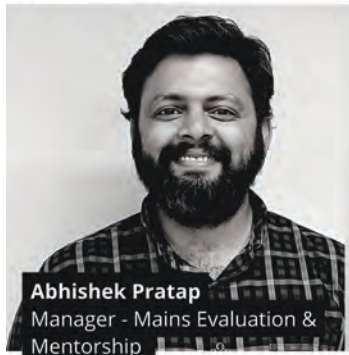
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- Science and India and its neighbourhood- relations
- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests
- Effect of policies and politics of developed and developing countries on India's interests
- Indian diaspora.
- Important International institutions, agencies and fora, their structure, mandate.

Previous Year Questions and Theme Map

THEME 1: NEIGHBOURHOOD

YEAR	UPSC MAINS QUESTIONS
2017	'China is using its economic relations and positive trade surplus as tools to develop potential military power status in Asia', In the light of this statement, discuss its impact on India as her neighbor.
2015	Project 'Mausam' is considered a unique foreign policy initiative of the Indian Government to improve relationship with its neighbors. Does the project have a strategic dimension? Discuss.
2015	Terrorist activities and mutual distrust have clouded India-Pakistan relations. To what extent the use of soft power like sports and cultural exchanges could help generate goodwill between the two countries? Discuss with suitable examples.
2014	With respect to the South China sea, maritime territorial disputes and rising tension affirm the need for safeguarding maritime security to ensure freedom of navigation and over flight throughout the region. In this context, discuss the bilateral issues between India and China.
2013	The proposed withdrawal of International Security Assistance Force (ISAF) from Afghanistan in 2014 is fraught with major security implications for the countries of the region. Examine in light of the fact that India is faced with a plethora of challenges and needs to safeguard its own strategic interests.
2013	What do you understand by 'The String of Pearls'? How does it impact India? Briefly outline the steps taken by India to counter this.
2013	The protests in Shahbag Square in Dhaka in Bangladesh reveal a fundamental split in society between the nationalists and Islamic forces. What is its significance for India?
2013	Discuss the political developments in Maldives in the last two years. Should they be of any cause of concern to India?
2013	In respect of India — Sri Lanka relations, discuss how domestic factors influence foreign policy.
2013	What is meant by Gujral doctrine? Does it have any relevance today? Discuss.

THEME 2: GEOPOLITICAL HOTSPOTS

YEAR	UPSC MAINS QUESTIONS
2021	The newly tri-nation partnership AUKUS is aimed at countering China's ambitions in the Indo-Pacific region. Is it going to supersede the existing partnerships in the region? Discuss the strength and impact of AUKUS in the present scenario.
2020	Critically examine the role of WHO in providing global health security during the COVID-19 pandemic.
2019	'Too little cash, too much politics, leaves UNESCO fighting for life.' Discuss the statement in the light of US' withdrawal and its accusation of the cultural body as being 'anti-Israel bias.'
2018	What are the key areas of reform if the WTO has to survive in the present context of 'Trade War,' especially keeping in mind the interest of India?

PREVIOUS YEAR QUESTIONS AND THEME MAP

2018	A number of outside powers have entrenched themselves in Central Asia, which is a zone of interest to India. Discuss the implications, in this context, of India's joining the Ashgabat Agreement, 2018.
2017	What are the main functions of the United Nations Economic and Social Council (ECOSOC)? Explain different functional commissions attached to it.
2016	"The broader aims and objectives of WTO are to manage and promote international trade in the era of globalization. But the Doha round of negotiations seem doomed due to differences between the developed and the developing countries." Discuss in the Indian perspective.
2016	What are the aims and objectives of the McBride Commission of the UNESCO? What is India's position on these?
2015	Discuss the impediments India is facing in its pursuit of a permanent seat in UN Security Council.
2014	The aim of Information Technology Agreements (ITAs) is to lower all taxes and tariffs on information technology products by signatories to zero. What impact should such agreements have on India's interests?
2014	Some of the International funding agencies have special terms for economic participation stipulating a substantial component of the aid to be used for sourcing equipment from the leading countries. Discuss on merits of such terms and if, there exists a strong case not to accept such conditions in the Indian context.
2014	India has recently signed to become founding a New Development Bank (NDB) and also the Asian Infrastructure Investment Bank (AIIB). How will the role of the two Banks be different? Discuss the significance of these two Banks for India.
2014	WTO is an important international institution where decisions taken affect countries in profound manner. What is the mandate of WTO and how binding are their decisions? Critically analyse India's stand on the latest round of talks on Food security.
2013	The World Bank and the IMF, collectively known as the Bretton Woods Institutions, are the two inter-governmental pillars supporting the structure of the world's economic and financial order. Superficially, the World Bank and the IMF exhibit many common characteristics, yet their role, functions and mandate are distinctly different. Elucidate.

THEME 3: EXTENDED NEIGHBOURHOOD

YEAR	UPSC MAINS QUESTIONS
2021	"If the last few decades were of Asia's growth story, the next few are expected to be of Africa's." In the light of this statement, examine India's influence in Africa in recent years.
2021	Critically examine the aims and objectives of SCO. what importance does it hold for India.
2020	India diaspora has a decisive role in the politics and economy of America and European Countries. Comment with examples.
2020	Quadilateral Security Dialogue (Quad) is transforming itself into a trade bloc from a military alliance, in present times. Discuss.
2020	What is the significance of Indo-US defence deals over Indo-Russian defence? Discuss with reference to stability in the Indo-Pacific region.
2019	'The time has come for India and Japan to build a strong contemporary relationship, one involving global and strategic partnership that will have a great significance for Asia and the world as a whole.' Comment.
2019	"The long-sustained image of India as a leader of the oppressed and marginalised Nations has

PREVIOUS YEAR QUESTIONS AND THEME MAP

	disappeared on account of its newfound role in the emerging global order." Elaborate.
2019	"What introduces friction into the ties between India and the United States is that Washington is still unable to find for India a position in its global strategy, which would satisfy India's National self-esteem and ambitions."
2018	In what ways would the ongoing US-Iran Nuclear Pact Controversy affect the national interest of India? How should India respond to this situation?
2018	'India's relations with Israel have, of late, acquired a depth and diversity, which cannot be rolled back.' Discuss.
2017	The question of India's Energy Security constitutes the most important part of India's economic progress. Analyze India's energy policy cooperation with West Asian Countries.
2017	Indian Diaspora has an important role to play in South-East Asian countries' economy and society. Appraise the role of Indian Diaspora in South-East Asia in this context.
2016	Evaluate the economic and strategic dimensions of India's Look East Policy in the context of the post-Cold War international scenario.
2015	Increasing interest of India in Africa has its pros and cons. Critically examine.
2013	Economic ties between India and Japan while growing in the recent years are still far below their potential. Elucidate the policy constraints which are inhibiting this growth.

N EIGHBOURHOOD

Previous Year Questions

YEAR	UPSC MAINS QUESTIONS
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2013	The proposed withdrawal of International Security Assistance Force (ISAF) from Afghanistan in 2014 is fraught with major security implications for the countries of the region. Examine in light of the fact that India is faced with a plethora of challenges and needs to safeguard its own strategic interests.
2013	What do you understand by 'The String of Pearls'? How does it impact India? Briefly outline the steps taken by India to counter this.
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2013	Discuss the political developments in Maldives in the last two years. Should they be of any cause of concern to India?
2013	In respect of India — Sri Lanka relations, discuss how domestic factors influence foreign policy.
2013	What is meant by Gujral doctrine? Does it have any relevance today? Discuss.

► CRISIS IN NEIGHBOURHOOD

India's neighboring countries are witnessing political and economic turmoil. These include Sri Lanka, Pakistan, Afghanistan, Nepal and Myanmar. Such political and

economic upheavals pose a challenge for India to balance its ties with these countries, since it has been accused of acting as **big brother** and of interference in internal affairs of its neighborhood. However, it has been argued that India has learnt its lessons from the

past and has displayed a careful approach towards the neighboring crises. In this context, let us understand the lessons learnt by India and what more needs to be done.

STRONG ARM POLICY APPROACH

- India has been accused of acting like Big-Brother by its smaller neighbours. India being the most powerful and resourceful country in the region likes to see South Asian region as its backyard and is the regional hegemon in the region.
- In recent past, India has been accused of following strong arm tactics under popularly known approach of **muscular foreign policy**.
- Government had put Pakistan on notice for terror attacks and cancelled Foreign Secretary level talks.
- In Sri Lanka, Mahinda Rajapaksa government, seen to be close to China was voted out, with reports that Indian intelligence played a role in facilitating opposition talks.
- In Nepal, PM K.P. Sharma Oli's coalition government had fallen apart, with a similar nudge reported from New Delhi.
- These measures have primarily been to counter the Chinese influence in its neighbourhood. But such an approach did not have support our neighbours and was resented.

INCLUSIVE APPROACH TOWARDS NEIGHBOURHOOD

- Myanmar (Military coup), Nepal, Afghanistan (Taliban replaced Ashraf Ghani led govt.), Pakistan (PM Imran Khan lost the confidence Vote) and Sri Lanka (Political change owing to economic crisis) all have witnessed change in the ruling regime.
- In contrast to the earlier accusations of being a Big brother, has not been held responsible in any of its neighbouring countries for attempting to interfere in their political processes. Thus, India has displayed a more neutral approach.
- India has **abandoned "one size fits all" approach** to the region.
 - In Myanmar, India has strengthened ties with Military Junta.
 - India has been supportive of change in ruling party in Nepal and Sri Lanka.
 - India has almost ignored the change of ruling party in Pakistan.
- India now is **focused more on people in neighbourhood** rather than just those in power.

- Diplomatic maneuvering with the Afghan and Pak diplomats, despite strained ties with both nations, to send 50,000 MT wheat to support Afghan population facing humanitarian crisis.
- In Sri Lanka, India would always be guided by the best interests of the people of Sri Lanka expressed through democratic processes.
- Toning down of rhetoric on domestic issues in the neighbourhood.

LESSONS INDIA NEEDS TO LEARN

- Neutral position in neighbourhood is far more challenging than neutrality shown by India in case of Ukraine war or China's moves on Hong Kong. This is because the fallout of crisis in neighbourhood has direct impact on India unlike the other cases.
- In the neighbourhood, India needs to prepare itself for the need for aid and loans or an influx of refugees, as movements that develop in one neighbouring country are often mirrored in another.
- Populist policies shown by the ruling parties in the neighbourhood have not worked. Examples being Sinhala Nationalism in Sri Lanka, Anti - India sentiment in Nepal.
- Economy matters in bringing political stability. All neighbouring countries were under severe economic strain.
- India must also assess the impact of economic and political vulnerabilities on smaller neighbouring countries that could be exploited by global powers as they seek a more direct influence in the region.
- India must find newer ways to energise regional groupings such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (**BIMSTEC**) and **Bangladesh, Bhutan, India, Nepal (BBIN) Initiative**, and even to reconsider SAARC.

► INDIA'S NEIGHBOURHOOD POLICY

CHALLENGES IN INDIA'S NEIGHBOURHOOD

- India's neighbourhood is a complex one. Certain features of India's neighbourhood are:
- **Baggage of colonialism:** Region has a shared past of colonial exploitation.
- **Large population:** South Asia is largest region in world by population.
- **Diversities:** South Asia is marked by large ethnic, religious and linguistic diversities.

- **Unsettled & Unscientific Boundaries** of the region have not been formed in a very scientific way; this often creates tensions between countries.
- **Least economically and logistically integrated region:** South Asia is the least integrated regions with tremendous deficits in infrastructure, connectivity, and interdependence.
- **Dysfunctional Regional multilateralism:** Institutions like ASEAN and EU have failed to develop in South Asian context. SAARC remains a dysfunctional body.
- **Exposed to geopolitical competition:** South Asian is now being exposed to various geopolitical competition dynamics because of rise of China and increasing US influence in the region.
- **Low human development:** South Asia region is one of the poorer regions of the world, with low social development.



NEW DYNAMICS IN THE REGION

- India has been accused of acting like ‘Big-Brother’ by its smaller neighbours in the region. India being the most powerful and resourceful country in the region likes to see the South Asian region as its backyard and is the regional hegemon in the region.
- An increasingly assertive China has been making strong outreach to countries in the region, China’s unsettled border issue India, long India-China standoff on India China border, increasing naval presence of China in Indian Ocean and the increasing power asymmetry between India and China in terms of economic and military has been creating security dilemma for India against China.

- India and Pakistan have fought four wars since 1947. Both nations have nuclear weapons, Pakistan’s continued support for extremism and terrorism in Kashmir and claim over Kashmir has long created tensions between India and Pakistan. China-Pak axis has been concretising in the continental neighbourhood in terms of the CPEC corridor and the influence on Taliban in Afghanistan.
- Taliban’s takeover of Afghanistan and the US withdrawal poses threats to India’s interest in the Central Asia besides posing the possibility of increase Pak-Taliban supported terrorism in Kashmir.
- India has been aligning with the US in the form of Quad and Malabar naval exercise to counter the Chinese influence in the maritime arena. AUKUS security partnership is giving new direction to the security aspect of the Indo - Pacific concept.
- India’s structural dominance in the South Asia has been facing challenges because of rising Chinese influence. Neighbouring countries are using the China-Card in their negotiations with India.

EVENTS IN INDIA’S NEIGHBOURHOOD

- **Challenges to India to increasing influence of China:**
 - Growing competition for influence in South Asia by carrying out various infrastructure projects and encircling India under the **String of Pearls theory**. Example - Sri Lanka, Myanmar etc.
 - China - Pakistan axis has considerable influence on the Taliban regime in Afghanistan.
 - Chinese aggression along the Line of Actual Control (LAC) poses the possibility of a **Two Front War** on India’s norther borders.
 - China extended a \$1.4-billion Line of Credit to Pakistan. A new defense pact has been signed between China and Pakistan.
 - All SAARC countries are part of Chinese BRI Project except India and Bhutan.
 - Most South Asian countries are under Chinese debt pressure. China has started to provide partial debt waivers to the Maldives and Sri Lanka.
- **Territorial claims of China in the region**
 - Due to unsettled border between India & China, China claims parts of Ladakh and Arunachal as its territory.
 - Chin has laid claim to Bhutan’s Sakteng natural reserves.

- China has annexed around 150 hectares of land along Nepal border.
- India has witnessed [border issues with Nepal](#) along the Kalapani. Nepal has amended its constitution to include the disputed territory within its political map.
- In Sri Lanka, domestic politics and Chinese influence is impacting its ties with India.
- [Regional SAARC has taken a backseat in India's regional pursuits](#)
 - Format of SAARC is outdated and does not serve complex, fluid regional cooperation agenda any longer. India has refused to attend SAARC meeting in Pakistan over terrorism issue.
 - Pakistan is pursuing its regional connectivity goals exclusively with China (CPEC). While India does not align itself with Chinese BRI project. India started focussing on Indian Ocean region and towards eastern neighbours of India and BIMSTEC. This has led to a split of subcontinent between India and Pakistan which has effectively stagnated SAARC.
 - India has revived [BIMSTEC](#) and worked in [BBIN \(Bangladesh-Bhutan-India-Nepal\)](#) quadrilateral for a framework on motor vehicle & water governance.
 - However, India should understand that India's neighbouring countries other than Pakistan have shown interest in the working of the SAARC.

INDIA'S RESPONSE TO CHALLENGES IN NEIGHBOURHOOD

India has been pushing forward its [Neighborhood first Policy](#) and the [SAGAR \(Security and Growth for All in the Region\) strategy](#) to handle these recent challenges.

→ 'Neighbourhood First' policy

- Under its 'Neighbourhood First' policy, Government is committed to developing friendly and mutually beneficial relations with all its neighbors. India is an active development partner and is involved in several projects in these countries.
- India's policy of 'Neighbourhood First' focuses on creating mutually beneficial, people-oriented, regional frameworks for stability and prosperity.
- Our engagement with these 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.

- With Pakistan, Government desires normal neighbourly relations and is committed to addressing all outstanding issues bilaterally and peacefully in accordance with the Shimla Agreement and the Lahore Declaration. However, any meaningful dialogue can only be held in an atmosphere free from terror, hostility and violence. The onus is on Pakistan to create such a conducive atmosphere.

→ Infrastructure

- India has stepped up delivery of Infrastructure in the region.
- Completion of railway lines to Bangladesh and Nepal, riverine projects, ferry service to the Maldives, identifying other services to Sri Lanka and IOR islands.
- India has provided [line of credit to the tune of \\$ 400 million to Maldives.](#)

→ Welcoming entry of other powers to counter China

- India has welcomed the U.S.'s new military dialogue with the Maldives.
- America's Millennium Challenge Corporation's (MCC) projects in Afghanistan, Bhutan, Sri Lanka, Nepal and Bangladesh
- The Millennium Challenge Corporation (MCC) is an innovative and independent U.S. foreign assistance agency that is helping lead the fight against global poverty. MCC forms partnerships with developing countries who are committed to good governance, economic freedom and investing in their citizens.

→ Diplomatic efforts

- India has stepped up the collaboration in the [Quadilateral security Dialogue.](#)
- [Malabar naval exercise](#) has been expanded to include Australia.

WAY FORWARD

[Analysis of India's foreign policy approach in neighbourhood](#)

- India was the first country to warn the global community about dangers of BRI. This framing of problems is widely accepted by most global powers.
- India has also managed to shape the global discourse on the Indo-Pacific.
- China's efforts of teaching lessons to India using force (Galwan valley) has failed.
- India has been pursuing its strategic and economic strategies far more independently. It effectively resisted the Chinese aggression, developed

infrastructure along the LAC, reduced trade dependence on China in strategic sectors and has galvanised global support in the Indo - Pacific in the form of QUAD.

- Neighbourhood policy should not be viewed with a narrow lens of wins or losses. A region shaped by two major powers will never follow a linear trajectory. Also, the smaller countries in the region have become more assertive and have been pursuing their policies independently.
- The traditional notion of India-Pak rivalry constraining India's foreign Policy options has given way to the increasing influence of China.
- South Asia today is being viewed as pivotal to the concept of Indo-Pacific because of the India's efforts. It is because of this that the BIMSTEC has gained currency replacing the SAARC in the Indian foreign policy circles.
- Focus of BIMSTEC also outlines India's focus on its eastern frontier aligning it with its Look East Policy.
- India has been focusing on defence modernisation and cooperation which is visible in the recent signing of foundational defence agreements with US, S-400 missile deal and purchase of Rafael military aircrafts.

Future course of action

- India's engagement with our neighbouring countries should not be episodic. It should not be event-oriented; it should be process-oriented. India needs to have a plan for continuous engagement at various levels.
- India has realised that there is a need for greater connectivity and integration in the region, especially because of the increasing Chinese influence in its neighbourhood.
- Further to check the growing Chinese influence in the neighbourhood, India should focus on creating interdependence in the region with the aim of extracting strategic leverage.
- We know that India has taken over various connectivity initiatives, in terms of energy, interdependence, infrastructural connectivity, grants and loans.
- However, it is being said that these connectivity initiatives will be meaningless if there is lack of economic integration and easy movement of people and capital.

- India should not be averse to the idea of cooperation in the subcontinent by the way of SAARC.
- Also, if India moves away from SAARC, it is quite possible that China can be invited to this forum. This will make things even more difficult for India.

► INDIA-CHINA

OVERVIEW OF INDIA - CHINA RELATIONS

- In 1988, Rajiv Gandhi visited China, becoming first PM to visit after 34 years, following the vacuum caused by Sino-India war of 1962. China & India accepted that if peace and tranquility was maintained in border areas, relationship could be normalized in economic, trade, research and other areas.
- All subsequent governments in India have followed same policy in dealing with China. This policy is also reflected in the India- China joint statement of 2015.
- The understanding between two nations started to change with China's launch of Belt Road initiative (BRI) in 2013. It was part of China's geoeconomics and geopolitical strategy. In 2015, China launched CPEC passing through Pakistan Occupied Kashmir breaching India's sovereignty.
- India highlighted that all connectivity projects must be based on internationally recognised norms and should respect territorial integrity and sovereignty.
- China now opposed India's entry into Nuclear Supplier's Group, insisting that if India was admitted, Pakistan should also be treated in on similar basis.
- China blocked designation Masood Azhar as terrorist under 1267 committee.
- India worked closer with US and other European powers to put pressure on Pakistan via FATF grey listing.
- Finally, Quad was revived in 2017 which is widely perceived as an anti-China alliance. This was followed by integration of Australia into the Malabar Naval exercise.

INDIA - CHINA BOUNDARY DISPUTE

- India shares a 3488-km boundary with China along J&K, Uttarakhand, Himachal Pradesh, Sikkim & Arunachal Pradesh.
- Border between India and China is not clearly demarcated throughout and there is no mutually agreed Line of Actual Control (LAC).
- Entire border is divided into three sectors: Western sector is disputed (Ladakh); Middle sector is largely settled and peaceful (Himachal Pradesh &

Uttarakhand) and Eastern sector is unsettled and disputed (China claims entire Arunachal).

- China claims that the border claimed by India as signed British India and Tibet was under colonial pressure and a weak China. China does not agree.
- British India had failed to produce a single integrated and well-defined northern boundary separating the Indian subcontinent from Xinjiang and Tibet.

ON THE WESTERN SECTOR

Western sector i.e., Aksai Chin Sector

- The two sides differ over the boundary line that separates Jammu and Kashmir from Xinjiang province of China.
- India accuses China of illegally occupying Aksai Chin, and some other parts of Ladakh region.
- According to China, Aksai Chin is the extension of Tibet plateau whereas India claims it as an extension of Ladakh plateau.
- The region is mostly uninhabited.
- Aksai chin is important for China as it connects two backward provinces of China i.e., Tibet and Xinjiang.
- British policy advocated farther northern Kashmiri border in the form of Johnson Line where Aksai Chin was part of Kashmir and another time when they advocated McDonald line under which Aksai Chin falls under Xinjiang Province of China.



- As a result, the disagreement prevails with India claiming Johnson Line to be correct and China claiming McDonald Line to be correct.
- In the official map of India in 1950 India marked east of Karakoram range as "Boundary Undefined".
- Currently though the LAC at present separates India and China in the absence of a mutually agreed

boundary, there is a difference in perceptions about the alignment of the line.

EASTERN SECTOR: MCMAHON LINE

Background

- In eastern sector, boundary was delineated in 1914 Shimla conference of British India, China and Tibet.
- Accordingly, British proposed formation of Outer-Tibet bordering India & Inner-Tiber bordering China.
- A boundary demarcating Tibetan region of China and the North-east Frontier Areas of India (current Arunachal Pradesh) was agreed upon by British and Tibetan representatives which came to be called the McMahon Line.
- This is another contentious issue because China does not recognize the McMahon line as it was signed between British and Tibet which was not a sovereign state at the time.
- As a result, China claims Arunachal Pradesh especially Tawang as a part Tibet.
- India on its part while recognizes Chinese suzerainty over Tibet and considers McMahon line to be official boundary.



INITIATIVES TO RESOLVE BORDER ISSUES

- A solution to the Sino-India border dispute continues to elude the two countries after 45 rounds of talks since 1960.

Shimla agreement of 1914:

- Through this agreement, McMahon Line was recognised as the legal boundary between India and China.
- However, China rejects the Shimla agreement and the McMahon line, contending that Tibet was not a sovereign state and therefore did not have the power to conclude treaties.

Panchsheel Agreement of 1954:

- The “Agreement on Trade and Intercourse between the Tibet region of China and India” was signed in 1954. It is remembered as the Panchsheel Agreement.
- The doctrine indicated the willingness to ‘Respect each other’s sovereignty and territorial integrity.’

Confidence Building Measures (CBMs)

- The two countries are also engaged in Confidence Building Measures (CBMs) on the border with bilateral agreements signed in 1993, 1996, 2005, 2012 and 2013.
- In 2003, the two sides agreed on the appointment of Special Representatives (SRs) for consultations aimed at arriving at a framework for a boundary settlement that would provide the basis for the delineation and demarcation of the border.
- By the beginning of the 21st century, the two sides had agreed not to let the border dispute affect bilateral engagements. This was inked into the Agreement on Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question signed in 2005.
- In 2012, India and China agreed on the establishment of a working mechanism for Consultation and Coordination on India China borders.
- In November 2018, the Special Representatives of China and India held border talks at Chengdu in southwest China. The talks were aimed to achieve an early solution to the dispute and to maintain peace and tranquility at the borders

ESCALATION ALONG LAC

20 India soldiers died in a clash with People’s liberation army of China in a clash at the Galwan valley in Ladakh region.

Strategic Importance

- It is strategically located between Ladakh in the west and Aksai Chin in the east, which is currently controlled by China as part of its Xinjiang Uyghur Autonomous Region.
- At its western end are the Shyok river and the Darbuk Shyok Daulet Beg Oldie (DSDBO) road which provides India the access to Karakorum pass.
- Its eastern mouth lies close to China’s vital Xinjiang Tibet road, now called G219 highway.



Contested valley

For the first time since 1962, the Galwan Valley has emerged as a site of dispute



REASONS FOR ESCALATION ALONG LAC

- China wanted to distract the world from COVID-19 crisis for which it is being held responsible.
- It is a reaction to India's political rhetoric on the Aksai Chin after the Jammu & Kashmir reorganisation (Abrogation of Article 370) in August last year.
- India is conducting infrastructural development along LAC. Ex. Construction Darbuk Shyok Daulet Beg Oldie (DSDBO) road.
- China's geopolitical view of region as strategically important for its CPEC which passes through POK. India has said that CPEC Violates Indian Sovereignty.
- Under Xi Jinping China has moved away from principle of peaceful rise (used for the economic rise of China in the past decades) towards asserting itself as the next superpower.
- Chinese aspiration of asserting itself as a superpower is reflected in China engaging itself on multiple fronts like handling COVID crisis at home, crackdown in Hong Kong and Escalation on India-China border.
- China’s limited scope military expeditions on the long-contested border is cost effective for the PLA given the ever-growing conventional military superiority that it enjoys with India. (Such skirmishes won't provoke nuclear warfare)
- China thinks that India will overlook such small standoffs to avoid further escalation of the issue.

- China wanted to distract the Chinese population from the local issues of China.

INDIA'S TILT TOWARDS AMERICA

- In the present Geopolitical theatre of action, India is being seen as tilting towards USA. This tilt towards USA is perceived negatively by China. And this view has been echoed in past border discussions.
- There has been Geopolitical convergence between India and US on the Indo-Pacific strategy which is mainly directed against China.
- India is today a member of the Quad group (the U.S., Japan, Australia and India), which is seen as a regional counterweight to China.
- America's plan of expanding G7 includes India, while excludes China from it.

Deteriorating Bilateral relations between India and China

- India is the only main Asian country that stands against the Belt Road Initiative of China.
- India has opposed the CPEC on the grounds of violation of Sovereignty.
- Further India was the first one to put curbs on Chinese FDI with the objective of preventing "opportunistic takeovers" of firms hit by the lockdown induced by the COVID-19 outbreak.
- There is rising anti-China propaganda within India. Ex - Calls for boycotting Chinese products.

CONVERGENCES BETWEEN THE TWO

- Multilateral Forum: Both India and China have shown their belief in upholding of the United Nations charter and its non-interference policy, Shanghai Cooperation Organization (SCO), World Trade Organization (WTO)- where both fight for G7 countries, East Asian Summit.
- Climate Change: Up to some extent both the nations have shown their seriousness on environment related issues. In the BASIC (Brazil, South Africa, India and China) minister's meet, the ministers from these nations advocated for the different capabilities and differing responsibilities of individual countries in addressing climate change.
- Economic: On several platforms, both the nations have called for support to multilateralism, and appreciate the central role of the U.N. in international affairs.

DIVERGENCE

- Both the nations accuse each other of interfering in internal matters. New Delhi reacted in the UN Human

Rights Council (UNHRC) and argued that India has been keeping "a close watch on recent developments" in Hong Kong given the presence of a large Indian community there.

- Under the influence of China, 15 RCEP countries have decided to pen down the agreement on 13 March 2020 without India.
- China raises its concerns about India's role (being a member of Quad) in the Indian Ocean region.
- Both are competing to pursue the interests in Middle east, Africa and the Latin America. Middle is important to both for energy security.
- Chinese economy is suffering due to the Covid pandemic and US-China trade war. India has also banned many of the Chinese app and there is an anti-Chinese sentiment in India.
- China is worried about China Pakistan Economic Corridor (CPEC) due to rising insurgency in Baluchistan and Khyber-Pakhtunkhwa region where it considers that India has deeply rooted impact.
- China has been actively engaging with Taliban, while India has been reluctant to do so.

► CHINESE DAMS ON BRAHMAPUTRA



JIEXU ② ZANGMU ③ JIACHA

- China intends to triple its hydropower capacity and therefore is increasingly damming trans-boundary Rivers to achieve its hydropower targets.
- China also intends to undertake gigantic water diversion projects which include building a dam on the Great Bend of Yarlung, where the river curves into the Assamese plains of India.

RIPARIAN COTENSTATIONS

- China is the only country in the region which is completely upper riparian which lends it an unparalleled advantage and power to influence the flow of water to nations downstream. India functions

as a middle riparian state. It is a lower riparian state in relation to China, but an upper riparian state vis-à-vis Pakistan and Bangladesh.

- Upper & lower riparian states often make incompatible claim about their rights over river water.
- Upper riparian nations base their claim on principle of '[absolute territorial sovereignty](#)' i.e., right to use river water unilaterally regardless of lower riparian claims.
- Lower riparian states base their claims on 'absolute territorial integrity' i.e., that upper riparian actions should not affect the water flowing downstream.

IMPORTANCE OF TIBET

- China distinctive position as a completely upper riparian nation allows it to act as a [hydro-hegemon in the region](#). China's hydro-hegemony is made possible by its control over Tibet. The Qinghai-Tibetan Plateau extends over a vast area spanning 2.5 million sq. km & is often referred to as the 'third pole' and 'roof of the world.'
- It is home to the largest freshwater reserves outside north and south poles. It is the source of some of the Asia's most important river systems including the Indus, Ganga, Brahmaputra, Irrawaddy, Salween, Mekong, Yangtze and Huang He. All these rivers are trans-boundary in nature, except for Yangtze and Huang He.

CHINESE PROJECTS

- China completed the Zangmu Dam built on the upper reaches of Brahmaputra in 2010, with three more dams at Dagu, Jiacha and Jeixu are at present under construction.
- Zam hydropower station, which will be the largest dam on Brahmaputra, too commenced in 2015.
- China has built more dams on its rivers than the rest of the world combined, and yet has no water sharing agreement or treaty with any of its neighbors including India.
- Lack of communication by China has created an atmosphere of suspicion and mistrust in India, especially in its north-eastern region.

INDIAN CONCERNS

- As a lower riparian State with considerable established user rights to the waters of the trans-border Rivers, India carefully monitors all developments on the Brahmaputra River.
- Government has consistently conveyed its views and concerns to the Chinese authorities and has urged

them to ensure that the interests of downstream States are not harmed by any activities in upstream areas.

- The Chinese side has conveyed that they are only undertaking run-of-the-river hydropower projects which do not involve diversion of the waters of the Brahmaputra.
- India's concerns are that these dams are large enough to be converted and used as storage dams. [China depriving India of water during lean seasons becomes a possibility](#).
- The release of flood waters during the monsoon season, which [could inundate the already flooded Brahmaputra River basin in Assam](#). There is much apprehension that the Brahmaputra may lose the silt, which makes the plains in its basin fertile, because of sediment trapping in the dams.
- All hydropower projects, particularly around the Great Bend, are in a highly [volatile tectonic zone](#). Their proximity makes them extremely earthquake prone.
- In building its dams, [China has also polluted its rivers](#). The quality of water that flows downstream into India needs to be considered. The disruption of natural flood cycles of the river could also adversely affect the rich [geo-environmental and bio-physical settings in India's northeast](#).
- The principle of prior appropriation, which favors neither the upstream nor the downstream State but the one that puts the water to first use, thereby protecting the right to first use of water as in the past. China has priority rights since it was the first to build dams on Yarlung Tsangpo.
- By building dams especially near Great Bend, after which river flows into India through Arunachal Pradesh, China could be seeking to leverage its claim over the Indian state of Arunachal Pradesh.

INDIAN STRENGTH

- India too has decided to commence construction of 14 hydropower projects in Arunachal Pradesh, which were located lower down on Brahmaputra. This might be viewed as India's effort to establish its '[lower riparian right](#)' to counter China's first use priority rights. However, such projects like Lower Subansiri hydroelectric power project are stuck in red tape.
- [Volume of precipitation varies across Brahmaputra sub-basin](#). It receives primarily two types of precipitation, rainfall and snowfall. In this respect, Tibetan part being located in the Himalayas, receives

much less rainfall as compared to the southern part of the basin in India and Bangladesh.

- The total annual outflow of Yarlung from China is about 31 b.c.m., while the annual flow of Brahmaputra at the end of the sub-basin in Bangladesh is 606 BCM. Around [80% of the flows of Brahmaputra emerge within the Indian boundary](#).
- Various issues relating to trans-border Rivers are discussed with China under ambit of an institutionalized Expert Level Mechanism which was established in 2006, as well as through diplomatic channels.
- Brahmaputra gets mightier as it flows downstream within India because of the flow contribution of tributaries such as Dibang, Lohit and Subansiri.
- Bangladesh as lower riparian State has supported Indian position for pressuring China on forming a river sharing agreement. India can work other lower riparian countries of river originating from China such as Mekong to end hydro-hegemony of China.

WAY FORWARD

- [Boundary Disputes](#): Currently boundary settlement continues to dominate the bilateral relationship between India and China. With 22nd Special Representative meeting due to happen, India is in favor of a 'package deal', clarification of LAC by China. China is proposing a Border Code of Conduct as a new Confidence Building Measures (CBM), which India is open to if it respects the sovereign rights of both countries.
- [Strategic](#): There is a need for defining, demarcating and delineating the borders to avoid the tensions and strengthen the ties.
- [On the economic front](#), China has a huge trade surplus with India, which it needs to be brought down. Service sector can be used in reducing the trade deficit.
- India is said to be the Pharmacy of the world and excels in software services. It should [try to enter Chinese market and balance the trade](#). Also, in the RCEP, equitable distribution and differences between the two nations needs to be bridged.
- Both countries can effectively use their soft power (in the form of tourism) to further integrate their economies.
- Tourism should be promoted through education, spiritual visits especially on the Buddhist circuit, etc.

- Issue between both the countries are difficult to resolve in short time, therefore, both should try to minimize gaps, narrowing the divergences and maintaining the status quo. This will take more than usual time.

► GEOPOLITICS IN INDO-PACIFIC & INDIA CHINA RELATIONS

Rapid rise of regional powers is projecting that the world is becoming multi-polar. However Broadly the contestation is between US and China and the main theatre of action is the Indo-Pacific.

An interesting turn to this competition is being provided by the rise of India, which is a considerable South Asian power is on the path to becoming the third-largest economic power by 2025. The South Asian Geo-politics which is a crucial component of the larger Indo-Pacific construct is complex because of three nuclear powers viz – India, China and Pakistan in close vicinity.

CHINA'S GEOPOLITICAL APPROACH TOWARDS INDIA

- China has managed to develop a [long-term geo-economic relationship with India's direct rival — Pakistan through CPEC](#).
- Pakistan is crucial to China's maritime calculations of having a direct access to the Indian Ocean and bypass the Malacca dilemma.
- China-Pakistan ties have created a significant geopolitical imbalance in Indo-Pacific region, which is detrimental to India's interests.
- China endorses India's objective of taking a leadership role in shaping global affairs towards 'reformed multilateralism.'
- However, India's rapprochement with US in Indo-Pacific region and finalisation of foundational defence agreements detrimental to Chinese geopolitical interests.
- India has voluntarily pulled out of negotiations on a deal with China's Regional Comprehensive Economic Partnership (RCEP), China's expectations that Indian economy would become steadily integrated into the industrial and supply chain networks in Asia with China at the center have become too unrealistic.

INDIA'S GEOPOLITICAL APPROACH TOWARDS CHINA

- For India, outcome of rivalry between US and China will be decisive for its path towards becoming an established power in the Indo-Pacific region.
- If China emerges as the winner of the Fourth Industrial Revolution and manages to establish itself

as a second global center of power, this systemic process will have a negative impact on India's geopolitical interests and goals

- It is in India's interest to build strong ties with as many regional actors as possible in Asia (Like Japan, Australia etc.). Beyond that, India seeks to strengthen security and defence ties with various countries close to the US, particularly in the maritime domain.
- India is wary of encirclement in the Indian Ocean because of China's String of pearls approach.
- To counterbalance the growing Chinese presence in the IOR and its direct neighbourhood, India is expanding its network of regional and bilateral partnerships through various security and defence.
- As a 'middle power' positioned between US and China with ambitious regional power projection capabilities, its main goal is to establish strategic autonomy in its relations with other key players such as the US, Russia, Japan, and Australia, while carefully navigating complex relationships with China and Pakistan.
- India's approach aims to partially replace China by cutting domestic economic dependencies, while simultaneously attracting foreign investors who similarly seek to diversify supply chains, production processes, and trade ties away from China.

DIVERGENT ENGAGEMENT

- India has actively participated in China-led organisational formats such as BRICS, AIIB and SCO, it has refrained from participating in trade blocs such as RCEP due to geo-economic considerations
- Regional and international organisations are likely to become another playground for India and China to seek relative advantages. Ex - UNSC - stand on Afghanistan and Russia.
- From a geopolitical point of view, the new great game will be situated in the South China Sea and the Indian Ocean due to rising competition between the two Asian giants, in addition to the systemic rivalry between China and the US.

WAY FORWARD

Close relationship between China and Pakistan, and coordination between China and Russia (witnessed in context of Ukraine war), are key examples of fluid regional formations that will have a major impact on India. Given that China and India will be the two major powers of the Indo-Pacific region, their relationship will increasingly be shaped by competition and

confrontation in their quest for shaping this common geopolitical space.

► INDIA AND BANGLADESH

India and Bangladesh are celebrating 50 years of Diplomatic ties. Indian Prime Minister also attended the 50th Independence Day celebrations in Bangladesh. In this context, let us understand the key areas of cooperation and issues between India and Bangladesh.



INDIA-BANGLADESH PARTNERSHIP

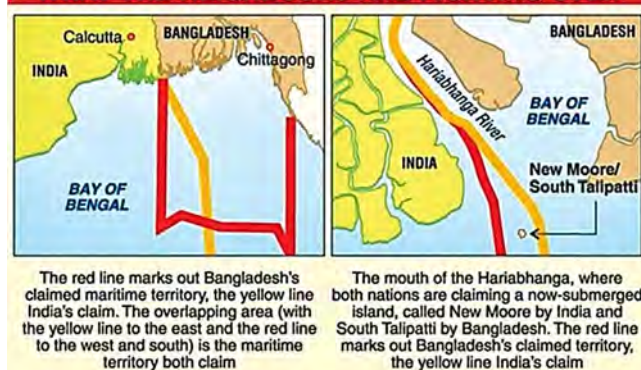
- India was the first country to recognize Bangladesh as a separate and independent state and established diplomatic relations with the country immediately after its independence in December 1971.
- The relationship between India and Bangladesh is anchored in history, culture, language and shared values of secularism, democracy, and countless other commonalities between the two countries.
- It is based on sovereignty, equality, trust, understanding and win-win partnership that goes far beyond a strategic partnership.

SECURITY & BORDER MANAGEMENT

- India and Bangladesh share 4096.7 km. of border, which is the longest land boundary that India shares with any of its neighbors.
- [India-Bangladesh Land Boundary Agreement \(LBA\)](#) came into force in 2015 under which enclaves of India and Bangladesh in each other's countries were exchanged and strip maps were signed.
 - Maritime dispute was resolved by United Nations (UN) tribunal award.



WHAT THE NEIGHBOURS ARE FIGHTING OVER



- A number of agreements related to security cooperation have been signed between both the countries.
- [Coordinated Border Management Plan \(CBMP\) signed in 2011](#) aims to synergize efforts of both Border Guarding Forces for checking cross border illegal activities and crimes as well as for maintenance of peace and tranquility along India-Bangladesh border.
- Bangladesh side reiterated request for 1.3 km Innocent Passage through river route along River Padma near Rajshahi District.
- Both sides are working to expeditiously conclude the MoU in [disaster management cooperation](#).
- Both the sides recognize that [terrorism](#) remains a threat to global peace and security and have reiterated their strong commitment to eliminating terrorism in all its forms and manifestations.
- [Security in Northeast States](#) - Bangladesh cooperated with India in sorting out security issues in the Northeast. Bangladesh handed over leaders and shut down their training camps.
- [Ranjan Daimary](#): founder-chief of National Democratic Front of Bodoland (NDFB)
- Anup Chetia of United Liberation Front of Assam ULFA.

TRADE PARTNERSHIP

- Bangladesh is India's largest trading partner in South Asia.
- Between 2009-10 and 2015-16, the trade deficit grew in India's favor at a staggering 164.4%. Foreign Direct Investment (FDI) from India to Bangladesh is \$3.11 billion.
- India has extended 3 Lines of Credits to Bangladesh in the last 7 years amounting to US\$ 8 billion. This makes Bangladesh the largest recipient of LOC funds from India till date.
- Duty Free and Quota Free access is being given to Bangladeshi exports to India under SAFTA since 2011.
- Both countries are working on a bilateral Comprehensive Economic Partnership Agreement (CEPA).

CONNECTIVITY

- Both jointly inaugurated, newly restored railway link between Haldibari (India) & Chilahati (Bangladesh). This rail link will further strengthen trade and people to people ties between the two sides.
- To facilitate better connectivity, simplify movement of passengers and goods, both countries agreed to an early operationalization of BBIN (Bangladesh, Bhutan, India and Nepal) Motor Vehicles Agreement through signing of Enabling MoU for Bangladesh, India and Nepal to commence movement of goods and passengers, with provision for Bhutan to join later.

COOPERATION IN WATER, POWER & ENERGY

- Bangladesh wants early signing of interim agreement for sharing of the [Teesta waters](#), as agreed upon by both the governments in 2011.
- Need for early conclusion of Framework of Interim Agreement on sharing of waters of six joint rivers, namely, Manu, Muhuri, Khowai, Gumti, Dharla and Dudhkumar.
- Expedite implementation of projects including India-Bangladesh Friendship Pipeline, Maitree Super Thermal Power Project as well as other projects.

REGIONAL AND GLOBAL PARTNERSHIP

- India thanked Bangladesh for supporting India in its election to UNSC.
- Both countries agreed to continue working together towards achieving early reforms of the UN Security Council, combating climate change, attainment of the

Sustainable Development Goals (SDGs) and protection of the rights of migrants.

- Both Prime Ministers reaffirmed the need for developed countries to fulfil their commitments under the Global Partnership for ensuring the means of implementation of the SDGs as enshrined in the Agenda 2030.
- Both the countries while focusing on the regional and global economic scenarios following the outbreak of COVID 19, regional organisations, such as SAARC and BIMSTEC have an important role to play.
- Bangladesh appreciated the work of the New Development Bank and thanked India for inviting Bangladesh to join the Institution.

CHALLENGES IN INDIA BANGLADESH RELATIONS

- Although Economic relations expanding every day, in India’s Consolidated FDI policy 2017, Bangladesh is put in the same category as Pakistan. Under which a citizen of Bangladesh/Pakistan or an entity incorporated in Bangladesh/Pakistan can invest only under the Government route.
- Despite India-Bangladesh Coordinated Border Management Plan, 294 Bangladeshi Nationals have been killed along the border since 2010.
- Teesta water agreement which was agreed to in 2011 is yet to be signed because of various contentious issues that remain.
- The Citizenship (Amendment) Act (CAA) and National Register of Citizens (NRC) have created a negative impression in Bangladesh of India’s intent.
- Bangladesh is China’s second-largest arms export destination.
- Chinese firms have been outbidding their Indian counterparts in infrastructure projects.
- In a thaw in relations, Pakistan’s high commissioner to Bangladesh recently met the Bangladesh PM as both sides pledged to improve bilateral relations.
- Thus, both the nations need to swiftly act on the outstanding issues to move the relations to newer heights.

► INDIA-NEPAL

PM of Nepal Sher Bahadur Deuba concluded his maiden visit to India recently. Various issues of bilateral and regional concerns were discussed besides boundary dispute.

BACKGROUND OF INDIA-NEPAL RELATIONS

India Nepal relations are rooted in geography and history characterized by **Roti - Beti ka sambhandh**.

Nepali elites are wary of Big Brother attitude of India, while India views it from the view of being an elder brother. Nepal treaty of Peace and friendship of 1950 provides citizens of both the countries '**National treatment**'. However, between the two nations spring up because of Nepali nationalism which breeds upon Anti-India sentiment. This attitude is clearly reflected in recent issues between the countries including **2015 Blockade, and boundary dispute in the Kalapani region**.

ISSUES	KEY POINTS
India-Nepal Treaty, 1950	<ul style="list-style-type: none"> • Critics of the treaty argue that the treaty treats Nepal as India's subservient neighbour. <p><u>Concerns of Nepal</u></p> <ul style="list-style-type: none"> • Treats Nepal as subservient to India. • Nepal to take permission of India before buying critical defence supplies. <p><u>Concerns of India</u></p> <ul style="list-style-type: none"> • Long open border with Nepal, which sometimes gives rise to security issues. • Nepal does not give equal treatment to Indian citizens.
Defence	<ul style="list-style-type: none"> • India has been assisting Nepal Army in its modernisation by supplying equipment and providing training. • Assistance during disasters, joint military exercises, adventure activities and bilateral visits are other aspects of India’s defence cooperation with Nepal. • The 'Indo-Nepal Battalion-level Joint Military Exercise SURYA KIRAN' is conducted alternately in India and in Nepal. • Gorkha regiments of Indian Army are raised partly by recruitment from hill districts of Nepal.
Disaster Assistance	<ul style="list-style-type: none"> • Earthquake 2015 - • India sent the National Disaster Response Force (NDRF) teams and special aircrafts with rescue and relief materials to Nepal. • India helped in restoring 3 power

	<p>sub-stations in Kathmandu valley. The total Indian relief assistance to Nepal amounted to over US\$ 67 million.</p> <ul style="list-style-type: none"> • Government of India announced a post-earthquake reconstruction package of US\$ 1 billion (which comprises US\$ 250 million grant and US\$ 750 million concessional Line of Credit).
<p>Connectivity & Development</p>	<ul style="list-style-type: none"> • India has been assisting Nepal in development of border infrastructure through upgradation of 10 roads in the Terai area; development of cross-border rail links at Jogbani-Biratnagar, Jaynagar-Bardibas; and establishment of Integrated Check Posts at Birgunj, Biratnagar, Bhairahawa, and Nepalgunj. • The total economic assistance earmarked under 'Aid to Nepal' budget in FY 2019-20 was INR 1200 crore. • The 'India-Nepal New Partnership in Agriculture' was launched with a focus on collaborative projects in agricultural research, development and education.
<p>Energy Cooperation</p>	<ul style="list-style-type: none"> • Nepal has 40000 MW of Hydropower potential. However, presently it produces only 1000 MW and imports about 600 MW electricity from India. • Arun III project being undertaken by the Sutej Jal Vidyut Nigam would generate 900 MW in coming years. • By exporting, this hydropower based sustainable electricity to India, Nepal can earn significant amounts of foreign exchange. • Nepal currently suffers from power shortages for some time every year and relies on electricity supplies from India. • Some sections in Nepal have sought a revision of rates for the power sold by Nepal to India.

	<ul style="list-style-type: none"> • South Asia's first cross-border petroleum products pipeline, constructed and funded by Indian Oil Corporation Ltd., connecting Motihari in India to Amlekhgunj in Nepal was remotely inaugurated recently.
<p>Economic Ties</p>	<ul style="list-style-type: none"> • At around \$8 billion, India accounts for about two third of the Nepal's external trade and provide transit for Nepal's external trade. • Indian firms are among the largest investors in Nepal, accounting for more than 30% of the total approved foreign direct investments.

CONTENTIOUS ISSUES BETWEEN INDIA AND NEPAL

- India's refocus on BIMSTEC amidst stalled SAARC has not been well received by the Nepali political leaders. It is being alleged that India wants it to join a military alliance of the BIMSTEC countries when India called for a military exercise of the BIMSTEC countries.
- Nepal did not call out Pakistan for fostering terrorism in the aftermath of Pulwama attacks of 2019.

SLOW PROGRESS ON DEVELOPMENTAL PROJECTS

- There has been no progress on the 5000 MW Pancheshwar multipurpose project on Mahakali River because of Nepal's reluctance.
- Progress has also not been witnessed on the dam on Kosi River which would prevent flooding in both India and Nepal because of lack of willingness on the part of Nepal.
- India announced Rupees 100 crore grant for the development of Janakpur in 2018, but no proposal has been received from the Nepalese side.
- Such incidence highlights the lack of progress on the various development projects.

2015 BLOCKADE

- 2015 Nepal adopted a new constitution declaring it to be a Federal democratic republic.
- **Seven provinces** were carved out creating **only one in Madhesi region in Terai foothills along Indian border.**
- Madhesi community has been targeted by the hill people of Nepal for having close relationship with India. Their **marriage rights were curbed by denying the citizenship rights to the foreigners marrying Nepalese.**

The new Constitution redraws the country from five regions to seven

'BLOCKADE' AT THE BORDER

HOW IT STARTED

- Sept 20, 2015, Nepal Constituent Assembly passes new Constitution, redraws regional borders
- Communities in Terai, Madhesis and Janajatis, are alarmed that proposed boundaries of new provinces could lead to their political marginalisation

40% of the country's population made up of Madhesis and Janajati

- Madhesis share close ethnic ties with people in India

THE PROTEST

- Madhesis protesting since then, blockaded Birgunj, the major entry point for supply trucks from India, from Sept 24
- 40 people killed; protesters and cops in agitation
- Imports of petroleum, medicines and earthquake relief choked
- Main demand | Revision of state boundaries so Tharu community and Madhesis get separate states

THE POLITICS

- Nepal accuses India of imposing blockade
- India's says trucks not entering Nepal for fear of violence
- Nepal has countered that violence only at Birgunj, several other entry points safe

- Madhesi's have had age custom of marrying across the border and this restriction is targeted at the age-old Roi - Beti ties.
- Madhesi's were disaffected and there was great deal of unrest and andolan.
- This led to disruption of supply chain of goods, petroleum along the border region from India. The hill Nepalese blamed India for orchestrating this blockade.
- This event has led to a strongly negative feeling in the Nepalese minds against India, which they accuse of being responsible for the blockade.

BORDER ISSUE

- Nepal's parliament gave approval to second constitutional amendment which gave legal status to the new political map of Nepal and its boundaries with India near the Lipu-Lekh pass.
- For Nepal, the Kali River originates from Limpiyadhura in the higher Himalayas, giving it access to a triangular-shaped land defined by Limpiyadhura-Lipulekh and Kalapani. (Originating from Treaty of Sugauli, (1814)



TILT TOWARDS CHINA

- Nepal shares a border of 1400 km with China in the Tibet region. China is Nepal's second largest trading partner. It has undertaken various projects including the development of airports, hydropower etc.
- Nepal has been using the China card in its dealing with India under the pretext of balancing its relation between the two big neighbors.
- With increasing economic influence of China, Nepal does not want to be left out of this success story. It signed a MoU with China on the BRI in 2017.
- China has also started to intrude in the affairs of Nepal Army by providing training and supply of equipment. This is one of the biggest causes of

concern for India because of Indian army's links with the Nepal army.

- China is leveraging ties with the Maoist parties of Nepal and occasionally using the cheque book diplomacy to increase its influence.

GLOBALISATION

- Post 1990 Nepalese diaspora has moved out globally. A quarter of Nepalese population is living overseas. Due this the young leaders of Nepal are not schooled in India.
- This was particularly important because Nepalese leadership which studied in India provided constant communication and better understanding and empathy between the two neighbours.

POLITICS DURING LOCKDOWN

- Victory of Nepalese Communist Party in 2017 was based on the anti-India rhetoric after Blockade of 2015.
- The two left parties Unified Marxist Leninist and the communist party of Nepal - Maoist Centre (CPN-MC) merged. However, issues started after such a merger about Power sharing and this opportunity was grabbed by China to meddle into the internal affairs of Nepal.
- However, such interference by China did not last long and the NCP unity did not last long and led to dissolution of Nepal's Parliament and the softening stance of the leadership towards India. Visits of RAW chief, Indian Army Chief and Foreign secretary followed this.
- Finally, PM KP Oli was removed with President inviting the Sher Bahadur Deuba, leader of Nepali Congress as the PM. The new PM is being seen as closer to India. India has been accused of meddling in the internal politics of Nepal.

WAY FORWARD FOR INDIA'S POLICY TOWARDS NEPAL

- Report of the Eminent Persons' Group should be accepted as roadmap for India-Nepal relations going forward.
- Treaty of Peace and Friendship, 1950 should be replaced with a more balanced and democratic treaty.
- National Treatment: National treatment should be in proportion of the size and population of the country.

- Border Management:
 - A regulatory regime needs to be introduced by making people produce identity cards while crossing over to either side.
 - Jointly tackling common challenges in areas of combating terrorism, extremism and all kinds of trafficking.
- India should remain fully engaged with Nepal at all levels and across the political spectrum.
- A hands-off policy will only create space for other external influences, some of which, like China, may prove to be hostile.
- However, such engagement should not be seen as intervention in the internal affairs of Nepal.
- India's engagement with Nepal, the Terai belt and its large Madhesi population plays a critical and indispensable role.
- Our engagement with Nepal must find a prominent place for Nepali citizens who are our immediate neighbors.
- The engagement should not just be limited to the political elites.
- India needs to appreciate that the people-to-people links between our two countries have an unmatched density and no other country, including China, enjoys this asset.
- To counter the Chinese influence, India needs to speed up unfinished projects that India has committed and create conditions of mutual trust which makes it difficult for China to leverage any dispute that arises in future.
- India cannot be complacent about its historical geographical and cultural ties with Nepal.
- India needs to understand that the Nascent Nepalese democracy will assert independence in its Foreign Policy. But it important for India to create conditions which makes it a go to country for Nepal in times of need.
- India also needs to work on its perception in the hill population of Nepal.

► AFGHAN ISSUE

PAKISTAN AND THE TALIBAN

- Pakistan gave birth to Taliban movement along with helping it in its first takeover of Afghanistan in 1996.

- It sheltered the fighters and Taliban leaders in the aftermath of post 9/11 US invasion. Although publicly it claimed to be helping the US in its “war on terror.”
- To pull the strings on Taliban Pakistan kept Mullah Baradar the prominent leader of the Taliban in its prison. The political leadership of the Taliban camped in the Baluchistan capital of Quetta. (Quetta shura).
- The Federally Administered Tribal Areas in general, and South and North Waziristan became the revolving door for fighters of Afghan Taliban, and its associated group the Haqqani Network, along with al-Qaeda who crossed in and out of Afghanistan at will under the benevolent gaze of the Pakistan Army.
- The Indian security establishment has held that fighters of the Lashkar-e-Taiba, a pet jihadist group of the Pakistan military, fought alongside the Taliban against US and NATO soldiers from at least 2017 onwards.

REASONS FOR PAKISTAN'S SUPPORT FOR TALIBAN

- Pakistan did this to have a free pass over the Afghanistan and use it as - what the Pakistani establishment thinks to be a “[Strategic depth](#)” against its enmity with India.
- It also wanted such an advantage to counter the leverage that India had with the Ghani government because of the developmental activities and to counter the connectivity projects of India like the Zaranj – Delaram highway via the Chabahar port, which Pakistan thought were aimed at surrounding Pakistan.
- Further Pakistan wanted to counter the [Pashtun Tahafuz movement which is a Pushtun identity movement in the northwest parts of Pakistan](#) and was supported by the Afghan government.
- Taliban which itself is composed of the Pashtuns claims to be the only representative of the community.

PAKISTAN'S CONCERNS WITH TALIBAN'S TAKEOVER

- Though Pakistan has supported Taliban it views itself as a modern Islamic State and not a conservative Islamic emirate. Many in Pakistan share the concern of shielding itself from this radical wave.
- Influx of refugees and the ensuing strain on already limited economic resources of Pakistan.
- Afghan territory can act as a breeding ground for terrorist organization. Organisations like Tehreek e

Taliban which are anti – Pakistan might get emboldened by the Taliban’s rise.

- Extremist elements in Taliban might not toe the line of Pak army generals.
- Also, Taliban if it acts as a US ploy against China then it can destabilize the CPEC projects which will further worsen the already bleeding Pakistani economy.
- Pakistan is concerned with the label that it supports international terrorism. It is in danger of being put in the blacklist of FATF harming its economy.

LARGER GEO-POLITICAL FALLOUT

- The sudden US withdrawal has created [a geopolitical vacuum in the Eurasian heartland](#) which is being filled by regional players like China, Russia, Pakistan, and Iran which are actively engaging with the Taliban.
- Most of these regional players harbor an anti-American feeling which will further shrink strategic influence of USA. This geopolitical churning brings new equations to the fore.
- The quick withdrawal of USA and other NATO forces has given Taliban a large bounty in terms of fighter aircrafts and weapon systems. This has made Taliban forces even stronger.

CHINA AND TALIBAN

- The situation in Afghanistan is primarily advantageous to China as it provides it an opportunity to bring all the regional countries except India in the fold of the [Belt & Road Initiative](#) altering the geopolitical and the geoeconomics of the region.
- With the US withdrawal and the opportunity to increase its influence, China is further likely to sideline India.
- Afghanistan is rich in mineral resources especially in items like gold and rare earth materials.
- Taliban would need economic and financial support to run its government. China can fulfil this requirement and get a leverage over Taliban government.
- China’s close relations with Pakistan also gives it a strategic hold over Taliban.
- China has already got assurances from Taliban that Taliban would not support fundamentalist movement in Xinjiang province of Afghanistan. However, Taliban’s stand on terrorism will only unfold in coming future.

TERRORISM

- A bigger challenge for India is increase in terrorism and extremism in the region.
- US presence in Afghanistan and FATF controls on Pakistan had a moderating effect on the terror organizations. But with Taliban's comeback the regional terror groups might get emboldened.
- There is lack of any regional approach to counter terror, mainly because the regional countries are taking private assurances from Taliban for not hosting terror groups in Afghanistan.
- UNSC's de facto recognition to Taliban is likely to increase its power in a bargain on terror question.
- Taliban can still use its position to export terror clandestinely for tactical purposes.

INDIA'S INTEREST IN AFGHANISTAN

- India's ambitious connectivity projects for connecting Central Asia and Afghanistan via Chabahar port have come to a standstill.
- Further India's civilian investments in the Afghanistan are all at the mercy of Taliban now.
- In this regard if China-Pakistan-Taliban axis comes together they can further hurt India's geopolitical interest in the region.
- Also, the regional players like Russia, China, Pakistan, and Iran all are merging as an anti-America axis, however, India is getting closer to the US, which will also have repercussions for India's geostrategy.

► INDIA – AFGHANISTAN

India has decided to reopen its embassy in Kabul, Afghanistan after showing reluctance to engage with Taliban after its takeover of Afghanistan and American withdrawal. India had abstained from engaging with Taliban owing to India's stand of seeing Taliban as Pakistan's proxy terror organization. Despite not engaging with Taliban, India had provided humanitarian relief to Afghanistan which is facing humanitarian crisis because of the sanctions and the recent earthquake. In this context, let us understand the background and new dynamics in India – Afghanistan relations.

TALIBAN TAKEOVER'S IMPACT ON INDIA'S INTERESTS

- [Adverse impact of connectivity projects](#) between Central Asia & Afghanistan via Chabahar port.
- [Strategic depth to Pakistan](#) as Taliban government has close ties with Pakistan Army.

- [India's civilian investments are not safe in Afghanistan](#) under Taliban.
- [China-Pakistan-Taliban axis will hurt India's geopolitical interests.](#)
- [Drug Trade \(Opium\) would Increase](#) impacting India's security.
- [Russia, China, Pakistan, and Iran merging as an anti-America axis](#), which will impact India's relations with Russia and Iran. Although India has forged its relations with Russia and Iran after the West led sanctions on Russia post its attack on Ukraine.
- [India is getting closer to US might impact its geostrategy](#) in a region which is wary of America's approach.
- [Use of Afghan soil by terror groups](#) pose a threat to security in Kashmir.

**HUMANITARIAN ASSISTANCE TO AFGHANISTAN**

- About 20,000 MT of wheat so far out of a commitment of 50,000 MT, is being taken by trucks, with permission of Pakistan government and handed over to World Food Program.
- Thirteen tons of medicines and 500,000 doses of Covid-19 vaccines to Indira Gandhi Children's Hospital, and another million doses of COVAX in for Afghan refugees in Iran. Another 60 million doses of polio vaccine have been handed over to UNICEF.
- Winter clothing and other essentials were handed over to other UN agencies.

SIGNIFICANCE OF REOPENING OF EMBASSY

- [Indian embassy will become the 15th mission to be open in Kabul](#) with staff deployed there under Taliban regime, along with Russia, China, Pakistan, Iran, Turkey, Qatar, Saudi Arabia, Indonesia, European Union and four Central Asian states.

- [Enable India to closely monitor and coordinate efforts for effective humanitarian assistance](#) and in continuation of our engagement with the Afghan people.
- Opening of the embassy is a step towards working more closely with the Taliban regime.
- Also seen as a step towards giving Taliban legitimacy of ruling Afghanistan.
- No country, apart from Pakistan, has recognised Taliban government in Afghanistan, which took power by force in Kabul.

INDIA HAS TRIED TO SECURE ITS POSITION IN THE REGION POST - TALIBAN TAKEOVER

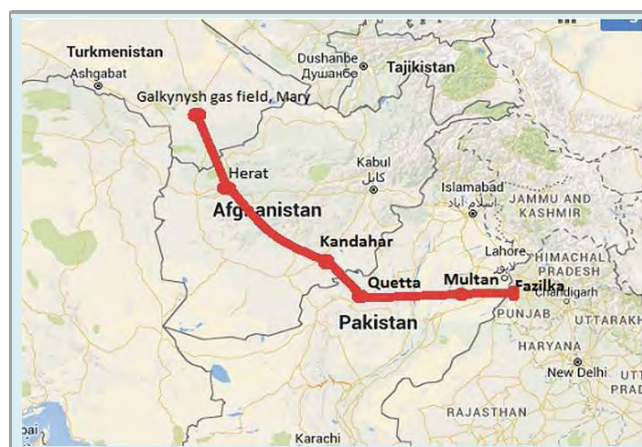
- [Outreach to Central Asia:](#) India Central Asia Summit to focus upon engagement with Afghanistan, particularly given the triple threats of terrorism, drugs, and refugees emanating from there.
- Abdullah Abdullah CEO of Afghanistan in 2014 who negotiated the transfer of power between the Ashraf Ghani government and the Taliban visited India recently.
- US Special Envoy to Afghanistan visited India.
- India's NSA highlighted the duty of regional countries to enhance capability of Afghanistan to counter terrorism and terrorist groups which pose a threat to regional peace and security.
- Participation in SCO which has membership of Central Asia countries and Russia which are crucial for India's interest on the region.

ISSUES WITH LATEST MOVE OF INDIA

- Shift from earlier policy as it legitimises Taliban's government and shows an inconsistency in policy.
- Despite engagements attacks on Sikh Minorities have continued - Islamic State-Khorasan (IS-K) attack on a gurdwara in Kabul.
- Groups like the LeT and JeM which only target India, continue to work out of Nangarhar province.
- Concern about infiltration of terrorists from Pakistan and Afghanistan.

WHY AFGHANISTAN IS IMPORTANT TO INDIA?

[Regional Balance of Power:](#) Afghanistan is tied to India's vision of being a regional leader and a great power, coupled with its competition with China over resources and its need to counter Pakistani influence.



- India's ability to mentor a nascent democracy will go a long way to demonstrate to the world that India is indeed a major power, especially a responsible one.
- India's interest in Afghanistan relates to its need to reduce Pakistani influence in the region.
- [Energy Security:](#) The pipeline project TAPI (Turkmenistan-Afghanistan-Pakistan-India), which seeks to connect an energy-rich Central to South Asia, will only see the light of the day if stability is established in Afghanistan
- [Strategic Location:](#) For access to the landlocked Central Asian countries that border Afghanistan.
- [Natural Resources:](#) Afghanistan is rich in natural resources with large resources of copper, iron and other unexplored minerals. Ex. Hajigek mines for Iron ore.
- [Regional Security:](#) A stable Afghanistan is important for regional security in South Asia.

► INDIA-PAKISTAN RELATIONS

India - Pakistan relations have remained hostile owing to the bitter British era Partition in 1947. There is huge trust deficit between both the sides which has further hampered any attempts at normalisation of ties. The Military intelligence dominated Pakistan State has pursued its foreign policy with a desire to check India's hegemony in the South Asia. Pakistan thinks that India's larger aim is to undo the partition. However, such apprehensions are mis founded, since in 1971 war even when Bangladesh got independence by India's support, it withdrew after the war ended. In this backdrop let us understand the key issues in the India-Pak relations.

KASHMIR ISSUE

- India has maintained that Kashmir is an integral part of India and it is a settled issue which needs dialogue

and discussion. However, for Pakistan Kashmir is an unfinished task of partition since it is a Muslim dominated territory.

- Pakistan has sought to internationalise the issue and has demanded Plebiscite in accordance with the UN resolution. India views it as a bilateral issue.
- [Shimla Agreement 1972](#) - For India this framework should guide the issues between the two neighbours including the Kashmir dispute. It states that both the countries are 'resolved to settle their differences by peaceful means through bilateral negotiations or by any other means mutually agreed upon between them. However Pakistani Army thinks that it was an agreement that was imposed on it after the loss in the 1971 war.
- Pakistan deep state has resorted to asymmetrical warfare in the form of terrorism. It portrays India as an existential threat to Pakistan.
- On the other hand, India's policy has been that of "[Sporadic engagement](#)". All the prime ministers of India have pursued this policy.
- But since 2015 India has made dialogue contingent on Pakistan, ending all support for terrorism in Kashmir and giving up the option of using force to gain the control of Kashmir.
- The relations have worsened after the 2016 Pathankot attacks followed by the Uri terror attack. One of the deadliest terror attacks was that in the Pulwama against the India security forces orchestrated by Pakistan based Jaish- e- Mohammad. India in response struck terror camps in Balakot in Khyber Pakhtunkhwa inside Pakistan.
- On August 5, 2019, India amended the constitution to remove the Articles 370 and 35 A. Ans changed the status of the erstwhile state of Jammu & Kashmir into three Union territories namely - Jammu, Kashmir and Ladakh.
- On this issue Pakistan does not have much support internationally. Western nations like US and others want India to restore normalcy and as such long term curbs on civil liberties could hurt India's Global standing.

WAY FORWARD

- Despite efforts by the civilian governments on both the sides to restore ties the military intelligence complex of Pakistan has vetoed such efforts.

- From Indian perspective a democratic and civilian led Pakistan will have benefits for the relationship. Because of international pressure led by US, India's engagement would boost the civilian government's image and at the same time put pressure on the Military intelligence complex.
- Pakistan has become an election issue even at the state level in India, creating difficulties for the government to take any extra ordinary step to proceed.
- India and Pak inaugurated Kartarpur corridor for Sikh pilgrimage across the border. India has said it is an issue specific concession. It does not reflect any change in Indian Policy on substantive matters.
- In Feb 2021 ceasefire was announced by both the countries. However, this happened more because of domestic factors for Pakistan which is under pressure on multiple fora. Pakistan is under immense economic stress and is under pressure from FATF for its terror funding.
- India on the other hand wants to ease some pressure which is already facing clashes along the LAC with China and wants to avoid a Two Front war situation.
- At international level India has been able to obtain support from US, Europe and UNSC on calling Pakistan out on the terror issue.
- To go forward Pakistan will have to move beyond the 'Kashmir first Policy'. The Pakistani military - intelligence establishment needs to stop viewing India as an existential threat and curb the use of Jihad as a lever of foreign policy.
- India on the other hand will have to convince other nations specially US that instead of mediating in Indo-Pak issues, their role should be to check Pakistan's implacable hostility and disregard for international norms.

BACKCHANNEL DIPLOMACY

India and Pakistan have engaged with each other via backchannel from December 2020 till April 2021. However, these talks are at a standstill because of the lack of willingness shown by the two countries to change their stands on the various existing issues.

While Pakistan has welcomed the reports of third-party mediation, India has maintained silence as it goes against its traditional position on diplomacy with Pakistan. India maintains officially that issues with

Pakistan are of a bilateral nature that has no space for third party mediation or intervention. So let us understand the various aspects of this issue in detail.

RECENT ISSUES IN INDIA – PAK TIES

- Ties between India and Pakistan have been frozen since 2016, and the Pulwama terror attack in February 2019 worsened the situation. This was followed by the Balakot airstrikes, retaliatory strikes by Pakistan and the capture of an Indian pilot who was later released.
- In August 2019, after India revoked the special status of J&K under Article 370, and bifurcated the state into two Union Territories, Pakistan downgraded diplomatic ties, forcing India to do the same. This also led to snapping of trade ties.
- [Kartarpur corridor](#) is a positive development in minimizing the trust deficit that exists between the two countries and could further contribute to other confidence building measures such as enhancing cooperation in trade.
- In February, militaries of India & Pakistan announced adherence to ceasefire agreements along the Line of Control — a sign of thaw amid the chill in ties.
- This, according to sources, was possible since India and Pakistan have been holding back-channel talks for the few months, with NSA Ajit Doval leading the Indian initiative with Pakistan's civilian-military leadership.
- The two Prime Ministers exchanged messages after Prime Minister of India sent greetings on Pakistan's National Day on March 23.

WHAT IS BACK-CHANNEL DIPLOMACY?

- Back-channel talks are used to talk to each other through non-official channels to discuss and resolve the problems facing the countries.
- It is conducted through [foreign diplomats or neutral Governments](#) trusted by both sides desirous of change in status quo.
- It is also a means of restoring the status quo ante in case of difficulties.
- It is also conducted by respected figures in public lives who are known for integrity, accuracy, who are capable of clarity, caution and patience and deep knowledge of the issue.

WHAT ARE THE BENEFITS OF SUCH A DIPLOMACY?

- It enables would-be dealmakers to test the waters—to determine whether the other party is capable of negotiating in good faith—before exploring real commitments.
- They can be particularly appealing to high-level leaders who are fearful of a public failure if their efforts to reach a deal collapse.

BACKCHANNEL DIPLOMACY IN THE PAST

- Such talks had been initiated by General Zia-ul-Haq and Prime Minister Rajiv Gandhi through Jordanian Crown Prince Hassan.
- During the Kargil War, Prime Minister Atal Bihari Vajpayee chose an unorthodox back-channel interlocutor, R.K. Mishra.
- In 2016, six former Pakistani High Commissioners also travelled to Delhi for a Track-II consultation with nine former Indian High Commissioners, where they met NSA Doval and senior MEA officials

WHY BACKCHANNEL NOW?

- Front door diplomacy is not possible because of a complex past.
- Pakistan's dire economic condition and the mounting pressure from the Financial Action Task Force to shut down all terrorist safe havens or face severe sanctions is clearly one imperative for Islamabad's willingness to engage via the backchannel even after India's decision on J&K.
- To avoid the possible two Front war. [UAE's geostrategic role as a peace broker](#): In recent years, the UAE has shifted its attention away from military projection to diplomacy, investment and other forms of soft power.
- Abu Dhabi was prime mover in last year's [Abraham Accords between Israel and several Arab states](#).
- UAE played a key role alongside their Saudi counterparts in mediating the 2018 peace deal between [Ethiopia & Eritrea](#).
- The UAE has reduced its footprint in [Yemen](#) and drawn down its forces in the Horn of Africa. It is looking to scale back in Libya, where it provided both air cover and material support for the rebel forces of Khalifa Haftar; the Emiratis are now backing a political solution to the civil war.

- UAE has also sought to reduce tensions with Iran and is leading Arab efforts to reengage with the regime of Bashar al-Assad in Syria, having concluded that the war there has effectively ended and that the only way to advance Emirati interests is through political, diplomatic and commercial means.
- UAE's strong trade & commercial ties to India and Pakistan, and as it is home to millions of Indian and Pakistani expatriate workers makes it uniquely qualified to mediate between the two countries.
- UAE is hoping restoration of trade links between two countries.
- More ambitious still, it is aiming to secure a viable understanding on Kashmir, which has been flashpoint for several wars since their 1947 partition upon independence from British rule.
- South Asian initiative also plays into the UAE's pursuit of other important foreign-policy objectives. It helps to deepen the partnership with USA by paralleling American efforts to resolve the conflict in neighbouring Afghanistan, where India and Pakistan have competing economic and security interests.

WHAT ARE THE RISKS WITH SUCH AN APPROACH?

- Back-channel negotiating may foster costly delays and perpetuate impasse they are designed to overcome.
- They provide only temporary protection from deal spoilers and public scrutiny.
- Such secret negotiations can facilitate early breakthrough agreements but yield diminishing returns when relied on too frequently.

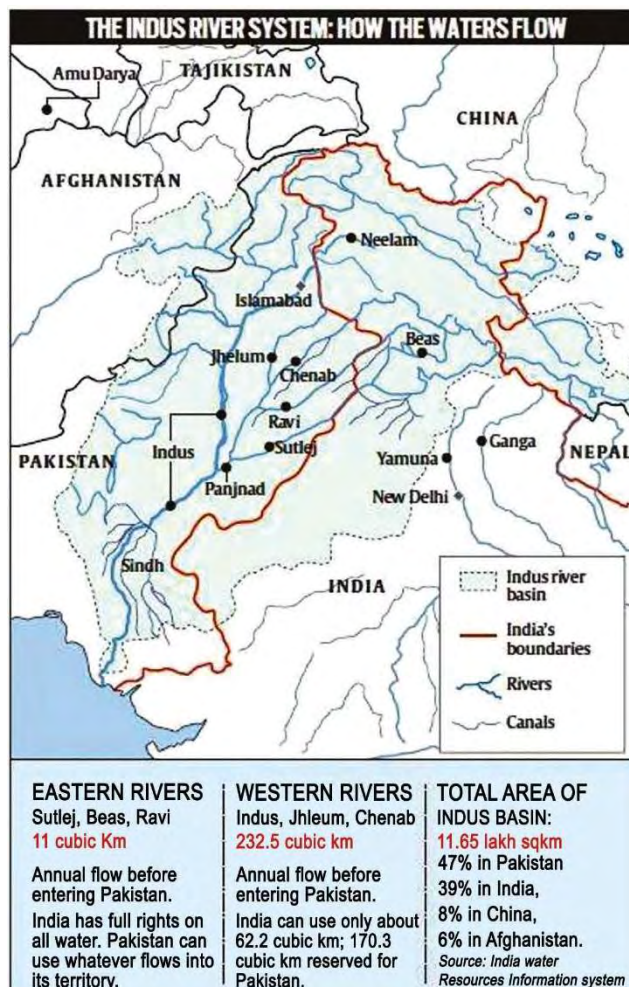
UPSC Mains – 2015

Q. Terrorist activities and mutual distrust have clouded India – Pakistan relations. To what extent the use of soft power like sports and cultural exchange could help generate goodwill between the two countries. Discuss with suitable examples.

► INDUS WATER TREATY

Meeting of 18th permanent commission of Indus water Treaty was completed. This is the only mechanism between the two countries which has functioned properly despite differences.

ABOUT INDUS WATER TREATY



- Indus Waters Treaty was signed in 1960 between India and Pakistan with the help of World Bank, which is also a signatory.
- IWT allocates Western Rivers (Indus, Jhelum, Chenab) to Pakistan and Eastern Rivers (Ravi, Beas, Sutlej) to India.
- At the same time, the Treaty allows each country certain uses on the rivers allocated to the other.
- All the waters of the Eastern Rivers shall be available for the unrestricted use of India, except as otherwise expressly provided.
- India is allowed to make some use of the waters of the Western rivers which includes:
 - Domestic Use: like drinking, washing, bathing, recreation, sanitation.
 - Non-Consumptive Use: means any control or use of water for navigation, floating of timber or other property, flood protection or flood control, fishing or fish culture, wildlife etc.
 - Agricultural Use: Use of water for irrigation, except for irrigation of household gardens and public recreational gardens.

- Generation of hydro-electric power: However, the treaty does not allow creation of large river water storage projects but only run-of-the-river hydropower projects.

HOW THE TREATY WORKS?

- Permanent Indus Commission: A mechanism for cooperation and information exchange between the two countries regarding their use of the rivers. It has commissioners from both India and Pakistan.
- Dispute resolution under the Treaty:
 - "Questions" are handled by the Commission.
 - "Differences" are to be resolved by a Neutral Expert.
 - "Disputes" are to be referred to a seven-member arbitral tribunal called the "Court of Arbitration."
- Role of World Bank: Its role is limited and procedural. Its role in relation to "differences" and "disputes" is limited to the designation of individuals to fulfil certain roles in the context of Neutral Expert or Court of Arbitration proceedings when requested by either or both Parties.
- Examples of differences and disputes under the treaty:
 - Run of the river hydro-power project on Kishanganga (330 megawatts) - tributary of Jhelum.
 - Rattle (850 megawatts) hydroelectric power plant located on the tributary of Chenab.
- On the above issue
 - Pakistan demanded matter be referred to court of Arbitration. India wanted the issue to be Referred to Neutral expert.
 - Pakistan have raised disputes on Pakal Dul and Lower Kalnai hydropower plants located on Marusudar river, a tributary of the Chenab, J&K.
 - India has raised concerns on issues such as Pakistan's blockade of Fazilka drain, which resulted in water contamination in the border areas.

ISSUES OF DISSATISFACTION RAISED BY BOTH COUNTRIES

- Prevents storage projects by India: IWT prevents India from building any storage systems on western rivers. Even though the treaty allows that under certain exceptional circumstances storage systems can be built, India contents that Pakistan deliberately stops any effort due to its political rivalry with India.

- The two countries have been embroiled in conflicts over several projects including Salal hydroelectric project on Chenab, Tulbul project, Kishenganga and Rattle hydroelectric plants.
- Varying interpretations: The treaty is highly technical, leading to divergences between the two countries in terms of interpretations.
- Political Mistrust: India tries to make maximum use of breathing space provided by the treaty to build projects on western rivers. Pakistan due to its suspicions towards India keeps an extra keen eye on every technical aspect of the project and tries its absolute best to get it suspended.

ISSUES RAISED BY PARLIAMENTARY COMMITTEE

- Raised concern that despite increasing demand of water, India has underutilised waters of Western rivers for irrigation purposes.
- Government should examine the feasibility of making maximum use of provisions in Indus Water Treaty, in terms of full utilization of all accessible water of the eastern rivers and maximum utilization of irrigation and hydropower potential of western rivers including permissible water storage as per provisions of the treaty.
- Although Indus Water Treaty has stood the test of time, IWT was framed based on knowledge and technology existing at the time of its agreement in 1960s. Perspective of both the nations at that time was confined to river management and usage of water through construction of dams, barrages, canals, and hydro-power generation.
- Present day pressing issues such as climate change, global warming, and environmental impact assessment etc. were not considered by the Treaty.

In view of this, there is a need to re-negotiate the Treaty to establish institutional structure or legislative framework to address the impact of climate change on water availability in the Indus basin and other challenges which are not covered under the Treaty.

► INDIA – SRI LANKA

SIGNIFICANCE OF SRI LANKA TO INDIA

- Trade and Investment:
 - Sri Lanka is one of India's largest trading partners in South Asia. India in turn is Sri Lanka's largest trade partner globally. Exports from India to Sri Lanka in 2016 were US\$ 3.83 billion.

- Sri Lanka also provides investment opportunities for Indian Infrastructure companies. E.g., Colombo port west terminal project.
- India and Sri Lanka have entered into a Free trade agreement in 2000. The two countries are negotiating [Economic and Technology Co-operation Agreement \(ETCA\)](#).
- **Connectivity:** Transshipment ports of Sri Lanka like Colombo and Hambantota handle huge cargo that comes to India, since India did not fully develop a transshipment port in the southern Coast.
- **Tourism:** Huge scope for religious tourism (Buddhist tourism) and medical tourism (Sri Lankan patients frequently visit Chennai for medical treatment)
- **Strategic:**
 - India and Sri Lanka share membership in [SAARC](#), [BIMSTEC](#) and [IORA](#)
 - Sri Lanka is also important for India in its ambitions to become [Net security provider in Indian ocean](#)
 - Pursuing Strong ties with Sri Lanka is an integral part of India's [Neighbourhood first policy](#)

CHALLENGING ISSUES IN THE RELATIONSHIP

- **Ethnic issues:** The long drawn ethnic conflicts and human rights violation of Tamils, lack of proper rehabilitation and insufficient devolution of powers (Under 13th Amendment act) to the northern Tamil provinces strained the relation between the two countries.
- **UNHRC resolution:** India voted against Sri Lanka in UNHRC resolutions in the past (2012 & 2013).
- **Fishermen issues:** Sri Lankan fishermen object to Indians using bottom trawlers and fishing illegally along their coast, which often leads to arrests of the Indians. The dispute status of Katchatheevu islands is still not resolved.
- **Growing trust deficit**
 - Scrapping of Indian infrastructure projects like [Colombo east container terminal project](#) at a time when China is increasing its investments in the same Colombo port city
 - India's passive response to Sri Lanka's request for debt repayment waiver for 3 years and a separate currency swap for \$1 billion to help with economic crisis
- **China factor**

- Recently, Sri Lanka gave approval to Chinese funded 'Colombo port city' with some autonomy.
- Already, China developed the Hambantota port which was later leased to it for a period of 99 years.
- Sri Lanka endorsed Belt & Road Initiative of China.

INCREASED CHINESE PRESENCE IN SRI LANKA

- **Sri Lanka - Pakistan - China:** Convergence of interests between Sri Lanka, China and Pakistan in the Indian Ocean region in defence co-operation. Pakistani PM visited Sri Lanka recently. Both nations have had good defence ties.
- In 2016, India put pressure on Sri Lanka to drop a plan to buy Chinese JF-17 Thunder aircraft made in Pakistan's and co-produced by Chinese Chengdu Aircraft Corporation.

INDIA'S VOTE ON SRI LANKA ISSUE AT UNHRC

Year	Resolution	India's Vote
2009	Resolution S 11/1	Yes
2012	Resolution 19/2	Yes
2013	Resolution 22/1	Yes
2014	Resolution 25/1	Abstain
2015	Resolution 30/1	Adopted without a vote
2017	Resolution 34/1	Adopted without a vote
2019	Resolution 40/1	Adopted without a vote
2021	Resolution 40/L1	Abstain

- Initial Votes by India in favor of the resolutions and against Sri Lanka were based on the local politics in the State of Tamil Nadu owing to the coalition government the Centre.
- On the 2013 resolution 22/1 India voted in favor of the resolution and against Sri Lanka. This was mainly because just ahead of the vote, Tamil Nadu's main opposition party, Dravid Munnetra Kazhagam (DMK), had withdrawn from the Centre's ruling alliance on the grounds that India was not doing enough to alleviate the alleged human rights violations of Sri Lankan Tamils.
- However, after the coalition era ended at the central government level, India's stance has not been much influenced by the local politics but has been influenced by geopolitical concerns owing to the

increasing Chinese presence in the Indian Ocean region.

- On 2014 resolution 25/1, India abstained during the vote on grounds that the resolution ignored steps taken by Sri Lanka at reconciliation.
- In 2015 Resolution 30/1 and subsequent resolutions 34/1 and 40/1, India did not have dilemma because Sri Lanka itself joined the resolution which was adopted unanimously without a vote.
- In 2021 resolution India abstained from voting.
- India's position rested on two pillars. The first was support for Sri Lanka's unity and territorial integrity. Second pillar was commitment to Sri Lankan Tamils' aspirations for "equality, justice, peace and dignity."
- Calling on Sri Lanka to address Tamil aspirations, India said that Colombo should take "necessary steps" through the "process of reconciliation and full implementation of the 13th Amendment to the Constitution of Sri Lanka"

CONTAINER TERMINAL ISSUE

- Sri Lanka will develop West Container Terminal at Colombo Port, along with India & Japan. The decision came a month after Rajapaksa government rejected the two partners from a 2019 tripartite agreement to jointly develop East Container Terminal (ECT), citing resistance to "foreign involvement".
- Signed a MoU with India and Japan to jointly develop and operate East Container Terminal wherein India

and Japan together were to hold 49% stake in ECT. However, then opposition parties in Sri Lanka opposed Indian Involvement in construction of port.

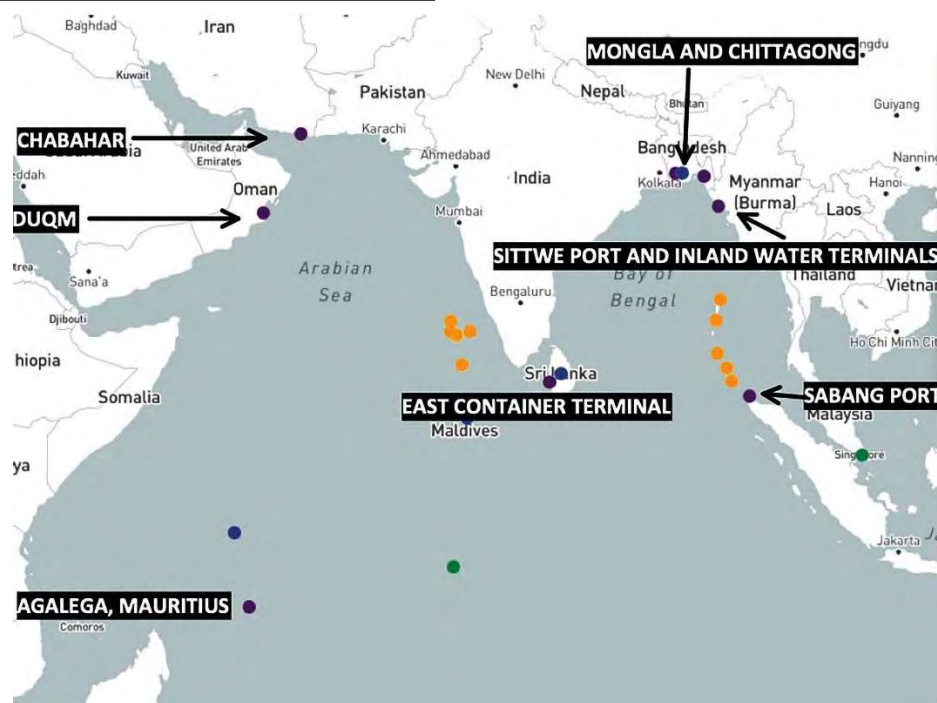
IMPORTANCE OF HAVING A TERMINAL AT COLOMBO PORT FOR INDIA

- This port was strategic for India since it was adjacent to Chinese Colombo International Container Terminal.
- More than two-thirds of trans-shipment here is tied to India, making it an important trade & connectivity link.
- As a joint venture for India and Japan to invest in, ECT project was expected to showcase how the two Indo-Pacific partners, and Quad members, could provide South Asia with viable, transparent and sustainable alternatives for financing and development.

REASSIGNMENT OF WEST CONTAINER TERMINAL

- Commercially, the west terminal offer is better for India as it gives 85% stake for developers of the West Terminal against the 49% in ECT.
- And geo-politically too, West Terminal is almost the same if we consider the security aspect and the necessity to have a port terminal in Sri Lanka.
- West Terminal is no smaller in size or depth compared to the East Terminal.
- There is no difference between East and West Terminals except for the fact that development of the ECT is partially completed while the development of the West Terminal must start from scratch.

INDIAN & CHINESE PORTS IN INDIAN OCEAN REGION



- Based on theory of string pearls in Indian Ocean, China is investing in strategically important foreign commercial ports.
- Some of these ports include Chittagong in Bangladesh, Gwadar in Pakistan, Hambantota in Sri Lanka, Kyaupkyu in Myanmar, Malacca in Malaysia, Mombasa in Kenya
- Chinese scholars recognize far-reaching strategic significance of these projects for success of maritime Silk Road.
- India has also begun to invest heavily in expanding its naval and air power across the Indian Ocean.
- The effort is driven by two factors: a desire to improve maritime domain awareness and maritime security throughout the vast region, and New Delhi's growing anxieties about Chinese inroads in its strategic backyard
- Piracy, illegal fishing, and other maritime crimes remain serious concerns and potential sources of instability around the entire Indian Ocean rim
- As a response, India has presence in the ports shown in the picture above.

► SRI LANKAN CRISIS

Sri Lanka is facing protests and political turmoil because of unprecedented economic crisis, a result of domestic as well as external factors. One of the factors for this economic crisis has been the Chinese debt obligation on Sri Lanka. With China reluctant to help Sri Lanka during this crisis, there is an opportunity for India to increase its humanitarian aid and leverage the trade and investment potential overall. In this context, let us understand the reasons for economic crisis in Sri Lanka, role of China and opportunity for India.

DEEPENING CRISIS

- Sri Lankan economy is experiencing stagflation. Inflation has spiraled to over 50%, translating into higher food and fuel prices.
- The economy could contract by at least 6% in 2022. Some three-quarter of a million people are becoming the 'new poor.'
- Reasons for such severe economic crisis is slow recovery from COVID-19 pandemic, Russia-Ukraine conflict shock and economic mismanagement under administration of the Rajapaksa's.
- Reduction of tax by Gotabaya Administration.

- Abrupt transition to Organic farming by Gotabaya Administration due to which crop production declined significantly. This made Sri Lanka dependent on importing rice and reduced output of tea which was its main export items.
- Russia-Ukraine crisis led to sharp increase in prices of energy and other imports of Sri Lanka.
- COVID-19 crisis and Russia-Ukraine was adversely impacted tourist inflow in Sri Lanka.

CHALLENGES IN GETTING FOREIGN AID

- 60% of world's poorest countries are experiencing debt distress which would get preference under international relief efforts.
- Prospect of a second global recession in three years could dampen enthusiasm to support Sri Lanka.
- There is perception in that crisis in Sri Lanka is because of political mismanagement. Thus, there is reluctance amongst countries to provide support.

CHINESE AID AND CHALLENGES

- In recent years, China has invested in infrastructure projects in Sri Lanka under BRI initiative. Ex. Hambantota & East container terminal at Colombo.
- Commercial loans for Belt and Road Initiative (BRI) projects in Sri Lanka have led to a 'debt trap' crisis.
- China is facing dilemma in bailing out Sri Lanka. As, unilaterally restructuring Sri Lanka's debt would set a new precedent in its lending practices, leading to a queue of similarly distressed countries seeking debt relief from China.
- China, which is a leading economy, wanting to challenge USA, does not want its reputation to be tarnished by bailing out a floundering economy.

OPPORTUNITY FOR INDIA

- India was the first responder to Sri Lanka's desperate calls for foreign aid to help tackle its crippling debt and economic crisis.
- In the first six months of 2022, Indian aid worth \$3.8 billion has flowed to Sri Lanka through loans, swaps and grants. This is India's largest bilateral aid program in recent times.
- Stabilizing Sri Lanka's economy can be a major boost to India's neighborhood policy.
- Boost India's image as an important responder to any crisis in South Asia.

- Humanitarian and bilateral aid would help India counter its Big Brother image by not interfering politically in Sri Lanka crisis and creating a positive image in minds of Sri Lankan people.
- Once Sri Lanka economy stabilizes, India can deepen its trade and investment linkages and could spur regional integration and prosperity.

With Chinese projects under scrutiny in Sri Lanka, there is an opportunity for India to upscale its aid and cement its first mover advantage over China by leading an aid consortium for Sri Lanka, working closely with other friendly countries such as the United States, Japan and EU as well as International Monetary Fund (IMF).

► INDIA - MYANMAR

Recently, India's Foreign Secretary visited Myanmar. Foreign Secretary emphasized on India's interest in seeing Myanmar's return to democracy at the earliest; release of detainees and prisoners; resolution of issues through dialogue; and complete cessation of all violence.

HIGHLIGHTS OF THE VISIT

- Foreign Secretary reaffirmed India's strong and consistent support to the ASEAN initiative and expressed hope that progress would be made in a pragmatic and constructive manner, based on the five-point consensus.
- Handed over one million doses of "Made in India" vaccines to the Myanmar Red Cross Society.

ASEAN - FIVE POINT CONSENSUS FORMULA

1. Immediate cessation of violence in Myanmar and all parties shall exercise utmost restraint.
2. Constructive dialogue among all parties concerned shall commence to seek a peaceful solution in the interests of the people.
3. A special envoy of the ASEAN Chair shall facilitate mediation of the dialogue process, with assistance of the Secretary General of ASEAN.
4. ASEAN shall provide humanitarian assistance through the AHA Centre.
5. Special Envoy and delegation shall visit Myanmar to meet with all parties concerned.
6. Junta has refused to cooperate with this formula.

MILITARY COUP IN MYANMAR

Military coup in Myanmar had set off civil unrest and protests. India had criticised the violence, while following a policy of non-interference on the matter of the coup

keeping in mind the strategic importance of Myanmar to India, which is - a bridge to Southeast Asia and ASEAN; important for security in Northeast; crucial for Neighbourhood first and the Act East Policy.

INDIA'S APPROACH TOWARDS MILITARY COUP

- **Calibrated approach of India:** India has followed a calibrated approach since the military coup. Initially it followed a wait and watch approach, only now has called for a return to democracy. It is reflective of the regional realities. It is different from the West's approach of condemnation, threats and sanctions.
- China had close relations with Su Kyi government has tried to expand its cooperation with Junta.
- Myanmar has refused to cooperate with the ASEAN five-point formula.
- India has assisted Myanmar through capacity-building programs for strengthening the transition to democracy. However, it is not an offer of mediation by India in the military-NLD conflict.
- Myanmar has renewed the previous pledge that its nation's territory would not be allowed to be used for any activities inimical to India.
- Foreign secretary was received by General Min Aung Hlaing (who is Chairman of SAC and Prime Minister) which is departure from the past visits of foreign secretaries from India. Such special gesture clearly shows that China is not the only Friend of Myanmar.

IMPLICATIONS OF MYANMAR'S MILITARY COUP

1. **Border security:** Refugees fleeing military crackdown are entering Mizoram. This has led to disagreement between centre & Mizoram which supports refugees. Centre's instruction of sealing border with Myanmar has irked ethnically and culturally connected communities on both sides. Ex - Chin community.
2. **Strategic concern:** India cannot upset the Myanmar junta by providing refuge to the officials fleeing military crackdown.
3. **Containing China:** Myanmar being crucial in containing China, India will have to take a calculated steps to not push Myanmar closer to China.
4. **Insurgency:** Several ethnic armed organisations are active within Myanmar. Being opposed to Junta, EAOs can lead to escalation in violence across the border.
5. **Indian Investments:** Instability would threaten India's investments in Myanmar. Ex. Kaladan Project, Sittwe

port, IMT trilateral Highway, Special economic zone in Rakhine.

6. Opportunity to reduce influence of China: Myanmar army has enjoyed a relatively strong relationship with India. It played a key role in handling the insurgency and Hot Pursuits of India. Su Kyi led democratic government was closer to China. China supported it on Rohingya crisis.

7. Drug trafficking: Drug production has shot up exponentially in Shan Province of Myanmar. The region was earlier large producers of heroine. However, currently it is world's largest producer & exporter of meth (more potent & profitable). Most key individuals controlling the drug trade are pro-junta businessman as well as ethnic militia.

INDIA'S MYANMAR POLICY

1. Non-interference in internal politics: Since 1990s, India has supported democratization of Myanmar, driven from within the country.

2. Engagement rather than criticising: India is cognizant of geopolitical dimension of Myanmar's democratization. For Delhi, engaging rather than criticizing is most practical approach.

3. Balancing influence of China

- There was inauguration of liaison office of Embassy of India in Naypyidaw recently. This is significant as only a few countries have set up such office in Myanmar. Interestingly, China was first country to establish a liaison office in 2017.
- Myanmar's growing closeness with China and China Myanmar Economic Corridor is a cause of concern for India amidst growing India-China tension.
- India also has taken significant step towards establishing its embassy in Nay Pyi Taw. India has its embassy in Yangon, the former capital.

4. Strategic Infrastructure development

- India has also proposed to build a petroleum refinery in Myanmar that would involve an investment of \$6 billion. It shows India's competitive dynamic with China.
- Commitment has been made to operationalise of the crucial Sittwe port in Myanmar's Rakhine state by March 2021.
- The two sides are collaborating on ongoing Indian-assisted infrastructure projects such as the India-Myanmar-Thailand trilateral highway and the Kaladan

Multi-Modal Transit Transport Project. The project will link Kolkata to Sittwe in Myanmar and then from Myanmar's Kaladan river to India's north-east.



- **Border security and development:** Both countries believe in mutual commitment not to allow respective territories to be used for activities inimical to each other. Both have been collaborating in the development of border areas with the understanding that it is the best guarantee to secure their borders.

IMPORTANCE OF MYANMAR FOR INDIA

- India shares a long and porous border with Myanmar.
- Myanmar is key link between South Asia to Southeast Asia. It is a member of both ASEAN as well as BIMSTEC which bridges South and South-East Asia.
- Myanmar stands at confluence of India's Neighbourhood First and Act East Policy. India-Myanmar partnership is at heart of India's vision to create a connected and cooperative neighbourhood.
- Connectivity projects through Myanmar help India overcome its Chicken-neck dilemma (Siliguri Corridor). Myanmar is necessary for development of North-Eastern India.
- Good relations with Myanmar are central to keep North-eastern states peaceful. Often insurgent groups and rebels seek refuge in Myanmar territory.
- Land border with Myanmar is crucial for narco-terrorism (Golden Triangle- border areas of Laos, Thailand & Myanmar) and illegal weapons. Shan State of Myanmar is the largest producer of illegal drugs within the Golden Triangle. Illegal production and trafficking of drugs poses multi-faceted problems of law & order, social problems of increased addiction and transnational crimes with illicit money fueling insurgent activities.

► INDIA AND BHUTAN

Diplomatic relations between India and Bhutan were established in 1968 with the appointment of a resident representative of India in Thimphu. The basic framework of India- Bhutan bilateral relations was [Treaty of Friendship and Cooperation signed in 1949](#) between two

countries, which was revised in 2007. India-Bhutan Friendship Treaty not only reflects the contemporary nature of our relationship but also lays the foundation for their future development in the 21st century.

BHUTAN'S SIGNIFICANCE TO INDIA

→Geographic Location:

- Nestled in Himalayas, Bhutan serves as a buffer between India and China.
- After Doklam standoff, securing Bhutan's present borders especially its western border is important for India in order secure Siliguri Corridor.

→Economic:

- Provides a market for Indian commodities and a destination for Indian investment.
- India sees Bhutan as a rich source of hydropower.

→Political: An unstable and restive Bhutan would not only jeopardize India's investments in that country but also provide a safe haven for anti-India activities and anti-India militant groups.



BILATERAL PARTNERSHIP / AREA OF COOPERATION

- Trade relations:
 - India is Bhutan's largest trading partner; around 79% of Bhutan's total imports are from India and India provides a market for 90% of its exports.
 - Trade between the two countries is governed by India-Bhutan Trade and Transit Agreement 1972, last renewed in 2016. Agreement established a free-trade regime between the two countries. Also provides for duty-free transit of Bhutanese exports to third countries.
- Economic relations:
 - India has financed much of Bhutan's 5-Year Plans. For current 12th 5-Year Plan (2018-23), GOI has committed economic assistance of Rs 4500 crores.
 - India is Bhutan's largest aid donor. Between 2000 and 2017, Bhutan received \$4.7 billion in aid from India, lion's share of India's total foreign aid.
- Infrastructure:

- India is playing an important role in Bhutan's infrastructure development by building roads and hydro-power projects.
- Development of Bhutan's hydropower has not only provided Bhutanese with electricity for domestic use but also surplus energy which India purchases.
- On-going projects Punatsangchhu-1, Punatsangchhu-2 and Kholongchhu, and recently inaugurated Mangdechhu Hydroelectric Plant.
- Security Ties: Indian military is virtually responsible for protecting Bhutan from external and internal threats. Eastern Command of Indian Army & Air Force have integrated Bhutan's defence into their responsibilities. Indian Military Training Team (IMTRAT) trains Bhutanese security personnel.
- Border Management: There is a Secretary-level mechanism on border management and security matters. There is a Border District Coordination Meeting Mechanism between bordering States & Bhutan to coordinate on border management.
- Water Resources: There is a Joint Group of Experts on flood management between India & Bhutan to discuss/assess probable causes and effects of recurring floods and to recommend measures to both Governments.
- Educational and Cultural Cooperation: Several Bhutanese students are studying in India. India-Bhutan Foundation was established (2003) to enhance people to people exchanges in focus areas like education, culture, scientific and technical research and environment protection.
- Indian Community: There are about 60,000 Indian nationals living in Bhutan, employed mostly in hydroelectric power & construction industry. Between 8000-10,000 daily workers enter & exit Bhutan every day in border towns.

CHALLENGES

Although older Bhutanese generations looked to India with gratitude, newer generation tends to look more deeply – and with more dissatisfaction – at the situation.

- Issues in Hydropower sector: (i) Of the total external debt of Bhutan 73% is related to hydropower sector. Due to change in financing system for hydropower projects from 60:40 (60% grants; 40% loans) to 30:70 model (30% grants; 70% loans). (ii) Commissioning of projects has been delayed. (iii) Escalation of cost of project. (iv) Hydropower projects are capital intensive but have limited employment opportunities for locals. (v) Bhutan wants to engage local contractors. (vi) Environmental damage.

- Growing negative perception of Bhutan on instances of India meddling in Bhutan's internal affairs
- Bhutanese population considers India's continued pressure to dominate their foreign relations as a direct threat to sovereign character and a major hindrance to settling border between Bhutan & China.
- Bhutanese have begun to view India's role in their economy as exploitative.
- Indian aid is being criticized for creating 'jobless growth' in Bhutan.
- Terms on which India is financing hydropower projects and getting electricity from Bhutan at cheap rates seems unfavorable to Bhutan.
- India's strategic interest to avoid military vulnerability to China in Doklam Plateau has discouraged Thimphu from border talks and has even escalated situation between India and China.
- There is a growing interest in Bhutan for diplomatic and economic relations with China.

WAY FORWARD

- **Continue Foreign Aid:** Though Bhutan remains largest recipient of Indian aid, amount of aid in form of grants has dropped. This is not right time to decrease aid to Bhutan when Chinese presence is growing.
- **Rethink Terms of Financial Cooperation:** India must address Bhutanese grievances over hydropower projects and ensure terms of loans are favorable to Bhutan. India must draw Bhutanese public attention to China's role in debt trap. Therefore, it will have to ensure that its finance model for projects in Bhutan is different from Chinese model. Indian projects must be more inclusive and generate jobs for Bhutanese.
- **Publicize Benefits:** India needs to publicize benefits that accrue to Bhutan from Indian projects.
- **Respect Bhutanese Values:** India should demonstrate respect for Bhutanese values. Bhutanese are an environment-conscious people. Therefore, India should go for economically and environmentally more viable projects. Because of its apprehensions over damage to environment, Bhutan did not ratify Bhutan-Bangladesh-India-Nepal Motor Vehicles Act (BBIN-MVA), a major sub-regional connectivity plan.
- **Maintain Ties with Bhutanese Monarchy:** Bhutan's monarchs have been strong proponents of close relations with India. India should back Bhutan's constitutional monarchy and strengthen it by channeling its aid through this institution. This will help secure greater public support in Bhutan.
- **Keep out of Domestic Politics:** India should not be seen as meddling in Bhutan's politics & internal affairs

as long-term cost of such trampling on Bhutan's sovereignty far outweighs any benefits that may accrue to India

- **Emphasize Doklam's Value to Bhutan:** There is a perception among Bhutanese that Doklam has little significance for their country and hence can be given away to China. However, Haa district is rich in pastureland and forests. Its value to a country that is mountainous is immeasurable. India must spread awareness on this fact.

► INDIA AND MALDIVES

President of Maldives Ibrahim Solih visited India.

LATEST DEVELOPMENTS

- A social media campaign #Indiaout is being led by opposition parties of Maldives against Indian projects.
- However, present government led by Ibrahim Solih has reiterated its India first Policy and has rejected attempts by opposition to spread false information of criticizing its ties with India, which present administration considers as its "closest ally and trusted neighbour.
- Maldives Foreign Minister Abdullah Shahid won the Presidential election of the United Nations General Assembly with India's cooperation.
- The presidency assumes significance because of coinciding of this term with India's election as a non-permanent member of the UNSC.
- Also, India's decision of opening a new consulate at Addu city has faced backlash on social media.

FACTORS FOR COOPERATION B/W INDIA & MALDIVES

- **Geographical Proximity:** Maldives is located just 300 nautical miles from India's mainland.
- **Historical & Cultural ties**
- **Vaccines:** Both the countries can cooperate on matters related to equitable access to Vaccines and TRIPS waiver.
- **Climate change:** Climate change is detrimental to developing countries like India & Small Island Developing States such as Maldives. Both countries can collaborate to strengthen the global response to climate change, through UNFCCC & Paris Agreement
- **Terrorism:** Peace and security in Indian ocean region are of common interest to both the countries. In the backdrop of growing radicalization in the region, India and Maldives can revive discussion on Comprehensive Convention on International Terrorism (CCIT) (Adoption of CCIT under UN was first proposed by India in 1996, but it has been in limbo

ever since due to opposition from several countries on some of the provisions laid out in the convention).

- **Multilateral Reforms:** India and Maldives can work in tandem for multilateral reforms. (Ex. UNSC reform to expand UNSC permanent membership and make it more representative)
- **Respecting International laws on seas and navigation:** Maldives' proximity to west coast of India and its location at hub of commercial sea-lanes running through Indian Ocean makes it strategically important to India. Both the countries can work together to revive sanctity of UNCLOS.
- **Tourism:** Maldives economy is a majorly dependent on tourism. Many Indians visit Maldives as tourists. Many Indians are employed in these resorts. Initiatives like Visa-free travel, better air connectivity & usage of Rupay card in Maldives have further made strengthened this facet.
- **Trade:** Myanmar is a critical source of pulses important for food security and paper pulp for India's paper industry.
- **India First Policy of Maldives:** Ever since President Solih came into power, he has practiced a stated policy of 'India First.' This reflects that the present government of India gives highest importance to relations with India.
- **Security Cooperation:** Maldives has a large EEZ in the Indian Ocean which is in route of major global shipping routes and is crucial for maritime security of India. Maldives is part of **Colombo Security Conclave** along with India, Sri Lanka & Bangladesh which is focused on maritime security. Supply of defence systems: Helicopters, Police training academy etc.
- **Human Resource:** Valuable contribution has been made by Indian teachers, nurses, medical workers and professionals to Maldives. Maldives was given access to National Knowledge Network.

INDIAN ASSISTANCE TO MALDIVES

- **Operation Cactus:** In 1988, when armed mercenaries attempted a coup against President Maumoon Abdul Gayoom, India sent paratroopers & Navy vessels and restored legitimate regime under Operation Cactus.
- **2004 Tsunami:** India had aided Maldives and had also supported it during the drinking water crisis in 2014
- **COVID-19:** India rushed \$250 million aid in quick time, India has also rushed medical supplies to the Maldives, started a new cargo ferry.
- **Infrastructure projects:**

(a) **Greater Male Connectivity project:** An infrastructure project in Maldives, connecting Male

(capital) with three neighbouring islands through construction of a bridge-and-causeway link. This project was a part of \$400 million line of credit will lead to cutting down logistics cost and drive people-centric economic growth.

(b) **Housing:** India is financing 4,000 social housing units.

CONCERNS IN INDIA - MALDIVES RELATIONSHIP

- **Enhanced Chinese Presence:** Maldives signed its first country-specific FTA with China in 2017 and became China's 2nd FTA in South Asia after Pakistan. It raised concerns that it will deepen debt trap to China, as more than 70% of Maldives' foreign debt is owed to China. There has growing trend of Chinese companies acquiring land in Maldives. This land grab has raised concern of Maldives being increasingly falling into an economic neo-colonial influence of China. President Solih has affirmed that Maldives will scrap FTA with China and investigate Chinese land grab in Maldives.
- **President Yameen Hangover:** President Yameen had earlier declared an emergency in Maldives and halted the functioning of Maldives Parliament (Majlis) and arrested several opposition leaders. This was opposed by India and several other countries. Apart from this, President Yameen augmented relations with China without taking India into confidence. This led India-Maldives relations to decline.
- Previous President Yameen launched an **'India Out' campaign** against India's developmental funding for creating physical, social & community infrastructure. There have been protests for early release of Mr. Yameen — sentenced to five years of imprisonment in a money laundering case, pending appeal.
- **Growing Radicalization:** There is a growing presence of ISIS/Daesh in Maldives and has been seen with growing influence of Saudi philosophy of Wahhabis.
- **New Consulate in Addu:** Recently India approved Opening of a New Consulate General of India in Addu City, Maldives. But Maldivian government has not made any decision regarding it. This came in the backdrop of ongoing #saveAddu social media campaign by a section of Maldivians, who are sceptical of India's presence in Addu atoll.
- **Helicopter Issue:** India had gifted Maldives two Advanced Light helicopters in 2013 operated by Indian Coast Guard & Indian Navy. A controversy broke out in 2018 after previous Maldives government refused to extend visas of Indian military personnel and asked India to take back helicopters.

GEOPOLITICAL

HOTSPOTS

Previous Year Questions

YEAR	UPSC MAINS QUESTIONS
2021	The newly tri-nation partnership AUKUS is aimed at countering China's ambitions in the Indo-Pacific region. Is it going to supersede the existing partnerships in the region? Discuss the strength and impact of AUKUS in the present scenario.
2020	Critically examine the role of WHO in providing global health security during the COVID-19 pandemic.
2019	'Too little cash, too much politics, leaves UNESCO fighting for life.' Discuss the statement in the light of US' withdrawal and its accusation of the cultural body as being 'anti-Israel bias.'
2018	What are the key areas of reform if the WTO has to survive in the present context of 'Trade War,' especially keeping in mind the interest of India?
2018	A number of outside powers have entrenched themselves in Central Asia, which is a zone of interest to India. Discuss the implications, in this context, of India's joining the Ashgabat Agreement, 2018.
2017	What are the main functions of the United Nations Economic and Social Council (ECOSOC)? Explain different functional commissions attached to it.
2016	"The broader aims and objectives of WTO are to manage and promote international trade in the era of globalization. But the Doha round of negotiations seem doomed due to differences between the developed and the developing countries." Discuss in the Indian perspective.
2016	What are the aims and objectives of the McBride Commission of the UNESCO? What is India's position on these?
2015	Discuss the impediments India is facing in its pursuit of a permanent seat in UN Security Council.
2014	The aim of Information Technology Agreements (ITAs) is to lower all taxes and tariffs on information technology products by signatories to zero. What impact should such agreements have on India's interests?
2014	Some of the International funding agencies have special terms for economic participation stipulating a

	substantial component of the aid to be used for sourcing equipment from the leading countries. Discuss on merits of such terms and if, there exists a strong case not to accept such conditions in the Indian context.
2014	India has recently signed to become founding a New Development Bank (NDB) and also the Asian Infrastructure Investment Bank (AIIB). How will the role of the two Banks be different? Discuss the significance of these two Banks for India.
2014	WTO is an important international institution where decisions taken affect countries in profound manner. What is the mandate of WTO and how binding are their decisions? Critically analyse India's stand on the latest round of talks on Food security.
2013	The World Bank and the IMF, collectively known as the Bretton Woods Institutions, are the two inter-governmental pillars supporting the structure of the world's economic and financial order. Superficially, the World Bank and the IMF exhibit many common characteristics, yet their role, functions and mandate are distinctly different. Elucidate.

► **RESTRUCTURING OF GLOBAL ORDER**

Ukraine war is a key event in restructuring Global order. It has reinforced transatlantic relations (US-Europe-NATO), brought into focus cold war rivalry and has raised questions about efficacy of US to handle two Geo-political epicenters – Europe and Indo-pacific. This event is also altering energy order and is leading to creation of new supply chains.

- **Trans-Atlantic relations reinforced:** US-Europe relations reached a low point under President Trump with US threatening its withdrawal from NATO. However, Ukraine war has brought NATO under focus, whose expansionism is one of the reasons for Russian attack on Ukraine and has brought a consensus amongst West European countries and US for strengthening the security architecture to counter Russian threats.
- **New Energy Order:** Europe has been dependent upon Oil & Gas from Russia through its Pipelines. However, the sanctions post war enforcing are leading to a new energy order with new partnerships based on energy demands, and new supply chains. US is recalibrating its ties with Saudi Arabia and Europe is looking towards Middle East to fulfil the gap.
- **Shifting of Focus from Indo-Pacific:** For US, opening of an active front in Europe with Russia will shift resource commitments away from the Indo-Pacific
- **Questions on US's capability of countering China**
 - Despite overwhelming military & economic capacity, US is incapable of competing with both China and Russia on two fronts, because of greater Chinese capabilities compared to Russia. (Counterview)
 - To counter China in Indo-Pacific will require US to Align with many countries having different set of

interests like – India, Japan, Australia, ASEAN etc., unlike Transatlantic front where there is a consensus amongst European countries and US against China.

- **Increased Security competition in Europe:** With more countries trying to join NATO like Sweden and Finland further increases the risk of conflict in region.
- **Militarization of Europe:** Germany has increased its defence budget with many countries in Europe following the same path.

► **COLD WAR 2.0**

Cold war started between Capitalist USA and Communist USSR after WWII and got over after fall of Berlin wall in 1989 and disintegration of erstwhile USSR in 1991. Post-Cold war period saw a unipolar world order with just one superpower in form of USA.

However, last 25 years have seen rise of other power centers including China, India, Russia and other middle powers. Rise of these powers has culminated into beginning of a new cold war with Russia – Ukraine war and realignment of Geo-politics post the war. Essence of New Cold War is not that of Bipolarity but of Multipolarity in the world order.

RISE OF MIDDLE POWERS

- India is among strongest economies globally, with demographic trends strongly in its favour.
- China has built island fortresses in international waters, claimed large tracts of land outside its territory and has launched large scale infrastructure projects to organise Eurasia economically under its BRI project.

- Russia has invaded two sovereign nations since 2008 (Georgia & Ukraine); has engaged in several attempts to undermine western democracy.
- Iran is emerging a regional middle eastern power, expanding its influence over Iraq, Lebanon, Syria and Yemen.
- Barring Iran, whose emerging nuclear program is of concern to West, all other nations are verified nuclear powers, thus exponentially raising stakes of any potential conflict.
- These divisions of power & ambitions are emblematic of multipolarity of our current world order.

TRENDS LEADING TO SHAPING UP OF NEW COLD WAR

- Bifurcation of global system between US and Sino-Russia axis.
- Ongoing systemic competition between US and China in strategic areas, influenced by a mutual decoupling of the leading socioeconomic networks.
- Increasing tensions between Asian giants, China & India.
- Possible US withdrawal from West Asia due to growing energy self-sufficiency and Europe due to a shifting focus towards the Indo-Pacific region.
- Fluid, ad-hoc geopolitical constellations between regional powers, navigating between US and China to avoid taking sides.

HOW IS THE NEW COLD WAR SHAPING UP?

- New cold war is essentially race for dominance in a multipolar world.
- Scholars see two poles are emerging. (a) Western world: One led by US and its allies which rests on democracy and liberty making the world more peaceful. (b) Challenge to Western hegemony: Backed by China, Russia and India, which posits those disruptions to system are part of the natural order.
- Lack of ideological confrontation between capitalism and socialist camps as during Cold War.
- China and Russia are prime contenders against Western order, but influence of states like India and Iran is also considerable.
- Challenge posed China to the US hegemony is much more than the challenge posed by erstwhile USSR.

COMPLICATIONS IN NEW WORLD WAR

- China is much closer to US as a military and economic power than Soviet Union ever was.
- Throughout Cold War, USSR maintained a heavy military presence across Western Europe and was

routinely required to contend with insurrections in countries within its sphere of influence.

- Russia, China and India have enhanced their military capabilities, extending their influence without committing to any iron clad defence agreements with allies.
- Thus, while USSR had to spread its forces over a vast swath of geography, presently Russia can concentrate its efforts in one specific region, allowing it to seize and control that region far more effectively.
- China is testament to potential success of such a strategy, having built up its armed forces in East China Sea.
- While US still outnumbers China militarily, its forces are spread across the globe and would struggle to mobilise in the event of a conflict in Asia.
- In the previous cold the two superpowers were wary of the nuclear escalation.
- However, presently there are a handful of potential conflicts that would be limited and would involve conventional arms.
- Previously nuclear power was a deterrent against conventional warfare.
- China and Russia's nuclear arsenal is what justifies their use of conventional warfare with the dominant thought that their nuclear threat is enough to deter other countries from getting involved when they violate the norms of the liberal world order.

WAY FORWARD

- Formation of a loose bloc consisting of China, Russia and Iran fighting against hegemony of USA.
- If Russia's invasion of Ukraine is followed by a Chinese invasion of Taiwan or an Iranian nuclear build up, three countries could undermine the West without officially banding together in their pursuit to do so.
- If India starts taking sides giving away is neutral stance in this great power competition, it could further complicate the situation.
- All these events are likely to give rise to another era of great power competition.

► UKRAINE WAR & CRUDE OIL

Russia - Ukraine war has had a considerable impact on international Crude Oil market because of sanctions imposed by West on Russia. Globally, Oil Prices have skyrocketed but it has opened a window opportunity for India to import cheap Russian oil and arrest rupee

depreciation. In this backdrop, let us understand, how global energy order has changed since Ukraine war.

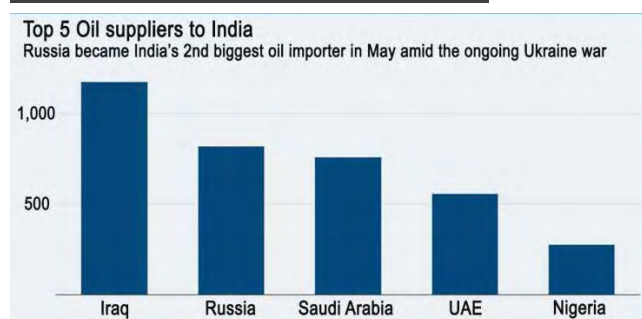
CHANGING CRUDE OIL ORDER

- Disruption in global crude oil market, post Ukraine war, is the biggest one since US Shale gas revolution disrupted oil market a decade ago.
- Shale gas revolution increased US production of oil and natural gas considerably and reduced its dependence on the West Asian Oil. This meant gradual withdrawal of US from politics of the region.
- Sanctions have created a supply side shock and is forcing Europe to diversify its oil partners which was heavily dependent on Russian oil supplies before the crisis.
- Because of the sanctions and ban on Oil imports to US, Russia is diversifying its oil exports to India and China.
- With rise in prices of crude Oil, India has started to import cheap oil from Russia with which India has a "Privileged Strategic Partnership."
- West Asian countries are not paying heed to US call for increasing oil production to bring down oil prices which is pushing inflation in global commodity prices.

WEST AFRICAN CRUDE

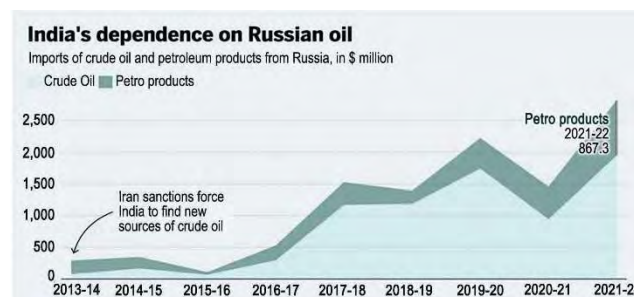
- European refiners have been turned to imports of North African & West Asian crude, to compensate for loss of Russian oil.
- Supply from North Africa to Europe is up by 30% since the War.
- USA has also boosted supply to Europe.

INDIA'S OIL PURCHASE DIVERSIFICATION



- India is a major importer of oil importing 85% of crude oil needs.
- Western sanctions against Russia for its invasion of Ukraine worked towards India's benefit.
- Earlier Indian oil refiners were reluctant to import from Russia because of high freight costs.
- But as Russia is providing oil at a discounted price, Indian refiners have pounced on this opportunity.

- Import of Russian oil is essential for India arrest depreciation of Rupee, since both countries have agreed to a Rupee-Rubel arrangement for payments bypassing sanctions on SWIFT payment system.
- Most Indian refiners have upgraded their refineries to process inferior Urals crude.
- India can benefit from exporting refined oil products to Europe and other countries.
- Option to buy cheaper Russian crude will allow to bargain better deals with West Asia.
- In 2022, India's import of Russian oil surged to a record high, with Russia replacing Saudi Arabia as 2nd biggest oil supplier while Iraq remains at the top.



IMPACT ON INDIA'S GEO-POLITICAL RELATIONS

- India is giving primacy to its economic interests.
- US is pushing India to cut Russian Oil imports, since it weakens the economic impact of US sanctions on Russia.
- However, India which cut its Oil imports from Iran owing to US withdrawal from Iran Nuclear deal is pursuing a different strategy this time and is utilizing the opportunity to its advantage.
- Oil imports from Russia are important for reinforcing India's strategic relationship with Russia since India is heavily dependent on defence imports from Russia.
- Import of Oil despite sanctions is being seen as a display of India's pursuit of Strategic autonomy in foreign relations.
- At the same time, India is nurturing its relations with West Asian countries to have long term Oil Security, since West Asian Oil producers have always been largest suppliers and will be crucial if this cheap Russian supply stops.

DILEMMA'S FOR INDIA

- Despite a recent surge in Russian Oil imports, questions have been raised regarding the long-term sustainability of such imports.
- Most Oil trade takes place through European ships which might face sanctions in future.

- Embargo of European insurers on ships transport Russian crude will make it costlier for India to import Russian oil.
- Logistics infrastructure has not been developed in India for importing Russian crude. China sharing border with Russia is better placed to exploit this opportunity.
- India's stand on Russia is impacting its relations with US which is crucial in the India's Indo-Pacific policy in countering China.
- Ukraine war is pushing Russia close to China, since Russia has the largest share in the Chinese Oil imports.
- Such dependency of Russia on China might limit its options to take sides with India in case of a Galwan type incident.
- However, despite pressure from the West, India went ahead with S-400 deal. It is to be seen how far India can walk the same path this time and secured waiver from US Senate and House of Representatives for the same.
- In its pursuit of strategic autonomy with underlying economic and geo-political compulsions, India will have to carefully balance its foreign relations in a time of geo-political flux.

► INDIA'S STAND AT UNSC RESOLUTION ON UKRAINE

India, China and UAE abstained from a US sponsored Security Council resolution against Russia for its "special Military Operation on Ukraine." The resolution could not be passed because it was vetoed by Russia, while China another permanent member of UNSC abstained from Voting.

RESOLUTION AGAINST RUSSIA

- US and Albania moved it.
- The resolution reaffirmed commitment to sovereignty, independence, unity and territorial integrity of Ukraine.
- Asked Russia to immediately cease its military operation against Ukraine.
- Asked Russia to reverse the decision related to the status of Donetsk and Luhansk regions of Ukraine.

INDIA'S ABSTENTION

- India has been [maintaining a balance between the West and Russia](#).
- In the past, on a procedural vote on the issue of Ukraine at the UNSC, India had abstained. India's

position back then was about addressing the "legitimate security concerns" of Russia highlighting a tilt towards Russia.

- While abstaining from voting at the UNSC Resolution:
 - India stated that it was deeply disturbed by recent developments in Ukraine
 - India reiterated appeal for cessation of violence.
 - [On Sovereignty & Territorial Integrity](#): Contemporary global order has been built on the UN Charter, international law, and respect for sovereignty and territorial integrity of states. All member states need to honour these principles in finding a constructive way forward.
 - [Advocated Diplomacy](#): Dialogue is the only answer to settling differences.

INDIA'S INTEREST VIS - A - VIS RUSSIA

- Indian reticence in openly criticizing Russia reflects the longstanding friendship of the two countries going back to the Soviet period
- India's security dependence on Russian military hardware reduces its diplomatic flexibility. In 2009-2013 India emerged as the world's largest arms importer, purchasing 14% of world's total arms exports. Of India's arms imports during this period, over 75% came from Russia
- Russia is also key to India's quest for military modernisation.
- Assuring guaranteed access to energy supplies is now a potent foreign policy driver for India, which has an enormous population that is growing and modernizing rapidly from a low socioeconomic base.
- The discounted Russian oil highlights importance of Russia for India.

ANALYSIS OF INDIA'S POSITION

Balancing Pragmatism with principles -

- India's abstention reflected its national interest given its long strategic relationship with Russia.
- Despite the abstention, India highlighted its principled belief in UN Charter and International Law reflected in its reference to respect for sovereignty and territorial integrity of states.
- India struck a balance between Principles and Pragmatic considerations of its foreign Policy goals.
- In the evolving Global order, there are three main Powers Viz - US, Russia, and China. Given India's rivalry with China, while other two being its Partner, India should remain neutral in the conflict between

two of its partners unless either of the two starts challenging its fundamental interests in South Asia & Indian Ocean region.

- **India as a mediator:** Further, by abstaining India has kept the space for dialogue and diplomacy open without taking sides. It can pave a way for India playing a key role in getting all parties to the negotiating table given its traditional relationship with Russia and with natural allies in West, particularly the US and France.

CRITICISM OF INDIA'S POSITION

- Its position has been seen as being contrary to its aspiration of being a "Leading power." It has been said that to be a leading Power India will have to take clear position on a conflict that threatens global security.
- India's abstention can be read as a tacit support to aggressive transgressions by a more powerful neighbour over a weaker one, which would adversely impact its image in its neighbourhood given the perceptions of India acting like a Big Brother.

IMPACT OF UKRAINIAN CRISIS ON INDIA

- India has traditionally had close ties with Russia (erstwhile USSR). Russia is a major supplier of defence equipment to India.
- However, India has been tilting towards US of late. India's participation in the QUAD to deter China is reflection of this.
- Russian posture on Ukraine and the reaction to it has strengthened the Sino-Russian partnership. Sino-Russian axis might curtail Russian ability to support India in case of a conflict between India and China.
- Sanctions under the CAATSA law of US can derail India's acquisition of S-400 air-defence systems from Russia. The waiver that India expected to come from USA will not be forthcoming in the wake of Russia's war against Ukraine.
- Curtailed defence supplies from Russia will impact India's ability to respond to China.
- Russian aggression will divert the attention of US and European powers from Indo-Pacific.
- **Resource crunch:** Russia being one of the largest exporters of oil and gas. Economic sanctions imposed on Russia have spooked oil markets, this compromises Indian's energy security where India imports 80% of its crude requirements. Also, Russia is one of the largest suppliers of wheat, barley and other agri-commodities. This has flared global food inflation.

► STRATEGIC AUTONOMY AND NON-ALIGNMENT

NON-ALIGNMENT

- Developed in the context of cold war: Bipolar geopolitics.
- Non-alignment allowed India to take international decisions and stances that served its interests rather than the interests of superpowers and their allies.
- India was often able to balance one superpower against the other. Ex-Treaty of Friendship with Russia in 1971.
- India stood for - Disarmament; non-interference into internal affairs of States and peaceful coexistence among all nations; rejection of use or threat of use of force in international relations; strengthening of United Nations; democratization of international relations; socioeconomic development and restructuring of the international economic system.
- Thus, India took leadership position among developing countries.
- With end of cold war era Bipolarity ended. World politics was marked by Unipolarity with US as a hegemonic power. However, with rise of China and other middle powers, present geo-politics is marked by Multi-Polarity.

STRATEGIC AUTONOMY

- India pursues Strategic autonomy which denotes ability of a state to pursue its national interests and adopt its preferred foreign policy without being constrained in any manner by other states. Ex - India's stand on the UNSC vote against Russia.
- In the present multipolar world Strategic partnership rather than alliance is the new order in global politics. Ex. US and Russia both are strategic partners of India.
- India continues to stand for a rules-based world order and peaceful coexistence of the states which it supported during the NAM.
- India is pursuing a policy of Strategic hedging by engaging according to its interest that overlap with different nations in a multipolar world. Ex - Quad with US is for India's geostrategic interests, while participation in BRICS for its global governance and SCO with Russia & China for its continental interests.

Nonalignment was pursued in a context when India was a newly independent, developing country and a non-nuclear power trying to keep itself away from getting entangled in the ideologies projected by the then superpowers.

While strategic autonomy is being pursued when India has become a nuclear power, possesses the world's third-largest military budget, is the third -largest economy (in PPP terms) and has emerged a voice in the Geo-Politics of the day.

Though, the context of NAM and the Strategic autonomy is different, the latter remains an important corollary of NAM.

Thus, as an important corollary of the 'non-alignment,' the concept of strategic autonomy continues to be used by India in asserting its sovereign independence in decision-making on strategic issues.

► STRATEGIC AUTONOMY IN ACTION

In the context of Ukraine Crisis, stand taken by India of remaining neutral is being seen as the real display of its principle of strategic autonomy. Given the transformation of India's partnership with the U.S., which also sees New Delhi as a counterweight to China in the Indo-Pacific region, many expected India to give up its strategic autonomy and take a stand that aligns with that of the West. It did not happen. In this backdrop let us understand various aspects of 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. In its pure form, strategic autonomy presupposes the state in question possessing overwhelmingly superior power.
- This is what would enable that state to resist the pressures that may be exerted by other states to compel it to change its policy or moderate its interests.
- A country should formulate its foreign policy based on its national interests, not merely on moral commitments.

INDIA DEMONSTRATED STRATEGIC AUTONOMY?

- Continuing to trade with Russia despite severe sanctions imposed by the west.
- India has also evaded CAATSA restrictions to continue defence partnerships with Russia.
- Abstained from voting against Russia in all the resolution in UN and subsidiary bodies.
- At the same time, its maintaining close economic and military ties with USA
 - QUAD

- Foundational agreements (LEMOA, BECA, GSMOIA, COMCASA)

THE REASONS BEHIND INDIA'S RESPONSE:

The global order is witnessing rapid changes as indicated by

- Georgian War (2008)
- Annexation of Crimea (2013)
- American Withdrawal from Afghanistan (2021)
- Russian Invasion of Ukraine (2022)

Failure of the NATO to protect a close ally

- The reason Russia attacked Ukraine is because it thought that NATO would not be able to defend a country that was not a member of the alliance.
- That casts shadows on the "guarantee" provided to the close allies by the west in general and USA.

From Indian perspective there are three major players and several middle level players

- US: remains the world's pre-eminent power but with its ability to shape global geopolitical outcomes diminished.
- China: is rising fast and is seeking to blunt America's existing power and displace the American order at the global level.
- Russia: Although economically weak but in terms of land mass and military might, it remains a superpower.
- Of these three two are India's partners and one is a competitor.
- The question India (itself a middle power) faces is why it should take a side in a confrontation that is unfolding in Europe between two of its partners, which could eventually leave its competitor stronger. Here, neutrality is the best among the bad options.

US (and west) policy is not based in commitments towards moral values:

- The U.S.-led NATO have in the past chosen to unilaterally attack countries based on their desired geo-political objectives
 - Bombing of Yugoslavia in 1999 to establish USA as the only superpower
 - Invasion of Iraq in 2003 to reshape middle east politics
 - Destruction of Libya to curb its move to shun dollar-based transaction.
 - Hence the USA actions in the present crisis is similarly based on Geo-political calculations to weaken Russia.

India's national interests are not aligned with the approach of the USA

- India needs Russia not only for defence and energy purchases
- India needs Russia for geopolitical reasons.
 - India is as much a continental power as it is a maritime power.
 - While close ties with the U.S., Japan and Australia are important for India's maritime security and interests, ties with Russia, Iran and the Central Asian countries are important for its continental security and interests, especially after the U.S.'s ignominious withdrawal from Afghanistan.

India is not a client state of any great power (even client states have not joined the sanctions regime).

- It is not a member of any alliance system —
 - Quad (India, Australia, Japan and the U.S.) is not an alliance.
- Like any other country, India also retains the right to take policies based on pragmatic realism and its core national interests.

India has pursued similar strategies before:

- Soviet intervention in Hungary – 1957, Czechoslovakia (1968) or Afghanistan (1979), or the American invasion of Iraq (2003)
- Its response to Russia's invasion on Ukraine — condemnation of the civilian killings without any name calling, and abstention from UN votes — is not fundamentally different from this historically cautious neutrality.

India is not the only country pursuing this policy

- South Africa abstained from the UN votes that sought to condemn Russia.
- The United Arab Emirates, a close American ally in the Gulf that hosts thousands of U.S. troops, abstained from a vote in the UN Security Council.
- Israel, the U.S.'s closest ally in West Asia, condemned the Russian attack but refused to join the sanctions regime and said no to sending its defence systems to Ukraine.
- Turkey, a North Atlantic Treaty Organization (NATO) ally, did the same and is mediating between Ukraine and Russia.
- But none of these countries has come under the kind of pressure and public criticism from the West that India has.

Factors that constrain India's Quest for Strategic Autonomy

- Military dependence on Russia limits India's freedom of action under the doctrine of 'strategic autonomy'
- India's dependence on West Asia on Crude Oil imports.
- Despite considering China as an adversary, India's economic dependence on Chinese imports is increasing.
- Not being a permanent member of the UNSC also constrains India's role an important player in global peace and security affairs.
- Complex geographical reality with adverse neighbourhood on northern borders.
- Connectivity constraints in the continental part.

► UKRAINE WAR'S GEO-POLITICAL IMPACT ON INDIA

When war between Ukraine and Russia broke out, India's position on the war was being closely watched by the global community. However, after initial balancing act of India, it has been argued that India's strategic options are now shrinking in broader regional geo-politics due to decrease in Russian influence and increase in Chinese influence because of the war. So let us understand some challenges in front of India which have emerged because of Ukraine war.

RUSSIA – CHINA RELATIONS (AFTER UKRAINE WAR)

- Before attack on Ukraine, Russia tried to consolidate its relations with China. At bilateral summit in 2022 a month before the attack the two countries declared that their "friendship has no limits".
- This covers broad sections of bilateral, regional and international relationship between two countries.
- Russia which is still a considerable military and an important Eurasian power tried to hedge the Economic impact of the war by aligning with China. Thus, Russia which is still a considerable military power while China which a considerable Economic Power have aligned to counter the US and the West influence.
- Further, With the show of force in Ukraine, Russia has demonstrated its unique geopolitical weight as an indispensable player, without which neither the US nor China can win the competition against each other in the future.
- China's support for Russia stems from its need for importing the Oil and gas from Russia and securing its BRI investments in the sphere of influence of Russia. Further it wants to take sides with Russia to primarily undermine the US influence.

- Russia has already been opposing the US initiatives like AUKUS in the Indo-Pacific, while China is supporting the Russia against the Western pressures.
- However, potential points of conflict between Russia and China arise from their geographic prioritisation and overlapping geopolitical interests. Russian fears growing Chinese influence in Central Asia, Far East, and other traditional spheres of influence of Russia.

FACTORS THAT LIMIT GEO-POLITICAL OPTIONS OF INDIA

1. Russia as a key strategic partner is no longer available to India for balancing purposes because Russia is more dependent upon China's support for its war against Ukraine.
2. Russian focus on Ukraine issue has decreased its influence on Asia, while the Chinese influence has increased.
3. US and west Europe's focus has shifted away from China because of the Ukrainian issue.

CHALLENGES THAT INDIA NEEDS TO HANDLE

A) Increasing influence of China

- Chinese influence has increased in the Past decade owing to its economic prowess (Belt Road initiative, Cheque book diplomacy) and assertiveness witnessed under the present Chinese regime. Ex. South China Sea issue, Galwan valley attack.
- Ukraine war has reduced the focus of US and its partners on South Asia, thereby increasing the influence of China.
- Additionally, with jolt to Russian global image and its reduced global influence and USA's reduced focus on South Asia, their support in helping India in its pursuit of favorable geo-political outcome in the South Asia is decreasing.

B) Managing Russia China ties

- Due to adverse impacts of the war on Russian Economy, Russia's dependence of China is increasing.
- In such a scenario, in case of a skirmish along the LAC, India will have to look towards support from West, which is going to impact Russia's intent of seeking the Indian support during Ukrainian war. Thus, Russia would not want China to start a skirmish along the LAC with India. However, in return the China would want India to reduce its focus on the Indo – Pacific.

C) Calm in Kashmir and India's policy towards Afghanistan and Central Asian republics.

- India's policy towards Afghanistan and Central Asian republics will also be impacted.
- India kept itself disengaged from Afghanistan after the takeover of Taliban. Disengagement is being seen as a quid pro quo for peace along LOC by Pakistan.
- However, such a policy will further reduce strategic interest of India in the region. Only recently, India sent a team Joint secretary to take stock of humanitarian assistance India sent to Afghanistan.
- Increasing Chinese influence on Central Asian Republics and Afghanistan in backdrop of lack of attention by Russia.

INDIA'S APPROACH TO COUNTER CHALLENGES

- India is also taking various measures to counter the Chinese assertion and manage the impact of Ukraine war and international pressure on India's long term strategic partner Russia.
- Some of these measures include:
 - Outreach to Central Asian Republics via India – Central Asia Summit.
 - Recently, Quad meeting in Japan and announcement of Indo-Pacific Economic forum.
 - Recent visit of Indian Prime Minister to Europe was seen as India assuring its relations with Europe, since both have taken divergent views on issue of calling out Russian aggression in Ukraine.
 - India has been reaching out to countries in South Asia troubled by political and economic crisis like Sri Lanka, Maldives, Afghanistan, and Myanmar.

WAY FORWARD

Despite such steps the combined geopolitical impact of the ill-timed U.S. withdrawal from Afghanistan, Russia's Ukraine war, and rapid expansion of Chinese influence goes to show how India's geopolitical choices face challenges due to Ukraine war

► INDIAN OCEAN REGION

This is the region including countries situated in the border of Indian ocean and ocean itself. These countries are Australia, India, Indonesia, Bangladesh, Madagascar, Somalia, Tanzania, South Africa, the United Arab Emirates, and Yemen.

Indian ocean is the main trade route and joins Pacific Ocean, hence, becomes important for trade and Energy

supply of the world. That is why it has become focus point of all the nations.



IMPORTANCE OF THE REGION

Demographic dividend: Major portion of the world population and comparatively younger population resides in this region.

ECONOMIC SIGNIFICANCE

- **Privileged location:** Most of the world's goods trade and oil trade passes through this region and there are three important chokepoints in this region namely Strait of Hormuz – located between the Persian Gulf and the Gulf of Oman.
- **Growing Economies:** Economies of many Indian Ocean countries are growing rapidly and are attracting huge investments such as India, Malaysia, and Tanzania.
- **Abundant natural resources:** IOR is rich in natural resources and world's 40% oil exploration is done from this area only.
- It contributes nearly 15% in total fishing of the world.
- Many mineral and natural resources like iron, copper, Zinc, manganese, gold and silver are explored in this area only.

STRATEGIC IMPORTANCE

- **Influence of China:** China being a huge economy, plays role of a big investor, pushes its Belt and Road Initiative, giving huge loans to smaller countries like Sri Lanka, Maldives Kenya etc. There is a growing assertiveness of China in this region which is cause of worry for many nations.

- **Countering China:** US and other nation are trying to counterbalance China and that is why they are taking many initiatives in this region and are focusing on infrastructure development in the countries of IOR.
- India has also increased its activities in this region and is engaged in promoting cooperation and strengthening trade and investment ties. African countries are of focus now.
- **Security issues:** This region is home to many threats like piracy, illegal and unregulated migration, and presence of extremist and groups for example in Somalia, Bangladesh, and Indonesia.

First responder: Due to its strategic location and capabilities, India can play a pivotal role in this region specially during disasters and crises. Till now, it has played positive role and at the time of need has readily helped smaller countries of the region such as Maldives (Operation NEER), Sri Lanka, and Bangladesh etc.

Groupings and Forums: There many groups and forums in this region which are comprised of neighbouring countries such as:

- BIMSTEC – which represents Indian Ocean Countries. It aims to promote trade links.
- There are many regional groupings also in this region such as ASEAN, SAARC, GCC, and SADC etc. These countries have come together because of their interests which are more or less identical.

SIGNIFICANCE FOR INDIA

- **Location:** India is located at the Ocean's center and has a long coastline of almost 7,500 kilometers.
- **Security dimension to India's engagement:** Due to its long coastline India is always prone to terrorist attacks and security breaches. Smuggling, illegal fishing, and human trafficking are other major concerns.
- **Strategic Importance:** India is engaged in various connectivity projects and is trying to extend its reach such as Chahbahar Port Development in Iran and "infrastructure development rights" in Mauritius and Seychelles.
- **Economic significance:** India does most of its trade through this trade route and is heavily dependent on this route for its oil supplies.
- India explores resources of the Indian Ocean. Fisheries and aquaculture industries are major sources of exports.

- **Mineral resource extraction: India has exclusive rights** to explore the Central Indian Ocean and has the licenses for the Indian Ocean ridge. These have opened new opportunities for deep seabed mining.
- **Monsoon Mechanism:** The Indian Ocean plays an important role in keeping Monsoon mechanism in favor of India. La- Nina and El-Nino phenomenon occur in Indian Ocean and affect Indian Monsoon.
- **Foreign Policies:** Time to time India has formulated various Foreign policies to cater the needs of small countries of this region and has always promoted peace, cooperation and harmony with these nations.

MAJOR INITIATIVE IN THIS REGION

- **Security and Growth for All in the Region (SAGAR)**
 - SAGAR initiative was announced by PM Modi and aims to seek a climate of trust, respect for international maritime rules and norms by all countries, peaceful resolution of maritime issues and increase in maritime cooperation.
 - **Indian Ocean Rim Association (IORA)** is an inter-governmental organization, established in 1997. Objective behind it, is to strengthen regional cooperation and sustainable development in through its 22 Member States and 10 Dialogue Partners.
 - It focuses on issues including, seaport and shipping, maritime connectivity, port management and operations fisheries, aquaculture, marine spatial planning, ocean forecasting, blue carbon, and renewable energy.
- **Quad grouping:** India is an active member of Quad. U.S., Japan, Australia, and India, having regular consultations on their collective efforts for a free, open, and inclusive Indo-Pacific.
- **Indian Ocean Rim Association of Regional Countries (IOR-ARC):** Only Indian Ocean organization meeting at ministerial level with membership ranging across the entire Indian Ocean region. It focuses on promoting cooperation within this region.
- **Indian Ocean Commission:** Set up in 1982, it is inter-governmental organization that coordinates maritime governance in the south-western Indian Ocean. India's membership has been approved. It comprises Seychelles, Madagascar, Comoros, Mauritius, and Reunion Island.
- **Asia Africa Growth Corridor or AAGC** is an economic cooperation agreement between the governments of India, Japan, and multiple African countries.
 - The AAGC is set up to boost Development and Cooperation, Quality Infrastructure and Institutional Connectivity, Enhancing Capacities and Skills and People-to-People partnership among the member countries.
- **South Asian Association for Regional Cooperation (SAARC):** It was established in 1985 and aims economic and social development in the region. The member states are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. There is no provision of maritime cooperation in this.
- **Association of South-East Asian Nations (ASEAN):** Established in 1967 by Indonesia, Malaysia, Philippines, Singapore, and Thailand. Till now membership has given to Brunei, Cambodia, Laos, Myanmar, and Vietnam. ASEAN leaders decided three pillars of it, and these are ASEAN security community, an economic community and a socio-cultural community.
- **ASEAN Regional Forum (ARF):** it is comprised of 27 countries, of which ten are ASEAN members and 17 'partner states'. It ensures security discourse between Asian states and provides the opportunity to discuss regional security issues and develop cooperative measures to enhance peace and security in the region.
- **Arab League, or League of Arabian States:** The league was formed in Cairo in March 1945 and is the regional organization of Arab states in the Middle East and North Africa. Its currently has 22 members. Its main objective is to "draw closer the relations between member states and co-ordinate collaboration between them, to safeguard their independence and sovereignty, and protect the interests of the Arab countries.
- **Indian Ocean Naval Symposium (IONS):** This initiative tries to increase maritime co-operation among navies of the littoral states of the Indian Ocean Region. Its objectives are to expand it to the next level of cooperation, create allied maritime agencies, establish a high degree of interoperability, share information to overcome common trans-national maritime threats and natural disasters, and maintain good order at sea. There are currently 35 members.

CONCERNS

- **India playing it safe:** Joining of QUAD by India signals that it continues to practice strategic ambivalence in the Indian Ocean.
- India is playing safely and hence kept Australia out of Malabar exercises because it does not want to antagonize China.
- **India as a "Net Security Provider":** Currently, India is not capable of proving security to the whole region.
- **Chinese challenge:** Chinese army and Navy are increasing their presence in this region and it raises security alert for India and other small nations.
- **China and West: Considering its rivalry with West, China is trying to obtain long term relationship in this region, so that it can become bigger than western powers in this region.**
- **Less spending by India:** India's expenditure on Navy is very less than other major powers. In this way it will be difficult to gain superiority over other powers.
- For Australia advocates for a 'free and open Indo-Pacific' establishing a regional architecture with fellow democratic countries to help in maintaining the 'rules-based order.'
- For a 'free, open and inclusive Indo-Pacific,' refers to a multipolar regional order. India wants to secure its strategic autonomy, project its own leadership ambitions and

WAY FORWARD

- India is in the list of top economies and is growing rapidly.
- The island nations are badly hit due to covid-19, where India shall act as a friend in need: it will have to - be the first responder and provide security and support to the countries to get back their support in future.
- Delhi is seeking for a balance between its "Act East" and "Look West" visions. The consolidation of its IOR vision will be crucial for straddling its two subtly variants visions for the two ends of the Indo-Pacific seaboard.

To counter China:

- Rather than competing with China, India should continue a goodwill factor approach and must gain support and control in this region.
- India must take necessary steps to increase investments in its navy.

► INDO-PACIFIC GEOPOLITICS

The term Indo-Pacific which was first used in geopolitical context by an Indian Navalist in a journal article. It was later used by Japanese Prime Minister Shinzo Abe's speech in the Indian Parliament titled "Confluence of the Two Seas" in 2007.

The term Indo-Pacific found its place in India's official communiqués 2014 & recently Ministry of External Affairs has established an Indo-Pacific division within the ministry, considering India's growing interests within that region.



FREE & OPEN INDO-PACIFIC

- Assertion for Free and Open Indo-Pacific by major powers can be considered a reaction to militarisation of waters in Indo-Pacific, South China Sea (SCS) in particular, and emergence of Chinese economy and military across Asia & Africa. The assumption is that "freedom of navigation" is being or might be constrained by increased military presence in the SCS by China's navy. It is worth noting that China continues to support the freedom of commercial shipping in the seas of the Indo-Pacific.
- There is a fear among ASEAN members that Indo-Pacific is becoming a closed region due to major power rivalries including India, China, US and Japan and therefore ASEAN intends for a free and open Indo-Pacific.
- As per Japan, the "Free and Open Indo-Pacific Strategy" seeks to improve "connectivity" between the Pacific and the Indian Oceans. In pursuit of this, Japan aims to strengthen strategic collaboration with India, the US and Australia.
- The US vision of a free and open Indo-Pacific has three components - economic, governance and security. The US seeks greater economic engagement

with countries of the Indo-Pacific, maintenance of international law in Indo-Pacific region and primacy of U.S. navy and not of China in the region.

INDIAN VISION OF INDO-PACIFIC

- India put forth India's vision of the [Indo-Pacific at the Shangri La dialogue, 2018](#). The view was consistent with the overall norms enunciated by regional powers, including the US, Japan, Australia and Indonesia with the emphasis on ASEAN centrality in Indo-Pacific.
- India has [asserted that it will not take sides but chooses the side of values and principles](#) which are commonly embraced with ASEAN based upon as Free & open Indo-Pacific.
- India is evolving its regional role to encompass the Indo-Pacific and Eurasian region to ensure a balanced multipolar world
- India would [continue to maintain its strategic autonomy irrespective of the prevailing geo-politics to ensure stability in power relations in Asian region among the great powers](#)
- India [will not be a part of closed group of nations or aggregate Indian power in any bloc](#) and India's friendship with any nation should not be misconstrued as an alliance
- India's growing engagement in the Indo-Pacific region should not be considered anti-China.
- India [continues to maintain multi-literalism as form of foreign policy engagement](#) with parallel interactions (E.g., SCO & Quad) based on respective common mutual interests.

DIFFERENCE IN VISION WITH OTHERS

- Japan is primarily focused upon South China Sea, while India's security is focused primarily towards Bay of Bengal and to Arabian Sea.
- US does not follow ASEAN centrality in Indo-Pacific architecture. It has aligned with UK and Australia to form AUKUS which is a military partnership focusing on transfer of Nuclear submarine technology to Australia.
- Chinese military installations have expanded towards Arabian Sea and Bay of Bengal but India has not done similarly in South China and East Asia Sea.
- India intends to become both a maritime & continental power in Asia, but Japan and USA are focused on maritime capability.

- Major powers have constituted military alliances in Indo-Pacific region, but India has chosen not to indulge in military alliances.

► INDIA AND INDO PACIFIC

With rise of China, India's Foreign policy seems to focusing on strategic and military considerations which is visible in its collaboration with USA and renewed focus on Indo-Pacific and the Quadrilateral security dialogue. However, there are differences in the understanding of the concepts of Indo - Pacific and the Quadrilateral grouping. Further there are hurdles in India's strategy with regards to the Indo-Pacific and the Quad. So let us understand, the issues faced by India and what should be India's approach to clearly outline its interest in the Indo-Pacific and the Quad.

Indo - Pacific vs Quad: Indo-Pacific is a grand politico-economic vision while Quad is a forum for common issues in the region concerning India, U.S., Australia and Japan.

SIMILARITIES IN INDO-PACIFIC AND THE QUAD

- Quad members are major States in Indo-Pacific region, and both Quad and Indo-Pacific constructs are focused on China.
- They are also in some ways centred around India's geographic location and its policies.

DIFFERENCES

- The Indo-Pacific provides a complex political and economic construct aimed challenging China strategically. The Quad on the other hand is inherently more anti-China in character and intent.
- The Indo-Pacific has subtle anti-China undertones. But the Quad's ability to succeed would entirely depend on China — the more aggressive China gets, the more resolute the Quad countries would be in strengthening it.

HURDLES IN INDIA'S STRATEGY

- For a politico-economic construct such as the Indo-Pacific to survive, [there must be strong economic partnerships and linkages among its members](#).
- Merely focusing on strategic talk will not work.

INDIAN ECONOMIC ENGAGEMENT WITH INDO-PACIFIC

- India's recent decision not to join Regional Comprehensive Economic Partnership (RCEP), region's flagship free trade arrangement, could potentially complicate its future engagements in the region.

- There is huge gap between India and China on trade with every Indo-Pacific country.
- This growing trade gap that India and China have with these countries will be a major determining factor in shaping the region's strategic realities.
- Further India's decision not to sign on to the RCEP also needs to be viewed in the broader context of the Chinese institutional engagement of the region.
- India does not have FTAs with New Zealand, the U.S., Bangladesh and the Maldives. It has FTAs with South Korea, the Association of Southeast Asian Nations, or ASEAN, Japan and Sri Lanka.
- In the case of China, it has FTAs with all these countries barring the U.S.
- This shows that economic compulsions will go a long way in shaping strategic realities for a variety of reasons including that trade with China is crucial for the economies of these States.
- Thus, strategic talks need to be aligned with the economic realities for the success of the Indo-Pacific.

MILITARY ENGAGEMENT

- Even on this front India lags China.
- China is a major defence supplier to several region's States including Bangladesh, Myanmar, Sri Lanka, Indonesia, Malaysia, the Philippines, and Thailand.
- While India has minimal sales, defence dialogues and occasional joint military exercises in the region. However, India's decision to supply Brahmos to Philippines is a step in the right direction.

WAY FORWARD

- India's role in the Indo-Pacific will remain limited if it does not prove to be a major economic partner to these States.
- But given the economic slowdown in India today in the wake of COVID-19 and the Ukraine crisis led global slowdown (compared to the much better place that China is in), India's ability to economically engage with the region remains limited.
- On the military-strategic side too, India's performance in the region is less than desirable.
- Further, it is said that the only way forward for India is a regional strategic alliance with the US.
- But given the hangover its Non-alignment principles and Material constraints India will need fresh mindset to do so.

► QUAD SUMMIT

*Recently, second in-person leaders' meeting of the Quad took place in Japan. Quad which was a strategic and theoretical grouping to ensure **Free and Open Indo-Pacific** has undergone transformation by focusing on more specific areas like - Covid, technology, climate change and infrastructure, space and cybersecurity. In this context let us try and understand various aspects of the Quad in detail.*

RELEVANCE OF THE RECENT MEETING

- **Overlooked differences:** Joint statement did not mention the Russia Ukraine war despite the difference in stance of the member countries.
- **Reassurance of US to Eastern Partners:** Participation of US President highlights that despite US's focus on War in Europe, it is not losing focus on Asia and the Indo-Pacific.
- **Indirectly calling out Chinese overtures:** Although China's name did not appear in the Joint statement, the member countries in an indirect reference resolved to oppose coercive and unilateral measures that "seek to change the status quo and increase tensions in the area, dangerous use of coast guard vessels and maritime militia, and efforts to disrupt other countries' offshore resource exploitation activities."
- **Indo - Pacific Economic Framework:** Highlights the economic strategy of the US towards the Indo-Pacific. Strategically, it is significant because 7 of 10 ASEAN countries and 11 out of 15 of the countries that form Regional Comprehensive Economic Partnership (RCEP) took part in the launch.

BROAD AREAS OF AGREEMENT

- **Strategic:** Strategically, it is seen as a **non-defence non-military arrangement**. US has created a parallel AUKUS as a military partnership involving UK and Australia. Further the MALABAR exercises have the same membership as Quad, but it does not take place under the Quad.
 - **Agreed upon an Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA)** which will collate satellite imagery from Centers in India, Singapore, Vanuatu and Solomon Islands to offer near-real-time, integrated, and cost-effective maritime mapping- and track dark shipping, piracy and provide disaster relief in Indian Ocean, Southeast Asia and Pacific Ocean.

- Agreed to form a **Quad Cybersecurity Partnership** and to coordinate more closely on **Space observation programs and share information gathered**.
- **Infrastructure:** Quad countries announced they will seek to extend more than \$50 billion of infrastructure assistance and investment in the Indo-Pacific, over the next five years.
- **COVID and Health:** Agreed to continue to donate vaccines, where about a fifth of what had been promised, 265 million of 1.2 billion, vaccines doses have been distributed thus far.
- **Critical Technologies**
 - MoU on 5G Supplier Diversification.
 - Common Statement of Principles on Critical Technology Supply Chains for semiconductor supplies
 - Cooperation on Open RAN (Radio Access Networks)

LIMITATION OF QUAD

- **Infrastructure funding** to the tune of \$50 billion over a period of five years, **is very less compared to \$54 bn funded by US to Ukraine in past three months**.
- **IPEF** is being touted as a challenge to the CPTPP and RCEP **is not in the nature of trade deal but just a framework, whose finer details are yet to be finalized**.
- **No Quad level military to military arrangements** yet the rhetoric is increasingly one of countering China in South China Sea.
- Most Ocean data sharing, Space and Cyberwarfare cooperation are **coordination arrangements- and do not actually fund or build new initiatives yet**.
- US funding of a facility that has not yet produced any vaccines for Quad, and Johnson and Johnson, that has been named in Quad joint statement has not received an indemnity waiver in India, and its US authorisation has been limited.
- India has difference with other members on the issue of Russian aggression.
- On the issue of China, all members have stayed away from directly naming China in the Joint statement.
- On Taiwan, while all other Quad members appealed for Taiwan to be included as an observer at World Health Assembly, India did not.
- Parallel arrangements like AUKUS and 'Partners in the Blue Pacific' (US and its allies — Australia, New

Zealand, Japan and the United Kingdom) will have impact on Quad's primacy in the Indo-Pacific.

► PARTNERSHIP FOR GLOBAL INFRASTRUCTURE AND INVESTMENT

U.S along with other G7 countries has unveiled the ambitious Partnership for Global Infrastructure and Investment (PGII), announcing collective mobilisation of \$600 billion by 2027 to deliver "game-changing" and "transparent" infrastructure projects to developing and middle-income countries. Indian Prime minister attended the G7 summit on invitation of Germany. In this context let us understand the different dimensions of this initiative and how does it compare with the Belt Road initiative of China.

ABOUT PGII

- PGII is being seen as G7's counter to China's multitrillion-dollar **Belt and Road Initiative** to build connectivity, infrastructure, and trade projects in Asia, Europe, Africa, and Latin America.
- US, along with G7 partners i.e., UK, Japan, France, Canada, Germany, Italy, and European Union, had in 2021 announced the launch of **Build Back Better World (B3W)** initiative aiming to narrow the \$40 trillion infrastructure gap in the developing world.
- According to White House, it will be values-driven, high-impact, and transparent infrastructure partnership to meet the enormous infrastructure needs of low and middle-income countries and support the United States' and its allies' economic and national security interests.
- G7 members aim to collectively mobilise \$600 billion by 2027 to invest in sustainable and quality infrastructure projects in developing countries, including India, and strengthen global supply chains.

PROJECTS UNDER PGII

- All PGII projects will be driven by four priority pillars:
 - Tackle climate crisis and ensure global energy security through clean energy supply chains.
 - Bolstering digital information and communications technology (ICT) networks facilitating technologies such as 5G and 6G internet connectivity and cybersecurity.
 - Advance gender equality and equity.
 - Build and upgrade global health infrastructure.

PROJECTS ALREADY FUNCTIONING UNDER THE AMBIT OF PGII

- U.S International Development Finance Corporation, along with G7 nations and EU are disbursing a \$3.3 million technical assistance grant to build a vaccine facility in Senegal, having a potential yearly capacity of manufacturing “millions of doses of COVID-19 and other vaccines”.
- European Commission’s Global Gateway Initiative is undertaking projects supporting PGII such as mRNA vaccine plants in Latin America and a fibre-optic cable linking Europe to Latin America etc.
- In India, U.S. DFC will invest up to \$30 million in Omnivore Agritech and Climate Sustainability Fund, an impact venture capital fund that invests in entrepreneurs building the future of agriculture, food systems, climate, and rural economy in India.

COMPARISON OF BRI VS PGII

Area of Focus	Belt Road initiative	Partnership for Global Infrastructure and Investment
Objective	<ul style="list-style-type: none"> • Started to revive connectivity, trade, and infrastructure along China’s ancient Silk Road. • Building a Silk Road Economic Belt on Land and a maritime 21st century Silk Road. 	G7 meanwhile has specifically touted PGII as a values-based plan to help underfunded low & middle-income countries meet their infrastructure needs.
Climate Change and Clean Energy	China has built large coal-fired plants under BRI along with solar, hydro, and wind energy projects.	PGII has laid focus on climate action and clean energy
Funding Amount	China’s overall funding for BRI could reach \$1.2 to 1.3 trillion dollars with actual funding being higher.	G7 has pledged \$600 billion by 2027
Funding	Majorly state	large private

type	financed.	capital will be also mobilised
Debt trap	Criticised for Debt Trap Diplomacy of China.	G7 has emphasised ‘transparency’ as the cornerstone of PGII projects
Loans	China builds BRI’s projects by extending large, low-interest loans to countries that must usually be paid over 10 years.	Aims to build projects through grants and investments.
India's Participation	India opted out of China’s BRI, being wary of China’s aim to increase its influence in Indian Ocean Region by roping in Pakistan as a major BRI recipient and over sovereignty concerns as CPEC passed through Gilgit region.	A PGII project has already been announced in India

► INDO-PACIFIC ECONOMIC FRAMEWORK

At a time when the world politics is focused on the Ukrainian crisis and when it was being felt that the US and the big powers have moved their focus away from the theatre Indo-Pacific, US announced the Indo-Pacific Economic Framework Initiative that seeks to increase economic collaboration in the Indo-Pacific. In this context, let us try understanding the key aspects of this initiative which was announced at the Quad Summit recently held in Japan.

CONTEXT OF FORMATION

- In the backdrop of US withdrawal from the **Trans-Pacific Partnership** under Donald Trump, there has been concern over the **absence of a credible US economic and trade strategy to counter China’s economic influence in the region.**
- China is already an influential member of RCEP in the region and has applied to join the Comprehensive

and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which is the child of TPP after the US declined to join it. As such the US is projecting IPEF as the new US vehicle for economic re-engagement with East Asia and Southeast Asia.

- The US President first talked about it at the at the October 2021 East Asia Summit. It has been launched at present Quad summit 2022.

ASPECTS OF IPEF	HIGHLIGHTS
Four Pillars	(i) Trade (ii) Supply chain resilience (iii) Clean energy and decarbonisation (iv) Taxes and anti-corruption measures.
Objective	To “advance resilience, sustainability, inclusiveness, economic growth, fairness, and competitiveness” in these economies.
Members	Australia, Brunei, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand and Vietnam. Together, these countries account for 40% of global GDP.
How a country becomes a member?	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 enrol.
How the Framework Works	<ul style="list-style-type: none"> • U.S. Trade Representative (USTR) will be spearheading the trade pillar, • Supply chain resilience, clean energy and decarbonisation, and taxes and anti-corruption measures will fall under the purview of the U.S. Department of Commerce.
Key areas of Cooperation	<ol style="list-style-type: none"> 1. Trade Pillar: To establish “high-standard, inclusive, free, and fair-trade commitments” to fuel economic activity and investments benefitting both workers and consumers. 2. Digital Trade Pillar: Incorporates not just the purchase and sale of goods online but also data flows that enable the operation of global value chains and

	<p>services, like smart manufacturing, platforms and applications</p> <ol style="list-style-type: none"> 3. Supply chain resilience Pillar: The framework aspires to secure access to key raw and processed materials, semiconductors, critical minerals and clean energy, tech, particularly for crisis response measures and ensuring business continuity 4. Clean energy, decarbonisation and infrastructure Pillar: In line with the Paris Agreement, provide technical assistance and help mobilize finance, including concessional finance, to improve competitiveness and enhance connectivity by supporting countries in the development of sustainable and durable infrastructure for adopting renewable energy. 5. Tax and anti-corruption Pillar: Aimed at promoting fair competition by enforcing robust tax, anti-money laundering and anti-bribery regimes in line with existing multilateral obligations, standards and agreements to curb tax evasion and corruption in the region.
Pros	<ul style="list-style-type: none"> • A new US vehicle for economic re-engagement with East Asia and Southeast Asia. • It would help in countering China dominated Regional Comprehensive Economic Partnership (RCEP) and other regional trade initiatives like Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Digital Economic Partnership (DEPA) (A new type of trade agreement to facilitate digital trade and creating a framework for the digital economy, was born out of the common interest of Chile, New Zealand and Singapore) of which US and India are not a party. • Would help U.S. companies that are looking to move away from manufacturing in China. • It is significant that 7 of 10 ASEAN countries and 11 out of 15 of

	<p>countries that form RCEP took part in the launch.</p> <ul style="list-style-type: none"> Signifies first multilateral attempt to boost supply chain resilience to ease global inflationary pressures and mitigate effects of future disruptions, particularly key raw materials, critical minerals, and semiconductors.
<p>Challenges</p>	<ul style="list-style-type: none"> IPEF is not a traditional trade agreement. It would include different modules covering “fair and resilient trade, supply chain resilience, infrastructure and decarbonization, and tax and anticorruption.” Countries would have to sign up to all the components within a module, but do not have to participate in all modules. The “fair and resilient trade” module will be led by the US Trade Representative and include digital, labour, and environment issues, with some binding commitments. IPEF will not include market access commitments such as lowering tariff barriers, as the agreement is “more of an administrative arrangement,” and Congressional approval, which is a must for trade agreements, is not mandatory for this. Critics suggest it would be security, and not economics, which will drive U.S. trade engagement in the region. Exclusion of U.S. ally Taiwan from the arrangement, despite its willingness to join, exhibits USA’s geopolitical caution to call out China. Despite Taiwan being eligible on economic merit.
<p>Concerns for India</p>	<ul style="list-style-type: none"> US’ preference to allow free and open data flows under digital economy pillar will constrict India’s ability to regulate data for domestic purposes. India might be reluctant to sync its tax policies with the push for a global tax standard amongst US partners to

	<p>mitigate tax avoidance and evasion.</p> <ul style="list-style-type: none"> Labour Standards and non-Tariff barriers will remain a bone of contention for India.
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► INDO-PACIFIC MARITIME DOMAIN AWARENESS INITIATIVE

Quad members floated this initiative at the Tokyo summit, which will collate satellite imagery from Centres in India, Singapore, Vanuatu and Solomon Islands to offer near-real-time, integrated, and cost-effective maritime mapping and track dark shipping, piracy and provide disaster relief in the Indian Ocean, Southeast Asia and Pacific Ocean. Let us understand the important aspects of this initiative.

INDO-PACIFIC MARITIME DOMAIN AWARENESS INITIATIVE (IPMDA)

- Quad members India, Japan, Australia, and US signed IPMDA, a maritime security initiative meant to monitor and tackle illicit fishing activities, dark shipping, and other tactical activities in the Indo-pacific region.
- Will allow member countries to monitor illegal fishing, track “dark shipping” and other tactical-level activities.
- Dark ships are vessels with their Automatic Identification System (AIS), a transponder system, switched off so as not to be detectable.
- This crucial maritime pact between Quad member countries will enhance security apparatus of Indo-Pacific region.
- This initiative will transform ability of partners in Pacific Islands, Southeast Asia, and Indian Ocean region to fully monitor the waters on their shores and, in turn, to uphold a free and open Indo-Pacific.
- Aims to combat China in its expansionist ambitions in South and East China Sea where country’s fishing practices have long been called out for being opaque, vast and at times, illegal.
- In addition to IFC-IOR, other existing regional fusion centers that will be integrated are IFC based in Singapore; Pacific Islands Forum Fisheries Agency based in Solomon Islands & Pacific Fusion Center based in Vanuatu, both of which receive support from Australia.

CONSTRAINTS THAT HINDER INDIA’S MARITIME ROLE

- Infrastructure:** Despite requests from various countries to post international liaison officers (ILO) at

the Indian Navy's Information Fusion Centre-Indian Ocean Region (IFC-IOR), India has not been able to do that because of the infrastructure constraints. A proposal for expansion has been pending with the Defence Ministry for two years.

- o ILOs bring to the table one's local expertise which Indian authorities are not aware of and help in building linkages with various agencies in their home countries.
- The initiative will lose steam if not acted upon immediately as countries will lose interest.
- It is not just important to have ILOs in India, but also equally important that Indian Navy officers be posted at similar centers in other countries.
- Proposals to post Indian naval liaison officers (LO) at Regional Maritime Information Fusion Centre (RMIFC), Madagascar, and Regional Coordination Operations Centre, Seychelles, have been pending for more than two years.
- India joined Indian Ocean Commission (IOC) as an observer in 2020 and proposal to send an LO to RMIFC has been pending since.
- Another proposal to post an LO at European-led mission in Strait of Hormuz (EMASOH) in Abu Dhabi has also not been approved so far.

Indian Navy's Information Fusion Centre-Indian Ocean Region (IFC-IOR)

- Set up in 2018, is located within the premises of Information Management and Analysis Centre (IMAC) in Gurugram and currently has 12 ILOs posted there.
- India has signed white shipping exchange agreements with 22 countries and one multi-national grouping.
- As opposed to dark shipping, White shipping information refers to exchange of relevant advance information on the identity and movement of commercial non-military merchant vessels.

► AUKUS SECURITY PARTNERSHIP

USA, UK and Australia have formed a security partnership in Indo-Pacific with an aim to counter Chinese aggression. This group has been created in addition to already existing collaborations like QUAD, 5 eyes alliance etc. In this backdrop let us understand the various dimensions of AUKUS and its implications on the geo-politics of Indo-Pacific.

OBJECTIVES OF AUKUS

Aims to ensure that there will be enduring freedom and openness in the Indo-Pacific region.

SALIENT FEATURES

- Complements several pre-existing similar arrangements for the region, including the Five Eyes intelligence initiative, ASEAN, and the Quad.
- Proposes to transfer technology to build a fleet of nuclear-powered submarines for Australia within 18 months.
- Australia will become only the second nation, after the U.K., that the U.S. has ever shared its nuclear submarine technology with.

AUKUS	QUAD
AUKUS is a military alliance	QUAD is not a military alliance; it is a diplomatic alliance
AUKUS specifically will deal with the security and military situation in the Indo-Pacific region	QUAD focuses on the affairs of the whole world
It is a pact to protect the Indo-Pacific from China's dominance and shield the post-1945 global order	QUAD has an agenda of its own that suits shared interests of all the members.
Both the groups have a common interest in protecting the Indo-Pacific region from China's dominance over other nations.	

DIFFERENCES BETWEEN QUAD AND AUKUS

- AUKUS is a military alliance, whereas QUAD is not, it is a diplomatic alliance. QUAD discusses diplomatic and global issues along with a security dialogue. AUKUS only focuses on military developments, as significant from their first project, where UK & US are helping Australia to acquire a nuclear-powered conventionally armed submarine fleet. However, QUAD focuses on multilateral issues ranging from economic discussions, security affairs & global affairs. Ex. vaccines, Afghanistan situation etc.
- AUKUS specifically will deal with security and military situation in Indo-Pacific region, however, QUAD focuses on multifaceted issues, Ex in 2021 meet -- they discussed the COVID-19 situation, vaccines, and climate change.
- AUKUS trilateral military pact to protect Indo-Pacific from China's dominance and shield post-1945 global

order. However, QUAD has an agenda of its own that suits shared interests of all the members.

SIMILARITIES BETWEEN QUAD AND AUKUS

- Both groups have a common interest in protecting Indo-Pacific region from China's dominance. India, Japan and US continue to hold joint naval & military exercises (MALABAR). Thereafter, QUAD was revived with Australia re-joining alliance to counter China militarily and diplomatically in South China Sea. In 2021, QUAD declared a shared vision for a Free and Open Indo-Pacific, thus countering China's aggression in the region.
- Leaders of all four QUAD nations became more aligned in their common interests regarding China's assertive attitude in the Indo-Pacific in 2021 and are inclined to establish a productive collaboration.
- The first project of AUKUS will be to help Australia acquire a nuclear-powered conventionally armed submarine fleet. The three heads of state reaffirmed their intention to continue to work with their allies and groupings in tandem with AUKUS, with the QUAD being mentioned by Morrison and Biden, though they were not specific on details.

HOW AUKUS AUGMENTS QUAD?

- AUKUS [reassures US allies of its commitments](#) in the Indo - Pacific.
- AUKUS is a [shot in arm for larger Indo-Pacific agenda](#) of which India, U.S., Japan, Australia, among others, are key partners.
- AUKUS [augments aim of QUAD](#) of keeping the Indo-Pacific region free, open and inclusive.
- AUKUS has ventured where the Quad has been reluctant to make forays into — [military domain](#)
- AUKUS fills the vacuum created by the reluctance of Quad to be seen as an anti-China military alliance.
- It will augment the capacity of the Quad of which both the US and Australia are members
- It is a first of its kind defence initiative of the US in the Indo - Pacific.
- AUKUS might [Make Quad grouping relatively more palatable to ASEAN.](#)

HOW AUKUS IMPACTS INFLUENCE OF QUAD?

- Unlike AUKUS Quad does not have a clearly outlined agenda and activities.
- It is not a formal organization and does not have any formal structure.

- It might end up becoming a mere deliberative forum.
- Quad members have security/military considerations in mind *vis-à-vis* China, however they have been reluctant to make it an agenda in the summits.
- Members have shown little interest in properly institutionalising the Quad.
- In the larger scheme of Indo-Pacific, AUKUS can become its security/military arrangement, while Quad might merely be a talk shop.
- With India facing challenges in its continental neighbourhood and its increasing focus on Indo-Pacific, AUKUS can overshadow the potential of Quad which is important for India.

BENEFITS OF AUKUS FOR INDIA

1. [Strengthens India-Australia relations](#)

- Aims at improving defence capabilities of Australia which is a strategic partner of India.
- India & Australia recently held their first round of 2+2 dialogue to deepen their defence & strategic ties.
- In 2020, India and Australia had signed a defence pact — [Mutual Logistics Support Agreement.](#)
- Besides, India is going to participate in Australia's biggest wargame, Talisman Sabre, in 2023. US is already part of it.

2. [Augments Quads capability](#)

- Augment capacity of Quad of which both US and Australia are members.
- This is a first of its kind defence initiative of the US in the Indo - Pacific since Quad has not clearly outlined its defence motives clearly.
- AUKUS is beneficial for India because it reflects continued & intensifying US-Australian concerns about China.
- Bolster both Australian and American ability to deter China or to respond in the event of a crisis. Thus, supplements Quad's efforts.

3. [Clarifies role of Big Powers in Indo - Pacific](#)

- Indian policymakers have gone from worrying about too much US presence and interest in Indian Ocean to worrying about Washington paying too little attention to this region. AUKUS could ease this concern.
- AUKUS conveys the U.K.'s seriousness about its tilt to the Indo-Pacific.
- Signals a change in UK's assessment of China.

- AUKUS rollout gives India an opportunity to boost diplomatic, defence & trade ties, particularly with France. France will probably double down on its efforts to secure arms deals with India—for commercial and political economic reasons and maybe even to get one over on the U.S.
- France's reaction to AUKUS could make it more willing and able to help India attain nuclear-powered submarines in addition to or in place of Russia.

CHALLENGES FROM AUKUS FOR INDIA

- Tussle between AUKUS nations & France discourages consensus on larger issue of rise of China.
- France's discontent feeds China's narrative about U.S. unreliability.
- Despite India's increasing collaboration with US, India did not get the offer that US has offered to Australia under AUKUS.
- Creation of AUKUS signals a dilution of USA's interest in India, in its Indo – Pacific strategy.
- Shrinks potential space available for Quad, and India, to play a serious role in region's security architecture.

ANALYSIS OF AUKUS

- US treatment of Afghanistan & France raises questions about American reliability as a partner.
- India not getting offer that US has offered to Australia under AUKUS has raised concerns of America's support to India's defences.
- AUKUS signals a dilution of interest in India or Quad, particularly in USA's Indo-pacific strategy.
- AUKUS might weaken strategic cooperation under Quad and reduce quadrilateral grouping to dealing with just climate change, COVID vaccines.
- India has itself been reluctant to visibly securitize Quad. Quad has collectively decided to focus on areas that help build resilience in the region and demonstrate that grouping can deliver practical solutions to regional problems. Security dimension of Quad is clearly visible in the MALABAR naval exercise which has the same participants as the Quad.
- However, it has been argued that AUKUS could actually help Quad. It could even take some pressure off the grouping, by attracting Chinese ire. It might make the four-country grouping relatively more palatable to ASEAN in comparison.
- AUKUS could reduce pressure on India and Japan to undertake commitments on defence and security

front that they are unable or unwilling to sign on to. This potentially increases the freedom of action—or strategic autonomy—of these members and other like-minded countries in the region.

► ONE-CHINA POLICY & TAIWAN ISSUE

US Speaker of House of Representatives visited Taiwan. This visit was opposed by China. China pointed to take violent measures against the visit. China believes that the visit will compromise 'One China Policy'. One China Policy refers to US and larger world's recognition of sovereign rights of China over Taiwan.

BACKGROUND

- Present day China is Known as People's Republic of China, while Taiwan is Known as Republic of China.
- RoC was declared on December 29, 1911 under leadership of Dr Sun Yat-sen, founder of Kuomintang (KMT) Party.
- Under leadership of General Chiang Kai-shek, a civil war started between Chinese communist Party and KMT resulting in victory of the former, which led to retreat of KMT to Taiwan, while Communists taking control of Mainland China(PRC).
- Since 1949 PRC believes that Taiwan must be reunified with the mainland.
- During the cold war RoC was the only 'China' recognised at the UN until 1971.
- US inaugurated ties with the PRC and finally PRC was recognised as the actual China replacing Taiwan.
- US backs Taiwan's independence but officially subscribes to PRC's "One China Policy", which means there is only one legitimate Chinese government. Thus, Taiwan is not part of any international organisations where sovereignty is a condition.
- Ukraine war, rise of China and US led initiative of countering China especially in the Indo-Pacific region has increased the focus on Taiwan.
- Scholars argue that in recent years, US has diluted its 'One China' policy and taken up a ambiguous stance over the issue.

IMPORTANCE OF TAIWAN

- One of the most important manufacturers of silicon chips which are bedrock of modern electronics industry. (TSMC)
- Access to Taiwan will increase the EEZ of China giving access to critical marine resources.

- Access to Taiwan will increase Chinese Navy's reach significantly.
- China considers Taiwan as one of its' core national interest issues.
- Taiwan has been important manufacturing and industrial centre in East Asia.

INDIA AND TAIWAN

India has been following the One China Policy with regards to the issue of Taiwan and Hong Kong. However, in the context of turbulence in India China relations owing to the Galwan Valley clash there has been a call for reviewing the One China policy that India has followed till date.

ONE CHINA POLICY AND INDIA

- Communist Party of China (CPC) , after it occupied mainland China in 1949, pushing out then ruling Kuomintang Party to Formosa, now known as Taiwan, communist regime came up with One China policy.
- It staked claim on a much bigger territory of Tibet, then under a Buddhist order government with practically no military, besides Taiwan.
- China occupied Tibet by 1950 and consolidated its military stranglehold on the region through the decade.
- It has been aiming to capture Taiwan since then but in the face of global opposition, China has not dared to carry out its designs across the Formosa Strait in the South China Sea.
- India was among the first countries to recognise communist rule in China. Through the 1954 Sino-Indian Trade Agreement, India also acknowledged Chinese control of Tibet.
- India's support to One China policy remained in limbo until 2003. It was during this intervening period that China built its south Tibet claim over Arunachal Pradesh.
- In 2003, then Prime Minister Atal Bihari Vajpayee - heading another BJP-led NDA government - signed a joint declaration with his counterpart Wen Jiabao in Beijing. This declaration recognised that the Tibet Autonomous Region is part of the territory of the People's Republic of China.

INDIA - TAIWAN RELATIONS

- Diplomatic relations have improved between India and Taiwan since 1990s, but they do not have official diplomatic relations.

- India recognises only the People's Republic of China (in mainland China) and not the Republic of China's claims of being the legitimate government of Mainland China, Hong Kong, and Macau.
- However, Taiwan views India's rising geopolitical standing as a counterbalance to the PRC's dominance in the region.
- As a part of its "Look East" foreign policy, India has sought to cultivate extensive ties with Taiwan in trade and investment and cultural ties.
- India-Taipei Association was established in Taipei in 1995 to promote non-governmental interactions between India and Taiwan.
- In 2002, the two sides signed the Bilateral Investment Promotion & Protection Agreement.
- In 2019, India - Taiwan trade volume was US\$7 billion, growing at a rate of 20% year on year.
- Major Taiwanese exports to India include integrated circuits, machinery and other electronic products. India is also keen to attract Taiwanese investment particularly in hi-tech and labour-intensive industries. More than 80 Taiwanese companies and entities currently have a presence in India.

CHANGE IN STANCE OF INDIA

- In 2020, two members of Indian Parliament virtually attended newly elected President Tsai's swearing in ceremony and praised Taiwanese democracy, thereby sending what some have termed a warning message to China and signaling a strengthening of relations between the Tsai and Modi administrations.
- In 2020, Indian government appointed a top career diplomat, Joint Secretary Gourangalal Das, former head of U.S. division in India's Ministry of External Affairs, as its new envoy to Taiwan.
- Ahead of Taiwan's national day, the Chinese embassy in India penned a letter to Indian media houses asking them to adhere to the government's One-China policy.
- Indian External Affairs Ministry brushed away the Chinese criticism by simply saying that the Indian media is free to carry what they want. Significantly, MEA did not re-iterate India's One-China policy.
- MEA in its communiques with China has stopped highlighting One China Policy.
- Despite recognition of One-China policy has been adamant on its claims on India's territory of Arunachal Pradesh and Ladakh.

- The hostilities have only increased in recent years.
- Many Taiwanese companies are planning to remove their manufacturing centres and shift to India. This will create employment and economic growth in India.

ARGUMENTS FOR RECONSIDERING ONE CHINA POLICY

- China has never followed the One-India policy.
- It recently announced that it does not accept Ladakh as a Union Territory, and while ignoring Indian

objections constructs roads through disputed Gilgit-Baltistan.

- Simultaneously, it diplomatically censures India whenever there are visits by Indian leaders or foreign diplomats to Arunachal Pradesh.
- China has also blocked foreign funding for developmental projects in Arunachal claiming it to be disputed.
- China has supported insurgencies in the Northeast.

EXTENDED NEIGHBOURHOOD

Previous Year Questions

YEAR	UPSC MAINS QUESTIONS
2021	"If the last few decades were of Asia's growth story, the next few are expected to be of Africa's." In the light of this statement, examine India's influence in Africa in recent years.
2021	Critically examine the aims and objectives of SCO. what importance does it hold for India.
2020	India diaspora has a decisive role in the politics and economy of America and European Countries. Comment with examples.
2020	Quadrilateral Security Dialogue (Quad) is transforming itself into a trade bloc from a military alliance, in present times. Discuss.
2020	What is the significance of Indo-US defence deals over Indo-Russian defence? Discuss with reference to stability in the Indo-Pacific region.
2019	'The time has come for India and Japan to build a strong contemporary relationship, one involving global and strategic partnership that will have a great significance for Asia and the world as a whole.' Comment.
2019	"The long-sustained image of India as a leader of the oppressed and marginalised Nations has disappeared on account of its newfound role in the emerging global order." Elaborate.
2019	"What introduces friction into the ties between India and the United States is that Washington is still unable to find for India a position in its global strategy, which would satisfy India's National self- esteem and ambitions."
2018	In what ways would the ongoing US-Iran Nuclear Pact Controversy affect the national interest of India? How should India respond to this situation?
2018	'India's relations with Israel have, of late, acquired a depth and diversity, which cannot be rolled back.' Discuss.
2017	The question of India's Energy Security constitutes the most important part of India's economic progress. Analyze India's energy policy cooperation with West Asian Countries.
2017	Indian Diaspora has an important role to play in South-East Asian countries' economy and society. Appraise the role of Indian Diaspora in South- East Asia in this context.

2016	Evaluate the economic and strategic dimensions of India's Look East Policy in the context of the post-Cold War international scenario.
2015	Increasing interest of India in Africa has its pros and cons. Critically examine.
2013	Economic ties between India and Japan while growing in the recent years are still far below their potential. Elucidate the policy constraints which are inhibiting this growth.

► INDIA – CENTRAL ASIA

Recently, India-Central Asia Dialogue was held in the context of emerging geo-political situation in the region. This assumes importance in the wake of the Great Game that is unfolding, Taliban in Afghanistan besides the importance that India attaches to this region strategically. A month earlier India's national security dialogue convened "Regional Security dialogue" with the Central Asia counterparts on Afghanistan. Further India has invited the heads of 5 Central Asian Republics to the republic day celebrations.

INDIA - CENTRAL ASIA DIALOGUE

- Highlighted the need to work on 4Cs- Commerce, Capacity enhancement, Connectivity and Contacts.
- Both stated a "broad regional consensus" on Afghanistan
- Agreed to further increase engagement on the connectivity Projects including INSTC, TAPI pipeline etc.
- Agreed to enhance economic cooperation.



ABOUT CENTRAL ASIA COUNTRIES

Central Asian countries are a group of five countries Kazakhstan (largest), Tajikistan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. All these countries were earlier part of the USSR and became independent sovereigns after the fall of USSR. Some features of these countries are:

- Doubly Landlocked: All five countries are doubly landlocked because their neighbours are also landlocked. For these countries to integrate substantively with the world economy and develop fruitful economic relations with the outside world, they need to have access to warm-water seas.
- Mineral rich region: All five countries are richly endowed with natural and mineral resources. These

countries have vast stretches of unexplored minerals including uranium, oil and gas making it an important region for India's economic interest.

- Political stability: All five republics have been by and large peaceful and stable throughout the 25 years of their independent existence.
- Extremism: Although terrorist groups like Islamic Movement of Uzbekistan, Hizb-ut-Tahrir and others are present in the Ferghana valley, they have not been very active or effective in creating disturbances. This could however change if violence due to the Taliban's resurgence in Afghanistan increases and spreads to other countries in the region. The five republics have been largely secular and liberal so far. Religious extremism, fundamentalism and terrorism

pose challenges to all these societies and to regional stability.

- **Drug trade & Great Game:** CARs face serious threat from illegal drug trade emanating from Afghanistan. Traditionally, Central Asia has been an arena of "great game". The modern version is being played out even today. Russia, China, US, Turkey, Iran, Europe, EU, Japan, Pakistan, India, Afghanistan have substantial security and economic stakes in the region.

GREAT GAME IN CENTRAL ASIA

- Central Asian region stretches from Caspian Sea in West to China and Mongolia in East, and from Afghanistan and Iran in South to Russia in North, including the former Soviet republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.
- Geopolitical scenario is undergoing a sea change in last few years in Central Asia. These radical transformations in geopolitical front of Central Asia are taking place largely due to interplay of both global and regional forces and their subsequent impact on the region.
- **Taliban takeover in Afghanistan** has renewed focus on these republics to tackle the new challenges of rising extremism in the region.
- **US hopes to use Central Asia as an important region in its Indo-pacific strategy** to counter Russia and China.
- **Russia considers this region to be its backyard** and has considerable leverage given the Soviet past of these countries.
- **CARs are crucial for China** given the high level of economic engagement and the BRI which passes through this region.

INDIA - CENTRAL ASIA RELATIONS

- **Historical & cultural relations:** India has several millennia old historical, cultural and civilisational links with Central Asia. The region related to India through silk road through which Buddhism spread in region and economic and cultural ties bloomed. India enjoys good reputation and soft power in these countries. Bollywood movies and songs are particularly popular in the region. Many Indian students go to these countries to pursue higher education.
- **Strategic Importance:** The region is considered to be India's extended neighbourhood and centrally located in India's continental neighbourhood.

- **Geopolitics:** Geopolitically the region is important for India to counter the increasing Chinese influence with its Belt Road Initiative in India's continental neighbourhood. With Taliban's takeover of Afghanistan, Central Asia can play a crucial role in India's strategic calculations in the region.
- **Energy needs:** India is an energy deficit country. This region is extremely well endowed with hydrocarbon resources and other mineral and natural resources. These countries are also rich in strategic minerals such as Uranium.
- **Connectivity:** Because of presence of Pakistan and China on the norther borders and hostile Taliban in Afghanistan, India does not have direct access to these Central Asian republics.
- **Trade:** Despite enormous potential, India's trade with this region has been minimal because of lack of direct connectivity. Largest trading partners of this region are still Russia & China owing to geographical proximity.

INITIATIVES BY INDIA TO STRENGTHEN RELATIONS WITH CENTRAL ASIAN REPUBLICS

1. Connect Central Asia Strategy

- India's 'Connect Central Asia' Policy is a broad-based approach, including political, security, economic and cultural connections.
- India is stepping up multilateral engagement with Central Asian partners using the synergy of joint efforts through existing fora like the Shanghai Cooperation Organisation, Eurasian Economic Community (EEC) and the Custom Union. India has become a member of the SCO of which majority of the central Asian countries are members.
- India looks to Central Asia as a long-term partner in energy and natural resources. Central Asia possesses large cultivable tracts of land, and it sees potential for India to cooperate in production of profitable crops with value addition.
- India is setting up a Central Asian e-network with its hub in India, to deliver, tele-education and tele-medicine connectivity, linking all five Central Asian States.

2. Connectivity

- As for land connectivity, India has reactivated International North-South Transport Corridor (INSTC).

- India is modernizing infrastructure of [Chabahar port in Iran](#), which could become an important link in trade and transport communications between markets of Central and South Asia.
- India recently joined [Ashgabat Agreement](#), which was instituted in 2011 to establish an international multimodal transport and transit corridor between Central Asia and Persian Gulf. Its objective is to enhance connectivity within Eurasian region and synchronize it with other regional transport corridors, including [International North-South Transport Corridor \(INSTC\)](#).

3. Economic and Humanitarian engagement:

- First meeting of [India-Central Asia Dialogue was held in 2019](#) in Samarkand (Uzbekistan) which established a platform for strengthening cooperation between India and Central Asian countries
- India has provided [humanitarian medical assistance](#) to these countries for COVID-19 relief.
- India has provided [US\\$ 1 billion Line of Credit](#) for priority developmental projects in fields such as connectivity, energy, IT, healthcare, education, agriculture in the region.
- [India-Central Asia Business Council \(ICABC\)](#) has also been launched for boosting business to business engagement.

4. Other areas of cooperation

- Joint statement on India-Central Asian dialogue focused on need to [combat terrorism by destroying safe-havens, infrastructure, networks & funding](#).
- Connections between our peoples are the most vital linkages to sustain our deep engagement.
- India already has a robust exchange of students. India will encourage regular exchanges of scholars, academics, civil society and youth delegations to gain deeper insights into each other's cultures.

CHALLENGES IN INDIA'S OUTREACH TO CENTRAL ASIA

Strategic concerns:

- India has no direct connectivity with this region.
- Takeover of [Afghanistan by Taliban has severely altered India's strategic calculations](#) in the region. However, India can leverage its relationship with CARs to engage with Taliban.
- China's open-handed outreach to the region in form of big-ticket connectivity projects under [Belt & Road Initiative](#), reduces space available for India.

- [China has been expanding its regional presence](#), as seen in '[5+1 format](#)' launched in 2020 to further its influence. Its advances are causing concerns of '[debt-trap diplomacy](#)' given economic situation of Central Asian countries. This provides India with [an opportunity to leverage its good relations to counter the fears of 'Chinese Debt diplomacy'](#).
- Being part of erstwhile USSR, Russia still has considerable influence on these countries. However, to counter Chinese influence, [Russia has been promoting its own Eurasian Economic Union \(EAEU\) to pursue regional and economic integration](#).

Connectivity projects not materialising:

- US sanctions on Iran and increasing Chinese presence has caused [delay in operationalising the Chabahar port fully](#).
- [INSTC project has witnessed slow growth](#) due to a combination of factors including low trade volumes, incomplete infrastructure, and sanctions.
- India must redouble its efforts connectivity to further its regional presence. This becomes more important in the context of China's [Belt and Road Initiative](#), with two of its six corridors running through Central Asia.

Limited Economic Partnership:

- India has been a latecomer and has turned its attention to the region only in recent years.
- India's [trade with the region amounts to US\\$ 2 billion, owing to limited connectivity & low economic engagement](#). This amount is less than 0.5% of India's total trade, whereas the region's trade with China amounts to US\$ 100 billion.

WAY FORWARD

- India needs to [direct investment to the region to reap economic benefits of strategic location of Central Asia](#) that puts it at crossroads of key trade and commerce routes.
- [India must increase its developmental and humanitarian aid](#) to the region and promote closer people-to-people ties through education, knowledge transfer, medicine and health, culture, cuisine and tourism.
- [Multilateral organisations like SCO, EAEU, and CICA](#) can serve as platforms for sustained engagement and regular exchange of ideas.
- [SCO is a crucial grouping that provides India a strategic convergence with Russia and China on addressing new security challenges](#), enhancing

infrastructural development projects, and creating a network of regional oil and gas pipelines for larger benefit of Central and South Asian region.

- Regular meetings with leaders of the region at highest political level.
- Quick and effective operationalisation of connectivity projects such as Chabahar Port, INSTC agreement and Ashgabat Agreement to give connectivity a push.
- Coordination with region in especially checking rising extremism and terrorist groups. This is especially important in wake of rise of Taliban in Afghanistan.

► I2U2 & WEST ASIA

In the context of the Russia – Ukraine war both the US and Russia are trying to strengthen their relations with the countries with which they have historical ties in the region. In this context Presidents of Both Russia and US visited the West Asia, which highlights the importance of the region owing to its Geo-Politics and its importance in supplying Oil to stabilize the Global crude Prices which have shot up because of sanctions on Russia.

FACTORS THAT SHAPED GEO-POLITICS OF WEST ASIA

- [Arab - Israel rivalry](#) owing to the Post War history of creation of Jewish State Israel from the Arabic Palestinian territory.
- [Arab – Iran Rivalry](#) which is based on the Shia – Sunni rivalry and is a race for regional hegemony amongst the Muslim world countries of the region.
- [Israel – Iran rivalry](#) which started post the Iranian revolution of 1979 and has been escalating because of Iran’s Nuclear Program.

GREAT GAME

- [Presence of US, Russia and China](#) further complicate the regional Geo-Politics.
- [United States of America](#) - US has had historical relations with Israel (Owing to its Jewish demography) and Arabic monarchies (ever since the discovery of Oil in 1938) like Saudi Arabia and UAE. Post Iranian revolution of 1979, US cut its ties with Iran and has focused on isolating Iran for its Nuclear program.
- [Russia](#) is aligning with Iran on the issues of Afghanistan and Syria. Russia has also supported the Assad regime in Syria.
- [China](#) has signed 25-year strategic cooperation pact with Iran which has economic as well as strategic dimensions.

EMERGING GEO-POLITICS

- The new race of Geo-politics in the region is between [US-Israel-Arab on one side, while Russia-Iran and Syria with tacit presence of China on the other.](#)

US-ISRAEL-ARAB AXIS

- [Abraham Accords](#) –The US has mediated to Normalize Arab – Israel relations by establishing diplomatic relations between Israel and UAE and backdoor engagements between Israel and other Arabic monarchies.
- This move of US was primarily seen in the context of US steadily withdrawing from the region to focus on the Indo-Pacific, to contain the rise of China.
- However, with Russia-Ukraine war and consequent Oil shock and its impact on Global Economy, [US president Biden recently visited West Asia.](#)
- The goals of the visit outlined by the US were –
 - To counter Russia's aggression
 - To be in the [best position to outcompete China](#)
 - And to work for greater stability in the region. [US would not leave the middle east, and make space for Russia, China and Iran.](#)
- US has [revived stagnant ties with Saudi Arabia](#) (The killing of Washington post Journalist Jamal Khashoggi has strained ties), built a new coalition with GCC plus countries.
- Committed to stopping Iran from procuring nuclear weapons.
- US has attempted to make the case that Gulf OPEC countries must help keep the price of oil low to avoid a global crisis due to the Russian war in Ukraine.
- [The first summit of the I2U2- US and Israel](#) strengthened cooperation with India and UAE on water, energy, transportation, space, health, and food security

RUSSIA – IRAN – CHINA

- After Biden’s visit [Russian president Putin visited Iran](#) which is also significant development.
- Russia [committed to need for a political resolution to the Syrian crisis](#) without external interference.
- [Iran endorsed the Russia attack](#) on Ukraine and the threat by NATO, while, Iran has been providing drones to Russia.
- Both Russia and Iran have been on the same page over the Taliban’s takeover of Afghanistan.

- [China has signed a 25-year strategic cooperation pact with Iran](#) and is one of the biggest importer of Iranian Crude Oil. Further West Asia is crucial to its BRI Project.
- [Russia – China have been on the same side](#) which visible in the collaboration post Russia- Ukraine war.

ABOUT I2U2

- The arrangement is far from a non-security mechanism for cooperation on development issues between four countries – I2 – India and Israel, U2 – USA & UAE.
- Foreign Ministers of the grouping first met in October 2021 and now the summit signals plans for cooperation have grown, and the US had highlighted that the I2U2 could become for the Gulf region what the Quad for the Indo-Pacific has developed too.
- Specifically, Summit announced two projects for India:
- UAE would invest \$2 billion to develop food parks in India, where US and Israel will supply technology and expertise.
- The group would help develop a \$300 million hybrid renewable energy project in Gujarat- wind and solar energy with a battery storage capacity

SIMILARITIES BETWEEN I2U2 AND QUAD

S. NO	I2U2/ MIDDLE EAST QUAD VS INDO – PACIFIC QUAD
1.	India and US are common members – signifying strategic closeness
2.	Israel would view it as a counter to Iran, While US sees IPQ as a counter to China
3.	Both are not seen as military alliance
4.	IPQ has been focusing on global concerns like – Climate Change, COVID vaccines etc.
5.	Similarly, I2U2 has also called for Economic and Infrastructure cooperation.
6.	IPQ countries take part in MALABAR exercise, While Israel has invited UAE as an observer to the Blue Flag Air force with India and US.
7.	For India both are partnerships beyond

	neighborhood having implications on the neighborhood.
8.	Both aim at broader goal of countering Chinese influence.

DIFFERENCES

S. NO	I2U2 / MIDDLE EAST QUAD	INDO – PACIFIC QUAD
1.	A new concept – formed because of Abraham Accords	Has developed gradually over past 15 years.
2.	Strategic Focus is yet to be outlined.	Definite Strategic focus – Free and Open Indo-Pacific
3.	Role of other members is yet be outlined	Focuses on ASEAN centrality
4.	It focuses on Economic collaboration through Private companies	It focusses on goals to be achieved through G2G collaboration
5.	If it aims to counter Iran, India already has strong relations with Iran	IPQ has been strengthened by the India – China border tensions.
6.	No parallel military partnership with common objectives	AUKUS can be seen as a parallel military partnership to the IPQ.

POSITIVE IMPLICATIONS OF I2U2 FOR INDIA'S INTEREST

- It would fill the gap the United States is leaving in the Middle East.
- It has the potential to transform the region's geopolitics and geoeconomics.
- The group can deepen its engagement on issues that concern India — trade, energy ties, fighting climate change and enhancing maritime security.
- It coincides with stronger relationship that India has with both Israel and the Gulf countries.

- It would further deepen India's cooperation with one of the most important partner UAE.
- It strengthens India- US engagement as strategic partners.
- It can be effective in countering China economically and politically.
- The I2U2 summit was a double win for India as the two projects announced will bring more investment opportunities to India
- The Middle East or West Asia is an important region for India, especially because 8 million Indians live and work there, and thus any moves for peace and reconciliation- as with Yemen, Israel-Palestine talks or smoothing differences with Qatar, are also positive

AREAS OF CONCERNS

- Role of other Arabic Gulf powers like Saudi Arabia is yet to be ascertained in this partnership.
- An area of concern is that Except India the other three countries are adversaries of Iran.
- Causes concerns for India - Iran relations which are collaborating on strategic projects like Chabahar and connect Central Asia policy.
- New Quad is yet to clarify its strategic objectives.
- US policy towards India has not been very concrete. It created a Parallel AUKUS in the Indo-Pacific. US withdrew from Afghanistan without taking India into confidence.
- In this backdrop the US needs to further clarify India's role in its strategic ambitions in the Middle east.
- Opening of airspace, allowing trade, and other ways of economic normalisation globally, especially post the pandemic will facilitate global recovery.
- The US's decision to engage with West Asia despite getting no assurances on its campaign against Russia gives India too, which has held out on buying Russian oil more breathing space.

CHALLENGES

WAY FORWARD

- New Quad has come at a time when Israel Arab relations are improving, China's presence in the middle east is increasing and US is withdrawing from the region.
- In such a scenario India's membership of the New Quad in the middle east can be crucial to India's interest in the peace and stability of the region.
- However, there are concerns that India's membership of the MEQ can have adverse impact on India's relations with Iran. However, India has carefully been treading a path of pursuing its interests in the region, without taking sides on the existing fault lines.
- There is growing polarization between two parts of West Asia, both of which India has close ties with Israel, Saudi and UAE on one side, and Iran on the other.
- With US reluctant to revive JCPOA (Iran nuclear deal), the Iran-Russia-China camp is coming together, which will not augur well for India since, India wants to keep China at bay.
- The high crude Oil Prices will keep India's choices limited as India gave up import of Oil from Iran after Sanctions on Iran because of failure of JCPOA.
- The more the I2U2 gains in strategic consequence, the more it will look like a counter-Iran grouping, much like the Indo-Pacific Quad now widely seen as a grouping to counter China.
- This will affect India-Iran ties eventually and does not help India given its own strategic ties with Iran, the Chabahar port link, and the International North South Transport Corridor, and the need for an alternate to Pakistan for trade transport to Afghanistan and Central Asia.
- Iran's hosted Russia-Turkey over the Syrian issue. Russia - Turkey normalisation is also troubling for India, given tensions with Turkey over Pakistan and Kashmir issue.
- If India is seen as taking a pro-Western tilt, Iran, with its \$300 bn deal with China for infrastructure, and close military ties with Russia, could be seen as replacing India in its other groupings- Iran has now joined the SCO and has applied to be included in an expanded BRICS as well.

Thus, India's membership of MEQ which has outlined a soft agenda of cooperation seems to be in line with its policy of "non-interference" in the internal affairs, pursuit of strategic autonomy and extension of Bilateralism to Minilaterals.

► IMPLICATIONS OF EMERGING GEO-POLITICS FOR INDIA

POSITIVE IMPLICATIONS

- India has close strategic ties with Israel, Saudi Arabia, UAE, GCC and the US, and any close ties, removal of disagreements between these countries is positive.

WAY FORWARD

The careful balance that India has been walking between Russia and US over the war in Europe has now gained a new arena- where India's balance in ties with the Saudi and Israel-UAE combine versus ties with Iran could get more difficult, especially as it continues to walk the line in the Indo-Pacific. Geopolitical balancing is increasingly the challenge of a globally polarised world

► WEST ASIA AND INDIA

Comments by spokespersons of BJP on Islam and Prophet led to a diplomatic backlash from Gulf countries. As a response to this, ruling party sacked the spokespersons, highlighting importance that India accords to West Asian countries.

IMPORTANCE OF GULF REGION

- Ten countries of Gulf region i.e., Saudi Arabia, Qatar, Iran, Iraq, Bahrain, Kuwait, UAE, Oman, Jordan and Yemen, together account for one-fifth of world's Muslim population and are strongest voices of Muslim world.
- India shares good relations with most countries in the Gulf. India has enjoyed centuries of good relations with countries like Iran, while smaller gas-rich nation Qatar is one of India's closest allies in the region.
- Pillars of India's relationship with Gulf region: Energy security by trade in oil and gas, and trade, huge number of Indians who work in the Gulf countries, and the remittance they send back home.

IMPORTANCE OF WEST ASIA FOR INDIA

Areas of Cooperation	Highlights
Oil and Gas	<ul style="list-style-type: none"> • Middle east & north Africa region meet a major share of India's energy needs contributing over 60% of India's total imports of crude oil and 85% of India's LNG requirements. • In 2021-2022, largest exporter of oil to India was Iraq, with a share of 22% from 9% in 2009-2010. • Saudi Arabia has accounts for 17-18% of Indian oil imports for a decade. • Kuwait & UAE remain major oil exporters to India. • Iran used to be 2nd largest oil exporter to India in 2009-2010, its share went down to less than 1% in

	2020-21, due to US sanctions.
Diaspora	<ul style="list-style-type: none"> • There are around 8-9 million Indians in West Asia. UAE (3.4 million), Saudi Arabia (2.6 million); Kuwait (1 million). • These include managers, doctors, technicians, engineers, IT experts, chartered accountants, bankers, workers, and domestic help. In these countries, Indians hold first rank in number of expatriates. They are crucial for India's soft power. • A vast majority of Indian community hails from Kerala.
Remittances	<ul style="list-style-type: none"> • Gulf expatriate has a significant impact upon Indian economy, through inward remittances. • India received over \$83 billion in remittances in 2020 (World Bank). Most remittances are from West Indian diaspora. India receives largest remittances from UAE. • Remittances account for 3% of India's GDP. These remittances support many families in India especially in Kerala. • In 2018, RBI said GCC countries accounted for more than 50% of total \$69 billion remittances received by India in 2016-17. • UAE accounted for 26.9%, Saudi Arabia for 11.6%, Qatar for 6.4%, Kuwait for 5.5% & Oman for 3%. Beyond the GCC, remittances from the US accounted for 22.9%, second only to the UAE.
TRADE WITH WEST ASIAN NATIONS	
United Arab Emirates (UAE)	<ul style="list-style-type: none"> • UAE was India's third largest trading partner in 2021-2022 and 2nd largest for both exports (\$28 billion) and imports (\$45 billion) when counted individually. • In terms of total trade volume, UAE (\$72.9 billion) was behind USA (\$1.19 trillion) and China (\$1.15 trillion). • UAE accounted for 6.6% of India's total exports and 7.3% of imports in

	last financial year, up 68.4% since the previous year when international trade was impacted by the pandemic.
Saudi Arabia	<ul style="list-style-type: none"> At a total volume of \$42.9 billion in 2021-22, Saudi Arabia was India's fourth largest trading partner. While exports were low at \$8.76 billion (2.07% of India's total exports), imports from Saudi Arabia were the fourth largest at \$34.1 billion (7%), up 50% from the previous year. Most of it was crude oil.
Iraq	India's fifth largest trading partner in 2021-22 at \$34.3 billion.
Qatar	<ul style="list-style-type: none"> Total trade was \$15 billion, accounting for just 1.4% of India's total trade, but the country is India's most important supplier of natural gas. Qatar accounts for 41% of India's total natural gas imports. UAE accounts for another 11%.
Investment	<ul style="list-style-type: none"> UAE-India Infrastructure Investment Fund aims to invest \$75 billion to support investment in India's infrastructure, especially in railways, ports, roads, airports and industrial corridors and parks. Recently UAE has announced an investment of \$7 billion in food corridor in India. Saudi Arabia has pledged an investment of \$100 billion in India in sectors such as petrochemicals, infrastructure, manufacturing, refining, and mining.
Look West Policy	<ul style="list-style-type: none"> India's Look West Policy has been complemented by GCC member states' "Look East" policy, with a focus on India and China, and other countries to their East.
Security	<ul style="list-style-type: none"> Crucial for terrorism. Iraq is home of Islamic State. Islamic State-Khorasan is a threat to India. Taliban was given space for political office by Qatar. Choke points such as Bab-al-Mandeb

	<p>& Gulf of Hormuz are critical for energy security.</p> <ul style="list-style-type: none"> Maritime piracy off the Somali Coast. India has played crucial role in addressing piracy in the region. (India is a part of Combined Maritime Force
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DOMESTIC POLITICS & FOREIGN POLICY

- India's image of religious tolerant and pluralistic democracy (a source of soft power) takes backseat.
- This issue had foreign policy implications with west Asian region with which India has had good relations such India's diplomatic and economic interests that might suffer in the region.
- Aligning with extremism is counterproductive. Ex. India's support to LTTE in Sri Lanka which deteriorated India's relations with Sri Lanka and led to assassination of former PM Rajiv Gandhi.
- Despite some countries being members of Organisation of Islamic countries, they have never taken side with the Pakistan's version about India.
- Most West Asian countries are theocratic states, they are more sensitive to religious issues. The region's geo-politics has underlying religious faultlines. Thus, India needs to be sensitive and should create an environment which does not impact its relations with these nations.
- Government and diplomatic establishment can never underestimate the power of hurt sentiment, and religious sensitivities in foreign policy, or the speed of social media.
- India needs to pay importance to the lasting repercussions of such incidents in the neighborhood. For ex. Citizenship Amendment Act saw protests in Bangladesh and Afghanistan.
- Friendly neighboring countries like Maldives and Bangladesh also saw protests against the remarks.

► LOOK WEST POLICY

INDIA'S STRATEGY TOWARDS WEST ASIA

- India follows "Look West Policy" towards West Asia.
- Mainly focussed on energy security owing to intractable political fault lines.
- Ensuring the stability and security of Persian Gulf region.

- For a long time, India had to balance its relations with Israel and the Arab world.
- India's Policy is marked by the continuation of India's traditional diplomatic line of "non-interference" in the internal affairs.
- In line with this, India has been pursuing the idea of 'strategic autonomy' in the region with a strong emphasis on Bilateralism.
- Deepening of India's security ties with its Gulf Arab partners especially as India emerges a net-security provider for the region in curbing sea-borne piracy in Western Indian Ocean and Disaster relief.
- India has walked a tight rope in intra- Arab disputes, carefully weighing its interests.

IMPORTANCE OF LOOK WEST POLICY

- Look West policy has perceptibly changed India's position as a credible partner in the region.
- The policy has been successful across multiple rivalries of region- Saudi Arabia and Iran, Turkey and Egypt, Qatar and UAE and Israel and Palestine with diplomatic acumen and sustained strategic prudence.
- "Abraham Accord" between the two allies- Israel and UAE is an endorsement for the balanced "Look West" policy of India for peace and stability in the region.
- US strategic shift to Indo-pacific and growing Chinese expansion in the region has created a new Great power competition in the region.
- India needs to pursue the path of Multilateralism with sustained rounds of diplomatic outreach to the favourable social and political constituencies in the region and prudently use the leverages with Russia and USA to position itself as a credible power in the region in the emerging Asian Century World Order.
- Transformation of its policy choices in the region - The Israel policy and the growing strategic proximity and security cooperation is the perceptible success of the new vision and pursuit of the "Look West" policy as it has managed this bold pragmatic step without compromising its commitment to the Palestine issue.
- This new diplomatic balance was proved with India's voting with Palestine against the US recognition of Jerusalem as the capital of Israel in the United Nations and maintaining unabated momentum of India-Israel partnership.

► INDIA-UAE

India signed a Comprehensive Economic Partnership Agreement with UAE. India-UAE CEPA will be second major trade deal after the India-Mauritius CEPA signed in 2021. India is also negotiating FTAs with UK, EU, Australia, Israel,

and Canada. In this backdrop, let us understand broader framework of India UAE relations.

BENEFITS OF CEPA TO INDIA

- FTA is likely to boost trade between India and UAE from \$60 bn to \$100bn in next five years.
- Greater Market Access for products like - Textiles, apparels, Gems and jewelry.
- 80% of India's exports to UAE will become duty free.
- Agreement is likely to create 5 lakh jobs in India in Gems and Jewelry, textiles etc.
- UAE is a gateway for India's exports to the larger middle eastern market.

INDIA - UAE RELATIONS

- India-UAE relations acquire significance in the backdrop of consistent goals between the two highlighted by Abu Dhabi's Economic Vision 2030 & India's priority to extended neighbourhood in its West Asia policy.
- Both sides recognize that security of the Gulf & Indian Ocean region are indivisible. They also appreciate the threat posed by non-state violent extremists to their respective interests.
- Both are members of the newly formed [Middle East Quad \(I2U2\)](#), which also includes Israel and US.
- Large Indian diaspora contributes both cheap and highly skilled workforce to UAE. This skilled workforce is the bedrock of the economy of UAE.

ECONOMIC & GEO-POLITICAL BASIS OF INDIA UAE RELATIONSHIP

- **UAE Economic Vision 2030:** A long-term economic diversification strategy focused on advancing knowledge industries by building a skilled workforce, world class infrastructure, and an efficient globally integrated business environment. This is necessary for UAE as the gulf economies try to diversify from the oil-based industries.
- **Investments**
 - UAE's investments have topped \$11 billion, making it the 9th-largest source of FDI in India.
 - UAE's sovereign wealth fund sees India as key growth drivers and targets for outward investment. India has proposed a 100% tax exemption from their interest, dividend, and capital gains income in respect of investment made in infrastructure and other select sectors before March 31, 2024.
- **Security and geo- Political outlook**
 - Both sides recognize that security of the Gulf and the Indian Ocean are indivisible.

- Both appreciate the threat posed by non-state violent extremists to their respective interests.
- This common understanding provides a basis for dialogue and concrete forms of defense cooperation in maritime security, counterterrorism, and other areas.
- **Advanced Technology and Knowledge Economy**
 - UAE has stepped up efforts to “invest” in development of knowledge economy by expanding “golden visa” residency permit to attract best minds.
 - These ten-year visas are granted to doctors, engineers, PhD scholars and specialists in high-end technology fields such as artificial intelligence (AI), Big Data, virology and epidemiology.
 - **Space Cooperation:** Collaboration between UAE Space Agency & India’s ISRO. The two space agencies have developed nanosatellite, Nayif-1 & are likely to work together on Emirates’ Mars Mission.
- **Defence and security**
 - Desert Eagle bilateral exercises between the Indian Air Force (IAF) and the UAE Air Force (UAE-AF).
 - Joint naval exercise (Gulf Star-1), which took place in 2018, would lay a strong foundation for maritime security cooperation.
 - UAE has forbidden Pakistan to use UAE territory for anti-India activities.
 - UAE has responded with support for Jammu and Kashmir’s re-organization.
 - UAE has extradited fugitive economic offenders like, Michel India wanted in the Augusta helicopter case.
 - West Asia Quad post Abraham can further each other economic and strategic cooperation.

CHALLENGES

- UAE is part of OIC, which frequently raises the Kashmir Issue.
- Dubai has developed as a seat of Underworld and Organised Crime.
- It is also a hub of money laundering.
- Arab – Iran rivalry poses challenge for balancing India’s relations between UAE and Iran.

► INDIA–IRAN

Iran’s Foreign Minister was on an official visit to India in June, during which he held talks with India’s External Affairs Minister. This was the first visit to India of an Iranian

Foreign Minister since 2021 and comes at a crucial juncture amid geopolitical churn not only in the region but across the globe. In this context let us try and understand the contours of India Iran relations and why are the conditions favourable for a reset.

ABOUT INDIA-IRAN RELATIONS

- India and Iran share close historical ties from the ancient times. Iran is an important nation in India’s neighbourhood and the two countries shared a border until India’s partition and independence.
- Iran is important to India as it provides an alternate route of connectivity to Afghanistan and Central Asian republics, in the absence of permission for India to use the land route through Pakistan.
- India has been jointly developing Shahid Beheshti terminal at Chabahar port which is crucial for providing much needed sea-access to landlocked Afghanistan and emerged as a commercial transit hub for region, including for Central Asia.
- Iran used to be second largest oil exporter to India in 2009-2010, its share went down to less than 1% in 2020-21, due to US sanctions.

BRIDGING THE GAP

Indian presence in Chabahar is expected to offset Chinese presence in Pakistani port of Gwadar

- **COST CUTTER** The port will be used to ship crude oil and urea, greatly reducing India’s transportation costs
- **AFGHAN CONNECT** A railway line, to be built by Ircon International, will connect Chabahar port to Zahedan on Afghan border
- **BIGGER LINK** The port will link to International North-South Transport Corridor that will connect India with Azerbaijan, Turkmenistan and other Central Asian trading partners

PROJECT ROADMAP



ISSUES BEYOND BILATERAL IMPACTING RELATIONS

- India-Iran relations have witnessed ups and down over the decades, mostly owing to factors that go beyond strictly bilateral issues.

- Stoppage of oil imports from Iran after 2019 owing to U.S. sanctions following revocation of Iran nuclear deal.
- India's close relations with Israel have also impacted India's engagement with Iran.
- Iran's ties with China, including signing a 25-year strategic partnership agreement.
- There are other sticky issues like Iran-backed Houthis in Yemen launching drone attacks against Saudi Arabia and UAE, both close partners to India.
- Iran criticized abrogation of Article 370 of Indian Constitution, which gave special status to Kashmir.
- Iran on its end has not taken kindly to India succumbing to international pressure of sanctions on Iran.

FAVOURABLE CONDITIONS FOR RESET IN TIES

- Iran owing to its close relations with Taliban has been an important country for India to engage with Taliban in Afghanistan.
- Iran and India have collaborated on connectivity to Afghanistan via the Chabahar port.
- Iran nuclear deal is stuck and accordingly sanctions on Iran continue which hamper the crude oil exports to India.
- India has stressed exercising its strategic autonomy while importing oil from Russia amid sanctions on Russia due to its war with Ukraine, could explore a similar decision point in Iran, opening a huge potential for trade and cooperation.

CHANGING DYNAMICS IN WEST ASIA

- Because of withdrawal of US from West Asia Dynamics are changing in the region.
- Despite being key partners of US, Saudi Arabia and UAE have declined to increase oil production to control rising prices in the wake of Ukraine war and reduced supplies from Russia because of Sanctions.
- Saudi Arabia and Iran are engaging in talks which has led to ceasefire in Yemen. UAE and Qatar have held talks with Iran.
- Abraham Accords signed with Israel give hope towards acceptance of Israel by regional countries as a potential partner.
- All these developments work well for India, as it has good relations with Gulf countries, Iran and Israel.

- This gives India tremendous opportunity to develop and scale up its cooperation with Iran without fear of losing out on other friends in the region

BENEFITS OF RESET

- India may well consider restarting oil imports from Iran. If it starts oil imports, it can encourage other countries to import oil from Iran, thereby bringing down Oil prices.
- India and Iran could play a major part in giving INSTC the required boost to reap benefits of resultant trade. The first consignment was sent by a Finnish company via INSTC for first-time connecting Europe with India.
- Iran-Oman-India gas pipeline is an ambitious project that has been stuck for a long time. Both have now agreed to develop two gas pipelines and an oil field along their maritime borders. This might lead to finalization of Iran-Oman-India pipeline. This is also important since the ambitious Iran-Pakistan- India pipeline is stuck because of Pakistan.
- The sanctions on Iran are being weaponized despite Iran complying with the IAEA protocols. India can play a key role in bringing Iran into the mainstream.

CHALLENGES IN RELATIONSHIP

- Despite the opportunities for collaboration there are various challenges that will decide the future course of action.
- Sanctions in the backdrop of failure of revival of Iran Nuclear deal pose challenges for India to trade with Iran.
- In the wake of concretising Russia-China-Iran axis and the US-Arab- Israel axis, India will have tough choice to make.
- Connectivity to Afghanistan via Chabahar port is already under question because of the Taliban's takeover.
- Chinese economic partnership will pose strategic challenges for India's relations with Iran.
- With India becoming a part of I2U2 coalition, it would make the hardliners in Iran skeptical about India.
- Slow progress in connectivity projects like INSTC and Chabahar are a cause of concern.
- India's growing military partnership with Israel which is an adversary of Iran.

WAY FORWARD

- India and Iran have a lot that can be achieved together.

- The assertive diplomacy being practiced by India, emphasizing on standing by its neighbours and friends and is displaying Strategic autonomy to meet its interests.
- If India can extend the same vision toward its engagement with Iran, it could open a huge potential of cooperation between these two great nations and civilizations.

► INDIA-ISRAEL RELATIONS

Diplomatic relations between India and Israel have completed 30 years. The relationship has evolved, with India of late walking a tightrope between its ties with Israel and Palestine.

BACKGROUND

- India announced its recognition of Israel in 1950.
- Both established diplomatic relations in 1992.
- However, political relations have improved in last few years specially after present PM’s visit in 2017. The visit was an historic first ever visit by an Indian PM to Israel.

DIMENSIONS OF THE RELATIONSHIP

Economic Relations	<ul style="list-style-type: none"> • From US\$ 200 million in 1992 bilateral merchandise trade stood at US\$ 5.65 billion (excluding defence) in 2018-19, • The balance of trade is in India’s favour by US\$ 1.8 billion. • India is Israel's third largest trade partner in Asia and seventh largest globally.
Investments	<ul style="list-style-type: none"> • Indian investments in Israel (April 2000-June 2017) totalled USD 122.4 million • There are over 300 investments from Israel in India mainly in the high-tech domain and in agriculture.
Agriculture	<ul style="list-style-type: none"> • India has benefited from Israeli expertise and technologies in horticulture mechanization, protected cultivation, orchard and canopy management, nursery management, micro-irrigation and post-harvest

	management.
Defence	<ul style="list-style-type: none"> • There are regular exchanges between the armed forces. • There is cooperation on security issues, including a Joint Working Group on Counterterrorism. • Israel has been among India’s top three arms suppliers for the last five years. • India and Israel have jointly developed MRSAM or Barak 8 air defence system.
Science & Technology	<ul style="list-style-type: none"> • A MoU for establishing India - Israel Industrial R&D and Innovation Fund (i4F) by the Department of Science and Technology, India and the National Authority for Technological Innovation, Israel was signed in 2017. • This MoU, with a contribution of US\$ 20 million from each side over 5 years, is playing an important role in enabling Indian and Israeli enterprises to undertake joint R&D projects

INDIA AND THE ISRAEL-PALESTINE CONFLICT

India’s policy on the longest running conflict in the world has gone from being unequivocally pro-Palestine for the first four decades, to a balancing act with its three-decade-old friendly ties with Israel. In recent years, India’s position has also been perceived as pro-Israel.

1948 - INDIA VOTED AGAINST CREATION OF ISRAEL

- India was the only non-Arab state among 13 countries that voted against the UN partition plan of Palestine in the General Assembly that led to the creation of Israel.
- Reasons for India’s support to Palestine - India’s own Partition along religious lines, its principled stand against Colonialism and its effects, solidarity with Palestinian people, to ward of Pakistan’s plan to isolate India over Kashmir and India’s energy dependency on Arab countries.
- However, India formally recognised Israel in September 1950. Full diplomatic relations were established as late as 1992.

INDIA AND PLO

- At 53rd UN session, India co-sponsored draft resolution on rights of Palestinians to self-determination.
- In 1967 and 1973 wars, India lashed out at Israel as the aggressor.
- In 1975, India became first non-Arab country to recognise PLO as sole representative of Palestinian people, and invited it to open an office in Delhi, which was accorded diplomatic status five years later.
- In 1988, when PLO declared an independent state of Palestine with its capital in East Jerusalem, India granted recognition immediately.
- India voted for Palestine to become a full member of UNESCO in 2011, and a year later, co-sponsored UN General Assembly resolution that enabled Palestine to become a “non-member” observer state at UN without voting rights. India also supported the installation of Palestinian flag on UN premises in 2015.

POST 2014 – A NEW PHASE (POLICY OF DE-HYPHENATION)

- India abstained from voting at UN Human Rights Council on a resolution which claimed to highlight evidence of alleged war crimes committed by Israeli forces and Hamas during the 2014 airstrikes against Gaza that killed over 2000.
- In 2016, India abstained again from a UNHRC resolution against Israel.
- In 2017, during the visit of PLO chief Mahmoud Abbas, reference to East Jerusalem was missing in the statement issued by Indian PM. Historically, India supported Palestinian state with Jerusalem as its Capital. This stand of India was contrary to stand iterated by the Indian president during his visit to Ramallah (Palestine).
- In 2018, PM Modi became first ever Indian PM to visit Israel. At this visit, PM skipped visit to Palestinian de facto capital Ramallah.
- This move was seen as India [pursuing a policy of de-hyphenation wherein it would deal with Israel and Palestine separately](#). De-hyphenation is a careful balancing act, with India shifting from one side to another as the situation demands.
- This was clearly visible when India had voted in favor of a resolution in the UN General Assembly opposing

Trump administration’s recognition of Jerusalem as Israeli capital.

- At UNHRC earlier this year, India voted against Israel in three resolutions – one on the right of self-determination of Palestinian people, a second on Israeli settlement policy, and a third on human rights situation in Golan Heights.
- Recently, International Criminal Court claimed jurisdiction to investigate human rights abuses in Palestinian territory including West Bank and Gaza and named both Israeli security forces and Hamas as perpetrators. Israeli PM wanted India to take stand because India does not recognize ICC. However, India did not take any stand.
- Thus, India has been following a policy where it is taking stands on the issues on a case-to-case basis. The [policy of De-hyphenation](#) is a work in progress.

► SOUTHEAST ASIA**ACT EAST POLICY**

- India’s ‘Act East’ policy is a diplomatic initiative to promote economic, strategic and cultural relations with the vast Asia-Pacific region at different levels.
- ‘Act East’ and its early avatar, ‘Look East’ are not different; rather, they are two sides of the same coin, representing two different, but continuing phases in the evolution of India’s policy towards the Asia-Pacific region.
- Act east policy which was envisaged in 2014 gave a new thrust to intensify economic, strategic and diplomatic relations with countries that share common concerns with India on China’s growing economic and military strength and its implications for the evolving regional order.
- India joined the ASEAN in 1992 as a sectoral partner and became a full-fledged member in 1994. It is now an active member of the ASEAN Regional Forum (ARF), the East Asian Summit (EAS) and the ASEAN Defence Ministers Meeting Plus.
- The same characteristic feature is seen in the case of both Japan and South Korea—two major pillars in India’s Act East policy.
- A vast array of institutional mechanisms binds their partnership in such forums like annual summit, strategic dialogue, defence dialogue, and numerous forums on energy cooperation, counterterrorism,

U.N. reforms, cyber security, and maritime cooperation.

- India's participation in quadrilateral meetings with the US, Japan and Australia, particularly since 2017 has underlined New Delhi's interest to exchange views on the strategic environment of the Indo-Pacific region.

ECONOMIC RELATIONS

- India's participation in quadrilateral meetings with US, Japan and Australia, particularly since 2017 which has underlined New Delhi's interest to exchange views on the strategic environment of the Indo-Pacific region.
- A good deal of ASEAN private investment has also flowed into India in many sectors including construction of ports, highways, food processing, shipping, and auto components. Similarly, India's investments in ASEAN have grown considerably in recent years, with Singapore becoming its investment and trading hub.
- India and Japan entered into a comprehensive economic partnership agreement (CEPA) in 2011, the volume of bilateral trade has been decreasing.
- South Korea also signed a free trade agreement with India in 2009 but did not find the bilateral trade growing as expected. Both countries since then have reviewed the working of the CEPA to augment the volume of trade.
- Value of Japan's investment jumped from US\$1.7 billion in 2014 to US\$4.7 billion in 2016-17. Cumulative Japanese investment in India from 2000 to 2016 amounted to US\$ 25.2 billion, accounting for 8% of India's total FDI during that period.
- India - South Korea countries have set a target of reaching US\$ 50 billion by 2030.

ACT EAST POLICY AND NORTH-EAST REGION

- India's Act East Policy is closely connected with long-term vision of developing its North-eastern region which is considered as a gateway to Southeast Asia.
- Connectivity projects in NER will foster greater integration not only within NER, but also externally with neighbouring countries.
- It is in India's Northeast where India's Act East policy and Japan's 'Open and free Indo-Pacific strategy' converge and both countries are keen to extend their cooperation to the broader Indo-Pacific region.

Strategic interests

- India has now forged strategic partnerships with Indonesia, Vietnam, Malaysia, Japan, South Korea and Australia. In addition, it has established close links with countries of BIMSTEC group of countries and IORA.
- India has forged the SAGAR strategy which stands for Security and Growth for All in the Region.
- India is concerned about strategic uncertainties in the region following decline of US influence and rapid rise of China. India is interested in contributing along with other like-minded countries to the evolving new regional order which should be open, rules-based, and free from influence of any single hegemon.
- As a country dependent on sea-borne trade for its sustenance, it recognises inherent rights of all countries to freedom of navigation, overflight, and unimpeded commerce in open seas. Maritime security is an important aspect of India's Act East policy.
- India believes that no country should use force as a means of settling disputes.
- India's Act East policy supports connectivity programs for promoting regional cooperation and integration.
- India's Act East policy has a strong synergy with Japan's Free and Open Indo-Pacific and South Korea's New Southern Policy. All three recognise the centrality of the ASEAN region.

CHALLENGES FOR ACT EAST POLICY

India has gained specific position in South Asia, East Asia or Indo-Pacific region. after so much of toil and efforts. However, there are some challenges to Act East Policy.

→Trade Deficit: Trade has grown over the years, but this has occurred with an imbalance.

- This trade deficit is significantly huge, given India's total trade deficit.
- This was one of the reasons that made India exit RCEP negotiations

→Chinese Factor: China is encircling India (through the string of pearls), and by constructing China Pakistan economic corridor through PoK.

On issues like climate change, globalization and many others China seeks for cooperation from India.

India does not want to make China apprehensive of India being a member of anti-China alliance led by US.

STEPS FOR SUCCESSFUL ACT EAST POLICY**→Need for Competitive Manufacturing**

- Act East Policy seeks economic integration of India's economy with global supply chains which are concentrated in Southeast Asia and East Asia.
- India needs to focus on 'Make in India' and introduce reforms in manufacturing industry.
- Recently announced capital sector reforms, labour reforms and bridging infrastructure deficit can be seen as efforts to minimize the gaps.
- India needs to establish balanced, fair and equitable trade relationship with countries to make Act East Policy, a successful one.

→Development in Northeast

- India can push development in North-East region by using connectivity project in this region
- India is already engaged in various connectivity projects like India-Myanmar-Thailand Trilateral Highway and Kaladan Multi-Modal Transit Transport Project.

→Other factors

- India shares cultural, religious and civilizational linkages with many countries of this region. We can take leverage of these factors.
- Technological developments and assistance: In South Asia, India has emerged as technical power and should extend its support to that nation wherever necessary. This will enhance mutual trust and build confidence.
- Indian diaspora in these countries is big and will help in increasing people to people relations. It will help in posing good image of India.

►INDIA-ASEAN RELATIONS

ASEAN is an intergovernmental organization aimed primarily at promoting economic growth & regional stability among its members.

10 member states: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Laos, Myanmar, Cambodia and Vietnam.

BRIEF ON INDIA – ASEAN RELATIONS

India's relationship with ASEAN is a key pillar of her

foreign policy and the foundation of Act East Policy.

- Partnership Agreements: India and ASEAN already have a

- 25 years of Dialogue Partnership
- 15 years of Summit Level interaction
- 5 years of Strategic Partnership

Recently, India and ASEAN meeting reviewed progress in implementation adopted a new plan of action for the next five years from 2021-25 that envisages greater cooperation in areas ranging from trade to maritime security and counterterrorism.

- **Economic Relations:** While ASEAN is India's fourth largest trading partner, India's trade with ASEAN stands at approx. 10.6% of India's overall trade.

- **Indo-pacific:** India's Act East Policy is an important part of its Indo-Pacific vision and ASEAN is the core of the Act East Policy.

- **Counter aggressive China:** China is engaged in territorial disputes with many ASEAN nations in the South China Sea and is locked in a bitter border row with India in eastern Ladakh.

- **Geo-Strategic Significance:** to facilitate rule-based order and to maintain freedom of navigation cooperation in the region is an imperative.

- **Connectivity** with ASEAN nations can allow India to improve its presence in the region especially with respect to India's North-eastern states via road-rail connectivity with ASEAN countries.

- **Socio-Cultural Cooperation** - Various programs have been organised to enhance people-to-people contacts. India has invited the ASEAN students each year for Students Exchange Program.

- **Security:** Collaboration is necessary to counter insurgency in Northeast, combat-terrorism, tax evasions etc. Main forum for ASEAN security dialogue is ASEAN Regional Forum (ARF). **ASEAN Defence Ministers' Meeting (ADMM)** is the highest defence consultative and cooperative mechanism in ASEAN. ADMM+ brings together Defence Ministers from 10 ASEAN nations plus Australia, China, India, Japan, New Zealand, Republic of Korea, Russia, and USA on a biannual basis.



CHALLENGES

- **Economic challenges:** India has an unfavorable balance of trade with ASEAN nations. India has pulled out of RCEP deal, as it would deepen its trade deficit with China and the ASEAN nations.
- **Delayed Projects:** India is committed to connectivity projects like India-Myanmar-Thailand trilateral highway. However, timely completion is an issue.
- **Ineffective Negotiations:** Many bilateral deals with these nations are yet to be finalized, leading to the halting of various aspects of diplomatic ties.

WAY FORWARD

India needs a close diplomatic relationship with ASEAN nations both for economic and security reasons. Hence,

- Stronger strategic, security & economic ties will create greater interdependence between India and ASEAN members. This will serve as an effective counter to China's growing clout in the region.
- Explore opportunities in enhancing physical & digital connectivity between India and ASEAN.
- India must speed up work on connectivity projects, such as India-Myanmar-Thailand trilateral highway and building new trade and transport linkages with all ASEAN Nations.

► INDIA & CHINA IN AFRICA

Both India and China have been engaging with African continent owing to its vast resources and potential for diversification of trade partners. In this line, China is shifting from its policy of non-interference to playing a key role in the security for keeping its investments safe. This is visible in its keen interest in the Horn of Africa. In this context, let us understand the presence of China in Africa, as well as India's engagement with Africa.

REASONS BEHIND GLOBAL ATTENTION ON AFRICA

- Africa is endowed with variety of natural resources.
- Increasing population which if skilled could be a source of human resource.
- 55 countries from Africa have critical weight in global institutions such as UN etc.
- Many African countries are one of the fastest growing economies of the world.
- Countries like Mauritius, Botswana, Cabo Verde, Namibia, and Ghana rank relatively high as politically stable, democratic countries.
- 34 countries, home to 72% of Africa's citizens, have improved their governance performance over the last 10 years, and significant improvements have been seen in participation, rule of law, and rights, among other categories.
- **Response to conflicts:** African Union has designated 2019 as "Year of Refugees, Returnees, and Internally Displaced Persons in Africa", highlighting an Africa led solution to refugee crisis.
- Progress has been made on health and disease related issues.
- **Declining poverty:** Share of people living in extreme poverty in Africa has declined in past decades. For ex. Ethiopia is projected to almost eliminate extreme poverty by 2050.
- **Literacy rates are improving,** and progress has been witnessed on **Gender Equality.**

CHALLENGES IN AFRICA

- Exploitation during colonial times along with ill-conceived transfer of power.
- Frequent civil wars in countries like Rwanda, Congo, Somalia, Sudan etc.
- Lack of state capacity and good governance in African countries.
- Lack of infrastructure development and connectivity across the continent.
- Resource curse: Natural resource endowment has hurt as leaders see mining as source of corruption and not development.
- Climate change and desertification. For ex. Desertification in Sahel region.
- Geopolitical competition and meddling in African countries by global powers.
- Africa wide institutions such as African Union etc. have had limited impact.

CHINESE PRESENCE IN AFRICA

- China has been investing across Africa in infrastructure projects as well as in raw materials.
- China is increasingly taking interest in security of African continent. This was reflected in first China-Horn of Africa Peace, Governance & Development Conference. Countries from African Horn participated.

**PROJECTS OF CHINA IN HORN OF AFRICA**

- Countries from Horn of Africa participated, and four resolutions were adopted: Dakar Action Plan, China-Africa Cooperation Vision 2035, Sino-African Declaration on Climate Change and Declaration of Eighth Ministerial Conference of FOCAC.
- Donated around 5 lakh vaccines to the region.
- China's interests are in four major areas: infrastructural projects, financial assistance, natural resources, and maritime interests.
- African countries have welcomed Chinese presence.

A SHIFT FROM PRINCIPLE OF NON-INTERFERENCE

- For Africa, Chinese investments could lead to stable environments helping countries achieve their peace and development. However, conflict in Africa is a huge cost on Chinese investments. Hence, China is taking keen interest in security of the region. Ex. Ethiopian conflict in Tigray region.
- From a trading perspective, Horn of Africa plays a significant role in achieving the objectives of the China-Africa Cooperation Vision 2035.
- China's move towards peace in Africa indicates a shift in its principle of non-intervention.
- Chinese aim to project itself as a global leader and boost its international status.

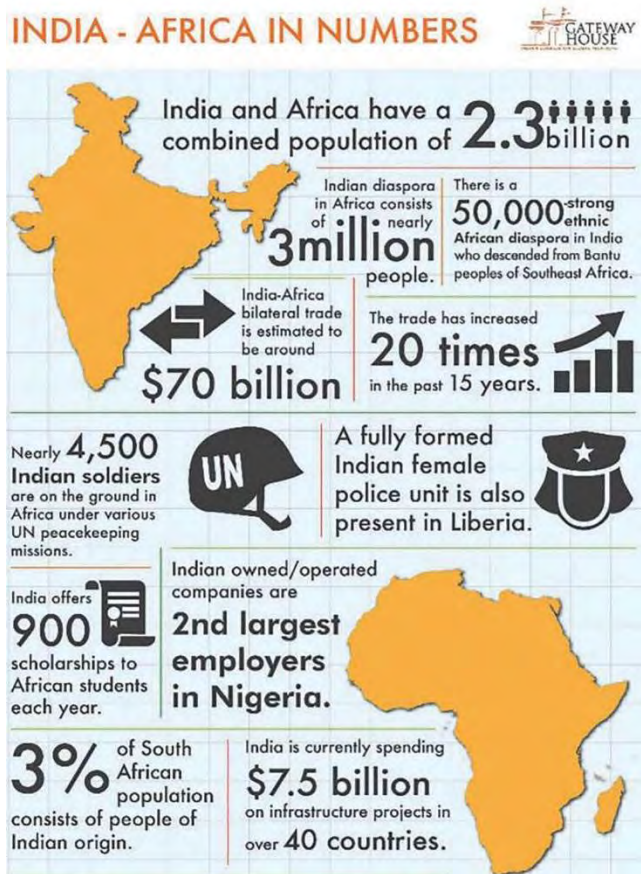
- European presence has been criticised by African nations, unlike the Chinese presence.
- African governments not conforming to Western standards of democracy, interact better with powers like China and Russia.

INDIAN FOREIGN POLICY WITH AFRICAPM outlined 10 Guiding principles for India's engagement with Africa

- Africa will be top of India's foreign policy priorities; India will have sustained and regular engagements to intensify and deepen its relations with Africa.
- India's development partnership with Africa will be guided by priorities formed by respective African countries. India will rely on African talent and skill to build local capacity and create local opportunities.
- India will keep its markets open and make it easier and attractive for Africa to trade with India. India will support its industry to invest in Africa.
- India will harness its experience with digital revolution to support Africa's development, improve delivery of public services, extend education, health, financial inclusion and mainstream the marginalised.
- Address challenges of climate change, wherein India will work with Africa to ensure a just international climate order, preserve biodiversity; adopt clean and efficient energy sources.
- Strengthen cooperation and enhance mutual capabilities in combating terrorism and extremism, keep our cyberspace safe and secure and supporting UN in advancing and keeping peace.
- Keep oceans open and free for the benefit of all nations. Ensure cooperation and not competition in eastern shores of Africa and eastern Indian Ocean.
- Ensure Africa does not turn into a theatre of rival ambitions.
- India will work together for a just, representative, democratic global order and seek reforms in global institutions with an equal place for Africa.

CONCERNS IN INDIA-AFRICA TRADE & INVESTMENT

- India's trade with Africa mainly relies on petroleum and LNG and therefore requires diversification.
- India's trade in Africa is localised to countries of East Africa and require further expansion to other regions.
- Lack of companies from India outreaching to African markets and Indian telecom companies which had strong presence in Africa were unable to expand due to slowdown in telecom sector in India.



- Africa has seen a global decline in FDI inflows with a drop of 21% in 2016-17 which affected Indian investment sentiments and there is also a lack of ability for Indian companies to compete with Chinese investment and cheap exports to Africa.
- [Japan Asia-Africa Growth Corridor \(AAGC\)](#) is yet to be implemented effectively. India & Japan have long engagement with Africa would be useful in promoting AAGC. They have a long way to go and it is still far-fetched to view AAGC as a counter to China's ambitious Belt and Road Initiative (BRI).

ISSUES WITH INDIA'S APPROACH TOWARDS AFRICA

- Lack of a clear strategy.
- In comparison to China, India's development cooperation is based on state-led infrastructure for resources deals, rising debt threats, lack of domestic capacity building and job creation.
- India is not actively pursuing any specific development goals. Ex. Indian Line of credits - LoCs have not been designed to achieve a larger development goal such as food security, health security, clean energy or education for all.
- No synchronisation between different development instruments. LoCs, grants & capacity building operate

as standalone instruments of development cooperation, with almost no links with each other.

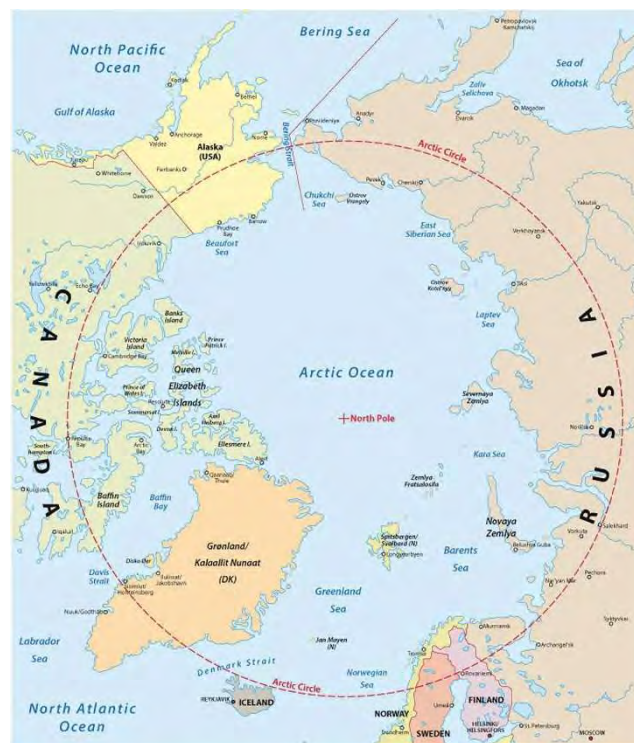
- Implementation has been a key constraint for Indian LoCs, with poor disbursement rates and project completion record.

WAY FORWARD

- Unlike China & West, India does not have substantial resources to support Africa. Therefore, it should prepare a focused Africa strategy for and identify a few areas for closer cooperation.
- Investment in human capital: Current focus on capacity building is online with Africa's needs given continent's huge youth population that need skills and jobs.
- Explore greater collaboration with NGO to implement development projects in Africa at low costs.
- India should try to support Indian companies making investment in development-friendly projects for mutual benefit.
- Though some improvement in project implementation has occurred in recent years, India's overall record is poor. Efforts must be made to expedite the LoC projects.

► GEOPOLITICS OF ARCTIC

U.S. Secretary of State has warned about Militarization of Arctic.



ABOUT ARCTIC

- Being surrounded by Canada, Russia, Greenland, Norway, Sweden, Finland, Iceland, & USA. Arctic Region experiences extreme solar radiation throughout the year. These distinguishable features made it historically inaccessible.
- However, with climate change & global warming, this region has become more accessible. Arctic is increasingly becoming an area of geo-political, geo-economic and geo-ecological interest

SIGNIFICANCE OF ARCTIC REGION

Economical

- Untapped natural resource: Arctic region contains one-fifth of world's undiscovered oil & gas resources, alongside platinum, gold, silver, iron, zinc, copper and deposits of methane hydrates (energy sources).
- Commercial fishing industry: Food security and commercial opportunity.
- Navigation potential: Melting ice will open new sea routes for open water vessels (not adapted for icebreaking) cutting distances and travel times

Ecological

- Albedo: Arctic Sea ice acts as a huge white reflector, bouncing sun's rays back into space, helping keep Earth at an even temperature.
- Thermohaline circulation (Global conveyor belt): Arctic helps circulate world's ocean currents, moving cold and warm water around the globe.
- Permafrost of arctic region acts as a carbon sink.
- Biodiversity: Arctic region is home to more than 21,000 known species of highly cold-adapted mammals, birds, fish, invertebrates, plants and fungi and microbe species which are of immense value to the mankind

CHALLENGES FACED BY THE REGION

- Climate change: Arctic is warming at a rate of almost twice the global average. It will result in rising sea levels, changes in precipitation patterns, increasing severe weather events, and loss of fish stocks, birds and marine mammals.
- Militarization of Arctic: Short distance between two antagonistic powers (USA and Russia) led to militarisation of this region. This resulted in stationing of intercontinental ballistic missile systems, nuclear powered attack submarines and naval bases.
- Increased Chinese Presence: China unveiled its Polar silk Road plan China has already ensured its presence in Arctic through Russian Yamal Liquefied Natural Gas (LNG) project.

Chinese subtle creep into the Arctic region is rising suspicion about its intentions

INDIA'S INTERESTS IN ARCTIC REGION

- Climate: Changes in Arctic climate due to global warming can have impact on Indian Monsoon, water security and coastal erosion. Research in Arctic region is crucial for India. India already has a research base in the region, Himadri.
- Resources: Rich natural resources and minerals in Arctic region benefits manufacturing sector and ensures energy security. ONGC Videsh acquired stakes in Russia's Rosneft new arctic oil project.
- Navigation: India plans to explore connectivity corridor between resource rich Arctic Region and International North South Transport Corridor (INSTC). India and Russia agreed to develop Chennai-Vladivostok maritime corridor.

INDIA'S DRAFT ARCTIC POLICY

India's New Arctic policy seeks to enhance the country's level of engagement with the region. It enunciated with five major areas of engagement:-

- Science & Research.
- Economic & human development cooperation.
- Transportation & connectivity.
- Governance and International cooperation
- National capacity building.

SALIENT FEATURES OF INDIA'S ARCTIC POLICY

- Strengthening India's scientific R&D.
- Climate and environment protection.
- Economic and human development.
- Transportation and connectivity.
- Governance and international cooperation.
- National capability building for Arctic region.

NATIONAL INSTITUTIONS DEALING WITH ARCTIC

- National Centre for Polar and Ocean Research (NCPOR), Goa under Ministry of Earth Sciences is the nodal institution for India's Polar research program.
- India's Arctic Policy will be implemented by an action plan and reviewed by inter-ministerial Empowered Arctic Policy Group.
- India has set up an underground observatory, called IndARC, at Kongsfjorden fjord, halfway between Norway and North Pole.
- India's first Arctic research station, Himadri is located at Spitsbergen, Svalbard, Norway.

BIG POWER

► INDIA AND U.S.A

- Shared democratic values and growing convergence on bilateral, regional, and global issues have provided a strong base for India-U.S. relations, which have now evolved into a strategic partnership of global significance. The relationship enjoys strong bipartisan and popular support in both countries.
- High-Level Dialogue Mechanisms: India and U.S. have more than 50 bilateral inter-governmental dialogue mechanisms for exchange of views on issues of mutual interest. Ex. India-U.S. 2+2 Ministerial Dialogue; India-U.S. Trade Policy Forum; India-U.S. Strategic Energy Partnership etc.

BILATERAL RELATIONSHIP BETWEEN INDIA AND USA

- Defence: Defence has emerged as a major pillar of India-USA strategic partnership with intensification in defence trade, joint exercises, personnel exchanges, cooperation in maritime security and counter-piracy.
- Counterterrorism & internal security: Cooperation in counterterrorism has seen considerable progress with enhanced intelligence sharing, information exchange and operational cooperation. The bilateral Joint Working Group on Counterterrorism is an important mechanism in this regard.
- Cyber-security cooperation between India and the U.S. is conducted under the India-U.S. Cyber Framework signed in September 2016.
- Trade & Economic: The U.S. is India's largest trading partner, goods and services combined. Bilateral trade in goods and services grew by more than 10% per annum over the past two years to reach US\$ 142 billion in 2018.

- Energy: The U.S. has emerged as a key partner for India in the field of energy. The bilateral Strategic Energy Partnership launched in April 2018 between the two countries is robust and witnessing increasing diversification across both conventional and renewable energy sources.
- Civil Nuclear Cooperation: The bilateral civil nuclear cooperation agreement was signed in October 2008. India and the U.S. have a Civil Nuclear Energy Working group on R&D activities which has met ten times and has ongoing projects under R&D collaboration which are reviewed by the Working Group.
- S&T/Space: The Indo-U.S. Science & Technology Forum (IUSSTF) which was established by India and the U.S. as an autonomous, bi-national organization to promote cooperation in Science, Technology and Innovation.
- Indian Diaspora: The number of Indians and Indian Americans in the U.S. is estimated at around 4 million, which accounts for almost 1% of the total U.S. population. It includes a large number of professionals, entrepreneurs and educationists with considerable and increasing influence in U.S. polity, economy and the society.
- Regional and International Cooperation: Both countries are collaborating and coordinating on several regional and global issues in both security as well as development spheres.

INDIA-US FOUNDATIONAL AGREEMENTS

- US requires its strategic partners to sign 4 foundational agreements to enable the strategic

engagement including sharing of information, technology transfer, extension of logistic facilities etc.

- Four foundational agreements include GSOMIA, BECA, LEMOA, COMCOSA.
- Being a 'Major Defence Partner' of the US, signing of the foundational pacts would allow India - greater interoperability between critical technologies and smooth facilitation of classified information.
- India has signed all 4 foundational agreements.

UNRESOLVED ISSUES

- Threat of sanctions under CAATSA over S-400 air defence purchases from Russia.
- Iran Sanctions: India is unwilling to accept US diktat on stopping all oil imports from Iran.
- Trade protectionism of Trump era has forced India to impose retaliatory measures.
- Several issues/disputes in World Trade Organisation (WTO); Trade protectionism; Disputes on the new American steel and aluminum tariffs; disputes on Indian price reductions on medical devices.
- India is actively engaging with US in the Quad. However, creation of AUKUS and its alignment with Quad is unclear.

INDIA US FOUNDATIONAL AGREEMENTS

With the signing of [Basic Exchange and Cooperation Agreement \(BECA\)](#) India has signed all the foundational defence agreement with the United States of America. This has made India effectively a part of the US's Security Architecture. India and US are coming closer because of growing concern both share about the rise of China.

INDIA US FOUNDATIONAL AGREEMENTS

- India and the United States signed the [Basic Exchange and Cooperation Agreement \(BECA\)](#), the last of four so-called foundational agreements for sharing sensitive information, sales of advanced military hardware and geospatial cooperation, during the 2+2 ministerial dialogue.
- With this India has signed all the four Foundational Defense agreements the Logistics Exchange Memorandum of Agreement ([LEMOA](#)), the Communications Compatibility and Security Agreement ([COMCASA](#)), the General Security of Military Information Agreement ([GSOMIA](#)) and the the Basic Exchange and Cooperation Agreement ([BECA](#)).

- An extension to the GSOMIA, the Industrial Security Annex ([ISA](#)), was signed at the last 2+2 dialogue.

ABOUT BECA

- The Basic Exchange and Cooperation Agreement (BECA) is essentially an agreement proposed between the National Geospatial-Intelligence Agency of the US department of defence and the defence ministry that will allow India and the US to share military information which includes maps, nautical and aeronautical charts, commercial and other unclassified imagery, geodetic, geophysical, geomagnetic and gravity data.
- Most information that will be shared will be that of the unclassified category but there is a provision of sharing classified information as well with proper safeguards in place to ensure that the information is not shared with any third party.

WHAT WILL INDIA GAIN FROM THE AGREEMENT?

- The agreement will allow US armed forces to provide advanced financial navigational aids and geospatial intelligence which will improve the military's accuracy of automated hardware systems and weapons like cruise missiles, ballistic missiles and drones.
- BECA will also help India and US counter the growing Chinese influence in the Indo-Pacific region thereby strengthening the Quad.
- The agreement will also help India at a time of standoff with the Chinese army in Ladakh.

IMPORTANCE OF SIGNING BECA

- By signing BECA, India can specifically receive sensitive geo-spatial intelligence.
- Together these foundational military pacts effectively tie India to the wider U.S. strategic architecture in the region.
- Previous governments had resisted attempts to get India to sign these agreements on the ground that it would compromise India's security and independence in military matters.
- The present dispensation argues that there are enough India-specific safeguards built into the pacts, and there is no reason for concern.

IMPLICATIONS OF INDIA ALIGNING WITH WIDER U.S. STRATEGIC ARCHITECTURE

- It has been argued that such alignment stands contrary to India's stated principle of exercising Strategic Autonomy.

- India will now be seen as part of a wider alliance that stands to counter China.
- Although it is being argued that such a move has been taken based on Pragmatic considerations, it seriously impacts the previous policy of neutrality, and of maintaining its equi-distance from power blocs.

IMPACT ON INDIA - CHINA RELATIONS

- Initially India had distanced itself from the QUAD, to avoid being seen as a part of anti-China grouping.
- However now Quad has become more anti-China in its orientation. Further India has invited Australia to join the Malabar Naval Exercise which now has the same members as the Quad.
- At this point being seen as close to USA might not be in the long-term interest of India.
- As far as China is concerned, in the past India has pursued the Policy of avoidance of conflicts with China. For Example, even After the Doklam Stand-off, India tried to mend ties with China through the Wuhan and the Malappuram bonhomie.
- And now India's alignment with US would indicate that India made its choice which, can only exacerbate already deteriorating China-India relations.

IMPACT ON REGIONAL AND OTHER NATION TIES

- Besides forging alliance against China, India should focus on offsetting the loss of influence and momentum in its immediate neighbourhood (in South Asia), and in its extended neighbourhood (in West Asia)
- Further, both China and USA are enlarging their influence in India's neighbourhood which is traditionally seen to be under India's sphere of influence.
- The Maldives has chosen to enter a military pact with the U.S. to counter Chinese expansionism in the Indian Ocean region.
- India also needs to make sure that UAE-Israel linkage does not adversely impact India's interests in the region.
- India also needs to devote greater attention to try and restore India-Iran ties which have impacted because of US sanctions.
- Further, India's stand on Afghanistan has been wavering since US has decided on peace deal with Taliban.
- India also needs to balance its membership of the Shanghai Cooperation Organisation SCO in the light of its new relationship with USA.

- With China and Russia as the founding members of SCO it was conceived as an anti-NATO entity.
- India has also distanced itself from the African and the Latin American countries owing to its distancing from the NAM.

IMPACT ON INDIA RUSSIA RELATIONS

- Finally, such closeness with US can adversely impact India-Russia relations
- Russia has been an all-weather friend for India for the past decades.
- India-Russia relations are also being impacted because of expanding Russia-China relations.
- Thus, India will need to handle its relations with Russia with skill and dexterity, as it would be a tragedy if India-Russia relations were to deteriorate at a time when the world is in a state of disorder.

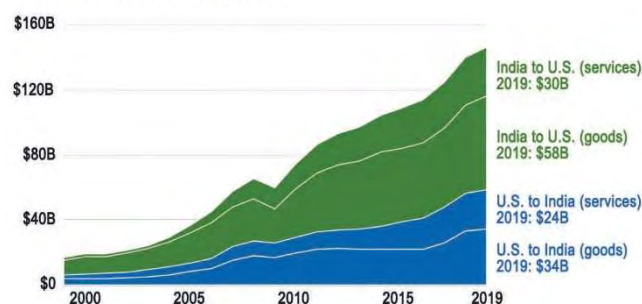
► INDIA-US TRADE RELATIONS

India and United States held 12th Ministerial-level meeting of the [India-United States Trade Policy Forum \(TPF\)](#). TPF has been revived after four years to resolve trade and investment issues between the two countries. Both countries recognise the need for diversifying critical supply chains and are poised to play an increasingly important role when it comes to resilient supply chains and working with other like-minded nations.

INDIA - US ECONOMIC RELATIONS

- Bilateral trade in goods and services—estimated at just \$16 billion in 1999 and \$59.5 billion in 2009—topped \$146 billion in 2019.
- The U.S. is India's largest trading partner, goods and services combined. Bilateral trade in goods and services grew by more than 10% per annum over the past two years to reach US\$ 142 billion in 2018.
- In 2019, India was the ninth-largest trading partner of the United States, while the United States was India's largest trading partner—surpassing China's rank for the second consecutive year.

The Growth of U.S.-India Trade



POTENTIAL OF BILATERAL TRADE BETWEEN INDIA AND USA

- The level of goods traded between the United States and Korea is nearly 1.5 times larger than between the United States and India— even though Korea's GDP is roughly 40% smaller than India's.
- Vietnam's trade with the United States is 84% that of India's, even though India's GDP is ten times larger than that of Vietnam
- China's trade with United States is 6 times larger than.
- This highlights the potential of trade between India and the USA. Also, as USA tries to diversify its dependence on China and with increasing labour costs in China, the potential for US and India trade is immense. Both India and the USA are democracy and have deeper convergence of several issues apart from increasing security cooperation.

TRADE RELATED ISSUES BETWEEN INDIA AND US

Despite immense potential of bilateral trade between India and USA, certain issues have limited realisation of trade potential between them.

1. Tariffs

- US imposed tariffs on steel and aluminium imports from India. US has also called out high tariffs in India on certain categories such as automobiles.
- India drew up a list of retaliatory tariffs and filed it with the World Trade Organization (WTO) but held off on applying them.

2. Generalized System of Preferences (GSP)

- US removed India from the GSP program.
- India imposed retaliatory tariffs, after which the United States filed a dispute at the WTO. These retaliatory tariffs remain in place.
- In 2018, India was the largest beneficiary of GSP; over one-tenth (\$6.3 billion) of U.S. goods imports from India entered duty-free under the program (e.g., chemicals, auto parts, and tableware).

3. Agriculture

- India has been demanding enhanced market access for its agricultural produce in the US market. India has opposed enhanced phyto-sanitary standards being imposed by USA to curb imports from India.
- Particularly India wants restoration of market access for wild caught shrimp and water buffalo meat.
- US wants to export excess ethanol for India's ethanol blending with petrol.

4. Intellectual property rights

- US concerns include piracy of software, film, and music and weak patent protections.
- India amended the Patents Act to recognize [product rather than process patents](#).
- [Despite the changes in the Patent act, US has raised concerns about](#) insufficient patent protections, restrictive standards for patents, and threats of compulsory licensing.

5. Investments

- India restricts FDI in certain sectors. Under, India's FDI regime above a certain cap FDI investors have to take permission for investing in India. US considers this as a restrictive.

6. Pharmaceutical and Medical Devices

- U.S. Trade Representative (USTR) expressed concern for years [about customs duties on medical equipment and devices](#).
- Issues increased when Indian government applied new price controls on coronary stents and knee implants.
- India wants cooperation from US in developing a secure pharmaceutical manufacturing base for augmenting global supply chains. However, COVID-19 pandemic has stalled inspections of Indian pharmaceutical facilities by US Drug Regulator, Food and Drug Administration (FDA).

7. Digital Economy

- Issues exist regarding [data localization, data privacy, and e-commerce](#).
- [E-commerce rules of India and Data Equalisation](#) levy have also been contentious trade issues between the two countries. US feels that these hit global software giants adversely. For ex. Amazon, Apple, Microsoft and Google.
- [Data Protection bill](#) has not been passed in India.
- India's rules for [Mandatory Testing and Certification of Telecom Equipment \(MTCTE\)](#) have also been a concern for US.

8. Labour movement and visas

- United States, H1B and L1 visas permit highly skilled workers from other countries to be employed.
- The Indian government continues to object to U.S. laws passed in 2010 and 2015 that apply higher fees on companies with more than fifty employees if more

than half of those employees are in the United States as non-immigrants.

- In 2016, India filed a trade dispute at the WTO over these visa fees, arguing that the higher fees “raised the overall barriers for service suppliers from India.”
- India has been demanding conclusion of [Social Security Totalisation Agreement](#) between India and US, this would allow Indian citizens to repatriate their social security savings once they come back to India.
- Legal, nursing and accountancy services can facilitate growth in trade and investment, both countries promote engagement in these sectors.

9. New emerging trade issues

- US has been pressing for issues such as child labour and forced labour in global supply chains. India does not want to tackle these issues in the framework of trade agreements and trade talks.
- US has been pressing for bringing in environmental issues in the framework of trade talks.
- Standards and conformity assessment procedures are often used for trade restrictive practices.

HIGHLIGHTS FROM RECENT TRADE POLICY FORUM

MEETING

India and USA held the 12th Ministerial level meeting of the India-US Trade Policy Forum (TPF). India's Minister of Commerce and Industry and US Trade Representative participated in the meeting. This was the first meeting of the Trade Policy Forum since 2017.

Political agreement between India and USA on the issue of Digital Services Tax during the interim period prior to full implementation of Pillar I of the OECD agreement.

WAY FORWARD

- Both are emerging as strategic partners and as such [there is a need for convergence on all issues concerning both the countries. Trade](#) forms a foundation of such strategic partnership.
- [Reinstatement of the GSP](#) - It would benefit the Indian exports to USA. India can act as an alternative for Chinese goods in the US markets.
- [Delinking Issues](#) - US reportedly considered capping the issuance of H1B visas to about 15% for any country that “does data localisation.” This goes against the spirit of having an overall improvement in trade between the two.
- Like the 2+2 dialogue, there is a need for institutionalisation of the economic dialogue between USTR and Ministry of Commerce and Industry.

- India needs to boost manufacturing sector and make exports more competitive to become a major trade partner of USA replacing China.
- Both nations must actively work [towards de-escalating trade tensions](#).
- [Regular convening of Trade Policy Forum](#) and its working groups to iron out trade issues.
- [Collaboration on emerging technologies](#) such as cyberspace, semiconductors, AI, 5G 6G and future generation telecommunications technology.
- [Participation and collaboration between private sector in both countries](#) in building critical linkages in critical sectors.
- [Regular exchange of information on standards and conformity assessment procedures](#) to ensure that all requirements are no more trade restrictive than necessary. There is a need for transparency in the rulemaking process and focus on enhanced good regulatory practices.

► S-400 DEAL AND CAATSA

The threat of US sanctions under the CAATSA law have come into light in the context of delivery of S-400 missile system from Russia to India. However, with increasing convergence between US and India highlighted by the foundational defence agreements and the strategic conception of QUAD in the Indo - Pacific such sanction by US on India can undermine the India-US strategic partnership.

ABOUT CAATSA LAW

- US Congress in 2017 passed Countering America's Adversaries through Sanctions Act (CAATSA) to impose sanctions on Russia, Iran, and North Korea.
- Section 231 of CAATSA mandated secondary sanctions to any nation entering high-value deals to procure military hardware from Russia.

IMPLICATIONS OF CAATSA FOR INDIA

- Impacts India's security and strategic interests as Russia is one of the principal suppliers of critical defence system to India.
- Erodes India's Sovereignty as US can use CAATSA as tool for arm twisting and preventing India from having trade relations with countries like Russia, Iran etc.
- Puts constraints on India to purchase critical defence equipment.
- Adversely Impacts India- Russia relations.

- It is a unilateral law, not grounded in international law and neither is backed by UN.

IMPLICATIONS FOR INDIA-US RELATIONS

- CAATSA is a unilateral law of US which seeks to impose sanctions on India without taking into consideration India's concerns.
- Heightens India's traditional insecurity about reliability of US as bilateral partner.
- Undermines trust of US in India on the larger question of Indo - Pacific security.
- Such sanctions would be counterproductive to US's larger aim of countering China.
- Undermines the stand of both countries on the issue of Multilateralism.
- Throws questions about consistency of US policy. Ex - Arbitrary imposition of sanctions on Iran.
- Acceding to such sanctions amounts to becoming a party to a bilateral dispute and challenges the India's principles of sovereignty and strategic autonomy.

WAY FORWARD

Short term goal of India should be getting a waiver from the US for its S-400 deal. However, in the long term it needs to be highlighted that this law goes against the "rules-based international order" that is the foundation of the India-U.S. global strategic partnership.

► INDIA-RUSSIA

Russian President Vladimir Putin visited India a month before the attack on Ukraine and initiated first ever 2+2 dialogue between the foreign and the defence ministers between the two countries. 28 agreements were signed, however some important agreements like RELOS were not finalised. Also, there was a shadow of increasing closeness between Russia and China and increasing closeness between India and the USA in the Indo-Pacific region.

KEY OUTCOMES OF THE VISIT

- It was only the second foreign visit of Russian president since the Pandemic started. He called India as a "Great power" highlighting the prominent position India has in the Global geo-politics.
- The two sides met for first time in 2+2 format- with External Affairs Defence Minister from both sides.
- Renewal of military and defence partnership for 10 years to 2031, broadening the defence cooperation.
- Cleared a deal to manufacture Russian AK-203 rifles in Uttar Pradesh in a joint venture, which will see technology transferred by Russia to India.

- 28 agreements on everything ranging from Oil and Energy to intellectual property rights and Culture were signed.
- Delivery of S-400 missile defence system has already started.
- Joint projects in third countries of Asia - Both already have a joint nuclear power project in Bangladesh's Rooppur
- Important agreements like bilateral logistics support deal Reciprocal Exchange of Logistics Agreement (RELOS), as well as a Navy-to-Navy cooperation MoU were discussed but were not announced.

ON AFGHANISTAN

- Support for a peaceful Afghanistan, non-interference in internal affairs, and humanitarian assistance.
- Afghanistan must not be used for terror groups- mentioned LeT along with ISIS and Al Qaeda.
- Permanent consultative mechanism on Afghanistan between the NSAs of both countries, and a Roadmap of cooperation on Afghanistan
- Welcomed the Delhi Regional Security Dialogue of NSAs, held by NSA Doval.

DEFENCE COOPERATION AND ISSUES

- Defence Mechanism: Inter-Governmental Commission on Military Technical Cooperation (IRIGC-MTC).
- The relation has evolved from "a purely buyer-seller relationship to joint research, design development and production of state-of-the-art military platforms." Example: Joint development of Brahmos missile.
- Both are also involved in indigenous production and development of tanks and fighter jets, along with the upgrade of existing systems.
- S-400 Triumph Air Defence Missile System, Four Admiral Grigorovich-class frigates, manufacture of Ka-226T helicopters in India.

ISSUES IN DEFENCE COOPERATION

- Russia still commands 58% of total arms imports by India, followed by Israel and the US at 15 and 12%, respectively. This figure, however, is a step down from 2010-14 when Russia had a share of 70% of Indian defence market.
- India desires to diversify its defence imports and therefore a heightened competition for Russia with other suppliers.
- Dissatisfaction in India with post-sales services and maintenance being offered by Russia.

- Cost escalation because of the delays in supply is another concern.
- High cost and low quality of spare parts for weaponry imported from Russia.
- Threat of US' CAATSA law sanctions pose a concern.

CHANGING NATURE OF DEFENCE TIES

- Biggest change in India's foreign policy has been its increasing alignment with USA.
- Indian Navy along with that of Japan, US and Australia undertakes Malabar naval exercise in western Pacific.
- Formation of Quad.
- India has already inked three foundational agreements with USA, which open a wide opportunity for cooperation in security, defence, intelligence, and big tech.
- However, despite all hiccups and tensions between India and Russia, the two countries have signed defence deals worth \$15 billion in the last three years.
- All these deals have happened despite US sanctions and India's arms imports witnessing a 33% drop in the last five years, with sales from Russia being hit the hardest.
- This comes at a time when the deals with the US since 2018 was less than \$5 billion.

WAY FORWARD FOR DEFENCE TIES

- Both IAF and Indian Navy have slowly moved their missile dependence on Russia to other countries, especially the French and Israel besides the indigenous technology.
- One service where Russians continue to have a stake currently and possibly into the future as well is Army.
- The other sector where Russians will continue to have a strong hold is India's strategic program, which becomes binding factor for many other deals that India signs.
- But growing India-French ties may just be able to offset it.
- Another factor that will come into play in the future and possibly desist India from putting in the Russian crate is the increasing ties between Russia and China.
- Russia has emerged as one of the principal suppliers of defence equipment and technology to China, a development that India is not really happy about.

ECONOMIC RELATIONS

- Economic Mechanism - Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC)

- Bilateral trade is not much significant - from April 2020-March 2021 amounted USD 8.1 billion. Indian exports amounted USD 2.6 billion while imports from Russia amounted USD 5.48 billion.

ISSUES IN ECONOMIC RELATIONS

- There is deficit in trade in favor of Russia.
- Reason for lack of growth of trade relations:
 - Lack of involvement of the private sector
 - Absence of logistics
 - Poor connectivity
 - stalling of the International North-South Economic Corridor, resulting in higher costs.
- Indo-Russia energy sector has in recent years seen increased cooperation through two-way investment. However, difficulties involved in direct supply through pipelines remain.
- Action Plan for Prioritization and Implementation of Cooperation Areas in the Nuclear Field.
- The two-way investment target set at \$50 billion by 2025.
- Looking for alternative routes to deal with the logistics issue, India has indicated its intent to establish a shipping corridor from Chennai to Vladivostok, which would reduce the time for goods to be shipped to the Russian Far East.

CHANGING GEO-POLITICS & IMPLICATIONS ON RELATIONSHIP

- Ukraine War: India abstained from Voting at the UNSC resolution against Russia. However, Russia's tilt towards China is a cause of concern for India. On the other hand, US wanted India to comply with the sanctions and take a clear stand on Russian aggression. Although these decisions are seen in the context of India's stated policy of Strategic Autonomy, it might impact India's alignment with US against China in the Indo-Pacific.
- India's increasing alignment with the US: India is aligning with US in the Quad in the Indo-Pacific strategy. Russia is increasingly wary of NATO's eastward extension till its borders.
- Russia' view of Quad: Russia views Quad as an 'Asian NATO' and has compared it with 'Cold War' era tactics. Russia thinks that Quad and Indo - Pacific conception is primarily an American initiative designed to contain both China and Russia.
- Russia - China bonhomie: Russia and China have convergence over anti-American foreign policy and share a vision for a multi-polar world. Russia's

economy critically depends on oil & gas exports. China being the largest importer of oil & gas is a big market for Russia's exports. Russia supports Belt & Road initiative.

- **Defence and energy exports to China:** Close to 77% of China's arms imports came from Russia during 2016-20. China is a major and large buyer of Russia's oil & gas. This has deepened economic relations between both.
- **Arctic Geo-politics:** Cooperation on the Arctic where both Russia and China seek to develop sea lines for shorter trade routes. China is particularly interested in this as it will reduce its vulnerability on Strait of Malacca.
- **Deepening of Russia & Pakistan Relations:** It is facilitated by China-Pak axis, Russia sees Pakistan as a zipper state, cooperation is increasing on energy sector and on Afghanistan issue.

WAY FORWARD

- Russian preoccupation with Russia's 'status' rivalry with U.S has impacted Russia's view of India-China relations.
- India should pursue normalisation of relations between US & Russia, while diminishing Russia's propensity to coordinate its South Asian policies with China.
- Russia might not always be the most powerful player, but it retains significant capacity to act both as a spoiler and a facilitator in Eurasia and has seen a resurgence of influence in West Asia.
- India and Russia will continue to pursue their respective trajectories in world affairs, coordination on mutually beneficial issues will be vital in this period of flux in the global system.
- After Taliban's takeover, leveraging relations with Russia can be a key strategy for India in Afghanistan. Example: NSA talks between India, Russia, Central Asian republics etc.
- There is a need for improving Economic cooperation – Improving logistics – FTA with EAEU etc.

Besides defence cooperation should be nurtured on the lines of joint development and technology transfer and indigenisation.

► INDIA – RUSSIA MARTIME COOPERATION

Maritime cooperation is emerging is one of the important pillars of India's Foreign policy. In this context,

India-Russia cooperation is crucial to India's interest owing to strategic relationship with Russia.

INDIA OCEAN REGION

- India's central position in the northern IOR bestows upon it a unique role.
- Russia is the only major power without a permanent presence in the IOR. However, Russia's inclusion as a dialogue partner of the Indian Ocean Rim Association (IORA) suggests the implicit acceptance of its important role in the evolving geopolitics of the Indian Ocean
- Russia plays an active role in anti-piracy operations off the coast of Somalia. It is setting up naval base in Sudan. The geographical centrality of Sudan vis-à-vis the Red Sea and adjacent areas provide Russia with the potential capacity to control several choke points and focal areas like Suez Canal (also from Tartus), Red Sea, Bab al-Mandab Strait, and Gulf of Aden
- India has signed military logistics agreements with all QUAD countries, as well as with France, Singapore and South Korea.
- Russia and India are set to sign the Reciprocal Exchange of Logistics Agreement (RELOS).
- However, Russia has criticised the Quad grouping of which India is a member. Further the growing alignment between Russia and China because of Ukraine war brings tough choices for India.
- India's primary supplier in the maritime domain, the operational interaction between the navies of the two countries is comparatively on a lower scale.

RUSSIAN ARCTIC AND FAR EAST AND ITS IMPORTANCE FOR INDIA

- In many ways, Arctic is to Russia, what Indian Ocean is to India.
- Half of the Arctic in terms of its area, coastline, population, mineral wealth and hydrocarbons lies in Russia.
- India has scientific, environmental, commercial and strategic interests in the Arctic region and Russian Arctic can potentially address India's energy security objectives.
- Oil and Gas trade between India and Russia remains significantly low, despite Russia being the world's third largest producer and India being the third largest consumer.

IMPORTANCE OF RUSSIAN ARCTIC AND FAR EAST

- **Hydrocarbons** - Russia has the largest proven natural gas reserves in the world, enough to last for about 80 years at current production rates.
- By 2050, the deposits in the Arctic shelf are expected to provide between 20 and 30% of Russia's total oil production
- **Strategic Minerals** - The Russian Arctic also has vast deposits of cobalt, copper, diamonds, gold, iron, nickel, platinum, high-value rare earth elements, titanium, vanadium and zirconium. For India, Most of the rare earth products used in strategic industries viz. defence, fiber optic communications, space and nuclear energy are also critical to various clean energy technologies, including wind turbines and electric vehicles
- Russian far East - The Russian Far East or RFE is rich in natural resources, producing 98% of Russian diamonds, 90% of borax materials, 50% of gold, 14% of tungsten, and 40% of fish and seafood. About one-third of all coal reserves and hydro-engineering resources of the country are available here.

INDIAN INITIATIVES

- India has been collaborating with Russia in the Far East as was witnessed during the Prime Minister's visit in 2019. PM announced a US\$ 1 billion line of credit to further contribute to the development of RFE.
- Both countries have stated that Chennai-Vladivostok Maritime Corridor along with International North-South Transport Corridor (INSTC) will bring India and Russia closer to each other.



- **Chennai-Vladivostok Maritime Corridor** would reduce transport time from present 23 days from Baltic Sea route to 15-16 days via the new route.

- India has proposed inclusion of Chabahar Port in INSTC and is seeking to expand membership of the project.

WAY FORWARD

- Russian opposition to the Indo-Pacific and the QUAD as a containment strategy needs to be dispelled through greater interaction and explanation of India's Security and Growth for All in the Region (SAGAR) and an open and inclusive Indo-Pacific. India can also consider facilitating Russian access to the IOR.

Though the Middle East remains India's most viable choice for energy imports, emerging geopolitics and shifting traditional alliances compels India to diversify its partners. Russia, with its abundant energy resources, coupled with the exit of Western oil companies from its energy projects, offers tremendous opportunity for India.

► INDIA-UK RELATIONS

Prime Minister of UK Boris Johnson visited India in April 2022. India and UK have been collaborating bilaterally as well as on issues of global importance. UK has been reasserting itself on the global stage post Brexit, which can be seen from its membership of AUKUS in the Indo-Pacific. In the Post-Brexit Economic Agenda both the countries expect to double the trade by 2030 along with early finalization of the Free Trade Agreement. In this backdrop let us understand the broad contours of India-UK relations.

ISSUES	HIGHLIGHTS
Trade	<ul style="list-style-type: none"> • Merchandise trade between the two countries was \$15.5 billion in 2019-20 with the trade balance in favor of India. • India is the second-largest source of foreign direct investment after the US in the UK. • UK is the 6th largest investor in India, after Mauritius, Singapore, Netherlands, Japan and USA.
Defence	<ul style="list-style-type: none"> • India and the UK signed Defence and International Security Partnership (DISP) in 2015 to provide a strategic roadmap and direction to the evolving India-UK Defence Relations.

	<ul style="list-style-type: none"> • UK is deploying Carrier Strike Group in Indian Ocean region this year in line with its strategic tilt to Indo-Pacific. • UK will join the Indian-Pacific Oceans Initiative (IPOI).
Climate change	<ul style="list-style-type: none"> • India-UK Green Growth Equity Fund is mobilising institutional investments in renewable energy, waste management, electric mobility and environment sub-sectors in India. • Early operationalisation of the Global Green Grids-One Sun One World One Grid Initiative (OSOWOG) under ISA and IRIS platform under CDRI which were jointly launched by India and UK at COP26.
Health	<ul style="list-style-type: none"> • Successful partnership between Oxford University, AstraZeneca and Serum Institute of India (SII) on Covid19 vaccine demonstrated the potential of Indian and UK expertise working together to solve international challenges
Multilateral Collaboration	<ul style="list-style-type: none"> • UK has been supportive of India's permanent membership of UNSC and voted favorably in the roll-over decision on UNSC reforms to the 70th session of UNGA. • UK is also a strong supporter of India's membership of the NSG, MTCR, Australia Group and Wassenaar Arrangement. • UK and India are current co-chairs of Coalition for Disaster Resilient Infrastructure (CDRI). UK is also a member of ISA and supports its activities.
Diaspora	<ul style="list-style-type: none"> • Indian Diaspora in UK is one of the largest ethnic minority communities in the country, including approximately 1.6 million British nationals of Indian origin and about

3,51,000 NRIs living in the UK equating to almost 2.5% of UK population and contributing 6% of the country's GDP.

- At present there are sixteen Indian origin MPs in the UK Parliament and, out of these, five of them hold key Ministerial posts in the Government.

TEN YEAR ROADMAP FOR INDIA-UK RELATIONS

- Negotiate a comprehensive Free Trade Agreement (FTA)
- Doubling India-UK trade by 2030.
- Strengthening defence partnership, focusing on maritime and industrial collaboration
- Closer cooperation in a free and open Indo-Pacific.
- Maritime Domain Awareness, which includes new agreements on maritime information sharing
- Conclusion of a Logistics MoU.
- Cooperation and coordination in the UN, including at UNSC and UNFCCC, and other multilateral fora such as G-20, WTO, WHO, Commonwealth, IMF and World Bank.
- Promote and uphold a rules-based international system and work together to promote reformed multilateralism

UK'S RENEWED ASSERTION POST BREXIT

- UK is focusing to significantly **increase its nuclear stockpile** to counter threats posed by increasing military might of Russia and assertiveness of China.
- UK is looking towards India and Indo-Pacific Region to ensure that its strategic interests are protected and impact of Brexit on the economy is minimized.
- Britain has expressed its desire to acquire partner status of ASEAN.
- It is part of the AUKUS security Partnership that aims at countering China in the Indo – Pacific.

IMPLICATIONS OF UK'S TILT

Will declare UK's political commitment to the region, thereby developing a consensus against an assertive China.

- By aligning with US and Australia, it is amplifying its efforts by entering the regional security architecture.
- On intelligence gathering and sharing – a field the UK leads in – there is potential to cooperate more with

key Indo-Pacific states such as Japan and India. Ex - 5 eyes

- Trade and investment will be a key dimension of the UK's tilt and the UK's changing relationship with China requires a diversification of trading partners.

STAKES FOR INDIA - UK RELATIONS

- Both view Indo - Pacific as an emerging theatre of Geo-politics. It provides an opportunity for a closer UK-India partnership.
- UK's post-Brexit meritocratic immigration policy, along with its move to co-sponsor a motion at the UN that called out Pakistan's failure to prevent the financing of terrorism, have helped put the relationship on a healthier footing.
- India has come to the realisation that, alone, the US is incapable of constraining China.
- Compared to its ties with Japan, Australia and France, the UK remains a relatively untapped strategic partner for India.
- On cybersecurity, the UK and India will be working multilaterally under the proposed D 10 to combat Huawei's lead in 5G.
- The partnership between Oxford University, AstraZeneca and India's Serum Institute serves as a blueprint for future cooperation on global health initiatives.
- Post Brexit - when UK is trying to diversify its economic partners - India can play a crucial role.
- Both are partnering on the issues of Climate change. Ex- Green Grid initiative and one sun on world one Grid at Glasgow COP26.

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.

► INDIA-EU

India and the European Union agreed to relaunch free trade negotiations by resuming talks that were suspended in 2013 for the Bilateral Trade and Investment Agreement (BTIA)

- EU-India adopted a [Connectivity Partnership document](#) outlining plans to cooperate on digital and infrastructure projects.
- Both agreed to work towards a balanced, ambitious, comprehensive and mutually beneficial trade

agreement which would respond to the current challenges," as well as launch negotiations for a "stand-alone" investment protection agreement and a separate agreement on "geographical indications" pertaining to intellectual property rights.

- India-EU connectivity partnership committed the two sides to working together on digital, energy, transport, people to people connectivity that was "transparent, viable, inclusive, sustainable, comprehensive, with a rules-based approach.
- The partnership is seen as a response to China's Belt and Road Initiative and comes as EU's negotiations with China on their Comprehensive Agreement on Investment (CAI) have run into trouble.

BROAD-BASED TRADE & INVESTMENT AGREEMENT (BTIA)

- Trade with India formed under 3% of E.U.'s global trade, which is "far below" what was expected of relationship. Conversely, EU is India's largest trading partner and investor, and accounts for 11% of India's global trade.
- Broad-based Trade and Investment Agreement (BTIA) is an intended trade agreement in negotiation between India & European Union. It has not progressed due to sharp differences between both negotiating parties.

DIFFERENCES ON BTIA

- There is a disagreement between India and EU on whether [protection of foreign investments](#) will be part of BTIA or will be dealt with in a separate agreement.
- The provision under BTIA makes it mandatory for foreign investors to initially pursue Indian judicial and administrative remedies for at least a period of five years before pursuing a claim under international law. EU has opposed this provision.
- [India wants a greater ease of movement of temporary skilled workers to provide services in the EU.](#) European nations have been pursuing a policy of protectionism after successive financial crisis caused a rise in unemployment. Moreover, liberalization in immigration policies including for migrant workers is subject to decisions of individual countries, thereby limiting the mandate of EU to negotiate with India.
- [The EU wants greater market access for its wines and spirits, and that India should lower its tariffs for their imports.](#) Wines and spirits are considered luxury items in India and therefore there is no reasonable cause for such a tariff reduction.

- EU is not granting [data secure certification to India](#), which would facilitate the cross-border transfer of personal data that is required by Indian companies especially in the IT industry.
- Agricultural products have been excluded from the negotiations. European countries give huge subsidy to their agro products, due to which Indian agricultural products are not able to compete.
- [EU has also asked India for change in government procurement policies](#). India has denied these prospective changes as agricultural procurement is followed on basis of developmental motive rather than profiteering motive.
- [EU is varied of the data localization rules within India](#). This has led to disagreement on the operating guidelines for e-commerce companies.

► UKRAINE WAR AND INDIA – EU RELATIONS

- EU countries and India have divergent stands on the Ukraine issue.
- Further Europe is witnessing an unprecedented Oil and Gas crisis because of its dependency on Russia.
- Rising Oil and Gas prices have led to stagflation like situation.
- Being an important trading partner of India, India has tried to secure its relations via the recent visit by Prime Minister of India. Both are negotiating the BTIA to remove barriers in trade.
- EU needs to understand that India's posture is a product of its political management of its relations with Russia and of its position in the Indo-Pacific region. Avoiding harsh consequences on the Chinese front is a much more significant matter for India than acting under the pressure from West.
- India is not a direct participant in Ukraine crisis and was never likely to adopt a position that would weaken it in relation to both Russia and China at the same time.
- EU should consider its relationship with India in larger Indo-Pacific context.

EUROPEAN UNION'S CHINA DILEMMA AND AN OPPORTUNITY FOR INDIA.

Europe and China have been major partners for a generation. There has been a relationship of dependence and cooperation. Ukraine war has

reinforced Trans-Atlantic relations between EU and China.

ECONOMICS AS MAIN SUBSTANCE OF EU-CHINA RELATION

- Europe championed China's case for WTO membership and China supported the 'European Project' - connectivity, regulatory frameworks and the building of a single European entity.
- According to the World Bank, China and EU jointly account for 35% of global GDP in PPP terms.
- China is now EU's second-biggest trading partner behind USA and EU is China's biggest trading partner.

CHANGING SUBSTANCE IN THE EU-CHINA RELATION

- Economic dimension has been most significant in EU-China relation in last two decade. But now, political and security dimensions began to jostle in.
- In 2019, EU Commission published "A Strategic Outlook", describing China as, simultaneously, a cooperative partner, an economic competitor and a systemic rival.
- European security is a concern in the light of economic power and political influence of China with its collaboration with Russia growing with unprecedented scale and speed.

AN OPPORTUNITY FOR INDIA

- Despite EU economies being coupled with China, EU is wary of such dependency as is being witnessed in case of its dependency on Russian Oil and Gas. Hence EU wants to diversify its economic linkages to make secure it against any future geo-political shock.
- EU companies are also looking for alternative investment spaces in the wake of deteriorating relationship between China and the U.S.
- EU also wants to collaborate with countries to meet its Climate goal of Net zero Neutrality.
- India wants EU's support to build a consensus in the Indo-Pacific to counter Chinese assertion.
- Thus, all the above Geo-Political, Geo-Strategic and Geo-Economic factors create an opportunity for India and EU to collaborate.

TAPPING ON THE 'RARE' OPPORTUNITY

- Broad-based Trade and Investment Agreement must be expedited to Improve trading relations.
- We must join in high-technology collaboration including 5G and artificial intelligence.

- Europe will also need to change its positions on trade in goods and be ready to accommodate India on services.
- India accounts for only 2.3% of EU trade and ranks ninth in EU trading partners.
- EU is India's largest trading partner, accounting for €80 billion worth of trade in goods in 2019 or 11.1% of total Indian trade, on par with the USA and ahead of China (10.7%)
- Infrastructure projects like International North-South Transport Corridor will help increase India's export to EU.
- The opportunity for India and the EU to build a partnership that is both economic and strategic is there for the taking in a post-COVID-19 and Post Ukraine strategic scenario.

► EU-CONNECTIVITY PROGRAM

European Union has unveiled its connectivity program, known as the Golden Gateway, to counter the Chinese Belt Road Initiative. In this backdrop let us understand the key aspects of the program, India-EU connectivity initiative and likely challenges for these connectivity programs.

GLOBAL GATEWAY PROGRAM – EUROPEAN UNION

- EU has unveiled its €300 billion (\$340 billion) Golden Gateway Program which is an alternative to China's Belt and Road initiative.
- Aims to help underpin the global recovery by mobilizing investments in digital, clean energy and transport networks, as well as boosting health, education and research systems across the world.
- Aims at creating strong & sustainable links, not dependencies (a reference to Debt Trap of Chinese BRI projects), between Europe and the world and build a new future.

NEED FOR CONNECTIVITY PROGRAM

- China has been accused of Debt trap Diplomacy via its Infrastructure development under the BRI.
- Addressing Infrastructure investment gap: Low and middle-income countries were already facing a \$2.7 trillion infrastructure investment gap before the pandemic, according to World Bank estimates.
- It will be financed by a mix of €18 billion (\$20 billion) in grants and €280 billion (\$317 billion) in investments from member states, their development banks, the private sector and EU financing bodies, including the European Investment Bank.

FOCUS AREAS OF GOLDEN GATEWAY PROGRAM

1. Digitalization: European Union will invest in fibre optic cables between countries, satellite communications and cloud infrastructure to better facilitate global cooperation, data sharing and AI development.
2. Clean energy
 - Integrate EU's energy systems, transition to renewables and partner with other countries to boost renewable hydrogen production.
 - It will also work to eliminate barriers to the international trade of hydrogen.
3. Transport: In the most direct challenge to China's initiative, European Union will invest in transport infrastructure — railways, roads, ports, airports and border crossings — to help develop countries and diversify their supply chains.
4. Health: In response to the pandemic, the new EU plan aims to help countries develop local vaccine manufacturing capacity and diversify their pharmaceutical supply chains.
5. Education and research: European Union wants to further invest in education globally, including the expansion of online learning.

INDIA - EU CONNECTIVITY PARTNERSHIP

The partnership has been built upon EU-India Strategic Partnership: A Roadmap for 2025, and ties into the larger European pivot towards Asia, conceptualised in the EU Indo-Pacific strategy released in 2021.

OBJECTIVES OF INDIA-EU CONNECTIVITY PARTNERSHIP

- EU-India cooperation on connectivity is based on shared values of “democracy, freedom, rule of law, and respect for human rights” and operational principles of transparency, viability, inclusivity, and sustainability.
- Strengthening and expanding the existing network of economic, social, and political bonds that tie the two regions together, as well as bringing in third-party countries, through a combination of soft and hard connectivity initiatives.
- Focus Areas: Digital, transport, energy, and people-to-people connectivity.
- Financing: Financing is expected to partially originate from European and Indian public agencies, but significant emphasis is put on the essential role that the private sector is poised to play, to ensure diversity

in investment streams and achieve mutually beneficial gains. EU has created a financing instrument for external action into one budgetary mechanism known as the “Neighborhood, Development and International Cooperation Instrument” (NDICI).

- **Implications:** It can change the dynamics in the Indian Ocean region by establishing fairer, and more transparent framework of infrastructural investment. India - EU closeness can provide alternative third pole to the US-China binary.

CHALLENGES TO THE PROGRAM

- Such initiatives will be difficult to implement because of the bureaucratic overgrowth that has stifled EU global action so far.
- Over-reliance on involving Private sector and financial institutions as a form of financing is going to lead to the EU losing control of their connectivity initiatives to their partners on the ground. Such financing would also impact political visibility of such projects specially when it comes to countering Chinese BRI.
- Internal divergences among the EU members will further slow down decision-making and implementation.
- China is becoming assertive with its BRI initiatives, which will be difficult for EU to counter. Chinese projects move faster, due to a general lack of due process in the bidding phase, they are backed by readily available loans, and they do not entail the kind of conditionalities that EU would apply.
- The notion of sustainability, comprehensiveness, transparency, and fairness—could be perceived as additional costs or impossibly high standards by developing countries. It can lead to unnecessary Global competition.
- Originate projects that respond to macro-level strategic considerations rather than on the ground connectivity needs.

► SIGNIFICANCE OF PM’S VISIT TO EUROPE

PM Modi visited three European countries – Germany, France and Denmark and participated in 2nd India – Nordic summit. At this visit, he met with 7 heads of government including the new German Chancellor Olaf Scholz, newly re-elected French President, Prime Minister of Norway, Prime

Minister of Sweden, Prime Minister of Iceland, Prime Minister of Finland, and Prime Minister of Denmark.

The visit assumes importance because it was the first visit of the PM after COVID Pandemic, and it was the first visit after the war in Ukraine broke out which has considerably changed the geo-politics and geo-economics of the world.

Because of the important interactions, major geo-political events and importance that India accords to these countries, let us try and understand the key outcomes of this visit along with India’s relations with some of these countries.

IMPORTANT AGREEMENTS SIGNED/AGREED DURING THE VISIT

Country	Agreement	Key highlights
India – Germany	Partnership for Green and Sustainable Development	<ul style="list-style-type: none"> • Germany has committed to providing additional development assistance of €10 billion till 2030 to support India’s green growth plans. • Agreed to a 7-point agenda on renewable energy and sustainable growth cooperation.
India – Nordic countries	Environmental Cooperation, Space, Cyber security, invest in India’s defence industry	<p>Boosting cooperation in wind and solar energy, pollution control and urban renewal projects and other green projects.</p> <p>India and Denmark have already signed a Green Strategic Partnership.</p> <p>India reiterated its commitments made at COP26 in Glasgow:</p> <ul style="list-style-type: none"> • 500 gigawatts of non-fossil fuel by 2030, 50% of energy capacity to come from renewable energy by 2030. • Reduction of 1 billion

		<p>tons in projected carbon emissions by 2030.</p> <ul style="list-style-type: none"> Carbon intensity of India's economy to reduce by 45% by 2030 and net zero by 2070.
India - France	Green investments in India.	<ul style="list-style-type: none"> India called for French investment in making India a green hydrogen hub. Both countries agreed to an integrated approach on supply chains for solar energy production in Europe and Asia. Two sides set up a strategic dialogue on Space issues, strengthen a cyber dialogue and find more ways for France to invest in building India's defence industry.
India - Germany	Equipment and Information	<ul style="list-style-type: none"> Agreed to step up high-tech transfer collaborations and signed a joint declaration of intent for an agreement on exchange of classified information.
India - Nordic	Technologies	<ul style="list-style-type: none"> This visit did not have a security component but focused on new technologies.

AREAS OF DISAGREEMENT

- Disagreement over Ukraine issue:** India has stayed away from taking any stand against Russia owing to its own interests, while European countries want India to call out Russian aggression against Ukraine.
- Energy From Russia:** EU has very lately started to impose ban on Russian oil with exceptions of Hungary and other landlocked countries. Further Gas has been

kept out of the ban. However, India's import of the Russian Oil has increased manifold.

- India EU-FTA:** European Union is India's 3 largest trading partner, after China and US, and its 2 largest export destination, but its potential is far more. In such a scenario, a FTA can give further boost to economic relations. However, talks for a Free trade agreement have been pending since 2013 when talks were suspended.

► INDIA-GERMANY

PM visited Germany, France and Denmark and agreed upon various agreements. In this backdrop let us try and understand India - Germany relations in detail.

BACKGROUND OF RELATIONS

- Germany is one of India's most important partners in Europe owing to Germany's key role in the EU.
- India and Germany have a 'Strategic Partnership'.
- As the 6th and 4th largest economies in the world respectively, India and Germany share a robust economic and developmental partnership.
- Besides the economic interest, both countries have a shared interest in upholding **democratic values, rules-based international order, multilateralism as well as the reform of multilateral institutions.**

Area of cooperation	Highlights
Multilateral Cooperation	<ul style="list-style-type: none"> Both support each other on UNSC expansion within the framework of G-4 (India, Japan, Brazil & Germany making a joint effort for UNSC reforms and claiming permanent membership of the UNSC). Germany joined Coalition for Disaster Resilient Infrastructure (CDRI) in 2020. Germany is a member of International Solar Alliance (ISA) floated by India. Germany has outlined its Indo-Pacific strategy in line with India's approach.
Partnership for Green and	<ul style="list-style-type: none"> Germany has committed to providing additional development assistance of €10 billion till 2030

Sustainable Development	<p>to support India's green growth plans.</p> <ul style="list-style-type: none"> • Agreed to a 7-point agenda on renewable energy and sustainable growth cooperation.
Security & Defence Cooperation	<ul style="list-style-type: none"> • Signed MoU on Security Cooperation in 2015. • Dialogue Mechanisms <ul style="list-style-type: none"> ◦ Joint Working Group on Counter Terrorism ◦ Cyber Consultations ◦ Joint Steering Group on Disaster Management. • Bilateral Defence Cooperation Agreement was signed in 2006. • Agreement on Mutual Protection of Classified Information was signed in 2007. • At the recent visit, both countries agreed to step up high-tech transfer collaborations and signed a joint declaration of intent for an agreement on exchange of classified information.
Economic Cooperation	<ul style="list-style-type: none"> • Germany is India's largest trading partner in Europe. • It has consistently been among India's top ten global partners and was the seventh-largest trading partner in FY 2020-21. • Bilateral trade in 2020-21 was USD 21.76 billion which is a fifth of trade between India and US. • Germany is the 7th largest FDI source for India.
Areas to Focus upon	<ul style="list-style-type: none"> • Both countries have identified focus areas for further cooperation, which include Artificial Intelligence and digitalisation, agriculture, clean energy, e-mobility, urban development, Smart Cities, railways, Industry 4.0, start-ups, skill development, and water and waste management. • Both countries see mutual benefit

	<p>in an India-EU Free Trade Agreement and Investment Protection Agreement.</p> <ul style="list-style-type: none"> • However, FTA talks have remained stalled since 2013.
Diaspora	<ul style="list-style-type: none"> • There are around 2.03 lakh (December 2021) Indian passport holders and Indian-origin people (about 1.60 lakh NRIs/Indian Passport holders and around 43,000 PIOs) in Germany. • Indian diaspora mainly consists of professionals, researchers and scientists, businessmen, nurses and students. There has been a significant increase in last few years in the number of qualified Indian professionals in the fields of IT, banking, finance.

CONVERGENCE OF INTERESTS

- **Pursuit of Strategic Autonomy:** In a multipolar global order, both support each other's pursuit of strategic autonomy. While for India strategic autonomy means economic multi-alignment and neutrality on international conflicts, Germany increasingly seeks strategic autonomy through the European Union.
- **Reducing over dependence to achieve autonomy:** In the context of Ukraine war, Germany has been struggling to reduce its dependence on Russian oil and gas. Similarly, India also realizes that it is over dependent upon Russia for its defence supplies.
- **Recognition of legitimate interests:** Visible in all the agreements signed between the two countries at the visit of the PM Modi.
- **Indo – Pacific:** Germany was one of the first European nation to outline its Indo-Pacific guidelines in 2020. With increasing scepticism of the global community towards China and India increasing regional clout more European countries are showing confidence in India to shape the region strategic architecture.
- **Climate Action:** Russia's invasion into Ukraine has led to a rethinking in Germany's energy-import policy which creates an unparalleled window of opportunity for Indo-German green hydrogen cooperation as Germany seeks to decrease its dependence on Russian gas. Similarly, India also has the challenge of managing its energy security amidst the global crisis

generated by Ukraine war. In this context both nations signed the **Partnership for Green and Sustainable Development** which is reflective of the close climate cooperation.

CHALLENGES IN RELATIONS

- In all European powers, including Germany, there is a tendency to **de-hyphenate India and China**. This is mainly because of the increased integration of global supply chains with China. Besides, there is an increasing tendency amongst the European countries to stay away from calling out China as highlighted by their stand on the Chinese expansionist policies along Indian border.
- Germany and European countries have sometimes been wary of the **Human Rights issues in India**.
- Germany focuses on trade and investment as the main conduit to deepen its relations with India. However, its tough environment and labour standards are seen as one of the biggest hindrances.

WAY FORWARD

Despite the challenges, as Germany comes to terms with new global realities, a strong partnership with India is today an important part of its foreign policy vision. This new vision has the potential to transform not only this bilateral partnership but also the wider engagement of the European Union with India.

► INDIA-FRANCE

India and France have traditionally close and friendly relations. In 1998, the two countries entered Strategic Partnership which is emblematic of their convergence of views on a range of international issues apart from a close and growing bilateral relationship. India-France partnership is one that is rooted on mutual trust, commitment to international law, vision for a "multipolar world shaped reformed and effective multilateralism."

In the context of the recent visit of the Prime Minister to France, Let us glance through important aspects of India-France relation.

AREAS OF COOPERATION

- The areas of defence cooperation, space cooperation and civil nuclear cooperation constitute the three principal pillars of our Strategic Partnership.
- Apart from these traditional fields of cooperation, India and France are increasingly engaged in new areas of cooperation like climate change, sustainable

growth and development, the International Solar Alliance etc.

- India and France support a multi-polar world order.
- France supports India's claim for permanent membership of UN Security Council and reforms of United Nations.
- France has provided consistent support to India's candidature for the membership of all the four Multilateral Export Control regimes, viz. Nuclear Suppliers Group (NSG), the Missile Technology Control Regime (MTCR), the Wassenaar Arrangement (WA) and the Australia Group (AG). France's support was vital in India's accession to MTCR, WA and AG while France continues to support India's bid for accession to the NSG.
- India and France have consistently condemned terrorism and have resolved to work together for adoption of the Comprehensive Convention on International Terrorism (CCIT) in the UN.
- Both have signed provision of reciprocal logistics support between respective Armed Forces.
- Both have declared Joint Statement a "Joint Strategic Vision of India-France Cooperation in the Indian Ocean Region" and the "India-France Joint Vision for Space Cooperation."
- France has emerged as a major source of FDI for India with more than 1,000 French establishments already present in India with a total turnover of US \$20 billion and employing around 300,000 persons.
- France is the 9th largest foreign investor in India with a cumulative investment of USD 6.59 billion from April 2000 to December 2018. There are more than 150 Indian companies operating in France (including sub-subsidiaries), employing more than 7,000 persons.

INDIA FRANCE RELATIONS IN EMERGING GEO-

POLITICAL CONTEXT

- **Indo-Pacific:** Both believe in a shared vision of a free, open and rules-based order in the Indo-Pacific, with a commitment to international law, respect for sovereignty and territorial integrity, freedom of navigation and a region free from coercion, tensions and conflicts.
- **Ukraine Conflict:** Both are divergent on the issue of taking a stand against Russia, wherein India has stayed away from condemning Russia owing to its privileged partnership with Russia while France has been critical of Russian aggression. However, both

believe in the need to respect UN Charter, international law and the sovereignty and territorial integrity of states.

- **Defence and Security:** France supports India's "Make in India" initiative and wants further to transfer of technology to India. INS Vagsheer the sixth Scorpene submarines developed at Mazagoan dock under a deal with France is a testimony to high level of defence cooperation. Timely delivery of the Rafale despite COVID pandemic has increased optimism about defence ties between the two.
- **Post AUKUS opportunity for collaboration:** France resented the cancellation of Nuclear Submarine development program with Australia, after the formation AUKUS, under which US will transfer the submarine technology to Australia. France which was looking towards security partnership with Australia before the AUKUS, is now finding itself turning to India to rework its Indo-Pacific strategy.
- **Maritime security:** India has growing maritime security concerns in the Indian Ocean given the increasing Chinese footprint in the region and its intrusions into India's Exclusive Economic Zone in the Andamans. Given this backdrop, it is likely that India will pursue France to step up bilateral engagements but also strengthen its naval wherewithal in the region as a deterrent measure.
- **Space Cooperation:** Both the countries decided to cooperate on ways to secure outer space from several growing space security challenges including counterspace challenges. India is considering a **space security dialogue mechanism with France**. India has similar security dialogues with only two other countries – United States and Japan. China's growing space and counterspace capabilities have pushed many Indo-Pacific powers to develop their own appropriate deterrent measures to protect their assets.
- **Cyber security:** Both agree to develop a common understanding of cyber security challenges and "promoting cyber norms and principles" so as to effectively counter cyber threats and enable a "peaceful, secure and open cyberspace."
- **Terrorism:** Both countries want to further their counterterrorism agenda by addressing several areas including financing of terrorism, radicalization and violent extremism, as well as misuse of the internet for terrorism and violent extremism.

WAY FORWARD

Given the long-standing and trusted partnership between India and France and the intensifying geopolitical trends in the Indo-Pacific region, both are likely to build an even closer partnership that will focus on building India's military wherewithal. Even as the bilateral relationship is strong, India and France must forge more multilaterals in the Indo-Pacific, getting more countries to endorse the free and open Indo-Pacific strategy. Beyond diplomatic support and arms, France's actual material capacity to help counter China in the Indo-Pacific remains to be seen.

► INDIA–JAPAN

Japanese PM Fumio Kishida visited India for his first to India after becoming the PM. Both PMs discussed important issues of global and regional concern along with the areas of cooperation. The visit was also important in the context of Geo-political crisis unfolding in Europe after Ukraine Russia conflict.

KEY STATEMENTS

- PM of Japan on Ukrainian crisis: Russian invasion of Ukraine is an extremely serious issue that threatens to shake the very foundation of the global world order... I told PM Modi that forceful unilateral change in the status quo should not be given permission."
- PM Modi on COVID crisis and the geopolitical events - "Today's summit has been organised at a very important time. The world is still grappling with Covid-19 and its effects. The process of global economic recovery is still being hampered. Geo-political events are also presenting new challenges." In this context, further deepening of the India-Japan partnership is not only important for both the countries. This will also promote peace, prosperity, and stability in the Indo-Pacific region and at the entire world level."

ISSUES OF GLOBAL AND REGIONAL IMPORTANCE

Four Point Plan for Ukraine

- Both India and Japan have agreed that they will "not tolerate" any unilateral and forceful change in status quo of Ukraine or any country in the world.
- They will continue to push for a peaceful settlement of the conflict.
- Japan and India will also jointly address the situation whenever needed.
- They will work together in giving humanitarian aid and assistance to Ukraine.

China LAC stand off -

- India emphasised that until and unless there is peace and tranquillity in border areas it cannot consider business as usual (with China).
- Japan raised the matter of East China Sea and South China Sea about China's growing belligerence there.
- Need for non-militarisation and self-restraint - Prioritising the role of international law, particularly the United Nations Convention on the Law of the Sea (UNCLOS), and facilitate collaboration, including in maritime security, to meet challenges against the rules-based maritime order in the East and South China Seas

Japanese Investments in India -

- \$ 42 billion in next 5 years.
- To finance public and private projects of mutual interest.

FOUNDING PILLARS OF INDIA - JAPAN RELATIONSStrategic Collaboration between India and Japan

- Convergence on free, open and inclusive Indo-Pacific.
- Defence and security and in the region. - Quad, AUKUS, MALABAR.
- India and Japan signed a Reciprocal Provision of Supplies and Services Agreement (RPSS).
- The inaugural 2+2 ministerial meeting was held in November 2019.
- Act East Forum: A decision was taken in the 2017 Summit to establish the India-Japan Act East Forum. The objective is to coordinate developmental projects in North-East India in areas of connectivity, forest management, disaster risk reduction and capacity building.
- Northeast development - Upgradation of highways in Meghalaya, Tripura and Mizoram are underway. 20 km-long bridge over the Brahmaputra River between Assam and Meghalaya.
- Supply Chain Resilience Initiative (SCRI) - The Trade and Economy Ministers of India, Japan and Australia launched the (SCRI) on 27 April 2021.

Economic Collaboration

- Investment Promotion Partnership 2014: Both have achieved the target of 3.5 trillion Japanese Yen in public and private investments in India.
- Industrial collaboration: 1,455 Japanese companies in India. Eleven Japan Industrial Townships (JIT).
- FDI: Japan is 5th largest source of FDI, largest supplier of ODA.

- Infrastructure projects are underway through Japanese assistance including Mumbai-Ahmedabad High Speed Rail, Dedicated Freight Corridor, metro projects, DMIC etc.
- Digital Partnership 2018 Indian start-ups have raised more than USD 10 billion from Japanese VCs. India and Japan have also launched a private sector driven fund-of-funds to invest in technology start-ups in India which has raised USD 100 million.
- Cooperation in ICT, in areas such as 5G, under-sea cables, telecom and network security.
- Movement of skilled workers: Japan's population has peaked out its and working age population is reducing. In this respect, India with its surplus labour force can provide workers for Japan's needs. India and Japan signed MoU on Specified Skilled Workers to promote movement of skilled workers and Japanese language requirement from India to Japan for employment on a contractual basis. The Specified Skills worker program can be strengthened by: (a) demand supply matching including use of digital platforms for the same (b) Raising the number of test centers (c) Raising awareness about SSW program in India ex Nursing, agriculture etc. (d) Japanese language promotion in India (e) Setting up of a framework for program monitoring. (f) focus on north-east India.
- Skill Development: Japan-India Institutes of Manufacturing (JIM) now stands at 19. These institutes are established by Japanese companies based in India for training skilled workers.

Collaboration in the Indo - Pacific

- Collaboration in QUAD, SRI, MALABAR Naval exercise with US and other like-minded countries in the Indo-Pacific.
- Countering the Chinese assertion - Along the LAC, South China Sea and East China Sea.
- Japan's Open Indo-Pacific (FOIP) Strategy and India's 'Act East' Policy converge in action in the northeast of India—a bridge between South and Southeast Asia. Ex - Act EAST Forum.
- Collaboration through infrastructure development in third countries (in the Indo- Pacific) such as Sri Lanka, Myanmar and Bangladesh.
- Asia Africa Growth Corridor (AAGC)—a collaborative effort to soft-balance China's Belt and Road Initiative (BRI) project.

Collaboration on Global Issues

- Both believe in upholding freedom of navigation and reinforcing rules-based international order.

- Japan supported a waiver of Nuclear Suppliers Group's (NSG) embargo on nuclear trade with India and backed its application for membership of group.
- Joint military exercises have contributed to the image of their rising regional power. JIMEX, MALABAR etc.
- Both works closely on global issues such as proliferation of Weapons of Mass Destruction (WMDs), terrorism, space and cyber security, and environment (e.g., the International Solar Alliance).
- Permanent membership of the UNSC – Both are members of G4 club besides Brazil and Germany.

► INDIA AND AUSTRALIA

India and Australia began the high-level 2+2 foreign and defence ministerial dialogue in New Delhi after one year of elevation of India-Australia ties to 'Comprehensive Strategic Partnership'. The partnership is particularly crucial as both the countries are collaborating in the QUAD as well as MALABAR naval Exercise. Further role of Australia in countering Chinese influence in the Indo-pacific has a boost by its membership in the AUKUS security partnership.

Area	Significance	Outcomes of Cooperation
Economic	<ul style="list-style-type: none"> • Australia is an important trade partner of India with bilateral trade is around \$25bn. • Australia can be key partner in India's "Make-in India" and Indian companies have ample amount of investment opportunities in mining and energy Industry of Australia. • India's infrastructure sector under the National Investment and Infrastructure Fund (NIIF) can offer investment opportunities to Australian investment funds like pension funds. 	<ul style="list-style-type: none"> • DTAA was signed between the countries to avoid taxing of offshore income of Indian companies doing business in India • Jointly decided to explore the possibility of launching the Indian RuPay Card in Australia.
Maritime	<ul style="list-style-type: none"> • Both India and Australia share common vision of – "free, open, inclusive and rules-based Indo-Pacific region." • India and Australia have common concerns regarding the strategic, security and environmental challenges in the Indo-Pacific maritime domain. 	<ul style="list-style-type: none"> • Australia welcomed and granted Rs 8 crore to India's Indo-Pacific Ocean Initiative (IPOI). • Australian navy became an active participant of Indian ocean Naval symposium (IONS), which was started by India.
Defence	<ul style="list-style-type: none"> • Australia is one of the key defence partners of India and increasing defence ties with Australia is important for India in the backdrop of Increasing expansionism of China both at land and maritime fronts. 	<ul style="list-style-type: none"> • Signed Mutual Logistic service agreement (MLSA) to facilitate reciprocal access to each other military logistics facilities. • 2 countries signed "White shipping agreement". • Conducts bilateral maritime exercise- AUS-INDEX once in 2 years. • Australia participated in Malabar Naval exercise in 2020.
Energy	<p>Australia is rich in coal, Uranium and Natural gas reserves and can play a key role in India's energy security.</p>	<ul style="list-style-type: none"> • Signed Civil nuclear cooperation agreement. • Australia explicitly supported India's membership in nuclear suppliers' group (NSG), though India is a non-signatory of NPT.
Strategic and Multilateral cooperation	<ul style="list-style-type: none"> • Both share membership in QUAD grouping. • Both the countries are committed to Multilateralism. 	<ul style="list-style-type: none"> • Australia is in favor of UNSC reforms and India's candidature for permanent membership to UNSC.

People-to-people	<ul style="list-style-type: none"> • Presence of strong Indian Diaspora in Australia. • Indian diaspora is one of the largest sources of skilled migrants in Australia. • India is the 2nd largest source of international students in Australia. 	<ul style="list-style-type: none"> • A “Migration and Mobility Partnership Arrangement” is being designed to prevent illegal migration, human trafficking and facilitate mobility of students and researchers & migration of professional for economic reasons.
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Mutual Logistics Support Agreement (MLSA)

The agreement will facilitate reciprocal access to military logistics facilities and improve interoperability between the security forces of the two nations.

This will be useful during Bilateral naval exercises and Humanitarian, Disaster relief & rescue operation.

White shipping agreement

It refers to exchange of relevant advance information on the identity and movement of commercial non-military merchant vessels. Being aware of the identity of these vessels is imperative to preventing any potential threat from the sea from impinging on the coastal and offshore security of the country.

CHALLENGES IN THE RELATIONSHIP

- **Dichotomous Australian foreign policy:** There is some misalignment in Australia's economic and political interests. Though Australia has been actively engaging with India and US as part of QUAD grouping, its economy still depends on China owing to its huge share in bilateral trade and investment.
- **Lingering CECA:** Comprehensive Economic Cooperation Agreement (CECA) has not yet materialised though the negotiation started in 2011. This is a hindrance to the bilateral trade.
- **Withdrawal from RCEP:** One reasons for India's withdrawal from RCEP was objection from farmer organisations and dairy cooperatives due to fears of flooding of cheaper agricultural and dairy products from Australia.

Comprehensive Strategic Partnership between the two countries will remove hindrance/challenges to improve bilateral relations across the fields.

INDO-PACIFIC GEOPOLITICS & INDIA – AUSTRALIA RELATIONSHIP

- India & Australia have had to endure most of increasingly belligerent Chinese behaviour in Indo-Pacific, pushing their bilateral relationship to new heights.

- Australia-India relations have been on an improving trajectory in recent years.
- After many years, Australia was finally invited back to the Malabar naval exercise last year.
- For Australia, even as U.S. security alliance (AUKUS) remains central to their security, it has been expanding its Asian partnerships in Indo-Pacific.
- India, for its part, long avoided taking sides between the U.S. and China.
- While Sino-Indian relations have been in trouble for several years, Galwan confrontation in 2020 brought the relationship to an all-time low. As a result, India has decided to pursue closer strategic engagements with several like-minded partners in the Indo-Pacific, especially Australia.
- Australia has also seen more than its fair share of bullying behaviour from China, much of it because Australian PM asked for an independent inquiry into the origins of the COVID-19 pandemic.
- Since then, China has engaged in severe economic and trade coercive practices against Australia, targeting everything from barley, beef, seafood, wheat, and wine to coal, cotton, copper, education and timber.
- Augmented Australia-India ties within bilateral, trilateral, quadrilateral, and other minilaterals and multilateral institutions are a reality that is unlikely to slow down for the foreseeable future.
- The convergence of strategic interests in ensuring an Indo-Pacific order that is free of hegemonic and muscular policies is a glue that will bind India and Australia further in the coming years. The two will likely also expand their partnership both in pursuing strategic partnerships and thematic ones like supply chain resilience initiative.

► INDIA – VIETNAM RELATIONS

India and Vietnam are celebrating 50th anniversary of their diplomatic relations. The two countries are a natural outcome of a growing convergence of their strategic and

economic interests, and their common vision for peace, prosperity and their people.

TRADE AND ECONOMIC RELATIONS

- During FY 2020–2021, bilateral trade between India & Vietnam reached US\$11 billion, with Indian exports to Vietnam amounting to US\$5 billion and Indian imports from Vietnam at US\$6 billion.
- India's trade deficit with Vietnam reduced from US\$ 2.2 billion during FY 1920 to US\$ 1.1 billion in FY 20-21.
- In FY 2020-21, for India, Vietnam was 15th largest trading partner globally and 4th largest within ASEAN, following Singapore, Indonesia and Malaysia.

INVESTMENTS

- India's investments in Vietnam are estimated at around US\$ 1.9 billion including investments routed through third countries
- As of 2020, Vietnam has 6 investment projects in India with total estimated investment of US\$ 28.55 million.

DEVELOPMENT PARTNERSHIP

- India has aided Vietnam within ASEAN framework.
- Under Mekong Ganga Cooperation (MGC) framework, India has been taking up Quick Impact Projects, each valued at US\$ 50,000, in different provinces of Vietnam for development of community infrastructure.

STRATEGIC RELATIONS

- As an extension of its Act East policy, Vietnam has become a valuable partner in India's political and security engagements in the Indo-Pacific region.
- The two countries are working to address shared strategic concerns (such as energy security and open and secure sea lines of communication) and make policy choices without undue external interference.
- Both India & Vietnam face territorial disputes with and shared apprehensions about their common neighbour, China.
- Vietnam is of great strategic importance because its position enables it to control South China Sea.

MARITIME ENGAGEMENT BETWEEN INDIA-VIETNAM

- India's aspiration to counter an assertive China by strengthening Vietnam's military power.
- With India's increasing trade with East and Southeast Asia, India has begun to recognise importance of its sea lines of communication beyond its geographical proximity; South China Sea occupies a significant geostrategic and geo-economic position, resulting in India's renewed interests in South China Sea.

- India desires to intensify its presence to track potential developments in maritime domain that could affect its national interests.
- Indian Navy underlines importance of a forward maritime presence and naval partnership that would be critical to deter potential adversaries.
- India's maritime strategic interests in the region are well established, including the fact that almost 55% of India's trade with Indo-Pacific region passes through South China Sea.
- India sees an open & stable maritime common being essential to international trade and prosperity; therefore, it has an interest in protecting sea lanes.

STRATEGIC COOPERATION

- Both signed Joint Vision for Defence Cooperation and a MoU on mutual logistics support in 2022.
- A U.S.\$100 million Defence Line of Credit has been implemented, India has announced early finalisation of another U.S.\$500 million Defence Line of Credit to enhance Vietnam's defence capability.
- India is providing comprehensive underwater combat operation training to Vietnamese sailors at INS Satavahana in Visakhapatnam
- Vietnam is also exploring the possibility of acquiring Indian-manufactured surveillance equipment such as unmanned aerial vehicles.

COOPERATION ON REGIONAL FORUMS

- Both have found mutual convergences on cooperation in Indo-Pacific region and are synergising their efforts to work in bilateral, sub-regional and multilateral frameworks, such as Indian Ocean Rim Association (IORA), BIMSTEC, Mekong-Ganga Cooperation, ADMM-Plus or ASEAN Defence Ministers Meeting-Plus.
- Both countries are also looking at collaboration around the seven pillars of Indo-Pacific Oceans Initiative (IPOI).

CHALLENGES

- India is one of the three countries (with Russia and China) with which Vietnam has a Comprehensive Strategic Partnership.
- Cultural attitudes place India lower in the hierarchy than Vietnam's most important partners.
- Vietnamese attitude towards China is to cooperate and struggle at the same time.
- Vietnam did not take any stand in the India-China LAC conflict, even when Vietnam wants India's cooperation on countering China in the South China sea.

- Indian investments in Vietnam lag not just China but also Japan, South Korea, and Singapore.

► FREE TRADE AGREEMENTS

India pushing forward the long pending FTAs. The aim is to achieve the \$2 trillion export target by 2030, and address disruptions in global supply chains created by the pandemic and the ongoing Russia-Ukraine war.

ABOUT FTAS

- Free trade pacts remove entry barriers for goods & services between two trading partners.
- Under such agreements, goods & services can be bought and sold across international borders with minimal or no government tariffs, quotas, or subsidies.
- India has resumed talks with EU and Australia and has started talks with UK. Recently, India had finalised FTA with UAE. The agreement is expected to double bilateral trade to \$100 billion in next 5 years, up from current \$50-60 billion, while eliminating tariffs on a range of products being exported by India and UAE.
- India and Australia signed first part of Australia-India Economic Cooperation & Trade Agreement (AI ECTA).
- India is focusing on Early harvest deals – where both parties sign an agreement on the easier aspects while the main negotiations on tariff elimination on a range of products are kept for a later period
- FTAs with countries including Israel, Canada, New Zealand, Indonesia and Thailand are also in Pipeline.

WHY A RENEWED PUSH FOR FTAs ?

- Government was reluctant to clinch FTAs for past few years because it believed that FTAs were leading to increased imports.
- India has been aligning strategically with countries like Australia, France and UK. It is crucial to enhance economic ties too with these countries.
- India is not a part of any mega-trade pact like RCEP, is now increasingly entering minilateral arrangements like I2U2, IPEF & Quad. However, in these minilaterals

there is no assured market access under such frameworks, and they are mostly focused on ensuring smooth operation of supply chains by maintaining a security framework.

- FTAs are seen as crucial to export led growth, earning Forex and employment generation.
- India wants greater market access in complementary economies, since market access through WTO negotiations would be difficult, given the slow pace of negotiations because of differences between Developed and Developing countries.
- To reduce the imports from China which are increasing despite the border clash.
- India wants to improve its trading ties with friendly countries in the wake of rising Oil and Food prices because of the Ukraine war.

CHALLENGES AND HURDLES

- Reducing tariffs on imports for market access being demanded by partner countries.
- Domestic industry would be exposed to massive competition and faces the risk of losing market share.
- India has highest average tariff — 15% — in the Asia-Pacific region. The average import tariffs increased to 15% in 2020, from 13.5% in 2016, across industrial and agriculture products
- India walked out of the RCEP because of the pressure from domestic industry.
- Australia has sought major reduction in import tariffs on their agricultural produce which is opposed by India at WTO as well as on wines and spirits.
- Under India-UK FTA talks, one of the main demands is that of a slashing of tariffs on British whisky.
- Similar demands will also come up in talks for a trade deal with the 27-nation bloc EU, which will also seek tariff elimination in automobiles and auto parts.
- UK & EU are reluctant to finalise early Harvest deal.
- Overemphasis on Aatmanirbhar Bharat highlighting self-reliance has made many partner countries wary.

INTERNATIONAL ORGANISATIONS

► WTO – GENEVA PACKAGE

Under its 12th Ministerial conference, WTO members agreed to a series of deals relating to temporary waivers on Covid-19 vaccines, a moratorium on e-commerce trade, food security and setting limits on harmful fishing subsidies.

IMPORTANCE OF MINISTERIAL CONFERENCE

- Topmost decision-making body of WTO is the Ministerial Conference
- Usually meets every two years.
- Brings together all members of the WTO, all of which are countries or customs unions.
- Ministerial Conference can take decisions on all matters under any of multilateral trade agreements.

GENEVA PACKAGE

HIGHLIGHTS OF A HISTORIC MC12 OUTCOME PACKAGE

Trade and health

Members agree on a COVID-19 global response, a framework to render WTO more resilient & better prepared for future pandemics.

Agriculture

- Draft Ministerial Declaration on the emergency response to food insecurity
- Ministerial Decision to exempt food purchased by the UN's World Food Programme (WFP) for humanitarian purposes for any export restrictions.

Fisheries Subsidies

In a historic milestone for ocean sustainability, WTO members have forged an Agreement on Fisheries Subsidies which sets new global rules to curb harmful subsidies and protect global fish stocks for all those who rely on it, in a manner that also recognizes the needs of developing and least-developed countries. Members also commit to continue negotiations, including for further rules on certain fisheries subsidies that contribute to overcapacity and overfishing.

E-Commerce

WTO members agreed to maintain the current practice of not imposing customs duties on electronic transmissions until MC13.

DECISION ON AGRICULTURE

Member countries agreed to a binding decision to exempt food purchased by the UN's World Food Program (WFP) for humanitarian purposes, from any export restrictions.

Background

- Global Food crisis because of Russia - Ukraine war.
- India's export ban on Wheat.

Impact

- Russia and Ukraine are amongst top wheat exporters in the world.
- Five biggest wheat exporters (Russia, USA, Australia, Canada and Ukraine) provided about three-fifths (59.5%) of overall value of international shipments for the nourishing cereal food.

- Exports have been adversely impacted because of the war impacting food security in many countries. Ex. Egypt and other MENA countries.
- India due to rising inflation put a ban on wheat exports.

Developed Countries	Wanted a blanket ban on export restrictions and prohibitions.
Developing Countries	Against such blanket ban to ensure that domestic food security.
Outcome	<ul style="list-style-type: none"> • The agreement will ensure availability, accessibility and affordability of food to those in need, especially in humanitarian emergencies. • Member countries would not impose export prohibitions or restrictions on foodstuffs purchased for humanitarian purposes of the WFP. • Encouraged member countries with available surplus to release them on international markets in compliance with WTO regulations. • Instituted a work program to produce measures to help LDCs (least-developed countries) and NFIDCs (Net Food Importing Developing Countries) enhance their domestic food security and bolster agricultural production.
Unresolved issue	<ul style="list-style-type: none"> • Could not reach agreements on issues such as permissible public stockholding threshold for domestic food security, domestic support to agriculture, cotton, and market access. • India's key demand to allow it to export food from its public stockholdings to other countries will be discussed in the next Ministerial Conference in 2023.
Public Stock holding issue	<ul style="list-style-type: none"> • India has been demanding a permanent solution on Public stockholding to implement National Food Security Act.

<ul style="list-style-type: none"> • At the Bali ministerial conference in December 2013, India secured a "peace clause". • Under it, if India breaches the 10% limit on subsidy under AoA, other member countries will not take legal action under the WTO dispute settlement mechanism. Further, in 2014, India forced developed countries to clarify that the peace clause will continue indefinitely until a permanent solution is found.

AGREEMENT ON HARMFUL FISHERIES SUBSIDIES

WTO passed a multilateral agreement that would curb 'harmful' subsidies on illegal, unreported and unregulated fishing for the next four years, to better protect global fish stocks.

Agreement on Fishery Subsidies: The WTO member countries were negotiating a multilateral treaty of Fishery Subsidies. This agreement seeks to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing. Some developed countries such as USA have been insisting that larger developing countries like India and China should not continue to get special and differential treatment. However, India has argued that special and differential treatment should be built into the fisheries subsidy agreement.

Harmful fishing subsidies	<ul style="list-style-type: none"> • Most 'harmful' fishing subsidies are those aimed at enhancing fishing capacity of a vessel, including fuel subsidies, which make long-distance fishing economically viable. These subsidies are often depended upon by developing countries and by developed countries. • Harmful fisheries subsidies unbalance the fishing industry, incentivizing vessels to catch and remove fish faster than stocks can replenish. • UN FAO has said, 34% of world's assessed fish resources are overfished, steadily increasing since 1970s, when it was only around 10%
Outcome	<ul style="list-style-type: none"> • Agreement on harmful fisheries subsidies is in line with UN Sustainable Development Goal 14.6

	<p>(UN SDG).</p> <ul style="list-style-type: none"> Includes a strong prohibition of subsidies contributing to illegal, unregulated, and unreported (IUU) fishing with unprecedented transparency provisions. Includes an absolute prohibition of subsidies for fishing on unregulated high seas. A dedicated trust fund to provide technical assistance and capacity building for developing countries to implement the agreement.
Concession to developing countries	<ul style="list-style-type: none"> The only exception for continuing subsidies for overfished stock is when they are deemed essential to rebuild them to a biologically sustainable level. There would be no limitation on subsidies granted or maintained by developing or least-developed countries for fishing within their exclusive economic zones (EEZ). This exception has been provided to developing and LDC, because many people participate in small-scale fishing and are reliant on fish as a source of protein.
Significance	<ul style="list-style-type: none"> First-time trade issues have been balanced with Environmental issues under the aegis of WTO. Livelihood issues in developing and least developed countries have been considered. A step in the direction of sustainable utilisation of fish stocks to boost food security.

MORATORIUM ON ELECTRONIC TRANSMISSIONS

- WTO members agreed to extend moratorium on not imposing customs duties on electronic transmission (ET) until next ministerial conference.
- Developed countries like USA, U.K., Australia, Japan and China etc., had sought an extension of the moratorium.
- Developing countries led by India and South Africa were against extension of the moratorium.

About Electronic Transmissions

- ETs consist of online deliveries such as music, e-books, films, software and video games.
- They differ from other cross-border e-commerce since they are ordered online but not delivered physically.

Developed countries	<ul style="list-style-type: none"> US, UK, Australia, Japan and China etc., had sought an extension of the moratorium. Moratorium would help maintain certainty and predictability for businesses and consumers particularly, during the pandemic.
Developing countries	<ul style="list-style-type: none"> Developing Countries including India and South Africa opposed the moratorium. Wanted clearance on imposition of customs duties on such transmissions. To let these countries, generate more revenues from customs and thereby facilitate more investment. Submitted that extending duty-free market access due to moratorium resulted in a loss of \$10 billion per annum globally, 95% of which was borne by developing countries. <p>Why impose Custom duties?</p> <ul style="list-style-type: none"> Customs duties have been traditionally used to avert an undesired surge in imports, allowing nascent domestic industries to remain competitive. Customs duties provide necessary capital infusion for capacity building and attempt to address the digital divide — particularly high in low-income and developing countries, further exacerbated by COVID-19 pandemic.
Outcome	Agreed to extend the moratorium on not imposing customs duties on electronic transmission (ET) until next ministerial conference.
E- commerce Issues	<ul style="list-style-type: none"> The developed countries led by USA have put forward a number of proposals which include tackling

	<p>barriers that prevent cross-border sales, addressing forced data localization requirements and permanently banning customs duties on electronic transmissions, among others.</p> <ul style="list-style-type: none"> India has clearly stated that it is against any binding rules in e-commerce.
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	<p>entering into voluntary licensing agreements with the patent holder.</p> <ul style="list-style-type: none"> Pharma companies would have complete freedom to carry out reverse engineering and manufacture the patented product. The company would have complete freedom in fixing the prices and more importantly, the company would not be liable to pay any compensation to the patent holder. They can also export without any limitations. A waiver under WTO treaties, such as TRIPS, can be decided at the WTO Ministerial Conference through consensus among all the member countries. Such waiver can only be provided in exceptional circumstances (Like COVID 19 Pandemic).
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PATENT RELAXATION OF COVID VACCINES

- Agreed on authorising the use of patent for producing COVID-19 vaccines by a member country, without consent of rights holder for 5 years.
- Asked member countries to waive requirements, including export restrictions, set forth by WTO regulations to supply domestic markets and member countries with any number of vaccines.
- WTO members to decide within six months whether to apply the export-related waiver to therapeutics and diagnostics as well as vaccines.
- Improve vaccine equity, affordability and accessibility.

Demand of Developing Countries	<ul style="list-style-type: none"> India and South Africa had asked for patent waiver to deal with CoVID-19. Supporters of the proposal say, waiver will allow for faster manufacturing of COVID-19 vaccines for use by developing countries. A criticism is that waiver only covers COVID-19 vaccines, with a six-month timeline to decide on the extension of this waiver to COVID-19 diagnostics and therapeutics.
Opposed by Developed Countries	<ul style="list-style-type: none"> Pharmaceutical companies from developed countries claim that granting waiver could hurt future innovation and will not lead to quick production of coronavirus vaccines.
Waiver on Patent	<ul style="list-style-type: none"> Any pharmaceutical company would be allowed to manufacture vaccines, medicines without having patents or without

WTO DECISION ON HANDLING FUTURE PANDEMICS

- MC outcome contains a specific rebuke and reminder to the developed countries of their commitment under TRIPS Agreement, which urges them to encourage technology transfer from their countries to the Least Developed Countries.
- Includes a series of issues members should consider preparing for future pandemics like export restrictions, trade facilitation, regulatory cooperation, and transparency, amongst others.

BASICS OF WTO
<ul style="list-style-type: none"> <u>Special & Differential Treatment</u> give developing countries special rights and allow other members to treat them more favorably. Special provisions include longer time periods for implementing agreements, support to help developing countries to build infrastructure to undertake WTO work etc. It enables developing countries to provide higher subsidies as compared to developed countries as seen under Agreement on Agriculture (AoA) <u>Multilateral Agreements</u> are adopted through consensus among all member countries. Provisions of multilateral agreement are applicable to all member countries. Such agreements may decide to incorporate special & differential treatment for benefit of poor and developing economies. Major

WTO agreements such as AoA, GATS, TRIPS etc. are multilateral agreements which member countries are obliged to follow.

- [Plurilateral agreement](#) is an agreement between limited number of WTO member countries wherein countries would be given choice to agree to new rules on a voluntary basis. Provisions of plurilateral agreement would not be applicable to all member countries. Examples: Trade in civil aircraft; Government Procurement; Bovine meat; Dairy products. ITA-1 & II etc.

► DOHA ROUND

- Aim to achieve major reform of international trading system through introduction of lower trade barriers and revised trade rules. The work program covers about 20 areas of trade.
- The Round is also known as Doha Development Agenda as a fundamental objective is to improve the trading prospects of developing countries.

IMPORTANT DECLARATIONS UNDER DOHA ROUND

- [Declaration on the TRIPS agreement and public health](#) - It reaffirmed flexibility of TRIPS member states in circumventing patent rights for better access to essential medicines. It was an important step in prioritizing public health over intellectual property rights "in certain situations.
- [Implementation related Issues](#) - "Implementation" is short-hand for problems raised particularly by developing countries about the implementation of the current WTO Agreements, i.e., the agreements arising from the Uruguay Round negotiations.
- [Agriculture](#) - Members committed themselves to comprehensive negotiations aimed at substantial improvements in market access, reduction of all forms of export subsidies and substantial reductions in trade-distorting domestic support. Members also agreed that special and differential treatment (S&DT) for developing countries will be an integral part of all elements of negotiations to enable developing countries to effectively take account of their development needs, including food security and rural development.
- [Special and Differential treatment](#) - Members agreed that provisions for S&DT are an integral part of the WTO agreements and determined that these provisions be reviewed with a view to strengthening them and making them more precise, effective and operational.

- [Non - Agricultural Market Access](#) - Relates to trade negotiations on non-agricultural or industrial products. In the NAMA negotiations, WTO Members discuss the terms or modalities for reducing or eliminating customs tariff and non-tariff barriers on trade in industrial products. At Doha had agreed on the reduction or elimination of tariff peaks, high tariffs and tariff escalation on NAMA products. However, it remains inconclusive due to lack of consensus.

► FAILURE OF DOHA ROUND

- After Two decades the Doha Round of WTO is yet to achieve its goals.
- [Before 2003 Cancun ministerial, G20 was formed](#) which included major developing agri-producing countries. Thus, the developing countries tried to push for agriculture issues which were not accepted by US and developed countries.
- Talks failed in 2008 on the [issue of Special Safeguard Mechanism \(SSM\) in Agriculture](#). Developing countries want that they should be allowed to raise tariffs temporarily to deal with import surges or price falls.
- [Bali Ministerial 2003 \(Trade Facilitation agreement\)](#) was passed which was implemented in 2017. This agreement fulfils fundamental objective of [cutting down red tape](#), expediting the movement, release and clearance of goods. It also reflects in full the S&DT applicable for developing and least-developed countries.
- Agriculture remained an unresolved issue at Bali 2013.
- [Public stockholding issue](#): At Uruguay Round, Public stockholding limit was fixed at, subsidies (difference between administered price (MSP in India) and market price) being no more than 10% of the value of production of the commodity. fixed external reference price was based on 1986-88 rates and there was no provision for inflation
- India with support of G33 coalition of countries wanted to move public stockholding to Green Box Subsidies (Permissible subsidies) to ensure Food Security under the National Food Security Act 2013. Developed countries opposed it.
- In the end, compromise was that there would be a [peace clause](#) — India and others who avail of public stockholding will not be dragged to dispute settlement until a permanent solution is found.
- This accompanied with the US's insistence on the [definition of developing countries](#).

- [Failure of appointments to appellate body](#) because US blocked the appointments.

ISSUES UNDER THE WTO NEGOTIATIONS

Plurilateral and Multilateral Agreement: Multilateral Agreements are adopted through consensus among all the member countries. The provisions of the multilateral agreements are applicable to all the member countries. Further, such agreements may decide to incorporate special and differential treatment for the benefit of poor and developing economies. Most WTO agreements such as AoA, GATS, TRIPS etc. are multilateral agreements which the member countries are obliged to follow.

Plurilateral agreement is an agreement between limited number of WTO member countries wherein the countries would be given the choice to agree to new rules on a voluntary basis. In other words, the provisions of plurilateral agreement would not be applicable to all the member countries. Examples of Plurilateral agreements under WTO include Trade in civil aircraft; Government Procurement; Bovine meat; Dairy products.

[Plurilateral Vs. Multilateral Agreements](#): Since the multilateral agreements are consensus driven, normally the trade negotiations under multilateral framework tend to be slow paced and lead to unnecessary delay. However, the good aspect about the multilateral agreements is that they consider the special needs and interests of poor and developing countries. In this regard, the debate has arisen between the developed and developing countries with respect to the nature of trade negotiations under the WTO.

The developed countries have put forward four plurilateral agreements in the areas of e-commerce, investment facilitation, MSME and gender. However, developing countries led by India have staunchly opposed the plurilateral agreement and instead pushed forward for the continuation of multilateral framework under WTO.

DEFINITION OF DEVELOPING COUNTRY UNDER WTO

[Background](#): There are no WTO definitions of “developed” and “developing” countries. Members announce for themselves whether they are “developed” or “developing” countries. However, other members can challenge the decision of a member to make use of provisions available to developing countries. The Developing countries enjoy special and differential provisions such as longer time periods for implementing agreements and commitments.

[USA's Opposition](#): US has been demanding reform in Developing Country status. US believes that even some developed economies such as South Korea, China, Hong

Kong, Kuwait, Singapore, UAE etc. have been claiming the status of developing country. US has also questioned India's status of developing country in the WTO.

DEFUNCT DISPUTE SETTLEMENT BODY

Sanctioned strength of Appellate Body (AB) of WTO's Dispute Settlement Mechanism is seven members and these members are appointed through consensus among the member countries.

[US Blocking Appointment](#) - The quorum required to decide on disputes is three judges. The US government believes that AB is biased against it and has criticized it for being “unfair”. Consequently, US has so far been blocking appointment of members to the Appellate Body (AB) and it is left with only one judge which is below the quorum of three judges needed to hear appeals.

► INFORMATION TECHNOLOGY AGREEMENT (ITA)

INFORMATION TECHNOLOGY AGREEMENT (ITA-1)

Information Technology Agreement (ITA) is a plurilateral agreement under the WTO which came into force in 1997. It presently covers 81 WTO member countries which account for approximately 97% of world trade in information technology products. Every member country signing this agreement is required to eliminate tariffs on IT products listed in the Annex A and Annex B of the IT Agreement. Some IT products covered in this agreement include computers laptops, mobile phones, set up boxes, semiconductors, telecommunication equipment and parts etc. [India is a signatory to ITA-1 and hence it has eliminated customs duties on 217 IT products over a period.](#)

INFORMATION TECHNOLOGY AGREEMENT (ITA-2)

In 2015, some member countries agreed to expand the products covered by the Information Technology Agreement by eliminating tariffs on an additional list of 201 products. This was done on account of new advances in the field of information technology. The new accord covers new generation semi-conductors, semi-conductor manufacturing equipment, optical lenses, GPS navigation equipment, and medical equipment such as magnetic resonance imaging products and ultra-sonic scanning apparatus. [However, it is to be noted that India has not signed ITA-2 since it would have an adverse impact on domestic manufacturing due to cheaper imports.](#)

PRESENT CONTROVERSY

[India's Viewpoint](#): Elimination of customs duties on IT products under ITA-1 has adversely affected domestic manufacturing of IT components in India. To boost domestic manufacturing of certain IT products, customs

duties on certain products was increased to around 20% in Union Budget 2018-19. India has stated that the IT goods in question do not fall under the ITA-1 but under ITA-2. Since India is not a signatory to ITA-2, there is no obligation on India to reduce customs duty on goods.

Viewpoints of WTO Member Countries: WTO member countries have raised concerns with respect to imposition of customs duty on IT products by India. These countries have alleged that IT products for which duties were increased fall under ITA-1 and not ITA-2.

► BREAKDOWN IN WTO DISPUTE SETTLEMENT MECHANISM

The WTO appellate body has become defunct after USA consistently blocked the appointment of Judges to the appellate body. The break down in the dispute settlement mechanism is a huge blow to the role of WTO which is facing the threat of trade war and rising protectionist policies of developed economies.

UNDERSTANDING DISPUTE SETTLEMENT MECHANISM

Settling disputes is the responsibility of the Dispute Settlement Body (DSB) which consists of all WTO members.

First stage: Consultation (up to 60 days) to settle the trade disputes through conciliation.

Second stage (up to 1 year): Failure of consultations leads to formation of Dispute Panel by the DSB. The report of the panel can be rejected only through consensus among the members of the DSB.

Appeal Stage: Either side can appeal a panel's ruling. Each appeal is heard by three members of a permanent seven-member Appellate Body set up by the Dispute Settlement Body. The members of the Appellate Body have four-year terms. The appeal can uphold, modify or reverse the panel's legal findings and conclusions. The Dispute Settlement Body has to accept or reject the appeals report and rejection is only possible by consensus.

PRESENT CONTROVERSY

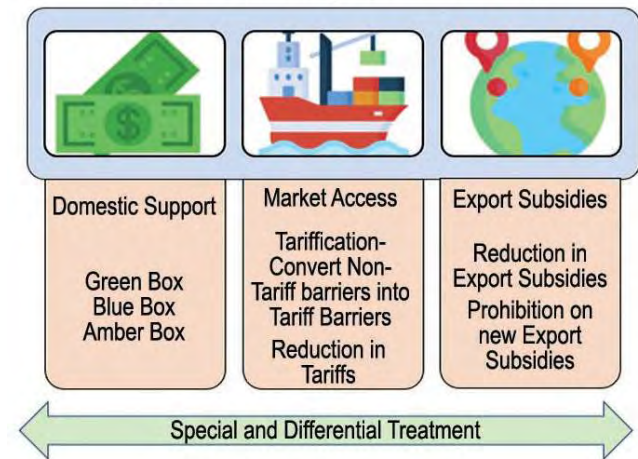
- Sanctioned strength of Appellate Body is 7 members and members are appointed through consensus among member countries. The AB must have quorum of three judges to hear a particular case.
- US Government believes that AB is biased against it and has criticised it for being "unfair". Consequently, US has so far been blocking appointment of members to the Appellate Body (AB).
- Since December 10, 2019, AB has been left with only 1 Judge and quorum required to hear a case is

minimum 3 judges. Hence, WTO appellate body has become dysfunctional.

► AGREEMENT ON AGRICULTURE

Agreement on Agriculture (AoA) aims to facilitate international trade in agricultural goods by putting a cap on the agricultural subsidies given by the member countries. This agreement stands on 3 pillars viz. Domestic Support, Market Access, and Export Subsidies.

Agreement on Agriculture-3 Pillars



Current Issues with the AoA: To implement National Food Security Act (NFSA), Government is required to procure more food grains by announcing MSP. Because of this, Government would be required to declare subsidies over and above the limit specified under AoA. The developed countries were challenging this such as USA, which wanted India to stick to subsidy limit imposed under AoA.

At the Bali ministerial conference in December 2013, India secured a "peace clause". Under it, if India breaches the 10% limit on subsidy under AoA, other member countries will not take legal action under the WTO dispute settlement mechanism.

Further, in 2014, India forced developed countries to clarify that the peace clause will continue indefinitely until a permanent solution is found. Presently, India has been demanding a permanent solution on Public Stockholding to implement National Food Security Act.

INDIA'S ARGUMENT AGAINST SUBSIDIES UNDER AoA

- The percentage limit on the Subsidies is quite deceptive. In terms of absolute value, the developed economies have been providing subsidies far higher than India.
- The limit on the subsidy does not factor in the Inflation. It is calculated as the value of production in

1986-88. Since then, the prices of agricultural commodities have increased.

- Under the Green Box Subsidies, direct income support to the farmers (not linked to specific product) is allowed. This has been misused by countries such as USA. The direct cash transfers to the farmers in USA account for almost 50% of its agricultural value production.
- Procurement of the Commodities under MSP regime is not for boosting agricultural exports, rather it is for meeting food security needs of Indian Citizens. Hence, procurement of commodities for ensuring food security should not be included in the Amber Box, rather it should be included in the Green Box.

Hence, India must address the historical imbalances and ensure a rule-based, fair and equitable international trade through AoA.

► UN AND RETREAT OF MULTILATERALISM

United Nations commemorated its 75th anniversary on September 21, 2020 by adopting a Declaration. The anniversary comes at a time when the world is witnessing a retreat from multilateralism

Multilateralism: In international relations, multilateralism refers to an alliance of multiple countries pursuing a common goal.

- **How does it help?**
 - Multilateralism, in the form of membership in international institutions, serves to
 - Bind powerful nations
 - Discourage unilateralism
- Gives small powers a voice and influence that they could not otherwise exercise. For a small power to influence a great power, the **Lilliputian strategy** of small countries banding together to collectively bind a larger one can be effective.
- Similarly, multilateralism may allow one great power to influence another great power. For a great power to seek control through bilateral ties could be costly; it may require bargaining and compromise with the other great power.
 - Global community adopted the Multilateralism post WWII, in the form of UNO. But it has been seen that the importance of UN has been eroding owing to the **Challenge to multilateralism**.

BENEFITS OF MULTILATERALISM

- Binds powerful nations – To avoid possibility of future conflict.
- Discourages unilateralism.
- Gives small powers a voice.
- Encourages consensus on the emerging global issues such as terrorism, climate change and other challenging global issues.
- **Examples of Multilateral bodies:** UN System, WTO, UNFCCC, EU etc.

CHALLENGES TO MULTILATERALISM

- **Rise of Nationalistic politics:** Seen in global as well emerging powers. Example: BREXIT or withdrawal of UK from the EU marks a dent to the spirit of multilateralism.
- The powerful nations are challenging the multilateral world order.
- **Rise in conflicts** such as in Syria, Yemen, Afghanistan. This reflects lack of effort on the important players across the globe to collaborate and address critical issues.
- **Changing Geopolitics:** Rise of China, concretization of Russia China axis, SCO etc. has made West conscious of preserving its hegemony. West sees China as a challenger to US led world order and does not seem to cooperate with China and Russia. At the same time, China and Russia try to counter the west. This competition has led to erosion of spirit of cooperation and collaboration, hurting multilateralism.
- **Lack of consensus on Global issues:** Most challenges are cross-national and cross-domain in character requiring multilateral approach. poverty and hunger, climate change, inequality, fake news, terrorism. Thus, a lack of common, collaborative global approach to these multi-dimensional problems and a zero-sum attitude leads to sub-optimal outcomes for everyone.

CHALLENGES TO UN SYSTEM -

- **Cold War period** - The first challenge was posed by the Cold war and division of world into two camps.
- **After Cold War** - NATO and US kept following the policy of Containing Russia despite the end of the cold war. China has used its P5 status against designating PAK based Terrorist under UNSC resolutions

VIOLATION OF THE CHARTER - UKRAINE WAR

- The violation of the territorial integrity of states and the sovereignty of states is one of the principles which binds the UN.
- Russia vetoed the resolution on Ukraine.

- U.S. also vetoed a resolution condemning Israel's activity in its occupied territories.
- Thus, veto power has been used by the P5 members based on their personal interests and not based on the principles enshrined in the UN charter.

LACK OF CONSENSUS ON NUCLEAR DISARMAMENT

- Since Ukraine gave its nuclear weapons the war highlights that a message is being sent that Nuclear Weapons guarantee security despite UNSC take on Nuclear weapons.
- Iran and North Korea although isolated have not faced war till now.
- Whereas Ukraine and Libya that gave up nuclear weapons, have been invaded.

The nuclear weapon states derailed the negotiations on nuclear disarmament.

- Brought in the nuclear Non-Proliferation Treaty (NPT) to give themselves the right to have nuclear weapons in perpetuity while non-nuclear countries are dependent on guarantees of protection.
- Such actions would further increase the nuclear arms race since countries will start viewing nuclear weapons as a guarantee for security.

CHALLENGES IN THE FUNCTIONING OF UN AND OTHER MULTILATERAL BODIES

- Issues with UNSC: Rift between permanent members of UNSC – Veto power of P5. UNSC permanent members are not representative of current world order. Despite efforts, expansion of UNSC has not been materialised. Failure of UN on emerging conflicts such as Myanmar, Afghanistan etc.
- UNGA has no substantive powers: UN General Assembly which is a more representative body of global voice plays second fiddle to super-powers led UNSC.
- World Health Organization failed to provide early warnings during the COVID-19 pandemic.
- World Trade Organisation has failed to conclude the negotiations of the Doha Agenda started in 2001, as bilateralism and protectionism are resurging worldwide, and its dispute settlement system has stalled.
- Lack of accountability: Countries that violate international law have not been held accountable.
- Pursuit of narrow geo – political interest by member nations for their allies and against the enemies. Ex – UNESCO – stopping funding of UNESCO in 2019.

- USA & EU takes Higher leadership of World Bank and IMF alternatively. While poor and developing countries where these institutions mostly work do not get to decide their agenda.
- WTO has failed to conclude negotiations of Doha Agenda started in 2001, as bilateralism and protectionism are resurging worldwide, and its dispute settlement system has stalled.
- Complex architecture of arms control set up at the end of the Cold War is threatened by the dismantling of the Iran nuclear deal. Multilateral efforts to address climate change have made symbolic progress at best.
- Governance of internet is forfeiting its initial aspiration of a borderless knowledge society as a few private companies are hoarding data exponentially and authoritarian states are misusing it as a tool of surveillance and repression.

ISSUES IN FINANCING OF UN

- Around 40 UN political missions and peacekeeping operations engage 95,000 troops, police, and civil personnel. But the UN peacekeeping budget, is just a little over \$8 billion. Also, countries providing most troops for the peacekeeping efforts are rarely made party to decide the mandate of the peacekeeping missions, which is often dominated by UNSC P5 members.
- Lack of contribution by the member nations: There was an outstanding \$711 million in assessed contribution for the general budget.
- Voluntary contributions dominate: Most humanitarian assistance, developmental work, and budgets of specialised agencies are based on voluntary contributions.
- Climate change financing: Developed nations despite repeated promises have failed to meet their promise to provide \$100 bn of climate finance for developing countries despite being responsible for historical emissions which are the prominent reason for present climate change, which is hurting the developing nations hardest.

► REFORMED MULTILATERALISM

In line with its agenda in its 8th term as the non-permanent member of the UNSC, India has reaffirmed its commitment to New Orientation for Reformed Multilateral System or NORMS at the UN Economic and Social Council meeting. So let us understand the need for reforming present paradigm of Multilateralism.

BACKGROUND: NORMS

In the backdrop of its entry into UNSC the stated objective is to push for a reformed multilateralism under NORMS framework.

The 5-fold objective of NORMS include

1. Finding new opportunities for progress
2. Effective response to international terrorism
3. Reforming multilateral systems
4. Comprehensive approach to international peace and security
5. Technology with a human touch

APPROACH

India's strategy for reformed multilateralism rests on 5S pillars including

1. Samman (Respect)
2. Samvad (Dialogue)
3. Sahyog (Cooperation)
4. Shanti (Peace)
5. Samridhhi (Prosperity)

NEED FOR REFORM IN MULTILATERAL WORLD ORDER

- Lack of Representation: Permanent membership of UNSC is lopsided with no representation to majority of the population including those of South America and Africa. Besides India and Brazil being highly populous countries do not find their representation.
- Lack of Accountability: Current multilateralism is skewed towards few global powers who have been able to arm-twist the geopolitics of various multilateral institutions by virtue of their military and economic might. For instance,
 - US has unilaterally withdrawn from funding of various multilateral institutions the most recent being WHO. US has withdrawn its funding from UNESCO for its alleged anti-Israel bias in early 2019.
 - Similarly, US has withdrawn from the Paris Agreement.
 - There have been instances of US's arm-twisting of WTO the most recent being the disputes appellate tribunal which has been rendered defunct at the behest of US.
 - Besides the countries that violate international law have not been held accountable merely because of its economic and military might. Ex. in 2016 China did not adhere to the UNCLOS ruling on the rule-based navigation in the South China Sea. Lately the credibility of WHO is questioned for its pro-China bias especially in initiating an investigation into handling of the crisis by China in the initial days

MULTILATERALISM AT THE WEAKEST

- The current system has failed to fulfil its primary objective of shared benefits through integration.
- UNSC has failed to protect the Ukraine against war from Russia.
- China has been reluctant in cooperating with countries which have raised issues related to its strategy to arrest the spread of pandemic

NEEDS OF 21ST CENTURY

- Most challenges are cross-national and cross-domain in character requiring multilateral approach. COVID 19 is an example of how health crisis has precipitated into economic crisis primarily because of cross-nation supply chains and financial systems.
- Other pressing problems including poverty and hunger, climate change, inequality, fake news, terrorism etc. are cross-national in character and thus require a more inclusive and democratic multilateral approach.

INDIA'S VISION FOR REFORMED MULTILATERALISM

- Securing Permanent Seat at UNSC: Primary objective as reflected under NORMS is long-standing ambition of securing a permanent seat on the Security Council. India along with Japan, Germany and Brazil have been pushing for a permanent membership at the UNSC under the G4 grouping for the want of true representation at the UNSC
- Counterterrorism: it will remain a key priority for India at the UNSC. India is pushing to depoliticize the process of imposing sanctions on terrorist groups in line with zero tolerance policy in terrorism. Further India will push to conclusion of Comprehensive Convention on International Terrorism which was spearheaded by India in 1996.
- Rule based multilateral order: India wants rule-based order in multilateral financial institutions like WTO, IMF where no country will be able to arm-twist the functioning of these organisations.
- India should take a lead in creating more representative multilateral order in which it can engage differentially with different countries based on their 1st order values of Pluralism, Democracy and Liberalism. Ex., India should join Alliance for Multilateralism mooted by France & Germany which stands for rule-based world order comprising of like-minded countries

OUR COMMON AGENDA

- To mark 75th Anniversary of UN, Member States came together to recognise that our challenges are interconnected and can only be addressed through

stronger international cooperation & reinvigorated multilateralism with UN at Centre of efforts.

- Leaders pledged to strengthen global governance for present and coming generations and asked Secretary General to prepare a report with recommendations to advance our common agenda and respond to current and future challenges.

- UN Secretary General prepared a comprehensive report titled outlining 12 comprehensive action areas named '[Our Common Agenda](#)'.

The important proposals in the report are given below. The Secretary General proposed a [Summit of the Future](#) to forge a new global consensus on what our future should look like and what we can do to secure it.

KEY PROPOSALS





7. Improve digital cooperation

- **Global Digital Compact** to:
 - **Connect all people to the Internet**, including all schools
 - Avoid Internet fragmentation
 - Protect data
 - Apply human rights online
 - Introduce accountability criteria for discrimination and misleading content
 - Promote regulation of artificial intelligence
 - Digital commons as a global public good



8. Upgrade the United Nations

- **High-level Advisory Board** led by former Heads of State and Government on improved governance of global public goods
- System-wide policy that **puts people at the centre**, taking into account age, gender and diversity
- More listening, participation and consultation (including digitally), building on the seventy-fifth anniversary declaration and Our Common Agenda
- **Gender parity** within the United Nations system by 2028
- Re-establish the Secretary-General's **Scientific Advisory Board**
- **"Quintet of change"** for United Nations 2.0, including innovation, data, strategic foresight, results orientation and behavioural science



9. Ensure sustainable financing

- **Biennial Summit between the Group of 20, the Economic and Social Council, the Secretary-General and the heads of international financial institutions** for a sustainable, inclusive and resilient global economy including to:
 - Support a **Sustainable Development Goal investment boost**, including through a **last-mile alliance** to reach those furthest behind
 - Provide more flexible research and development incentives
 - Resolve **weaknesses in the debt architecture**
- Fairer and more resilient **multilateral trading system**, including a reinvigorated WTO
- New business models
- Improve the **United Nations budget process**



10. Boost partnerships

- Annual meetings between the United Nations and all heads of **regional organizations**
- **Stronger** engagement between the United Nations system, international financial institutions and regional development banks
- More systematic engagement with **parliaments, subnational authorities and the private sector**
- **Civil society focal points** in all United Nations entities
- United Nations Office for Partnerships to **consolidate access and inclusion**, including accessibility online



11. Listen to and work with youth

Youth

- **Remove barriers to political participation** and measure progress through a **"youth in politics" index**
- **United Nations Youth Office**
- Transforming Education Summit in 2022
- **Recovery barometer** to track career paths and labour market outcomes for youth
- **High-ambition coalition** to promote green and digital-economy job creation

Future generations

- Summit of the Future in 2023
- **Ensure long-term thinking**, including through a United Nations **Futures Lab**
- **Represent succeeding generations**, including through a **repurposed Trusteeship Council**, a **Declaration on Future Generations**, and a **United Nations Special Envoy for Future Generations**



12. Be prepared

- **Emergency Platform** to be convened in response to complex global crises
- **Strategic Foresight and Global Risk Report** by the United Nations every five years
- **On global public health:**
 - **Global vaccination plan**
 - Empowered WHO
 - Stronger global health security and preparedness
 - Accelerate product development and access to health technologies in low- and middle-income countries
 - **Universal health coverage** and addressing determinants of health

► UNSC REFORMS

India was elected as a non-permanent member of the United Nations Security Council with an overwhelming majority. It garnered 184 votes in the General Assembly that consists of 193 members. The two-year term will begin on 1 January 2021.

This is the eighth time India has been elected a non-permanent member of the UNSC.

WHAT IS UNSC?

The Security Council, the United Nations' principal crisis-management body, is empowered to impose binding obligations on the 193 UN member states to maintain peace. Few major Roles:

- Ensuring international peace and security.
- Recommending that the General Assembly accept new members to the United Nations.
- Approving any changes to its charter.

So, no changes to the UN charter or no new member can be admitted into UN without the approval of UNSC (as

these resolutions require agreement of all the P5 members).

WHAT IS THE SECURITY COUNCIL'S STRUCTURE?

- It comprises of two kinds of members:
- Five permanent members—China, France, Russia, the United Kingdom, and the United States—collectively known as the P5. Any one of them can veto a resolution.
- 10 non-permanent members: Along with the five permanent members, the Security Council of the United Nations has temporary members that hold their seats on a rotating basis by geographic region. These members do not have veto powers
- The reason behind Veto being limited to just five members has roots in WWII. The United States and Soviet Union were the outright victors of the war, and, along with the United Kingdom, they shaped the post war political order.

WHY UNSC REFORMS ARE NEEDED?

- **Changing geopolitical situation:** UNSC's membership and working methods reflect a bygone era. Though geopolitics have changed drastically, UNSC has changed little since 1945, when wartime victors crafted a Charter in their interest and awarded "permanent" veto-wielding Council seats for Allied victors.
- **Reforms Long Overdue:** UNSC was expanded only once in 1963 to add 4 non-permanent members to the Council. Although the overall membership of the UN has increased from 113 to 193, there has been no change in the composition of the UNSC.
- **Inequitable economic & geographical representation:** While Europe is over-represented, Asia is underrepresented. Africa and South America have no representation at all.
- **Crisis of legitimacy and credibility:** Stalled reform agenda and various issues including its interventions in Libya and Syria in the name of responsibility have put questions on the credibility of the institution.
- **North-South Divide:** The permanent UNSC membership portrays the big North-South divide in the decision making of security measures. For instance, there is no permanent member from Africa, even though 75% of its work is focused on that continent.
- **Emerging issues:** Issues such as deepening economic interdependence, worsening environmental degradation, transnational threats also call for effective multilateral negotiations among the countries based on consensus. Yet, all critical decisions of the UNSC are still being taken by the permanent members of the Security Council.

AREAS OF UNSC REFORM

In current circumstances, it has become crucial for UNSC to reform itself and uphold its legitimacy and representativeness. Reform of UNSC encompasses five key issues:

- **Membership:** For many years, some member-states have been advocating expansion of UNSC, arguing that adding new members will remedy the democratic and representative deficit from which the Council suffers. Disagreement on whether new members should be permanent or have veto power has become a major obstacle to Security Council reform.
- **Veto:** Five permanent members of Security Council (China, France, Russia, UK and USA) enjoy privilege of veto power. This power has been intensely controversial since the drafting of UN Charter in 1945.

75 years later, the debate on existence and use of the veto continues, reinvigorated by many cases of veto-threat as well as actual veto use.

- **Regional representation:** Ongoing debate about Security Council reform has focused on expansion of membership of UNSC. The rationale for membership expansion is to include emerging powers on the Council. New single state members could exacerbate regional competition rather than collaboration. Alternative model for Council reform that would give permanent seats to regional organizations or blocs rather than individual countries.
- **Transparency and its working methods:** UNSC has taken several steps to increase its efficiency and transparency in recent years. These so-called "cluster 2" reforms do not require an amendment to UN Charter and have not stirred same amount of controversy as debate on expansion of Council has. Security Council now holds more public meetings and consults more frequently with external actors, including NGOs.
- **UNSC & UN General Assembly relationship:** Improving quality of interactions between these two organs would provide the Council with additional information and insights to inform its work. In turn, when the member states in the General Assembly feel that they have been consulted and that their views are heard on matters of international peace and security that affect them, the transparency, accountability and legitimacy of the Council are enhanced at a time when the Council is perceived to be struggling to discharge its responsibilities on a number of issues.

RATIONALE FOR INDIA'S PERMANENT MEMBERSHIP

India (or any other country for that matter) would want a permanent membership to the UNSC for two reasons:

- Veto power, which India could use to defend its interests, say against Pakistan (just like Russia did last year over the civil war in Ukraine).
- Sheer prestige associated with permanent membership of a multilateral forum. India's elevation will also be an acknowledgment of its rise as a global power, ready to play a key role in the council's objectives of international peace and security.

INDIA'S CLAIMS FOR PERMANENT POSITION AT UNSC

- **Population:** Around 1/6th of the global population.
- **Democracy:** With continuous and functional democratic experience, India is best suited to provide these values into UNSC which is often criticized for acting on behalf of few nations.

- **Economy:** India has become the fifth-largest economy in 2019, overtaking the United Kingdom and France. The country ranks third when GDP is compared in terms of purchasing power parity.
- **Military:** Responsible Nuclear power; 3rd largest military spender after USA and China.
- **Contributions to UN:** India is the largest contributor to the UN Peacekeeping Operations (UNPKO), with nearly 180,000 troops serving in 44 missions since it was established. India is also among the highest financial contributors to the UN, with the country making regular donations to several UN organs.
- **Active participation in global affairs:** India has not only participated but has also taken lead roles in global matters like climate change, ozone depletion, counter terrorism and rule based global order, etc.
- **Member of G4 nations:** Comprising Brazil, Germany, India, and Japan which support each other's bids for permanent seats on the United Nations Security Council.

Although the case for India's membership is a sound, but it is not an easy and shredded with many challenges and factors put forth by various nations and factors.

► WHO CRISIS

- World Health Organization (WHO) is grappling with its greatest crisis, faced with criticism over its initial response to the COVID-19 pandemic.
- This crisis has further been strengthened by United States funding cut. The U.S. contributes around 15% of WHO budget.

UNDERSTANDING THIS CRISIS

- WHO was established in 1948 and there hasn't been a worldwide pandemic with this kind of devastation that has come across its path.
- WHO had no formal powers to monitor and censure its members. For all the responsibility vested in the WHO, it has little power. Unlike international bodies such as the World Trade Organization, the WHO, which is a specialized body of the UN, has no ability to bind or sanction its members.
- Its annual operating budget, about \$2bn in 2019, is smaller than that of many university hospitals. WHO is dependent on donor funds.
- Being made scapegoats: Trump, scrambling for an answer to explain why the US now has more cases of coronavirus than any other nation, has alighted upon the WHO and China as his preferred scapegoats

BACKGROUND

- Risk of being **criticized as doing too much or too little:** During the outbreak of **SARS, H1N1, or "swine flu"**, the novel influenza virus was discovered in Mexico in 2009, WHO declared a pandemic. The death toll – 18,500 confirmed deaths worldwide – far lower than initially expected "Suddenly question were raised whether the WHO had mistakenly rung the alarm, and "cost huge amounts of money and frightened people unnecessarily".
- When the **Ebola outbreak** struck west Africa in 2014: In contrast to the previous pandemic, this time the WHO was slow to act, and was widely perceived to have lost control of the situation.
- **COVID-19: Biggest pandemic in its history**
- **Did not take enough action:** The first positive case of Coronavirus was detected in Wuhan, China on 17 November 2019, however, it wasn't until 31 December 2019 that China reported these to the World Health Organisation. WHO didn't send experts to Wuhan to get an independent view. They were only relying on the Chinese view.
- **Statements making praise of China:** Since the outbreak of COVID-19 in China, World Health Organization (WHO) officials consistently praised the country for its efforts in containing the spread of the disease.
- **Slow response:** As late as on 11 March, World Health Organisation (WHO), declared the Covid-19 outbreak a pandemic.
- **Poorly informed suggestions** such as there is no need for healthy people to wear face masks.

CHALLENGES WITH ORGANIZATION & FUNCTIONING

- **Constitutional problem with all UN agencies**, that the head of the agency who is elected with support of powerful member states, does not enjoy the independence and autonomy that should come with a position of that stature.
- **Re-election:** Two terms of five is normal practice. If we were, for example, to adopt a policy of a single non-renewable term for maybe six or seven years, then you might actually give a leader authority to take certain independent actions.
- **WHO is not larger or more powerful than its member states.** Just as Israel denied a UN team access to occupied territories, India has refused permission to some UN observers to go to Kashmir and so on, countries have the right to do that.
- **Funding Challenge:**

- Shrinking financial resources as the 2019 annual operating budget was only \$2bn.
- Rising donor dependency as funding is skewed towards voluntary contribution, only 30% of budget is under WHO control.
- Complex organization structure giving rise to tensions between headquarters and regional offices.
- Lack of appropriate accountability mechanisms to address wrongful acts or omissions by the organization when they occur.
- Body lacks adequate decision-making power, any decisions or amendments to its constitution, requires two-thirds majority of members present and voting.
- Lack formal powers to monitor and censure its members in case of non-adherence like other international bodies such as WTO.

MEASURES TO STRENGTHEN WHO'S FUNCTIONING

- Setting a clear direction and mandate for the future of WHO and its Secretariat.
- Increasing flexible funding arrangements that allows WHO to be agile and strategic in efforts to achieve its targets by linking financing to value delivery.
- Outsource functions to other global agencies. Ex. the GAVI-Alliance that hold expertise, to allow WHO to be able to focus more on its core areas and larger leadership roles.
- Leveraging expertise that exists by unlocking the potential of WHO's Framework of Engagement with Non-State Actors (FENSA).
- Enhanced autonomy balanced with adequate in-built accountability and transparency mechanisms.
- Focus on capacity building and strengthening of leadership skills.

WAY FORWARD

While the politicisation of the WHO remains a serious concern, it also presents an opportunity to rethink the underpinnings of the broader global governance architecture. Great power politics has always shaped global institutional evolution, but the crumbling edifice of extant institutional framework should alert us to the very real possibility that time is running out for the creation of viable and effective new international organisations.

If not rectified and responded to with a sense of urgency, global governance architecture might witness unprecedented fragmentation at precisely the time

when it is most needed. And that would be a travesty for the most vulnerable and weak nations of the world.

► G7 - NEED FOR EXPANSION

- The Grouping began as the Group of Six in 1975- with a meeting of leaders of US, UK, West Germany, Italy, France and Japan, because of the Oil crisis and global currency exchange issues that decided to meet annually.
- The Group of 7 (G7) is an informal group of seven countries — the United States, Canada, France, Germany, Italy, Japan and the United Kingdom, the heads of which hold an annual summit with European Union and other invitees
- Together the member countries represent 40% of global GDP and 10% of the world's population
- G7 has no legal existence, permanent secretariat or official members
- Leaders of G7 countries meets annually and discusses emerging global issues
- India has been a special invitee to the G-7 on several occasions in past two decades- including 5 consecutive years from 2005-2009 during global economic crisis. This year Indian PM was invited at summit.

KEY OUTCOMES OF 48TH G7 MEET

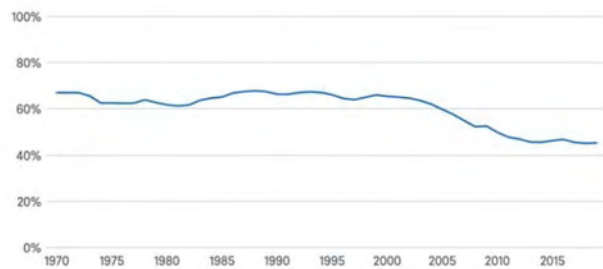
- India, Indonesia, Argentina, Senegal, South Africa and Ukraine were invited as guests.
- Criticised Russian aggression of Ukraine.
- Statement on Global Food Security: In the context of rising food prices and shortage, G-7 parties remained on target to raise \$100 billion and lift 500 million from malnutrition by 2030.
- Partnership for Global Infrastructure and Investment, plan to mobilise \$600 billion over the next five years to counter BRI.
- Statements on Climate change and on Just Transition partnerships between the G7 and India, Indonesia, South Africa, Senegal and Vietnam.
- A Statement on Resilient democracies, which India also signed on to, committing to ensure free and fair elections, protection of civil society, promoting human rights online and offline, and achieving gender equality.

→ CHALLENGES FACED BY G7 GROUPING

- Changing Economic Situation: When constituted the G7 countries accounted for close to two-thirds of global GDP.

The G7's Share of Global GDP Has Declined

G7 countries' aggregate GDP as a percentage of the world total (current U.S. dollars)



Source: World Bank.

COUNCIL ON
FOREIGN
RELATIONS

- They now account for less than a third of global GDP on a purchasing power parity (PPP) basis, and less than half on market exchange rates (MER) basis
- Seven largest emerging economies (E7, or “Emerging 7”), comprising Brazil, China, India, Indonesia, Mexico, Russia and Turkey, account for over a third of global GDP on purchasing power parity (PPP) terms, and over a quarter on MER basis. India’s economy is already the third largest in the world in PPP terms.
- It is projected that India’s GDP will increase to \$17 trillion in 2030 and \$42 trillion in 2050 in PPP terms, in 2nd place after China, just ahead of USA.

LIMITATIONS OF G7

- It is a “First World Elite Club” that has not grown its membership to include emerging economies like India and China.
- By cutting out Russia and China, the G-7 ensure the polarisation of the world into the two blocs, even as ties between Russia and China get stronger.
- G-7 countries are also military partners means that the economic agenda of the grouping often takes a backseat over political issues
- G7 failed to head off the economic downturn of 2007-08, which led to the rise of the G20.
- G7 has not raised concerns with respect to contemporary issues, such as the COVID-19 pandemic, climate change, the challenge of the Daesh, and the crisis of state collapse in West Asia.
- It had announced its members would phase out all fossil fuels and subsidies but has not so far announced any plan of action to do so.
- Unlike other institutions, G7 is not a formal institution with a charter and a secretariat.
- Lacks representation – Russia, China and India which are influential global players with important role in global economy are not members of this group.

- US president Donald trump had challenged the unity of G7 members stating that contending that U.S. allies took advantage of the United States.
- There is a growing sense that China poses a “threefold threat” to G7 countries—economically, ideologically, and geopolitically.
- TO counter BRI – G7 leaders announced at 2022 summit - Partnership for Global Infrastructure and Investment.

WHAT IT MEANS FOR INDIA?

- India’s tightrope walk between the West and Russia-China has just become more difficult- the G7 statement indicates a point of no-return
- The US-China rivalry is likely to step up in the Indo-Pacific with the new economic initiatives planned: from Indo-Pacific Economic Forum to the PGII to counter China’s Belt and Road Initiative- India joined the IPEF but India has not signed on to the PGII plan yet.
- India’s partnerships with countries like Indonesia, Brazil, South Africa, ASEAN etc that are still seeking to balance ties with both blocs will get stronger.
- India’s role as the balancing power in the room is evident: at the BRICS summit last week, India ensured that anti-West language did not enter the text, while at the G-7 outreach, it ensured that statements condemning Russia and China were not part of the documents that India signed.

WHY WE NEED A NEW INSTITUTION

- A new mechanism is required to handle the emerging global challenges - Trade war, economic slowdown, Political turmoil in countries, counterterrorism & non-proliferation.
- There is need for including in it the seven future leading economies, plus Germany, Japan, the U.K., France, Mexico, Turkey, South Korea, and Australia
- Finding effective solutions to burning issues like Ukraine war, Global economic slowdown, Iran’s nuclear program, peace and stability in Afghanistan, Gulf and West Asia, reduction in tensions in Korean peninsula and South China Sea.

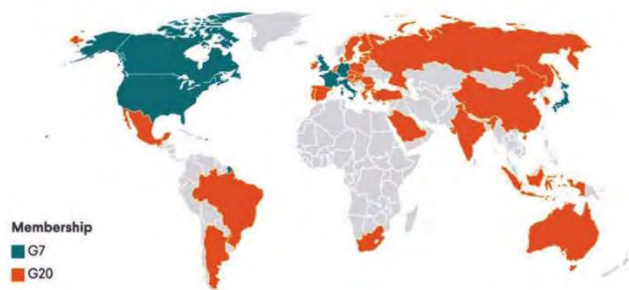
► G20 AS AN ALTERNATIVE TO G7

- Power and prestige of Group of Twenty (G20), [a forum for finance ministers and central bank governors](#) from nineteen of world’s largest countries and EU, has surpassed that of G7.
- Emerging powers including Brazil, China, India, Mexico, and South Africa, whose absence from G7

was often noted, all belong to G20. Russia remains a member of G20.

- Group's member states represent about 85% of global GDP and three-fifths of the world's population.
- G20 was most effective during 2007–08 global financial crisis.

The Rise of the G20



Note: All G7 members are also G20 members. The European Union is collectively a member of the G20.

CHALLENGES WITH G20

- This could become [a forum for Great Power Rivalry](#) because of Presence of US, China and Russia in the aftermath of Ukraine crisis.
- At 2014 summit, hosted by Australia, leaders adopted a plan to boost their economies by a collective 2.1%, which they did not achieve.
- United States blocked a planned reference in the communiqué to the need to “resist all forms of protectionism.” a communiqué to which all its members agreed
- In Argentina summit the G20 members adopted a communiqué to which all its members agreed. However, this communiqué did not include issues like trade, climate change, and migration.
- G20 has raised Voice for urgent restoration of the dispute settlement system to “contribute to predictability and security in the multilateral trading system”.
- Despite being a member of G20, US under Donald trump had blocked the appointment to WTO appellate body. The new President Biden has yet not taken any action on this issue.
- G20 countries agreed to raise IMF reserves with a new SDR allocation of US \$650 billion, critics have argued that given the scale of financing challenge in emerging economies, it is not enough.
- G20 members have failed to break the impasse on climate goals—many countries disapproved of the idea of committing to keeping global warming below 1.5°C and phasing out coal. US, EU, Japan, and Canada

want the G20 to cap temperature rise at less than 1.5 degrees and phase out coal by 2025

'D10' COALITION OF DEMOCRACIES

- The combination of G7 and 3 other invitees- India, Australia and South Korea has drawn attention to an expanded ['D10' coalition of democracies](#)
- First proposed by Boris Johnson, the original purpose of D10 was aimed [to address China's growing technological clout in 5G](#) as well as [supply chain vulnerabilities](#) that were exposed during pandemic
- But gradually, with the Joe Biden's efforts, the group is being seen as an alternate democratic arrangement against the authoritarian states such as China

ADVANTAGES OF PROPOSED D10 COALITION

- The proposed 5G alliance (as proposed by UK) may bring technology and investment to India
- Membership in coalition of 10 large democracies not only increase the soft power of India but also gives a platform for India to pursue reforms in UNSC. (This coalition will give an opportunity to convince the major powers to make the way clear for India's candidature as a permanent member of UNSC)
- It acts as a bulwark against Chinese expansionism in Indian ocean and its Wolf warrior diplomacy in the India's neighbourhood
- Eventually if this coalition turns into a trade bloc, that will improve trade and investment opportunities for India (In the backdrop of lingering EU-India trade deal and pull out of RCEP)

CHALLENGES

- Economic Interconnectedness transcends across any rigid divisions of Democracies and dictatorships
- despite being a U.S. ally and a democracy, South Korea is wary of joining a formal D10 or Quad-plus alliance because its economy is interwoven with that of China
- EU is wary of any such coalition (D10) since it recently signed [EU-China new investment treaty](#)
- Even Indian can't afford to alienate friendly undemocratic powers like Vietnam, Iran or Russia, which are important for India's ambitions of becoming a 'leading power' in the world
- US and European powers are themselves not disassociated with undemocratic allies. U.S.'s allies in West Asia remain notoriously authoritarian, and European countries still cultivate client dictatorships in Africa.

► SHANGHAI COOPERATION ORGANISATION

SCO is a China-led eight-member economic and security bloc, in which India and Pakistan were admitted as full members in 2017. Its founding members included China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

For the 1st time, India will host SCO summit meeting at the end of this year.



STRUCTURE OF SCO

- Regional Anti-Terrorist Structure (RATS) of SCO is a permanent body based in Tashkent, Uzbekistan. Objective of RATS is based upon Shanghai Convention on Combating Terrorism, Separatism and Extremism.
- Main objectives of SCO is to strengthen mutual trust and neighborliness among member states, promote their effective cooperation in politics, trade, economy, research, technology and culture, education, energy, transport, tourism, environmental protection, and other areas. Making joint efforts to maintain and ensure peace, security and stability in the region and moving towards the establishment of a democratic, fair and rational new international political and economic order.

IMPORTANCE FOR INDIA

India's security, geopolitical, strategic and economic interests are closely intertwined with developments in the Central Asian region.

- **Energy Security:** Central Asian region is richly endowed with energy resources which India is trying to gain access to through Chabahar port construction in Iran and construction of International North-South Transport Corridor.
- **Economic Growth:** SCO has high economic potential because 40% of world's population lives in its countries, and they produce more than 22% of global GDP, that is by 2025, expected to reach 38-40%.

- **Security Cooperation:** RATS is viewed by India as a platform to access intelligence and information and as a solution to regional security cooperation as SCO remains committed to countering international terrorism, drug trafficking and resolving conflict in Afghanistan.
- **Gateway to Eurasia:** India's membership in the SCO is an opportunity for India to engage the Eurasian Economic Union (EEU) thereby Eurasian market.
- **Connect to Central Asia:** SCO is a potential platform to advance India's Connect Central Asia policy.
- **Enhanced status:** SCO membership also bolsters India's status as a major Pan-Asian player, which is boxed in the South Asian paradigm.
- **Value alignment:** "Shanghai spirit" emphasizes on harmony, non-interference in others' internal affairs, and non-alignment - values that India has always cherished and upheld.
- **Forum for bilateral cooperation with China:** It is yet another opening, like the BRICS summit last year, to bring down tensions, and ahead of the next informal summit in October in India.
- **Platform for India to engage Pakistan:** In the absence of the SAARC summit, the SCO summit gives an opportunity for Indian and Pakistani leaders to meet informally, on the sidelines and to engage in anti-terrorism cooperation. Thus, SCO shall provide a platform to resolve their differences.

CHALLENGES FOR INDIA IN SCO

- **Dominance of China and Russia:** Russia and China as a co-founder of the SCO are the dominant powers in the groupings, thus limiting India's ability to assert itself.
- **China's Belt and Road initiative:** All group members except India have endorsed China's BRI initiative. India on the other hand has repeatedly oppose China's Belt and Road Initiative citing sovereignty issues arising out of CPEC.
- **India-Pakistan rivalry:** India and Pakistan are on continuous confrontation that makes it difficult to adhere to the idea of "good-neighborliness" prescribed in Article 1 of the SCO charter.
- India walked out of a virtual meeting of National Security Advisors of SCO after Pakistan presented a "fictitious" map of the country at the meet.
- **Definition of terrorism:** India's definition of terrorism is different from the definition of SCO under RATS. For SCO, terrorism coincides with regime

destabilization, whereas for India it is related to state-sponsored cross border terrorism.

WAY FORWARD

Thus, it can be said that SCO is part of India's stated policy of pursuing "multi-alignments." Hence, India must continue to look for positive engagement with the member nations of this organization.

INDIA'S MEMBERSHIP OF SCO AND QUAD - A GEOPOLITICAL CONTRADICTION?

India's membership of the Shanghai cooperation Organization and the Quadrilateral security dialogue is seen as a geopolitical contradiction by various experts. SCO is a China led initiative, while Quad is a US led initiative. India is a member of which has made some experts to call it contradiction. Questions have been raised as to how far India can walk the tightrope of Strategic autonomy by participating in the SCO and quad which have opposite objectives.

SCO	QUAD
SCO with Russia and China is seen as a counter to the NATO	Quad with US allies is seen as a counter to the China and Russia
India Joined SCO in 2017	Quad began after 2004 but revived after 2017
SCO deals with continental neighborhood	Quad deals with Maritime neighborhood
Except India SCO members have taken a stand on Taliban	Quad members have stayed distant

CONTRADICTIONS WITHIN THE SCO

- [Afghan contact group](#) - India is not on the same page with other members of the SCO
- [Connectivity](#) - India is not a part of China's BRI. It has different approach to connectivity. INSTC, TAPI, Chabahar Port etc.
- [Terrorism](#) - SCO RATS mechanism. India participates in SCO RATS Military exercise. India blames Pakistan, but other countries are collaborating with Pakistan.

CONTRADICTIONS WITHIN THE QUAD

- [COVID-19 Vaccine](#) - India is expected to supply vaccine in the Indo - Pacific with the Support of US. However, the contours are still not clear. Lack of clarity on WTO waiver.

- [Climate Change](#) - India works with Solar alliance and Paris accord but has not yet signed the goals set by other members of the QUAD.
- [Supply Chains](#) - India is keen on building alternate supply chains from the ones dominated by China. It is part of SRI of which US is not a part.
- [AUKUS security Partnership](#) - India is not a member and there is lack of clarity on how it will engage with the QUAD.

ARGUMENTS IN FAVOR OF INDIA'S POSITION

- India is not the only country in multiple multilateral groupings which conflict or compete.
- US is a part of [QUAD](#) but has still announced [AUKUS](#) with UK and Australia.
 - US had also announced a [Connectivity Quad](#) with Uzbekistan, Afghanistan and Pakistan.
 - US Russia China formed the [Troika](#) to discuss Afghanistan as well [Troika+](#) with Pakistan.
- Even within the groups [some contradictions are unavoidable](#).
- World politics is no more Bipolar as it used to be during the cold war era.
- The present global order can be seen in [paradigm of "complex interdependence"](#).
- In such a world-order contradictions are bound to happen.
- In hostile regions continuous engagement [creates possibilities for future leverage](#).
- Engagement is natural corollary to India's principled stand of [Strategic autonomy](#), where India engages on multiple platforms to pursue its interest.

WAY FORWARD

At a time when role of US is unclear in Indo-pacific because of Parallel Quad and AUKUS and when strategic leverage of India is decreasing in the central Asia, engagement with SCO and QUAD provides opportunity to India to raise its voice in a dynamic geopolitical space.

► BRICS

- BRICS started in 2001 as BRIC, an acronym coined by Goldman Sachs for Brazil, Russia, India, and China. South Africa was added in 2010.
- The notion behind the coinage was that the nations' economies would come to collectively dominate global growth by 2050.

SIGNIFICANCE OF BRICS GROUPING

- The dominance of any group across the world is judged based on following parameters: Territory under control, Population, GDP and Trade. BRICS grouping has:
 - 42% of the global population,
 - 23% of the global GDP,
 - 30% of the global territory
 - 18% of the global trade.

BRICS members are also known for their significant influence on regional affairs; all are members of G20.

- **Contribution to global growth:** In terms of GDP, China occupies second position; India fifth; Brazil ninth; Russia 11th; and South Africa 35th. In terms of growth rates, China grew at 6%; India at 4.5%, Russia 1.7%, Brazil 1.2% and South Africa 0.1%.
- **Collective strength of BRICS** by way of consultation and cooperation on issues of mutual interests, as well as topical global issues, such as, international terrorism, climate change, food and energy security, reforms of global governance institutions, etc.
- **For example -** An offshoot of the group, dealing with climate change, is BASIC (BRICS without Russia), which met at the Spain conference in December 2019 and reiterated its support to the Paris Agreement

IMPORTANCE FOR INDIA

- **Geo-Politics:** Provides an opportunity for India to balance increasing Russia-China closeness.
- **Global Economic Order:** BRICS countries shared a common objective of reforming international financial and monetary system, with a strong desire to build a more just, and balanced international order.
- **Voice of Developing Nations:** BRICS has emerged as the voice of developing countries.
- **Terrorism:** BRICS also provides a platform for India to galvanize its efforts against terrorism and has worked within the grouping to take a strong stand against terrorism.
- **Global Grouping:** India is actively pursuing its membership for UNSC and Nuclear Supplier Group (NSG). China forms the major roadblock in pursuing such goals. Therefore, BRICS provides an opportunity to actively engage with China and gain its support.
- **Institutional Successes:** New Development Bank is a multilateral development bank operated by BRICS states. It approved its first set of loans, which included a loan of US\$ 250 million in respect of India for Multi-

tranche Financing Facility for Renewable Energy Financing Scheme'.

CHALLENGES FACED BY BRICS

- **Geographical separation:** Members are fragmented along 4 different continents.
- **Political heterogeneity:** For a long-lasting strong group, there should be political homogeneity. (Ex: EU). But China and Russia have authoritative government and rest have democracy.
- **Dominance of China:** Chinese role in trade relations makes the BRICS much more a China-with-partners group than a union of equal members. China is floating its own organizations like One Belt One Road (OBOR), Shanghai Cooperation Organization (SCO), Asian Infrastructure Investment Bank (AIIB).
- **Lack of Mutual trust and Interests:** China- India rivalry (Territorial); Russia and Brazil rivalry (Mining). So, although BRICS has all necessary conditions (political, military and economic influence) to act like a global institution, but these conditions are not sufficient.

WAY FORWARD

At a different level, BRICS membership elevates India's global profile. China may still not be interested in de-hyphenating India and Pakistan, but India's BRICS membership automatically de-hyphenates India and Pakistan, while it casts India and China as equals. So, even as challenges abound in the BRICS trajectory, the grouping will continue to be of some instrumental value to India in the years ahead.

► BRICS+

Recently a virtual meeting of BRICS+ foreign ministers was held in which ministers of Brazil, Russia, India, China, and South Africa (BRICS) were joined by representatives from Argentina, Egypt, Indonesia, Kazakhstan, Nigeria, UAE, Saudi Arabia, Senegal, and Thailand. Russia and China have talked about expansion of BRICS. In this context, let us understand why the expansion is being talked about, and stakes for India.

RATIONALE FOR EXPANSION OF BRICS

- Russia and China want to use current geopolitical environment as an opportune time to expand BRICS and challenge the domain of G7 by including members from G20.
- Churning in international order, heightened by Russia's invasion of Ukraine and hardening of Western positions, are leading to making of competitive plurilateral fora. This also comes at a time

when multilateral organisations have proved ineffective to resolve issues of global concern.

- Cracks in G20 solidarity are already visible, and Russia is already out of G7 grouping.
- China is challenging western influence over countries and wants to use BRICS to that end.

HOW IS THE BRICS GOING TO EXPAND?

- New Development Bank associated with BRICS, expanded membership in 2021, admitting Bangladesh, UAE, Uruguay and Egypt.
- Countries from G20 are going to be prioritized which is visible from presence of Argentina, Indonesia and Saudi Arabia at the recent meeting.
- Kazakhstan was invited as the largest country in Central Asia, where China and Russia have important interests.
- Nigeria was invited as another important African economy. Senegal was invited as current chair of African Union. Thailand, as chair of APEC, and Indonesia, as chair of G20, were all part of the recent meeting.
- However, from among Mexico, Indonesia, Korea, Turkey and Australia (MIKTA) all G20 members, only Indonesia was invited.
- This highlights that China, backed by Russia, is creating cleavages to choose its friends from among the G20.

CONCERNS OF IBSA

- Brazil considers Argentina as a rival in Latin America.
- If Nigeria and Egypt are admitted, South Africa would no more be the African representative in the BRICS.
- Some new invitees have good relations with India, but India has not been consulted on expansion.
- China, backed by Russia, is hastening the process of expansion of BRICS as part of its strategic challenge to international order and to collect middle powers around them.
- India needs to ensure that expansion is not on Chinese terms and that countries admitted are equally receptive to India. Bilateral engagement with them should see this perception built up.
- IBSA countries must assert their presence in BRICS, which should not become just a Russian Chinese affair.

► BIMSTEC

With SAARC taking a backseat because of India-Pak Rivalry and increased geopolitical focus on the Indo-

Pacific, India is seen to be increasing its focus on the BIMSTEC to engage with the Bay of Bengal littoral countries with an aim of ensuring free and Open Indian Ocean region.



BIMSTEC

- Established as a grouping of four nations — [India](#), [Thailand](#), [Bangladesh](#) and [Sri Lanka](#) ('BIST-EC' - Bangladesh, India, Sri-Lanka and Thailand Economic Cooperation) — through the [Bangkok Declaration](#) of [1997](#) to promote rapid economic development.
- It was renamed as 'BIMST-EC' in 1997, following the inclusion of [Myanmar](#).
- With the admission of [Nepal and Bhutan](#) in 2004, the name of the grouping was changed to 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' (BIMSTEC).
- BIMSTEC was expanded later to include three more countries — [Myanmar](#), [Nepal](#) and [Bhutan](#).
- Present members - [Bangladesh](#), [Bhutan](#), [India](#), [Myanmar](#), [Nepal](#), [Sri Lanka](#), [Thailand](#)
- Its members lie in the littoral and adjacent areas of the Bay of Bengal constituting a contiguous regional unity. BIMSTEC not only connects South and Southeast Asia, but also the ecologies of the Great Himalayas and the Bay of Bengal.
- [Platform for intra-regional cooperation between SAARC and ASEAN members](#).
- A fourth of the world's traded goods cross the bay every year.
- [Important Connectivity Projects:](#)
 - [Kaladan Multimodal Project](#) links India & Myanmar.
 - [Asian Trilateral Highway](#) connecting India & Thailand through Myanmar.

- Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicles Agreement for seamless flow of passenger and cargo traffic.
- Strategic Significance for India: Enables India to pursue three core policies:
 1. Neighbourhood First - primacy to the country's immediate periphery.
 2. Act East - connects India with Southeast Asia; and
 3. Economic development of India's Northeast: by linking them to the Bay of Bengal region via Bangladesh and Myanmar.
- India has moved from Look East Policy to Act East Policy and Indo Pacific cooperation through its diaspora, culture and connectivity. This has led to India's goodwill in the region.
- Allows India to counter China's creeping influence in countries around the Bay of Bengal due to the spread of its Belt and Road Initiative.
- Physical connectivity with BIMSTEC would also help India integrate itself with ASEAN's Master Plan of Connectivity 2025.
- A new platform for India to engage with its neighbors with South Asian Association for Regional Cooperation (SAARC) becoming dysfunctional because of differences between India and Pakistan. BIMSTEC suddenly received special attention as New Delhi chose to treat it as a more practical instrument for regional cooperation over a faltering SAARC.

ISSUES IN THE FUNCTIONING OF BIMSTEC

- A strong BIMSTEC presupposes cordial and tension-free bilateral relations among all its member-states. This has not been the case, given the trajectory of India-Nepal, India-Sri Lanka, and Bangladesh-Myanmar ties in recent years.
- Bangladesh is facing Rohingya refugee crises from Myanmar who are fleeing prosecution in Rakhine State of Myanmar. There is a border conflict between Myanmar and Thailand.
- Uncertainties over SAARC hovers, complicating matters. Both Nepal and Sri Lanka want the SAARC summit revived, even as they cooperate within BIMSTEC, with diluted zeal.
- China's decisive intrusion in the South-Southeast Asian space has cast dark shadows.
- The military coup in Myanmar, brutal crackdown of protesters and continuation of popular resistance resulting in a protracted impasse have produced a new set of challenges.

- BIMSTEC planned to hold summits every two years, ministerial meetings every year, but only four summits have taken place in 20 years up to 2018.
 - In fact, BIMSTEC received special attention as India chose to treat it as a more practical instrument for regional cooperation over a faltering SAARC.
 - Most multilateral groupings from G20 to ASEAN (Association of Southeast Asian Nations) and SCO (Shanghai Cooperation Organisation) held their deliberations at the highest political level even during the COVID-19 pandemic in 2020, BIMSTEC leaders failed to do so.
- BIMSTEC FTA was negotiated in 2004, talks on it are yet to be concluded.
- What has been missing from recent deliberations is a reference to the lack of progress on the trade and economic dossier.
 - A 2018 study by FICCI had suggested that BIMSTEC urgently needed a comprehensive Free Trade Agreement covering trade in goods, services and investment; promote regulatory harmonisation; adopt policies that develop regional value chains; and eliminate non-tariff barriers.

WAY FORWARD

As BIMSTEC readies itself to celebrate the silver jubilee of its formation next year, it faces a serious challenge: to affect a paradigm-shift in raising the level of our cooperation and regional integration. The grouping needs to reinvent itself, possibly even rename itself as 'Bay of Bengal Community'. It should consider holding regular annual summits. Only then will its leaders convince the region about their strong commitment to the new vision they have for this unique platform linking South Asia and Southeast Asia.

► SAARC

SAARC has been dormant for years due to regional tensions (mainly India-Pakistan). But recent fight against COVID-19 had brought a few positive developments.

ABOUT SAARC

South Asian Association for Regional Cooperation (SAARC) is the regional intergovernmental organization and geopolitical union of states in South Asia.

Eight Members: Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.

SAARC comprises 3% of the world's area, 21% of the world's population and 4% of the global economy.

CHALLENGES FACED BY SAARC

- **Indo-Pak rivalry:** SAARC has been hostage to India - Pakistan conflict, whereby India is unwilling to engage with Pakistan till it ends or makes serious attempts cross-border terrorism. SAARC Region is also one of the most terror prone regions of the world with frequent tensions and unrest within the member countries as well as amongst the members.
- **China factor:** China is trying to establish relations with the member states of SAARC excluding India. For Ex. China has started CPEC with Pakistan, Hambantota project with Sri Lanka, FTA with Maldives and railroad pact with Nepal.
- **Afghanistan:** With Taliban's takeover of Afghanistan, role of Pakistan in facilitating terrorist organizations has again come at the center stage. Further India is yet to actively engage with the Taliban regime.
- **Low inter region trade:** While organizations like ASEAN record a trade of 20%, SAARC's trade figures are a dismal low at about 3%. South Asia free trade agreement (SAFTA) proposed for boosting intra-regional trade remains on paper and is not functional.
- **Absence of cooperation** on major initiatives. Ex. Pak's non-cooperation on motor vehicle agreement, lack of consensus on threat perceptions, since member countries disagree on the idea of threats
- **Fear about India's Big Brother attitude:** Asymmetry between India and other member countries in terms of geography, economy, military strength and influence in global arena make the smaller countries apprehensive. They perceive India as "Big Brother" and fear that it might use the SAARC to pursue hegemony in the region. The smaller neighboring countries, therefore, have been reluctant to implement various agreements under SAARC.
- As a result, India was seen to be moving away from SAARC in direction of BIMSTEC. However, still India is not attempting to replace SAARC with BIMSTEC since both organisations are based on different foundations.
- SAARC as an organisation reflects South Asian identity of the countries based on shared history, language, religion, cuisines, etc.
- BIMSTEC is not based upon shared identity but a shared geographical region of Bay of Bengal.

COVID - AN ATTEMPT AT REVIVAL

India's imaginative diplomacy has leveraged the crisis to create a new mechanism for workable cooperation.

- India initiated first-ever virtual summit of SAARC leaders, all the eight member-states were represented at the video conference, except Pakistan
- India proposed and quickly operationalized COVID-19 Emergency Fund with its initial contribution of \$10 million. Within days, all the countries, except Pakistan, contributed to it voluntarily, bringing the total contributions to \$18.8 million
- India extended medical equipment, medicines and other supplies to neighbours - Bhutan, Nepal, Afghanistan, Maldives, Bangladesh and Sri Lanka.
- However, this attempt did not materialize into the revival because of the Taliban's takeover of Afghanistan with tacit support of Pakistan.

CASE FOR SAARC'S REVIVAL

- India subcontinent, while geographically integrated in the world in terms of terrain, ecosystem, river system etc. But its polity, history, economics, below par engagement makes it one of the least integrated regions of the world - SAARC can overcome this lack of integration.
- In a competing world, where we see countries forming groups like the EU, ASEAN, AU and so on, SAARC could be a pillar for the countries of the South Asian region to establish their identity in trade and to alleviate the afore mentioned evils persistent in the region.
- World's economic center of gravity is shifting east wards. Thus, it becomes critical for regional economics to work together for facilitating the vision of Asian century.
- With 35% of the global youth in this region, the region is the work force of the 21st century when the rest of the world has an ageing population. Collaboration thus becomes key.

WAY FORWARD

- To conclude that SAARC is now returning to an active phase on a broad front may, however, be premature. Especially in the backdrop of political capital invested by New Delhi in strengthening BIMSTEC and urgings it received recently from Nepal and Sri Lanka to resuscitate SAARC.
- External Affairs Minister S. Jaishankar said that India had no preference for a specific platform, but it was fully committed to the cause of regional cooperation and connectivity.
- Given the way Pakistan has tried to harm India's interests since the terrorist attack on the Uri army base in 2016 and its orchestrated takeover of Taliban

in Afghanistan the goal of revival looks unrealistic. Both New Delhi and its friendly neighbors need to start preparing themselves for SAARC 2.0. In this background the scope and membership of the BIMSTEC needs to be further enhanced.

► FATF

Pakistan was retained on the grey list, or list of countries under increased monitoring, at FATF once again, as FATF judged it deficient in prosecuting the top leadership of UNSC-designated terror groups; list includes Lashkar-e-Taiba, Jaish-e-Mohammad, Al-Qaeda & Taliban. Despite efforts of FATF to stop terror funding, Pakistan's support for terror organizations has not reduced on the ground. It poses questions about efficacy of FATF in effectively controlling money laundering a terror financing.

HOW FATF WORKS?

- FATF combats anti-terrorism financing efforts by measuring legal frameworks at great length which has proven to have a lot of flaws in the past.
- Biggest role FATF is evaluating its Member States: "During an evaluation, a team of diverse experts from the other FATF Member States assesses a country's national anti-money laundering and anti-terrorist financing framework.
- The evaluation reports are an important source for countries and financial institutions in ascertaining how a national framework has been set up."
- These evaluations lead to institutions such as banks knowing which countries can be trusted when it comes to money transactions and give the international community an overview of the global terrorist layout when it comes to money laundering.
- Recently the Financial Action Task Force (FATF) started moving from checkbox and rules-based regulatory models to an outcome or principle-based approaches which led to a more proactive approach.
- However, the current blacklist of countries at risk of money laundering includes "countries such as North Korea and Iran but does not include jurisdictions such as Panama or the Bahamas".

INSTANCES OF INEFFECTIVE FUNCTIONING OF FATF

- Commonwealth Bank of Australia was probed for Money laundering in 2017. It is a major shortcoming of FATF considering Australia should be one of the leading countries in battling terrorism funding.
- In 2017 Singapore was revealed as the new haven for money laundering.

- Nigeria which faces issues of terror financing for organizations like Boko Haram has not implemented the FATF recommendations.
- Pakistan has been on the grey list since 2016. However, Pakistan's role in providing safe havens to terror organisations is not hidden.

ISSUES

- [Mutual evaluation reports of FATF have grown longer and more technical](#) as evaluation rounds have progressed. It has failed to provide clear, accurate information on the effectiveness of the Anti-money laundering system in a particular country.
- Financial Action Task Force battles terrorism financing by providing guidelines for countries and publishing evaluations of individual countries' efforts in combating terrorism financing on a national level.
- The reports serve as a useful checklist for countries to know what to focus on in the future.
- However, other efforts of FATF such as putting and taking countries off the blacklist has proven to yield questionable results.
- The country assessment process it oversees has become increasingly politicised.
- FATF recommendations are not binding. However, the FATF members impose sanctions on a country if does not comply with such recommendations. Thus, the organisations itself lacks teeth for the implementation of its recommendations.
- FATF's detailed country evaluations are conducted too infrequently.
- FATF should also take greater effort to consider the capabilities and capacity of countries to engage with the FATF process.
- Ex. costs (in money and government staff time) incurred by countries in preparation for and in undergoing a FATF evaluation are immense.

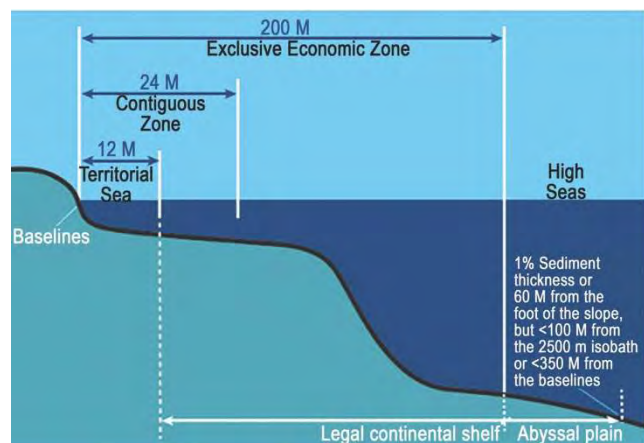
► UNCLOS

Continuous violation of EEZ rights of littoral countries of South China Sea by China, and recent Freedom of Navigation operation conducted by US in India's EEZ near the Lakshadweep Island has raised concerns about the efficacy of the UN convention of Law of seas in the resolution of maritime disputes.

WHAT UNCLOS DOES

UNCLOS is almost universally lauded for laying down laws and rules whose wide acceptance it is believed has greatly reduced the number, frequency and potential for

inter-state conflicts that would otherwise have taken place. There are now 167 member countries plus the European Union.



- 12-mile zone was legally sanctioned as the 'territorial seas' belonging to a specific coastal state but within which "innocent passage" of other ships including warships is allowed.
- Easily the single-most important new development ushered in by UNCLOS was the creation and legal sanctification of Exclusive Economic Zones (EEZs) of 200 nautical miles over which states have sovereign rights to explore and exploit in the seas, the seabed and subsoil.
- Area beyond EEZs are demarcated as "high seas" and said to be "common heritage of humankind." Here, the stipulated International Seabed Authority (ISA) finally came into existence in 1994 to regulate, organize and control through licences and contracts with companies and governments, all mining explorations to be followed later by actual operations in the international seabed.
- Key narrow straits crucial for shortening maritime routes have been given international status for "transit passage" but otherwise local coastal states have sovereign rights over them.
- Established a dispute-settlement mechanism for member countries.

ISSUES IN THE FUNCTIONING OF THE UNCLOS

- US is not a member of the UNCLOS and has been conducting FONOP in the EEZ of India.
- China asserts that whole South China sea falls into its EEZ, ignoring the EEZ rights of the littoral countries.
- Climate change is opening the arctic Sea. The littoral states of arctic have started claiming their rights on what was the "common heritage of humankind".

- The requirement of prior consent under the UNCLOS for the passage of foreign warships has been ignored by many nations. - Ex - US FONOP.
- There is no mechanism to enforce the decisions of the International tribunal for law of sea.
- China claims everything within "nine-dash line," stretching from Taiwan to Malaysia – a vaguely defined boundary based on old maps. In 2016, international tribunal at The Hague ruled there was no legal basis for such a claim. China rejected the decision, and other countries have continued to complain about Chinese vessels in their waters.

► UN WORLD FOOD PROGRAM

UN World Food Program was awarded Nobel Peace prize 2020 for its efforts to combat world hunger. UN body was praised for bettering conditions for peace and preventing use of hunger as a weapon of war. Nobel Committee said WFP's work was an endeavour that all nations should be able to endorse and support.

ABOUT UN WFP

- Founded in 1961, WFP delivers food assistance to vulnerable communities, particularly affected by war.
- It has intervened in several global emergencies since. Last year alone, the WFP said it assisted 97 million people across 88 countries.
- Governments are principle source of its funding. Its largest donations coming from US, Germany & UK. Corporations and individuals also donate to it.

FUNCTIONS

- The program's overarching goal is to bolster peace and stability by promoting food security and improved nutrition.
- To this end the WFP is involved with a range of projects, including ones to strengthen food supply chains, local markets and resilience to local climate risks.

CHALLENGES

Yemen

- WFP feeds 13 million people - almost half of Yemen's population - as the country grapples with civil war and endemic poverty.
- It is hampered by poor infrastructure, funding cuts, limited access and a lack of international co-operation
- In April, WFP announced that some donors had stopped their aid over concerns that deliveries were being obstructed

- It urgently needs more than \$500m to ensure uninterrupted food assistance until March 2021

SOUTH SUDAN

- Since gaining independence from Sudan in 2011, areas of South Sudan have been racked by hunger and poverty, spurred by inter-ethnic violence
- WFP says almost seven million people - 60% of population - are struggling to find enough food to eat every day
- WFP provides food aid to half a million people, cash assistance, school meals & treatment for malnutrition
- It says it needs \$596m to ensure uninterrupted food assistance until March next year

OTHER CHALLENGES

- Despite its successes, funding cuts have proved a hindrance to WFP's work in many areas of the world.

- COVID 19 has further hampered its functioning.
- It warned that the coronavirus pandemic could cause widespread famines "of biblical proportions".
- Global outbreak has already hindered its ability to work freely around the world, as countries close their borders to curb the spread of the virus.

CRITICISM

- The group was also accused of bolstering the US economy by buying its produce. The WFP has since tried to strike a balance between purchasing locally and avoiding any potential inflation of food prices.
- It has been argued that the WFP makes some nations overly reliant on foreign aid.

INDIAN DIASPORA

Indians in Asia		
Country	Indian population	% of total population
Nepal	4 million	14.7%
Saudi Arabia	4,100,000	13.22%
Malaysia	2,108,600	7.4%
United Arab Emirates	3,500,000	27.1%
Myanmar	1,100,000	2%
Sri Lanka	850,000	4.4%
Kuwait	700,000	17.5%
Oman	950,000	18%
Singapore	250,300	7.4%
Bahrain	150,000	19%
Qatar	650,000	30.5%

► INDIAN DIASPORA IN CARIBBEAN

- Though numbering less than two million across Caribbean islands, they (Indians) occupy a position of considerable power and influence.
- Trinidad & Tobago, Guyana and Dutch colony of Suriname constitute over 40%, 51% and 35% of total populations, respectively.
- A large percentage of this population is concentrated in countries of Guyana, Suriname and Trinidad and Tobago.
- During colonial era, after abolition of slavery in 1833, British faced extreme shortage of labour for

sugar plantation in their sugar producing colonies of Caribbean.

- To overcome this problem, over half a million Indians were transported to the region as indentured workers (often called as Indian coolies) with false hopes and promises.
- Most workers came from Eastern UP and Western Bihar, while a smaller number came from Andhra Pradesh and Tamil Nadu.
- Most migrants in Caribbean have retained significant elements of their cultural heritage, having resisted attempts at conversion to Christianity at considerable economic and social cost to themselves.

Indians in North America/Caribbean		
Country	Indian population	% of total population
United States	450000	0.13%
Canada	1689055	4.51%
Trinidad and Tobago	470,000	35.4%
Jamaica	93,000	3.4%
Guadeloupe (France)	55,000	13.6%
Cuba	34,000	0.3%
Saint Vincent and the Grenadines	21,500	19.7%
Grenada	12,000	11.7%
Martinique (France)	43,600	10%

Saint Lucia	4,700	2.8%
Puerto Rico (United)	4,500	0.1%

- Their social exclusivity and aloofness has set them apart from Indigenous populations, except in Jamaica where inter-racial marriages have taken place. They have built many temples and mosques and set up their own cultural and religious associations.
- Many Surinamese Indians and other PIOs in Caribbean have emigrated to Canada, US and Netherlands where they have better opportunities.
- Basdeo Panday became PM for two term in Trinidad & Tobago, Cheddi Jagan, first Indo-Guyanese President, Bharat Jagdeo who succeeded him, and J. Lachmon in Suriname are some prominent political personalities in the region.

► **DIASPORA IN NORTH AMERICA**

UNITED STATES OF AMERICA

- In USA, Indian community enjoys distinction of being the highest earning, best educated and fastest growing ethnic groups, and that too in the most powerful country in the world.
- Their high levels of literacy, economic success, knowledge of English and experience with democracy in their home country has eased their transition in the land of their adoption.
- Indian Americans are found in the following high-profile occupations and sectors - medicine, engineering, law, information technology, international finance, management, higher education, mainstream and ethnic journalism, writing, films and music.
- They also work in real estate, retailing and agriculture and as taxi operators, factory workers and newsstand workers. The Indo-American community in the US reflects the diversity of India.
- Several Indian IT graduates have emerged as important entrepreneurs in Silicon Valley.
- India is today one of the few developing countries which has attracted investment not in one, but scores of R & D centers funded and established by reputed MNCs like GE, CISCO, Sun Microsystems, Microsoft, IBM, Hughes Software, Intel, Oracle, Lucent Technologies, Microsoft Sun Microsystems.

No.	Indian CEOs	Companies
1.	Shantanu Narayen	Adobe
2.	Sundar Pichai	Alphabet - Google
3.	Satya Nadela	Microsoft
4.	Parag Agarwal	Twitter
5.	Anjali Sud	Vimeo

Indian American community has become important for US politics reflected in focus on this community under Howdy Modi & Namaste Trump events.

- Vice president kamala Harris has Indian roots.
- Other prominent leaders include - Nikki Haley and Piyush Bobby Jindal.
- Around 1.8 million Indian origin people are eligible voters.
- Although the Indian electorate is limited is played crucial role in the swing states focused by both the democrats and the republicans.

CANADA

- Indians constitute around 4.5% of total population of Canada.
- Indo-Canadians have come to be highly regarded in the fields of medicine, academia, management and engineering.
- Average annual income of immigrants from India is nearly 20% higher than the national average, and they are also in general better educated.
- Growing political prominence of Indo-Canadians is reflected in increasing attention devoted to their concerns by Canadian politicians.
- PM Justin Trudeau's cabinet currently includes four Indians – Anita Anand, Navdeep Bains, Bardish Chagger and Harjit Sajjan.
- Sajjan is a part of the big four ministries and is the Canadian Minister of National Defence. He is a former detective from Vancouver and was a Lieutenant-colonel in the Canadian military.
- In the past, Liberal Party provincial politician from Vancouver, Ujjal Dosanj, had served as the 33rd Premier of British Columbia (BC). During his career in BC politics, Dosanj had held various portfolios including health, multiculturalism and human rights, government services, and sports.

► INDIA DIASPORA – AFRICA

REUNION ISLANDS

- Indians make around 25% of Réunion Islands population & approx. population of Indians in Réunion (France) as of 2021 is 3 Lakhs. They form two ethnic groups on the island, Malabars (Tamils) and Zarabes (Muslims).
- In Réunion, Indians from South India, often Hindu, are known as Malbars and Muslim Indians are known as Zarabes.
- Originally brought in as indentured laborers, mostly from Madras Presidency. Next largest group was from North Indian Hindus, speaking Hindi, Bhojpuri, and Gujarati. Smallest group was Muslims, mostly from Gujarat.

Country	Indians in Africa	
	Indian population	% of total population
South Africa	1.3 million	2.7%
Mauritius	994,500	62%
Reunion (France)	220,000	24%
Kenya	100,000	0.3%
Tanzania	90,000	0.2%
Uganda	90,000	0.3%
Madagascar	28,000	0.15%
Nigeria	25,000	0.02%
Mozambique	21,000	0.1%
Libya	20,000	0.34%
Zimbabwe	16,000	0.1%

MAURITIUS

- From 1820s, Indian workers started coming to Mauritius to work on sugar plantations.
 - From 1834, when slavery was abolished by British Parliament, large numbers of Indian workers began to be brought to Mauritius as indentured labourers.
 - November 2, 1834 marks the day when the ship 'Atlas' docked in Mauritius carrying first batch of Indian indentured labourers. This day is observed in Mauritius as 'Aapravasi Day.'
 - In all, about half a million Indian indentured labourers are estimated to have been brought into Mauritius between 1834 and the early decades of the 20th century, out of whom about two-thirds settled permanently in Mauritius.
- At present, around 68% of Mauritian population is of Indian descent.
 - Indian community here occupies a prominent position in civic and political life.
 - Both communities coexist harmoniously with other ethnic groups. Mauritius' current importance to India stems from its geographical proximity and strategic location.
 - Mauritius ranks amongst our largest foreign investors following the conclusion of a Bilateral Agreement on Avoidance of Double Taxation that has enabled foreign investors to establish offshore companies on the island.

SOUTH AFRICA

- Indians started arriving in South Africa in 1653, when Dutch merchants sold Indians as slaves in the then Dutch Cape Colony.
- Pattern of emigration in 19th century was like that in other parts of Africa, following banning of slavery throughout British Empire in 1833-1834.
- Indentured labourers on plantations were mainly from Bihar, Eastern UP, Tamil Nadu and Andhra Pradesh, to be followed later by Gujarati traders who went as 'free passengers.'
- Indian labour was deployed in railways, dockyards, coalmines, municipal services & as domestic help.
- Conditions under which they worked were akin to slavery, but their hard labour transformed the economy.
- As a section of Indian community attained increasing prosperity and became principal rivals of whites in trade and commerce, colonial administration enacted discriminatory laws to curtail their progress and inflict petty humiliations on them.
- Gandhi's arrival in 1893 heralded beginning of a long struggle for equality and dignity by the Indian community and led to the establishment of the Natal Indian Congress (NIC) in 1894, and the forerunner of the Transvaal Indian Congress (TIC).
- A mass movement of labourers, traders and industrial workers followed him in his fight against racial discrimination.
- Gandhiji's legacy of struggle against injustice & racial discrimination inspired succeeding generations in South Africa.

- 2nd generation members of Natal and Transvaal Indian Congresses (NIC & TIC) launched a prolonged multiracial joint struggle of all oppressed people of South Africa, culminating in 'Three Doctors Pact' in 1947 between Presidents of ANC, TIC and NIC, courting brutal reprisals by authorities.
- Later, apartheid regime switched to other tactics and crafted a policy of differential treatment of three racial groups.
- Under new policy, more opportunities for economic prosperity opened for Indian community and gulf between it and indigenous African community widened.
- Some members of Indian community were co-opted by system following establishment in 1980s of Tricameral Parliament with separate chambers for Whites, Coloureds and Indians.
- Though NIC and TIC were completely opposed to such collaboration, and vigorously participated in anti-apartheid struggle as part of the UDF (United Democratic Front) there was increasing alienation between the Indian and African communities.
- The long history of Indian philanthropy, both by individuals and by Indian organisations, in South Africa, was forgotten.
- Most PIOs voted for white dominated parties in first non-racial elections in 1994. Indian South Africans are faced with a difficult situation. The challenge is to remove misperceptions about community and join mainstream.

► **DIASPORA IN EUROPE**

- Indian emigration to Europe has been limited because of strict immigration policies.
- Some West European countries relaxed their immigration laws for Asians due to labour shortages created by economic boom in 50-60s.
- Desire in EU to overtake USA as the most competitive and knowledge-based has opened new opportunities for India's skilled human resources and especially its IT experts.
- Demographic factors, i.e., aging population of West Europe, have also increased their dependence on young workers from developing countries.
- Computer experts and other professionals such as engineers, nurses, business managers, teachers,

scientists etc., are therefore permitted to immigrate in restricted numbers.

- There has been a growing interest in EU member States in attracting Indian IT experts, who have already made a mark in the US.
- Size of Indian community in East/Central Europe is very limited, comprising of students, businessmen & professionals. Since 1990, however, number of Indian students in higher educational institutions of these countries has declined.

Indians in Europe		
Country	Indian population	% of total population
United Kingdom	1,451,862	2.3%
Italy	150,000	0.25%
Netherlands	123,000	0.7%
Germany	161,000	0.2%
Republic of Ireland	91,520	1.9%
Portugal	70,000	0.7%
France	65,000	0.1%
Russia	40,000	0.01%
Spain	29,000	0.07%
Norway	14,698	0.03%
Switzerland	13,500	0.02%

UNITED KINGDOM

- Indian emigration to UK and West Europe is largely a phenomenon of 20th Century, when a significant proportion of Indian communities migrated to metropolitan centres when former colonies achieved independence.
- Surinamese Indians emigrated to Netherlands; Indians from Madagascar, Mauritius and Indochina went to France; and from Mozambique and Angola they went to Portugal.
- By far largest numbers headed towards UK from East Africa and India.
- Indians comprise about 1.4 million people in UK (2.3 % of total population), making them single largest visible ethnic minority population there.
- From humble origins in industrial and retail sectors, Indian community has risen to become the highest earning and best-educated groups in UK.

- Indians have achieved eminence in business, information technology, health sector, media and entertainment industries.
 - British industrialists of Indian origin, including Lakshmi Mittal, the Hinduja brothers and Swaraj Paul. The Indian community in Britain has made its presence felt in the political arena as well.
 - Rishi Sunak is competing to become PM of UK. Priti Patel, Alok Sharma are part of UK cabinet under previous Government.
 - Indians have been among elected representatives of British Parliament from as early as 1892 when [Dadabhai Naoroji became MP](#).
 - In Labour Party, Goan-origin Keith Vaz has been longest serving MP of Asian descent in British Parliament. He represented Leicester East from 1987 to 2019 and was country's minister of State for European Affairs from 1999 to 2001.
 - Contribution of PIOs in media, literature and cinema is increasingly recognised in mainstream British society. Indian community runs several TV channels, radio-stations, newspapers & magazines.
 - Indian community has formed several social, cultural and political organisations. Wealthy PIOs have trusts or charities for projects pertaining to health, education or other infrastructure in their home states and villages in India.
 - Indian community in UK occupies a unique position, enriching British culture, society and politics and contributing to making UK a genuinely multi-cultural society.
 - PIOs have strong affinity with India. Community leaders have displayed considerable interest in promoting bilateral relations & investment and supporting philanthropic projects in India.
 - They have lent support to efforts to form pro-India lobby groups in major political parties.
- **DIASPORA IN SOUTHEAST ASIA**
- India's cultural interaction with Southeast Asia is visible even today in language, literature, religion, philosophy, art & architecture of Indochina, Myanmar and South-East Asia.
 - Large scale Indian emigration took place in 19th - 20th centuries because of colonialism through [indenture or Kangani system](#), and by free emigration of traders, clerks & professionals.
 - Thousands of Indians were mobilized to fight in Indian National Army in Malaya and to contribute to Indian independence.
 - After Independence Indians continued to migrate to Thailand, Malaysia, Singapore, Brunei and Indonesia in search of employment, with pace picking up from 1970s onwards.
 - While opportunities in these booming economies were diverse and ranged from blue collar jobs in construction, hospitality industries to employment with Indian companies, international (mainly UN) organisations, multinationals, banks, consultancy and financial institutions and recently IT sector, those in countries of Indochina & Myanmar declined because of strife in the region, while economic instability has had an impact on their presence in Indonesia.
 - In [Malaysia](#) they have not yet overcome the legacy of plantation times while in [Singapore](#) they are represented at highest levels of civil services, judiciary, business and politics.
 - Indians roughly constitute about [8% to 9% of total population in Malaysia & Singapore](#).
 - While in [Myanmar & Indonesia](#), they are only about 4% & less than 0.5% of total population.
 - In Indonesia, traditionally [Sikhs, Sindhis & Tamils](#) are engaged in various small businesses like sports goods, textiles & construction etc.
 - Recent trends indicate that present Indian migration includes professionals holding senior positions in local and multinational companies in the fields of IT, education, and technology etc.
 - [New Economic Policy of 1970](#) adversely affected Indian community in Malaysia. Only a small group of Indian businesses with political patronage has prospered by venturing into services, construction and related activities.
 - Some prominent persons of Indian origin include former President S. R. Nathan & S. Rajaratnam, an influential personality in [public life of Singapore](#), etc. State ideology has been based on meritocracy which rejects ethnic privileges. This is one of the most important reasons indicating success of Indian community.

► DIASPORA IN ASIA-PACIFIC

Indian diaspora's presence in Pacific Ocean region is crucial given close economic & geopolitical relations between India & Pacific Ocean region, particularly Fiji.

FJI

- Historically, Indians entered Fiji as indentured laborers during time of British colonial rule.
- Indians constitute almost 40% of Fiji's population, (who initially provided labour for their agricultural and textile industry) have been smoothly absorbed into local fabric, with some of them owning sugarcane fields and big businesses.
- Fiji's political history has been disturbed by regular coups by military.
- Indians have right to vote & contest elections since early 1960s.
- Indian diaspora in Fiji has functioned as a major deciding factor in its internal politics and building a positive image of Indians within their culture.
- Diaspora popularly referred to as Indo-Fijians is a mix of Gujarati, Bhojpuri, Tamil, Telugu, Sindhi.
- Mahendra Chaudhry was Fiji's first Indo-Fijian Prime Minister in 1999.
- Ethnic Fijian Nationalism has been a strong hindrance to assimilation of Indo-Fijians into Fiji's national fabric.

- There has been a recent exodus of Indo-Fijians from Fiji creating fear of brain-drain with people moving to Australia, New Zealand, Canada & USA.
- The island is strategically important for India, as has been reflected in continuous dialogue & exchange, but if India wants to see complete fruition of its Indo-Pacific strategy. Ex- FIPIC, ISRO has an outreach centre at Fiji.
- India will have to continuously invoke historical bonds to keep Fiji into its strategic fold combined with economic aid and a sharply monitored naval presence in the region.

AUSTRALIA-NEW ZEALAND

- Indian Australians are Australians of Indian descent or heritage.
- In 2017-18, India was largest source of new permanent annual migrants to Australia since 2016, and overall, third largest source nation of cumulative total migrant population behind England and China.
- Indians were highest educated migrant group in Australia with 54.6% of Indians in Australia having a bachelor's or higher degree; more than three times Australia's national average.
- India annually contributes largest number of migrants to both Australia and New Zealand.

- Linkages between development and spread of extremism.
- Role of external state and non-state actors in creating challenges to internal security.
- Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security; money-laundering and its prevention
- Security challenges and their management in border areas; linkages of organized crime with terrorism
- Various Security forces and agencies and their mandate

Previous Year Questions and Theme Map

THEME-1: TERRORISM

YEAR	UPSC MAINS QUESTIONS
2021	Analyse the multidimensional challenges posed by external state and non-state actors, to the internal security of India. Also discuss measures required to be taken to combat these threats.
2021	Analyse the complexity and intensity of terrorism, its causes, linkages and obnoxious nexus. Also suggest measures required to be taken to eradicate the menace of terrorism.
2019	The banning of 'Jamaat-e - islaami' in Jammu and Kashmir brought into focus the role of over-ground workers (OGWs) in assisting terrorist organizations. Examine the role played by OGWs in assisting terrorist organizations in insurgency affected areas.
2019	The Indian government has recently strengthened the anti-terrorism laws by amending the unlawful activities (Prevention) Act (UAPA), 1967 and the NIA Act. Analyze the changes in the context of prevailing security environment while discussing the scope and reasons for opposing the UAPA by human rights organizations.
2018	India's proximity to two of the world's biggest illicit opium-growing states has enhanced her internal security concerns. Explain the linkages between drug trafficking and other illicit activities such as gunrunning, money laundering and human trafficking. What countermeasures should be taken to prevent the same?
2017	The scourge of terrorism is a grave challenge to national security. What solutions do you suggest to curb this growing menace? What are the major sources of terrorist funding?
2016	"Terrorism is emerging as a competitive industry over the last few decades." Analyse the above statement.
2015	Religious indoctrination via digital media has resulted in Indian youth joining the ISIS. What is ISIS and its mission? How can ISIS be dangerous for the internal security of our country?
2015	Human rights activists constantly highlight the view that the Armed Forces (Special Powers) Act, 1958 (AFSPA) is a draconian act leading to cases of human rights abuses by the security forces. What sections of AFSPA are opposed by the activists? Critically evaluate the requirement with reference to the view held by the Apex Court.

THEME-2: DEVELOPMENTAL CHALLENGES & EXTREMISM

YEAR	UPSC MAINS QUESTIONS
2020	What are the determinants of Left-Wing Extremism in Eastern part of India? What strategy should Government of India, civil administration and security forces adopt to counter the threat in the affected areas?

PREVIOUS YEAR QUESTIONS AND THEME MAP

2018	Left Wing Extremism (LWE) is showing a downward trend, but still affects many parts of the country. Briefly explain the Government of India's approach to counter the challenges posed by LWE.
2017	Mob violence is emerging as a serious law and order problem in India. By giving suitable examples, analyze the causes and consequences of such violence.
2017	The north-eastern region of India has been infested with insurgency for a very long time. Analyze the major reasons for the survival of armed insurgency in this region.
2015	The persisting drives of the government for development of large industries in backward areas have resulted in isolating the tribal population and the farmers who face multiple displacements with Malkangiri and Naxalbari foci, discuss the corrective strategies needed to win the left-wing extremism (LWE) doctrine affected citizens back into the mainstream of social and economic growth.
2013	Article 244 of Indian Constitution relates to Administration of Scheduled areas and tribal areas. Analyze the impact of non-implementation of the provisions of fifth schedule on the growth of Left-Wing extremism.

THEME-3: BORDER MANAGEMENT

YEAR	UPSC MAINS QUESTIONS
2020	For effective border area management, discuss the steps required to be taken to deny local support to militants and suggest ways to manage favourable perception among locals.
2020	Analyse internal security threats and transborder crimes along Myanmar, Bangladesh and Pakistan borders including Line of Control (LoC). Also, discuss the role played by various security forces in this regard.
2018	The China-Pakistan Economic Corridor (CPEC) is viewed as a cardinal subset of China's larger 'One Belt One Road' initiative. Give a brief description of CPEC and enumerate the reasons why India has distanced itself from the same.
2016	The terms 'Hot Pursuit' and 'Surgical Strikes' are often used in connection with armed action against terrorist attacks. Discuss the strategic impact of such actions.
2016	Border management is a complex task due to difficult terrain and hostile relations with some countries. Elucidate the challenges and strategies for effective border management.
2014	International civil aviation laws provide all countries complete and exclusive sovereignty over the airspace above the territory. What do you understand by airspace? What are the implications of these laws on the space above this airspace? Discuss the challenges which this poses and suggests ways to contain the threat.
2014	The diverse nature of India as a multireligious and multi-ethnic society is not immune to the impact of radicalism which has been in her neighbourhood. Discuss along with the strategies to be adopted to counter this environment.
2014	How illegal transborder migration does pose a threat to India's security? Discuss the strategies to curb this, bring out the factors which give impetus to such migration.
2014	In 2012, the longitudinal marking of the high-risk areas for piracy was moved from 65° East to 78° east in the Arabian Sea by International Maritime organisation. What impact does this have on India's maritime security concerns?
2014	China and Pakistan have entered into an agreement for development of an economic corridor. What threat does it dispose for India's security? Critically examine.

2013	How far are India's internal security challenges linked with border management, particularly in view of the long porous borders with most countries of South Asia and Myanmar?
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THEME-4: CYBER-SECURITY

YEAR	UPSC MAINS QUESTIONS
2021	Keeping in view India's internal security, analyse the impact of cross-border cyber attacks. Also discuss defensive measures against these sophisticated attacks.
2020	Discuss different types of cyber-crimes and measures required to be taken to fight the menace.
2018	Data security has assumed significant importance in the digitized world due to rising cybercrimes. The Justice B. N. Srikrishna Committee Report addresses issues related to data security. What, in your view, are the strengths and weakness of the Report relating to protection of personal data in cyber space?
2017	Discuss the potential threats of Cyber-attack and the security framework to prevent it.
2016	Use of Internet and social media by non-state actors for subversive activities is a major concern. How have these have misused in the recent past? Suggest effective guidelines to curb the above threat.
2015	Discuss the advantage and security implications of cloud hosting of server vis-a-vis in-house machine-based hosting for government businesses.
2015	Considering the threats cyberspace poses for the country, India needs a "Digital Armed Force" to prevent crimes. Critically evaluate the National Cyber Security Policy, 2013 outlining the challenges perceived in its effective implementation.
2013	What are social networking site and what security implications do these sites present?
2013	Cyber warfare is considered by some defense analysts to be a larger threat than even Al Qaeda or terrorism. What do you understand by Cyber warfare? Outline the cyber threats which India is vulnerable to and bring out the state of the country's preparedness to deal with the same.

THEME-5: MONEY LAUNDERING

YEAR	UPSC MAINS QUESTIONS
2021	Discuss how emerging technologies and globalisation contribute to money laundering. Elaborate measures to tackle the problem of money laundering both at national and international levels.
2013	Money laundering poses a serious threat to country's economic sovereignty. What is its significance for India and what steps are required to be taken to control this menace?

BASICS OF INTERNAL SECURITY

► NATIONAL SECURITY

- National security is a function of a country's external environment and internal situation, as well as their interplay with each other.
- Former is influenced by major features of prevailing international order, disposition of its immediate & extended neighbours and major powers.
- Internal situation encompasses many aspects of national life, ranging from law and order to economic fundamentals, from quality of governance to national cohesiveness.
- In today's interdependent world, distinction between internal & external security concerns often gets blurred.
- Warfare refers to common activities and characteristics of types of war, or of wars in general.

► CHANGING NATURE OF INTERNAL SECURITY

- Traditional concept of national security has undergone fundamental changes over the years. It is no longer synonymous with sufficient military strength to defend nation and its interests.
- In today's world, military might alone does not guarantee either sovereignty or security.
- More realistic and comprehensive approach to national security includes economic strength, internal cohesion and technological prowess.

- A strong sense of nationalism and good governance forms an integral part of national security; and ability to retain political, economic sovereignty & autonomy of decision making, in an era of globalisation & increasing economic interdependence.
- Both external and internal environment are changing at an incredibly fast pace, with developments in nuclear weapons and missiles, increasing cross-border terrorism, emergence of non-state actors, growth of Islamic fundamentalism, narcotics-arms nexus, illegal migration and left-wing extremism, gravely impacting upon the security of the country.

► CHANGING EXTERNAL SECURITY ENVIRONMENT

- Rise of China and collusion of China & Pakistan pose a threat of 'Two Front War' for India.
- Taliban in Afghanistan: Afghanistan can become a breeding ground for terrorists.
- Nuclear Weapons: Continuous proliferation of nuclear weapons and missiles in our neighbourhood and in Pakistan poses major threats to our security. Pakistan has been developing tactical nuclear weapons which can be used in a battlefield.
- Technological Development: Revolution in Information Technology has deepened the process of globalisation. This poses a threat of global cyber warfare & cyber security threats from enemy nations.

- **Globalization:** Many aspects of national life which were within the domain of sovereignty have become subjects of multilateral consideration. This has led to politicization of human rights and increasingly intrusive international regimes which curtail autonomy of national decision making.
- **Emergence of Non-State Actors:** Emergence of non-state terrorist actors and rise of their international influence is accelerating. Much of their activity is

clandestine and outside accepted international norms. International and state-sponsored terrorism, often motivated by fundamentalist ideologies, backed by secretive but efficient financial networks, use of IT, clandestine access to chemical-biological and nuclear materials, and illicit drug trafficking, has emerged as a major threat to international stability.

TERRORISM

Previous Year Questions

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► TERRORISM

The term "terrorism" originated from Reign of Terror of 1793-94. Following World War II, focus of terrorist activities shifted from Europe to Middle East, Africa and Asia with emergence of various nationalistic and anti-colonial groups in these regions.

Left wing extremism, based on their belief that violence is the only strategy of revolutionary movement for weak in Third World (In Malaysia, Vietnam etc.), surfaced in Europe and elsewhere, especially since late 1950s.

International terrorism today is marked by large number of transnational terrorist groups, mostly motivated by the Islamist fundamentalist ideology - Al-Qaeda, ISIS etc.

DEBATE ON DEFINITION OF TERRORISM

- Terrorism is defined as systematic use of violence to create a general climate of fear in a population and thereby to bring about a particular political objective.
- Terrorism is unlawful use or threatened use of violence against civilians, often to achieve political, religious or similar objectives.
- It is surprising that despite terrorism being recognised as a global phenomenon, attempts to arrive at an internationally accepted definition of terrorism have proved futile. This ambivalence is primarily due to two reasons:
 - A 'terrorist' in one country may be viewed as a 'freedom fighter' in another. They feel that there are legitimate forms of non-state political violence that is not terrorism. Ex. a distinction is done between revolutionary violence and terrorism.
 - Some States resort to or encourage various kinds of criminal acts, clandestinely, through their own agencies or hired agents to subvert or to otherwise destabilize another lawfully established government or in extreme cases get important political or governmental personalities of another State assassinated.

FOLLOWING SHOULD BE INCLUDED IN DEFINITION OF TERRORISM ACCORDING TO SECOND ARC

- Use of firearms, explosives or other lethal substance to cause or likely to cause damage to life and property & essential infrastructure including installations having military significance.
- Assassination of (including attempt thereof) public functionaries: Intent should be to threaten integrity, security and sovereignty of India or overawe public functionaries or to terrorise people.

- Detention of any person or threat to kill or injure any person to force government to act or abstain from acting in a particular manner.
- Providing/facilitating material support, including finances, for the aforesaid activities.
- Commission of certain acts or possession of certain arms etc. by members or supporters of terrorist organizations which cause or are likely to cause loss of life, injury to a person or damage to any property.

► CAUSES OF TERRORISM

- Historical factors include injustice of past and distortion of history at times. Ex. Terrorism in J&K and Northeast is a result of historical factors. Kashmir issue is a result of differing interpretations of instrument of accession by India, Pakistan & Kashmiri separatists. North-East insurgency is a result of historical policy of British colonialists to keep the region from mainstream Nationalist movement.
- Religion: There have been several terrorist incidents which were motivated by religious fundamentalism. Certain agencies exploit religion to promote terrorism. Ex. ISI launched an initiative in 1991, even before Babri Masjid demolition to forge an alliance between Khalistan terrorism that prevailed in Punjab and terrorist groups in J&K.
- Ethnicity: An ethnic group refers to a social group that shares a common and distinctive culture, religion, language etc. Northeast region has a long history of conflict and violence among tribal groups. Here ethno-nationalism is often expressed through violence. Examples of ethnicity-based terrorism include Naga insurgency, Mizo insurgency etc.
- Political: Political causes of terrorism emanate from lack of effective redressal of grievances and lack of political representation. Ex. Most of Northeast India was under Assam. However political aspirations of different ethnic could not be satisfied. This led to insurgencies like Mizo insurgency. However, when addressed politically Mizo insurgency was effectively controlled after the Mizo accord.
- Human Rights violation by Majority or security forces have added fuel to the fire. This has been case in almost all insurgency affected areas. Ex. Abuse of (Armed forces special powers act) AFSPA in J&K and Northeast. Similarly in Myanmar, human rights abuse by majority and armed forces have led to Rohingya crisis.
- Economic causes include unequal distribution of resources, lack of development, poor socio-economic

conditions. Often, lack of development and lack of prospects for improving one's lot provides a fertile ground for extremist ideologies to flourish. Large proportion of recruits to extremist groups come from deprived, marginalized backgrounds or from regions which somehow seem disaffected by vibrant growth in many other parts of the country.

- Unevenness of our development process and various development divides- inter-regional divide, rural-urban divide and inter-sectoral divide. These divides and disparities lead to disaffection, large-scale migration, and to discord. Ex. [Rise of Maoism in central Indian tribal areas](#) which have generally lagged in terms of development.

► KINDS OF TERRORISM

STATE SPONSORED TERRORISM

- [State-sponsored terrorism](#) is government support of violent non-state actors engaged in terrorism in other countries. State-sponsored terrorism on a massive scale appeared in international politics in 1960-70s. In recent times, some countries have embraced terrorism as a deliberate instrument of foreign policy.
- One distinction of state sponsored terrorism from other forms of terrorist activity is that it is initiated to obtain certain clearly defined foreign policy objectives rather than grabbing media attention or targeting potential audience. Given this character, it operates under fewer constraints and causes greater casualty on the target.
- In a cost benefit analysis, state-sponsored terrorism is most effective means of terrorism from perspective of the perpetrator.
- [Reasons for undertaking state-sponsored terrorism:](#) Difficult to take accountability, wars are very costly, low threshold attack as compared to war, hence, full-fledged response is evaded.

INSTANCES OF STATE SPONSORED TERRORISM

- Pakistan sponsored terrorism (Proxy war by deep state) in India, especially in J&K. (LeT, JeI etc.)
- Western powers under leadership of US supported all kinds of nationalist & anti-communist rebels throughout Cold War.
- US supported Mujahidin during Russian invasion of Afghanistan in 1980s which eventually led to the rise of Taliban.
- USSR was no different in its operations during this period. Countries like Iran, Iraq, Sudan, Libya North

Korea have been engaged in sponsorship of political violence of different nature in their 'enemy' countries.

TERRORISM BY NON-STATE ACTORS

- Individuals or organizations are involved in terrorist activities to influencing politics at a national level or sometimes international level but do not belong to or ally themselves to any country or state. Ex-Naxalites, LTTE, LeT (Lashkar - e-Taiba) etc.
- However, these Non-State actors operate hand in hand with enemy countries.
- Use of non-state actors is essentially employment of a proxy element, which gives the state of Pakistan a degree of deniability.
- However, there is no doubt that none of the so-called non-state actors like the Lashkar-e-Toiba (LeT) could have operated with impunity without active funding, logistical and military support of Pakistan.
- Close linkages of ISI and such groups are well documented as is their direct involvement in attacks like 26/11.

IDEOLOGY ORIENTED TERRORISM

- [Left-wing Terrorism:](#) Violence against ruling elite mostly by peasant class motivated leftist ideologies have occurred repeatedly in history. Ideological basis for left and subsequent violent movements was provided by writings of Marx and Engels, Lenin, Mao Zedong. Leftist ideologies believe that all existing social relations & state structures in capitalist society are exploitative in character and a revolutionary change through violent means is essential. Ex. Maoists in India and Nepal.
- [Right-wing terrorism:](#) Right-wing groups seek to maintain status-quo or return to some past situation that they feel should have been conserved. Sometimes, groups espousing rightist ideologies might assume ethnic/racist character too. They may force government to acquire a territory or to intervene to protect rights of an 'oppressed' minority in a neighbouring country (i.e.: Nazi Party in Germany). Violence against migrant communities comes under this category. Often religion can play a supportive role to rightist violence. Ex: Nazism in Germany, Fascists in Italy, white supremacy movements in the US known as Ku Klux Klan (KKK).
- [Religious Terrorism:](#) Present-day terrorist activities are motivated largely by religious imperatives. Practitioners of terrorism motivated by a religious imperative consider violence as a divine duty or a sacramental act. It embraces different means of

legitimation and justification compared to other terrorist groups making them more destructive.

- **Ethno-Nationalist terrorism** can be defined as deliberate violence by a subnational ethnic group to advance its cause. Such violence usually focuses either on creation of a separate State or elevation of status of one ethnic group over others. Ex. Tamil Nationalist groups in Sri Lanka and insurgent groups in Northeast India.

► MEANS OF TERRORISM

- **Environmental Terrorism** is the premeditated damage caused to natural world. Ex. during Gulf War of 1991, Saddam Hussein ordered detonation of more than 1000 oil wells engulfing Kuwait in smoke.
- **Weapons of Mass Destruction:** are weapons that can inflict heavy and indiscriminate damage on a given target. Nuclear, chemical and biological weapons are commonly identified weapons of mass destruction.
 - **Chemical Weapons:** A chemical attack could be release of toxic gas caused by attacking an industrial facility or releasing a chemical that has been stolen from its legitimate users to inflict heavy damage on enemy. According to **Chemical Weapons Convention signed, 1993**, any toxic chemical, regardless of its origin, is considered as a chemical weapon if it is used for purposes that are prohibited. Toxins such as ricin, botulinum toxin, nerve agents, lewisite, sarin etc are examples to this
 - **Nuclear weapons:** Engineering skills and equipment needed to build simplest form of nuclear weapon, a “gun” style bomb using highly enriched uranium– is not particularly complex; any well-organized group can develop such a weapon. However, what makes it difficult for terrorist organizations and non-State actors is nonavailability, complicated process and cost involved in enriching uranium. Although, there are no accounts of terrorist attacks using nuclear weapons, there are indications that from late 1990s onwards, Al-Qaeda has constantly been trying to acquire it with the help of different State agencies.
 - **Biological Weapons:** Bioterrorism is a relatively new form of terrorist activity that has emerged because of advancements in biotechnology being accessible to terrorist groups. Bioterrorism is defined as an attack with deliberate release of viruses, bacteria, or other germs (agents) used to cause illness or death in people, animals, or plants. These natural agents are changed to increase their ability to cause disease, make them resistant to current medicines, or to increase their ability to be spread into environment. These are spread through air, water or food. Terrorists use biological agents because they can be extremely difficult to detect and do not cause illness for several hours to several days. COVID 19 pandemic is speculated to have been caused by leak of virus from Chinese labs.
- **Cyber terrorism** is convergence of terrorism and cyberspace. It is generally understood to mean unlawful attacks against computers, networks and information stored therein when done to intimidate or coerce a government or its people in furtherance of political or social objectives.
- **Computer technology as a facilitator of terrorism:** Used for political propaganda, terrorist recruitment and financing, intra and inter-group communication and coordination, intelligence gathering etc. Enables terrorist groups to maintain anonymity in routine activities, tactical operations and carry out their operations in a cost-effective manner.
- **Computer technology as a specific component of terrorist weapons or targets:** Includes computer technology-based attacks or threats on public utilities and transportation, commercial institutions and transnational corporations, individuals, political or ethnic groups, security forces, nation-states or for that matter any ‘perceived enemy.’
- **Outcomes of cyber-attacks by terrorists:**
 - **Loss of Integrity:** Unauthorized changes made to data or IT system can result in inaccuracy, fraud or erroneous decisions that bring integrity of system under suspicion.
 - **Loss of Availability:** An attack on a mission-critical IT system makes it unavailable to the end users.
 - **Loss of Confidentiality:** Consequences of unauthorized disclosure of information ranges from loss of public confidence to national security threats.
 - **Physical Destruction:** Ability to create actual physical harm or destruction through use of IT systems.
- **Suicide Terrorism:** Jihadi terrorists took to suicide terrorism in 1990’s. In Kashmir, first suicide attack by Fedayeen was in 1991 on Border Security Force Post.
- Since then, Fedayeen had been involved in attacking Indian Parliament in 2001 nearly leading to a face-off

between India & Pakistan, in storming Akshardham Temple in Gujarat in 2002.

- There have been numerous other Fedayeen, attacks within J&K, mostly on premises of Police & Security Forces.
- 'Fedayeen' does not exactly mean a suicide terrorist in the sense that his death is not vital or inevitable for the success of the mission he undertakes.
- However, in many operations, Fedayeen have taken on Armed Forces against almost impossible odds knowing that they had little chance of returning alive.
- A majority of Fedayeen in J&K have been Pakistanis who had fought in Afghanistan against Soviets in 1980's. Since very few local people volunteer for suicide attacks because of Sufi Islamic traditions of this region which embody peace and tolerance.
- There have been only three acts of suicide terrorism in hinterland of India outside J&K in recent times. First two were Rajiv Gandhi & Beant Singh assassinations.
- **Terrorism in Hinterland:** Terrorism taking place in any city or town deep inside country is called Hinterland Terrorism. This was primarily started by Pakistan after its defeat in 1971 war. It started waging a proxy war against India by targeting major cities. This strategy was also used by Khalistan terrorists following insurgency in Punjab.
- Some instances of this kind of terrorism include: 1993 Bombay blasts, 2001 Parliament attack, 2016 Pathankot in Punjab.
- In the wake of India's surgical strikes in PoK, following Uri terror attack, Pakistan backed terror outfits may target interiors of the country as part of its counter-strike strategy, intelligence agencies have warned. This suggests a change in strategy by Pakistan, which may encourage jihadi groups to carry out attacks in hinterland of India. It will not carry out attacks at LoC or border areas but in the hinterland, so that it is not directly blamed or identified.

► NARCO TERRORISM

- This term was first used in 1983 by former President of Peru to describe campaigns by drug traffickers using terrorist methods such as use of car bombs, assassinations and kidnapping against anti-narcotics police in Colombia and Peru.
- The term has come to be associated with terrorist groups and activities globally and esp. in [Central \(Golden Crescent\) & South-East Asia \(Golden triangle\)](#).

- Return of Taliban has heightened illegal opium cultivation in Afghanistan. Opium cultivation and sale is the main source of financing for Taliban. Drones are being used to air-drop narcotics and weapons in J&K, Punjab and bordering states.
- Narco-terrorism combines two criminal activities: drug trafficking & terrorist violence.
- Suspension of democracy and arrival of military junta has increased cultivation of heroine in Myanmar's Shan Province. These drugs easily land in India through the free border regime India shares with Myanmar, Rohingya refugees and insurgent groups in the North-East region.
- Increasingly, terrorists are looking at synthetic drugs. Ex. LSD, Methamphetamine etc. Terrorists use basic chemistry and precursor chemicals to make these.

CHALLENGES

- Large size of the country.
- Huge pharmaceutical industry.
- Shortage of staff and equipment to tackle illicit traffic of drugs in anti-narcotics body Narcotics Control
- Increased use of dark web and cryptocurrency such as bitcoin by drug peddlers and buyers.

IMPACT OF NARCO-TERRORISM

- Helps terrorist organizations raise huge sums of money with minimum cost for their activities.
- Money from narco-sale is used to fuel militancy.
- Destroys youth by making them addicted to drugs.
- Sharing of syringes and injectables increases the risks of diseases such as HIV in youth.
- Political, ideological, religious and ethno-nationalist motives generally associated with terrorism are secondary to economic gains associated with it.
- **Undermines financial security** by generating black money, hawala transactions, money laundering and large cash economy enables cross border terrorist activities and establishment of links with underworld as gains can be channelized through hawala routes.
- Pakistan, particularly ISI, has realized vast damaging potential of money laundering, hawala and counterfeit currency to sustain subversive activities. Pakistan has systematically aided and promoted narcotic trade to fund terrorist outfits & underworld to destabilize our financial system and economy.
- Golden triangle produces over 1000 tons of opium which is refined into very high-grade heroin. Due to ineffective surveillance and enforcement, it finds its way into India. A clear indicator of the likely illegal

narcotic trade in the North-East is the high incidence of drug addiction and abuse in Manipur, Mizoram, Assam and Arunachal Pradesh. Open Indo-Nepal border is the main source of Hashish.

- Drug money acquired from shipments abroad by ISI and its cohorts collected from drug pushing cartels is launched through various placements and made available to its underworld links in Gulf and other countries, from where it moves through banking and other channels to Islamic fundamentalist organisations over the entire country.



SOME INSTANCES

- IMU (Islamic Movement of Uzbekistan) in Uzbekistan, Islamic Jihad in Palestine, Hizballah in Lebanon, and RIRA (Real Irish Republican Army) in Northern Ireland.
- Islamist terrorist groups in India supported by Pakistan ISI are reported to be active in drug trafficking along Kashmir Valley and in other parts.
- Taliban's biggest source of funding has been through the illicit opium trade.

STEPS BY GOVERNMENT

- Setting up of Narco-coordination centre: It is a four-tier district level scheme in 2019.
- Seizure Information Management System: An e-portal developed under NDPS Act for better coordination of all drug law enforcement agencies.
- NDPS Act and Narcotics Control Bureau for enforcing the law.
- National Policy for Drug Demand Reduction by Ministry of Social Justice and Empowerment for reducing addiction among people.

WAY FORWARD

- Empowering of Narcotics Control Bureau with adequate manpower and technology.
- Collaboration between banking institutions to check financing of drug crimes.

- Humanising of the NDPS Act to sensitively view small crimes of addiction and making it stringent for drug cartels.
- Use of technology to track drugs offences.
- Provision of social defence mechanisms and counselling in areas prone to drugs abuse.

► EFFECTS OF TERRORISM

ECONOMIC EFFECTS

- Dislocation of Economic activities: Terrorism, conflict and instability in J&K have been a major obstruction to its development and progress levels. Industrial sector is way behind as compared to other states.
- Damages to Property: 9/11 attacks are example of loss of lives and property due to terrorism. The twin towers were reduced to rubble. Blasts in populated cities like Delhi and Mumbai have led to serious losses of lives and property.
- Higher expenditure on Defence and Police: Incidences of terrorism leads to a huge burden on exchequer as it results in heavy expenditure on defence budget. India's defence budget is 7th largest in the world. India is also world's 2nd largest importer of arms. This shows that terrorism leads to diversion of funds which can be utilised for Developmental activities and social welfare.
- Increased uncertainty in the markets: Shares in Mumbai opened 1.5% lower and threatened to fall rapidly on the first day of trading after 26/11 attacks in India's commercial capital. The financial markets literally shut down after Sept. 11 and did not really recover until months after the 2003 invasion of Iraq. This shows that markets rally downward when terrorist incidences occur.
- Decline in Investments: Businesses generally avoid investing in countries affected by terrorism. However, Investments depend on several other factors as well. For example, Pakistan is receiving huge sums of investment from China because of CPEC (China-Pakistan Economic Corridor) even when it is suffering from terrorism.
- Psychological Effects: Terrorist attacks have long lasting impact on the people affected. People suffer from. Many experiences transient reactions, such as acute stress disorder (ASD) and bereavement. In an even smaller percentage, more serious conditions such as posttraumatic stress disorder (PTSD) or depression develops.

POLITICAL EFFECTS

- **Non-engagement of Youth in Politics:** This is one of the impacts where terror activities have become a routine affair. Ex. youth in Kashmir are misled by propaganda from terror organisations like LET etc. Youth are attracted towards militant organisations and become sceptical of the political process. The killing of young Burhan Wani is a testimony to this fact. Another example is the Violence and low turnout witnessed in Srinagar By-polls in 2017.
- **Credibility of elected representatives is questioned:** Srinagar Lok Sabha by-polls of 2017 witnessed lowest ever turnout of 7.14%. In such a scenario winner cannot claim to be true representative of population of his constituency.

GOVERNANCE

- **Erosion of faith in government:** In Kashmir, the belief of people in the government has decreased considerably. This is testified by the incidences of stone pelting across the valley.
- **Law and Order deteriorates:** The law-and-order situation also deteriorates as result of terrorism. This is further exaggerated when the terrorists have support from local populace. In Kashmir valley attacks on police and security forces have increased considerably. Same is the situation in left wing extremism affected areas.
- **Social Effects:**
- **Disintegration of Society:** society is disintegrated. For example, Tribal way of life is deeply disturbed because of left-wing extremism. Tribals are often harassed by Maoists and at times by police. The exodus of Kashmiri pandits due to insurgency in 1990s is another example.
- **Atmosphere of Fear, Suspicion and Panic**

► TERROR FINANCING

Terrorism needs financing for recruitment, planning and executing their vicious activities. Countering flow of resources towards terror groups is essential to control terrorism.

- **External Sources:** A major part of funding for terrorism from external sources comes through counterfeit currency, drug trafficking, charities, NGOs, and, finally, because of state sponsorship by Pakistan. Sourcing of funds for terrorism has been accompanied by emergence of religious appeals, coercion, and fears of victimization of Islam.

- **NGOs, Charities and Donations:** Traditional societies in countries like Saudi Arabia have been supporting traditions and customs which encourage donations. In Pakistan, government has limited control over charities and NGOs. TF is generated from NGOs and charities within Pakistan and through its coordinating role in West Asia.
- Charities, through acts of omission or commission, become a part of this funding effort and money is transferred through international channels to terrorist groups. Funding of charities like Jamaat-ud-Dawa (JuD) in Pakistan is a case in point. Funds from NGOs and charities flow into India through hawala, cash, legal financial routes and trade.
- **Religious donations:** Primary source of traditional funding in Islam is based on zakat. This is an accepted & legal system of almsgiving. A part of this zakat, finds its way into TF in countries like India.
- **Charities and Diaspora:** Charities have mushroomed in many countries which have a strong radical bent. Some charities, despite being banned internationally, continued with their campaign after 2005 earthquake in POK. These include Jamaat ul-Dawa (JuD), LeT and Hizbul Mujahideen (HM) in Pakistan.
- **Remittances:** Links of former Students Islamic Movement of India (SIMI) & Indian Mujahideen (IM) cadres in India have been established with financiers in the Gulf. Large flow of foreign remittances into Kerala has become a source of concern for agencies.
- **Counterfeiting of Currency:** Counterfeiting of Indian currency not only funds terrorism it is used as a tool by Pakistan to destabilize Indian economy. **Fake Indian Currency Notes (FICN)** are produced in Pakistan and to a much smaller extent locally in India. FICN is used to fund groups like LeT, Al-Badr, Harkat-ul-Jihad al-Islami (HuJI), Khalistan Commando Force (KCF), and Dawood Ibrahim-run operations. High-quality FICN are printed in Pakistan and brought to Bangladesh by air. Thereafter, these were smuggled into India, with bundles of notes being thrown into villages across the border. The same were collected and distributed across the country.
- **Narco-Finance:** Drugs are a major source for TF. Afghanistan has emerged as the hub for global production of opiates. There is evidence of terrorist groups in Pakistan gaining access to proceeds of drug trafficking.
- ISI has used this to spread terrorism and fight Pakistan's proxy war against India. This threat has been exploited in Indian context because of porous

borders with states like Nepal. It is further aggravated since many bordering countries, ex. Myanmar, have limited writ on their border areas.

- **State Sponsorship:** Pakistan has employed its intelligence agency, ISI to directly fund terrorist activities in India. This is not only employed as part of proxy war in J&K, as is widely known, but also in North-East. NIA's interrogation report of David Coleman Headley provides detailed account of state funding by ISI for 26/11 terrorist attacks. ISI uses various sources for funding terrorism to include charities, NGOs, drug trafficking, zakat donations, counterfeit and trading amongst others.
- **Internal Sources of Terror Funding:** Internal sources of TF have a history of illegal finance that is older than external funding. Internal sources have funded earliest militant uprisings. Extortion and illegal taxation continue to remain most important source.
- **Extortion and Taxation:** This is especially relevant for groups in North-East and Maoist-affected areas. It includes extortion from industries and levying taxes on people. Every commercial vehicle pays a fixed amount. Contracts are given to sympathizers of terrorists to ensure a steady flow of funds from government departments
- Funds so collected are used to make payment to cadres, purchase of weapons and ammunition, and running camps and welfare programs to retain support of local people. Terrorist groups have moved large sums of money outside India. This has further been invested in businesses, providing a constant source of revenue. This source is used almost all terror groups including Maoists, Northeast groups, and militants from J&K.
- **Crime:** Sequence of actions associated with crime used to raise funds for terrorism go through a process like extortion to include committing criminal act, moving proceeds and finally using it for terrorism. Some crimes like drug & human trafficking, smuggling, and arms trade are vulnerable in this regard.

METHODS EMPLOYED BY NGOS INCLUDE

- By posing as legitimate entities.
- Exploiting legitimate entities as conduits for TF funds.
- Conceal or obscure legitimate diversion of funds meant for legal purposes.
- **Designated Non-Financial Businesses and Professions (DNFBPs):** According to Eurasian Group, implies casinos (which also includes internet casinos), real estate agents, dealers in precious stones and metals,

lawyers, notaries, other independent legal professionals, and accountants. For example, the real estate sector, unless regulated, can be involved in TF.

Transactions in property, through repeated buying and selling, can assist in successfully layering tainted money, which may have an illegal source like terrorism or other criminal activity. Lack of regulation can lead to benami deals.

RESPONSE TO TERROR FINANCING IN INDIA

- **Prevention of Money laundering Act, 2002:** PMLA seeks to prevent & control money laundering, confiscate and seize property obtained from laundered money.
- All suspicious transactions are reported in a prescribed format to **Financial Intelligence Unit (FIU-IND)**.
- **Enforcement directorate (ED)** is empowered to carry out investigation in offences of money laundering.
- It also seeks to coordinate with other countries to curb the menace of money laundering.
- A special **Combating Financing of Terrorism (CFT) Cell** has been created in the Ministry of Home Affairs in 2011, to coordinate with the Central Intelligence/Enforcement Agencies and the State Law Enforcement Agencies for an integrated approach to tackle the problem of terror funding.
- A Terror Funding and Fake Currency Cell has been set up in **National Investigation Agency** to investigate Terror Funding cases.
- **Unlawful Activities (Prevention) Act, 1967** has been strengthened by amendments in 2013 which includes enlarging the scope of proceeds of terrorism, any property intended to be used for terrorism, raising of funds both from legitimate or illegitimate sources by a terrorist organization, terrorist gang or by an individual terrorist, and includes within its scope offences by companies, societies or trusts.
- India is a Member of **Financial Action Task Force (FATF)**, an inter-Governmental Body, which makes recommendations relating to Combating of Financing of Terrorism, Money Laundering, etc.
- India is a member of **Eurasian Group on Combating Money Laundering and Financing of terrorism (EAG)** and **Asia Pacific Group on Money Laundering (APG)** which are FATF styled regional bodies.
- **Demonetisation** is important measure and possibly one which can potentially create necessary conditions for combating the finance of terrorism. However,

demonetisation is not a complete and all-encompassing end.

Thus, all the efforts at stopping terror financing aim at Preventing Terrorists from Raising, Moving, and Using Funds, Targeted Financial Sanctions, Protecting Vulnerable Sectors, Suspicious Transaction Reporting, Collecting Financial information.

► ANTI-TERROR LAWS IN INDIA

- With the spurt in terrorism India enacted appropriate and stringent anti-terrorism law. However, some of these legislations were allowed to lapse/repeal as it was contended that powers conferred on law enforcement agencies had the potential, and in fact, had been misused.
- National Security Act, 1980: Empowers Union Government or State Governments to detain a person to prevent him from acting in any manner prejudicial to the defence of India, the relations of India with foreign powers, or the security of India.
- Unlawful Activities (Prevention) Act, 1967: Enacted to provide for more effective prevention of certain unlawful activities of individuals and associations and for matters connected with it. It empowered appropriate authorities to declare any association as 'unlawful' if it is carrying out 'unlawful activities'. This law was comprehensively amended to deal with terrorist activities.

PREVENTION OF TERRORISM ACT, 2002 (POTA)

- Since the lapse of TADA, the country witnessed several terrorist incidents –including hijacking of the Indian Airlines flight IC-814 to Kandahar in 1999 and the assault on Parliament on December 13, 2001. Therefore, the Prevention of Terrorism Act, 2002 came into force. However, it was controversial on various aspects and was challenged in supreme court in the people's Union for Civil Liberties vs Union of India, on the ground that the law violated basic human rights. The Supreme Court upheld the Constitutional validity of the law while stipulating some restrictions on the arbitrary use of certain powers.

However, government repealed POTA as it felt that its provisions were misused by some State Governments and that the Act had failed to serve its intended purpose.

26/11 AND CHANGES THEREAFTER

Despite frequency of terror attacks that had struck India in the years leading up to 26 November 2008, the 26/11

Mumbai attacks marked a watershed moment in how the country witnessed and responded to terrorist attacks. In less reflective of accounts of the tragedy, it would be known as India's 9/11 moment. India emerged more resolute and less accepting of incidents of senseless violence that had one aim: to strike fear. Here is look at the changes that took place after 26/11. The terror preparedness of India has improved with following steps.

- National Investigating Agency Act: NIA was created after 2008 Mumbai terror attacks as need for a central agency to combat terrorism was realised. The NIA aims to be a thoroughly professional investigative agency matching best international standards. NIA aims to set the standards of excellence in counterterrorism and other national security related investigations at national level by developing into a highly trained, partnership-oriented workforce. NIA aims at creating deterrence for existing and potential terrorist groups/individuals. Aims to develop as a storehouse of all terrorists related information.
- NATGRID(National Intelligence Grid): NATGRID is an ambitious counter terrorism mechanism, which will utilise technologies like Big Data and analytics to study and analyse the huge amounts of data from various intelligence and enforcement agencies to help track suspected terrorists and prevent terrorist attacks.

A post Mumbai 26/11 attack measure, NATGRID aims to mitigate a vital deficiency — lack of real time information, which was considered to be one of the major hurdles in detecting US terror suspect David Headley's movement across the country during his multiple visits between 2006 and 2009.

NATGRID's data sources include records related to immigration entry and exit, banking and financial transactions and telecommunications. The agencies concerned include the Intelligence Bureau, local police and revenue and customs departments.

According to the Union Home Ministry proposal, the NATGRID, which is still in a nascent stage, will connect, in different phases, data providing organisations and users besides developing a legal structure through which information can be accessed by the law enforcement agencies.

- Four National Security guard (NSG) Hubs: NSG was set up in 1984 as a Federal Contingency Deployment Force to tackle all facets of terrorism in India. As a specialized counter terrorism force, it is intended for use "only in exceptional situations".

- Government has established four Regional Hubs of National Security Guard (NSG) at Chennai, Hyderabad, Kolkata and Mumbai.
- **Counterinsurgency & Anti-Terrorism Schools:** It has been decided to set up 20 counter Insurgency and Anti-terrorist Schools (CIATs) in the states of Assam, Bihar, Chhattisgarh, Jharkhand, Orissa, Manipur, Nagaland, West Bengal and Tripura. Out of these, 13 Schools have already been set up and are functional. police personnel will be trained for combating terrorism/Naxalism.
- **Amendments to Unlawful Activities (Prevention) Act (UAPA):** UAPA act was amended in 2008 and 2012 to deal with terrorist crimes. Its scope was expanded to tackle terror financing and to make it more effective in preventing unlawful activities, and meet commitments made at the Financial Action Task Force (an intergovernmental organization to combat money laundering and terrorism financing). It also expanded the definition of terrorism. It enlarged the scope of punishment for raising funds. It inserted new sections to include offences by companies, societies or trusts.
- **Multi Agency Centre reorganised:** MAC was revamped in 2009, after 26/11 attack, to streamline intelligence gathering and sharing. MAC functions under Intelligence Bureau, is the nodal body at Centre for sharing intelligence inputs. All agencies are expected to share information with MAC. Intelligence thus gathered by MAC is then shared with agencies concerned in states. MAC is not responsible for intelligence gathering
- **Stronger Coastal & Maritime Security:** After 26/11 attacks in Mumbai in 2008, several measures were announced by government to strengthen coastal and maritime security along entire coast. Due to coordinated efforts of all concerned, all these measures are now in place and overall maritime security is much stronger than before. Indian Navy has been lead agency in this regard and is assisted in this task by Indian Coast Guard, Marine Police and other Central and state agencies.
- At apex level **National Committee for Strengthening Maritime and Coastal Security (NCSMCS)**, headed by Cabinet Secretary, coordinates all matters related to Maritime and Coastal Security. Coastal patrolling by Navy, Coast Guard and marine police has increased sharply over the last few years.
- **Modern technical measures** have been implemented for coastal surveillance, by way of a chain of 74 Automatic Identification System (AIS) receivers, for gapless cover along the entire coast.
- **National Police Mission:** NPM is working to transform Police Forces into effective instrument for maintenance of Internal Security & meeting challenges of next century, by equipping them with necessary material, intellectual and organisational resources and to create a "New Vision" for the police. Since its inception, NPM has been working for empowering Police Forces by enhancing the skills and competence at grassroot level, promoting a culture of excellence and accountability of police, meeting challenges such as asymmetric warfare, new trends in urban and social unrest, bring out specialisation in areas like counter-terrorism and insurgency, focussing on the strengthening of metropolitan and rural policing, bring in attitudinal changes in police, gender sensitisation and harnessing technology in aid of policing and adopting community policing etc.
- **Better Equipment for Security Forces:** Following 26/11, coastal security was also reviewed at various levels. Under Coastal Security Scheme, 64 out of 73 coastal police stations were operationalised. Coastal States and UTs were also given 47 interceptor boats.
- **ATS team to deradicalize Youth:** Anti-terrorism squads have been formed in several states which acts a special police force which dedicated focus at stopping terrorist attacks.

► STEPS TO COUNTER TERRORISM

PREPAREDNESS AGAINST TERRORISM

- **Intelligence gathering:** The foremost step is terror preparedness, includes gathering crucial information from ground level and collating that such that it is easily accessible to the agencies involved. Thus, role intelligence agencies are of utmost importance. Thus, NATGRID established post 26/11 is key for analysis of intelligence inputs.
- **Training:** Training of security forces involved in counterterrorism activities is of grave importance. Thus, counter Insurgency and Anti-terrorist Schools (CIATs) have been established to achieve this goal.
- **Mock security-drills:** Mock drills should be conducted in areas vulnerable to terror attacks, so that loss of lives in such attacks can be minimised.
- **Securing key installations:** like army bases, buildings of National importance, police stations should be ensured. Recently terrorists have been targeting army bases like Pathankot attack, Uri attack etc
- **Counter terrorism Operations:** Such operations are undertaken when a terrorist attack takes place. NSG has placed a key role in counter terror operations.

However, questions have been raised on procedure of operations as followed in Pathankot attack. Thus, standard operating procedure should be established.

- **Investigations:** NIA is key organisation for investigation of all such cases. Thus, this body needs to be further strengthened to improve prosecution and conviction.
- **Prosecution:** Prosecution should be speedy and accurate. However, at times false cases are registered against innocents due to pressure on investigating agencies. This should be effectively checked.
- **Strategy to counter terrorism:** A multi-pronged approach is needed to handle menace of terrorism. It needs to be clearly understood that socio-economic development and providing a secure environment must go together as one cannot survive. In this context, socio-economic development is a priority so that vulnerable sections of society do not fall prey to propaganda of terrorists promising them wealth and equity; and administration, particularly service delivery mechanisms need to be responsive to legitimate and long-standing grievances of people so that these are redressed promptly and cannot be exploited by terrorist groups. Strong measures are required to deal with criminal elements but with respect for human rights.
- **Political consensus:** Political parties must arrive at a national consensus on need for broad contours of such a planned strategy. Based on this national strategy, each of States and UTs should draw up its respective regional strategies, along with required tactical components for implementation of strategy.
- **Good governance & socio-economic development:** This would necessitate high priority being given to development work and its implementation on ground for which a clean, corruption-free and accountable administration at all levels is an imperative necessity.
- **Respect for rule of Law:** Governmental agencies must not be allowed to transgress law even in dealing with critical situations caused by insurgency or terrorism. If an extraordinary situation cannot be dealt with by existing laws, new laws may be enacted so that law enforcement agencies are not provoked or tempted to resort to extra-legal or illegal methods. Police and governmental forces must adhere to some basic codes of conduct. This will help in checking alienation of people.
- **Countering subversive activities of terrorists:** Government must give priority to defeating political subversions/propaganda (Ex. terrorists and Maoists).

- **Psychological 'warfare' or management of information services and the media,** in conjunction with intelligence wing of the police, can play an important role in achieving this objective.
- **Providing appropriate legal framework:** Ordinary laws may not be adequate to book a terrorist. It requires special laws and effective enforcement mechanisms, but with sufficient safeguards to prevent its misuse.
- **Building capacity:** Capacity building exercise should extend to intelligence gathering machinery, security agencies, civil administration and the society at large.
- As was highlighted in the Report on Crisis Management, strategy should encompass preventive, mitigation, relief and rehabilitative measures.
- **Role of Citizens, civil society, media in fight against terrorism:** A multidimensional response to combat terrorism would require well-coordinated action on all fronts and agencies/institutions viz civil society, Media and political parties has an important role to play.

EDUCATION

- Often violence has its roots in the discord between different social groups who feel alienated from each due to political, religious, social or ideological issues.
- Changing individual psyche through education would make society more harmonious and cohesive overall and less likely to get influenced by terrorists' ideology.
- Education has a role in creating proper environment for peace. People in India and Pakistan must realize that politics of war and social mindset which supports it are our own creations and therefore we are the only ones who can change them.
- Response to Jihadi terrorism being advocated in some madrassas needs to be countered by emphasising on true essence of Islam. Educational Institutions like madrasa and other social institutions could play a major role in this regard.

CIVIL SOCIETY

- Involving civil society in a multi-dimensional response to threat of terrorism had been recognized by UN General Assembly which, while adopting UN Global Counter Terrorism Strategy in 2006.
- In recent years, there has been a substantial increase in involvement of civil society groups in public affairs. They have been instrumental in drawing the attention of government towards grievances of the citizens.
- Given proximity of these groups to grassroots their potential could be engaged several ways which would help in State's fight against terrorism including information of a "local" intelligence type.

- They could play an advisory and educative role. Civil societies and NGOs can partner with law enforcement agencies to develop targeted programs for cooperation focusing on awareness and in developing outreach activities for healing community rifts and tensions. Civil society in conjunction with agencies of State can help in developing this capability.

MEDIA

- Media refers all channels of mass information and communication including newspapers, publications, electronic media and internet. It has been a formulator as well as a reflection of public opinion.
- There have been instances where media reports have stoked conflicts, though on several occasions they have been instrumental in prevention of violence.
- Terrorism in democratic countries shows that terrorists thrive on publicity. Media does not intend to promote cause of terrorism, but nature of media to cover events, developments and issues can be exploited by terrorists.
- Therefore, it is necessary that government should work towards harnessing power of mass media as a part of its strategy to defeat terrorism. It would be necessary to have an affirmative media policy:
- Transparency in governance.
- Advancing media's role as an instrument of vigilance to scrutinize, check administrative, legal, excesses that endanger civil and democratic rights in situations of conflict and terrorism.
- Engaging, enabling, encouraging and assisting media to fulfil its role of informed, fair and balanced coverage of crisis, particularly terrorism.

Media policy should include principles of self-restraint. Publishers, editors and reporters need to be sensitized to avoid and exclude those elements of media coverage that may unwittingly advance the agenda of terrorists.

► TERRORISM IN INDIA

JAMMU AND KASHMIR MILITANCY

- Roots of insurgency in J&K can be traced to later part of 1940s when Pakistan attacked India with a view to capture Jammu & Kashmir.
- Ever since there has been a section of population which believes in secession from India.
- These groups aided and abetted from across border have often indulged in insurgent activities.
- Following the 1971 India-Pakistan war there was a lull in the secessionist activities.

- However, eighties witnessed large scale infiltration across border and a sudden increase in insurgency. Innocent persons were targeted and forced to flee from the State.
- Decade of 1990s saw large scale deployment of security forces in the State.
- Rise of Islamist fundamentalism and emergence of Al-Qaeda has added to insurgency in J&K.
- Pakistan-based terrorist organisation called Lashkar-e-Tayyaba (LeT) is supposed to be inspired from philosophy and outlook of Al-Qaeda. Other affiliates of Al-Qaeda which continue to pose a serious threat to peace and security in India are Jaish-e-Mohammed, HUM, HUJI and Al-Badr.
- JeM was formed by Masood Azhar, a former senior leader of Harkat-ul-Ansar who was released and handed over by India to Taliban at Kandahar (Afghanistan) in exchange of IC-814 hijacking.

GOVERNMENT ENDEAVOUR TO HANDLE THE INSURGENCY

- Proactively take suitable measures by all Security forces to safeguard borders from cross-border terrorism and to contain militancy.
- [Abrogation of Article 370 and 35A](#) have changed status of erstwhile state of J&K into 2 UTs – J&K and Ladakh.
- A [Multi-Disciplinary Terror Financing Monitoring Group \(TMG\)](#) was constituted.
- [Special Industry Initiative \(SII J&K\) 'UdDAAN'](#): The Scheme is being implemented by National Skill Development Corporation in PPP mode. It aims at providing skill and enhances employability of unemployed youths of J&K who are graduates, postgraduates or three-year engineering diploma.
- Rural and urban youth including school dropouts are now being imparted job-oriented training in various sectors such as ITeS, Sales and Customer Service and Hospitality etc. under the 'HIMAYAT' scheme.
- Local body elections re-established long overdue grassroots level democracy in J&K and Ladakh.
- [Provision of direct elections for Sarpanches of Panchayats](#) had been restored to ensure accountability. Under 73rd Amendment all functions and functionaries have been transferred to Panchayats including institutions like Primary Health Centres, Primary Schools, Anganwadi Centres etc.
- [Relief & Rehabilitation of Kashmiri Migrants](#): Due to onset of militancy in J&K in early 1990s, most Kashmiri Pandit families along with some Sikh and Muslim

families migrated from Kashmir Valley to Jammu, Delhi and other parts. A variety of measures have been taken by Government by way of financial assistance/relief and to provide succour and support to affected families, within a broad policy framework that those who have migrated will eventually return.

- People to people contact across LOC (Confidence Building Measures): Includes travel & trade across LOC between J&K & Pakistan Occupied Kashmir (PoK).
- PM Development Package for J&K, 2015: PM announced a package of Rs. 80,000 crores towards Special Assistance to J&K for development.

WHERE KASHMIR STANDS TODAY

- North Kashmir, which once was hotbed of terrorism, has seen little violence in recent years, with epicentre of terrorism shifting to South Kashmir.
- There has also been an uptick in terrorist actions in Srinagar, but in both quantitative and qualitative terms, level of violence has reduced drastically.
- Infiltration across border has reduced drastically.
- In 2022, until April, there have been only two infiltration attempts, both of which were foiled. According to the Indian Army, over 100 terrorist launch pads continue to operate in Pakistan-occupied Jammu and Kashmir, but this has not translated into increased activity across the LoC.
- Number terrorist recruited are only 50 in 2022 till April which is lower than 143 in 2021.
- In north Kashmir majority of terrorists are from Pakistan, While in South Majority terrorists are local recruits.

IMPROVING SECURITY SITUATION IN J&K

EVIDENCE OF REDUCING TERRORISM IN J&K

- Falling support for militancy: Earlier locals used to support militancy by giving them escape routes or engaging forces while they are carrying out their lawful duties or throwing stones or sloganeering or any form of aggression of crowds. These incidents have reduced to very low level.
- No iconic status to terrorists: Earlier, a young terrorist would become an iconic figure in his area and inspiring other youth to emulate them. Ex. Burhan Wani. There is hardly any militant of that kind or vintage today.
- Terror leadership eliminated: Most of the senior militant leadership has been neutralised.
- Limited Geographical spread: Most parts of the

valley is now peaceful and seems to be de-radicalising. However, terror recruitment and radicalisation continue in South Kashmir, mainly Shopian.

STRATEGIC SHIFT IN MILITANCY

- Since the senior militant leadership is missing, there lack of trained leaders who can handle planning, execution, recruitment and other aspects of terror operations.
- Terrorists have started reviving their old connections who were active earlier. Pakistan based agencies are getting in touch with
- Recruitment is being seen among school dropouts in adolescent age. Earlier, recruitment would be in the age of 25-30 years. However, now it has unfortunately shifted to a younger demography.
- Foreign militants: Activities by unknown Pakistani terrorists in Srinagar. These terrorists will get in touch with overground workers (OGWs). The OGW would arrange logistics to carry out killings.
- Terror groups are trying to revive militancy in areas that have been free of such activities like Reasi, Doda and Kishtwar. They are trying to show presence and engage cadres to carryout terror activities.
- Young persons who crossed the border to receive training in Pakistan and did not come back are being engaged as terror handlers from Pakistan territory.
- Drones are being used to carry weapons and cash.
- Not returning bodies of militants to their families: Generally, during funerals, with passions running high, some boys would leave their homes and go on to join terrorist groups. Not giving the bodies and ending of funeral processions has been effective in countering radicalisation.

AREAS OF CONCERN

- Youth continue to fall prey to propaganda by Pakistan. Social media is used by handlers in Pakistan to sway youth and are ill-motivated to leave their homes and join terror groups.
- Modus operandi of the handlers now is that they immediately ask terror recruits to commit an act of violence, throw a grenade, fire at somebody or kill someone.
- Social media needs to be regulated as it has been the principal conduit for conducting terrorist recruitment.

NEW PHASE OF MILITANCY IN KASHMIR

- Islamist & secessionist sentiments in Kashmir began with onset of conflict in 1989 when organisations such as Jammu Kashmir Liberation Front used Islam to mobilise Kashmiris against India.
- New phase of militancy started in 2014. Analysts point to an increase in access to social media from 25% of the people in 2010 to 70% in 2015, which facilitated this mass radicalisation and spread of anti-India propaganda amongst the Kashmiri youth.
- Access to social media not only contributed to an increase in recruitments for Pakistani organisations such as LeT, HM, and JeM, but also created a new breed of militants whose primary devotion is to Islam.
- Thus, organisations such as Al-Qaeda's Ansar Ghazwa-Ul-Hind and Islamic State made their debut in J&K's militant movement, albeit with less success than Pakistani organisations (i.e., LeT, HM, and JeM).
- Social media gave Kashmiris new channels for their grievances and political aspirations. Anti-India narratives grew stronger, and mass radicalisation and alienation heightened.
- An increasing number of local Kashmiris turned to militancy and started supporting, interacting with, and participating in terrorist organisations that had previously recruited only Pakistani and other foreign militants.
- Messaging apps like WhatsApp and Telegram helped militants mobilize crowds; they also served as channels for training local militants and briefing them on weapons, explosive devices, and the actual conduct of attacks.
- Between 2014 and 2020, there was a significant increase in local militancy and stone-pelting incidents in the region.
- In 2017 the Indian armed forces launched 'Operation All Out' to eliminate the militant networks, their overground workers (OGW), and top militant commanders. However, as the militants' ranks were dominated by the locals.

Year	2014	2015	2016	2017	2018	2019	2020
Local Recruitments	53	66	88	126	218	126	167
Number of stone-pelting incidents	449	730	2,653	1,412	1,458	1,999	55

REVOCATION OF THE SPECIAL STATUS OF KASHMIR

- In 2019, central government revoked special status of J&K under Article 370 of the Constitution of India.
- In early 2020 a report found Valley residents expressing: they were scared, sceptical, and suspicious of the Indian state, which in their view was treating them as second-class citizens.
- To be sure, people felt some semblance of safety too, as stone-pelting incidents dropped significantly, by 87%, in 2020.
- Analysts attributed this to heavy on-ground deployment and outreach efforts by the Army first, during the security lockdown following Article 370's amendment and later, when the country was placed in a nationwide lockdown as a response to COVID-19.
- At the same time, however, there were more than 160 local Kashmiris who joined the militants' ranks in 2020 alone—this disproves any assumptions that radicalisation is no longer present in the Valley. An uneasy peace prevails.

TARGETED KILLINGS AND HYBRID TERRORISTSNew Front Terror organisations

- There have been targeted killings of Security Personnel, Kashmiri Pandits government employees as well as migrants.
- New Organisations: Since the 2019 Constitutional reforms, many terrorist organisations have mushroomed under secular-sounding names, such as The Resistance Front, Anti-Fascist Force, and Kashmir Tigers, while others have more Islamist names—Al Qisaas, Al Jihad, Muslim Janbaz Force, and Markazul al Arshad.
- Majority of these are fronts for existing terrorist organisations like the Lashkar-e-Taiba, Jaish-e-Mohammad, and Hizbul Mujahideen.

Hybrid terrorists

- A new challenge in front of security forces is that of Changing face of terrorism.
- Most of the newly formed front groups are amorphous to a certain degree, even informally structured.
- They operate in small cells and do not have the big organisational structures that their parent organisations maintain.
- Unlike in the past when recruits took to social media and announced their rebellion wearing guerrilla outfits and with a gun in hand, the new recruits are more discreet and operate in anonymity.
- Most of the new recruits are not well-trained; their training is limited to firing a handgun and escaping.

Typically, they ambush 'soft' targets (unarmed civilians or off-duty security personnel), and they are not capable of launching complex attacks.

Modus Operandi of Hybrid terrorists

- They lead normal lives—they may be students, hold jobs, and live with their families—and often do not have a police record. They get activated for an operation and after carrying it out go back to their lives. Since they are not on the radar of the security agencies, identifying them becomes difficult.
- These new hybrid terrorist modules are supported by white-collared underground workers—such as teachers, civil servants, lawyers, professionals, journalists, and businessmen—who provide the ideological support and finances and wage the information warfare on their behalf.

Radicalisation

- The single biggest challenge and threat to the security and stability of the Valley is radicalisation.
- Government banned Jamaat-e-Islami J&K in 2019 for five years under anti-terror law on grounds that it was "in close touch" with militant outfits and is expected to "escalate secessionist movement" in the state.
- This ban has been useful; however, radicalisation is still difficult to control.
- External influences and narratives spreading through the cyberspace have distorted the syncretic ethos of the Valley.
- There is decline of 'Kashmiriyat,' which is now being replaced by more literalist and fundamentalist interpretations of Islam.

Information Warfare

- Radicalisation is a result of information war is being waged from within and outside Kashmir.
- Turkey supports Pakistan's in its information war against India.
- The Pakistani terror machinery physically eliminates any Kashmiri who openly challenges the Pakistani and separatist narrative.
- In recent months, the front organisations of Pakistan-based jihadist terror groups have expanded their outreach through social media by issuing statements, online magazines, and pamphlets in Hindi and other languages.
- The information war revolves around telescoping into even a small incident and blowing it out of proportion to create a specific perception.

- Objective: To manufacture and feed a sense of victimhood as part of the battle of ideas and attract international sympathy and media focus on Kashmir by feeding and agitating on fabricated stories.
- Extended lockdowns, security check-posts, and collateral damage in anti-terror operations are used to further the narrative.

► CIVILIAN KILLINGS IN J&K

Spate of civilian killings in J&K recently marks the return of strategy employed by terrorist groups in the 1990s. This also highlights change in the strategy of terrorist organisations following abrogation of Article 370, which gave special status to J&K. This has increased fear and insecurity in the minds of local population.

ELEMENTS OF THIS NEW STRATEGY

- Members of minority community in J&K are being targeted. Even some of the migrant workers who play an important role in J&K economy are also being targeted.
- Attacks are being carried out by newly recruited terrorists using pistols.
- No use of fidayeen attacks such as in Pulwama attack.
- Little photographs of terrorist associated with the group are available.
- Choose soft targets through a broad base network of ground workers.
- A new militant group 'The Resistance Front' is at forefront of these attacks. However, militants involved often belong to Hizb-ul-Mujahedeen and Lashkar-i-Taiba.

REASONS

- Frustration of terrorist handlers following a destruction of their support structures and effective maintenance of law & order in post Article 370 era.
- Use of small arms which have often been transported across the border using drones.
- Efforts of terror groups to communalise the valley.
- The Terror group's name 'The Resistance Front' does not have Islamic reference; this is an attempt to secularise terrorism in Kashmir and show it as a political cause rather than religious war.
- Part time terrorists are under the radar and difficult to track as opposed to full time terrorists who are well identified and tracked by security agencies. For ex. Burhan Wani was well publicised.

- To gain traction and attract youngsters, TRF uploads videos from live encounters to show off its deadly capabilities.
- Concentration of security forces in the valley have reduced due to deployment of security forces along the India China border in Ladakh.

OTHER FACTORS

- Lost generation of youth who failed to access education and lack employment opportunities and are witness to bloodshed in the valley and susceptibility to radicalisation.
- Government's plan to rehabilitate and resettlement of Kashmiri pandits has created unease among residents of Valley, that the properties they acquired during the 90s can be taken back.
- Shrinking political space and resentment post the abrogation of Article 370.

WAY FORWARD

- Security measures:
 - a. Special measures to increase the security and patrolling in areas where minority community lives in Kashmir Valley.
 - b. Registration of migrant workers working in J&K.
 - c. Capacity building of security forces to tackle such attacks by using more surveillance, tools, and protocols.
 - d. Effective border management with a particular focus on checking arms and drones from across the border.
- Use of technology:
 - a. Using social media to spread a message of peace in Kashmir.
 - b. Identify the terror handlers and their sources of funding.
- De-radicalisation of Youth:
 - a. Education and gainful employment.
 - b. Promoting a liberal version of Sufi Islam in Kashmir with the help of religious scholars in Kashmir.
 - c. Rejuvenating the political process through the newly created District development Councils.
 - d. Awareness on social media - invest in artificial intelligence (AI) and other technology to discourage extremist content and should also find creative ways where Kashmiris can consume the narratives produced by the Indian state and army
 - e. Justice - cases against the extrajudicial conduct of the armed forces have been denied/dismissed for

trial by the Centre or suspended by the armed forces tribunal.

- f. Education and employment: In the long term, the state should start reemphasising on education, which will be crucial in narrative-building—especially the social sciences. Special Industry Initiative (SII J&K) 'UdDAAN. Himayat - skills to dropouts.
 - g. Prime Minister Development Package for J&K - 2015 Prime Minister announced a package of Rs. 80,068 crores towards Special Assistance to J&K for development of Infrastructure
- Long term reforms:
 - a. Consensus building by talking to all sections of political opinion in J&K.
 - b. Early return of statehood to J&K.
 - c. Early consensus and resolution of the property problem of Kashmiri Pandits.

SOME MEASURES TO DE - RADICALISE IN J&K

- District Development Councils: After J&K lost its statehood, political focus in Kashmir shifted to District Development Councils and grassroots development.
- Kashmiris have long had to deal with bureaucratic red tape can find new hope with elected local leaders who can ensure good governance and local development.
- Representatives in these bodies shielded from being targeted and must attempt to empower them, in terms of political and financial jurisdictions. It is only with perception of "efficient good governance" and "governed by us" that the violent narratives can be countered.
- Social media has become a pivotal source of information, misinformation and propaganda in times of new militancy.
- Although government has used reactive tactics such as blanket bans, monitoring, censoring and reporting extremist profiles and content, it has been unable to deter the spread of extremist content through social media. Such content and narratives must be contradicted with consistent counter-narratives.
- The state will still need to invest in artificial intelligence (AI) and other technology to discourage extremist content and should also find creative ways where Kashmiris can consume the narratives produced by the Indian state and army.
- Justice: Narratives of humiliation, shame, and injustice from India have been strongly entrenched amongst the Kashmiris. In the past, cases against the extrajudicial conduct of the armed forces have been

denied/dismissed for trial by the Centre or suspended by the armed forces tribunal.

- This has presumably happened to avoid the morale damage of the deployed troops that could impact the conduct of counter-militancy operations. However, with the need for enhancing stronger narratives, the state must find a delicate balance between building narratives and not impacting their anti-militancy operations.
- **Technology:** Certain narratives of Kashmiris, such as India being an 'occupier' or 'colonizer,' emerge from fact that India has adopted a policy of mass deployment in the region.
- As India cannot afford to demilitarize the Valley, it can start focusing on smart rather than hard, it can invest more in technologies such as UAVs or drone technology and deploy them in peaceful areas. These technological tools can be used to conduct

surveillance, maintain law and order, and deter the use of drones by militants and militant supporters.

- **Education:** State should start re-emphasising on education, which will be crucial in narrative-building—especially social sciences.
- There is a need to facilitate education through the virtual space, using for instance, pre-recorded educational videos; this can help ensure that the disruption of education during times of unrest does not create space for radicalisation.

CONCLUSION

All steps should be taken to ensure safety and security for the lives of citizens by boost security and capacity of security agencies. Also, at the same time, steps should be taken to deradicalise the youth of Kashmir, along with more political engagement to create a sustainable environment of peace.

D

DEVELOPMENTAL

CHALLENGES &

EXTREMISM

Previous Year Questions

YEAR	UPSC MAINS QUESTIONS
2020	What are the determinants of Left-Wing Extremism in Eastern part of India? What strategy should Government of India, civil administration and security forces adopt to counter the threat in the affected areas?
2018	Left Wing Extremism (LWE) is showing a downward trend, but still affects many parts of the country. Briefly explain the Government of India's approach to counter the challenges posed by LWE.
2017	Mob violence is emerging as a serious law and order problem in India. By giving suitable examples, analyze the causes and consequences of such violence.
2017	The north-eastern region of India has been infested with insurgency for a very long time. Analyze the major reasons for the survival of armed insurgency in this region.
2015	The persisting drives of the government for development of large industries in backward areas have resulted in isolating the tribal population and the farmers who face multiple displacements with Malkangiri and Naxalbari foci, discuss the corrective strategies needed to win the left-wing extremism (LWE) doctrine affected citizens back into the mainstream of social and economic growth.
2013	Article 244 of Indian Constitution relates to Administration of Scheduled areas and tribal areas. Analyze the impact of non-implementation of the provisions of fifth schedule on the growth of Left-Wing extremism.

► LEFT WING EXTREMISM

- Left-wing extremists in India, as elsewhere, are known for resorting to violence in pursuance of their

ideology of peoples' revolutionary movement. In West Bengal, this movement was started in 1967 from Naxalbari.

- The first flush of the Left Extremist movement in the Naxalbari region was effectively controlled without much bloodshed and within a relatively short span of time.
- The movement spread beyond west Bengal and came to be known as Maoist movement since 2004 after the merger of various splinter groups into [CPI \(Maoist\)](#). This was followed by their increasing militarisation and simultaneous acquisition of sophisticated firearms and ammunitions.

AFFECTED AREAS

Naxalites operate in what is known as the [“Red Corridor”](#) 106 districts across 10 states in India, mainly in the states of Odisha (5 affected districts), Jharkhand (14 affected districts), Bihar (5 affected districts), Andhra Pradesh, Chhattisgarh (ten affected districts), Madhya Pradesh (8 affected districts), Maharashtra (2 affected districts) and West Bengal (8 affected district).

CAUSES FOR LEFT WING EXTREMISM

Land Related Factors:

- Evasion of land ceiling laws.
- Existence of special land tenures (enjoying exemptions under ceiling laws).
- Encroachment and occupation of Government and Community lands (even the waterbodies) by powerful sections of society.
- Lack of title to public land cultivated by the landless poor.
- Poor implementation of laws prohibiting transfer of tribal land to non-tribals in the Fifth Schedule areas.
- Non-regularisation of traditional land rights.

Displacement and Forced Evictions:

- Eviction from lands traditionally used by tribals.
- Displacements caused by irrigation and power projects without adequate arrangements for rehabilitation.
- Large scale land acquisition for ‘public purposes’ without appropriate compensation or rehabilitation.

Livelihood Related Causes:

- Lack of food security – corruption in the Public Distribution System (which is often non-functional).
- Disruption of traditional occupations and lack of alternative work opportunities.
- Deprivation of traditional rights in common property resources.

Social Exclusion:

- Denial of dignity.

- Continued practice, in some areas, of untouchability in various forms.
- Poor implementation of special laws on prevention of atrocities, protection of civil rights and abolition of bonded labour etc.

Governance Related Factors:

- Corruption and poor provision/non-provision of essential public services including primary health care and education.
- Incompetent, ill-trained and poorly motivated public personnel who are mostly absent from their place of posting.
- Misuse of powers by the police and violations of the norms of law.
- Perversion of electoral politics and unsatisfactory working of local government institutions.

These causes are most glaring in forest areas predominantly inhabited by tribal populations who thus become the main instruments and victims of left extremist violence.

Sources of Funding for Naxalites:

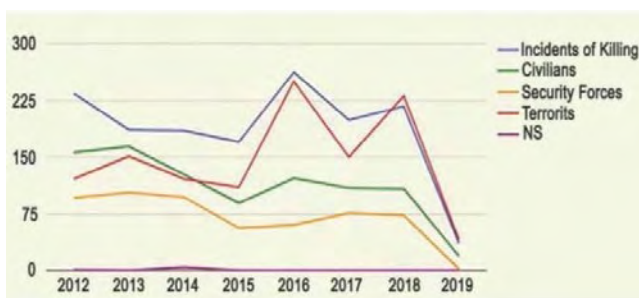
- Financial mobilisation by Naxalites is in the form of extortion from local people and from contractors executing various projects in the affected areas. Besides, funds are also raised through forest and mining operations.
- The extensive contractor-transporter-extremist nexus and its links with illegal mining and collection of forest produce in the entire region affected by left extremism yields a huge volume of funds for the extremists.

CURRENT STATUS OF THE SPREAD

- The decrease in instances of LWE activities started from 2011 and has continued till date.
- The number of districts affected by left-wing extremism (LWE) has declined sharply to 70 in 10 states for the first time in over three decades, with Bihar, Odisha and Jharkhand showing the biggest improvement.
- Only 25 districts in eight states are now categorised as “most affected”.
- Overall, the incidents of LWE violence have reduced by 70% from an all-time high of 2,258 in 2009 to 665 in 2020. Similarly, the deaths of security forces and civilians have come down by 80% from all time high of 1,005 in 2010 to 183 in 2020
- The shrinkage of geographical spread of LWE influence is evident in reduced violence in the last six

years (from 2015 to 2020), with 47% fewer incidents compared with the preceding 6 years (from 2009 to 2014).

- The recruitment of Maoists has come down, their leadership is old, and the party ideology is missing among the young cadres due to which the pockets of their activities have been restricted enormously over the years. There is also better intelligence sharing between agencies, disruption of logistics chains like weapons, money and food items and they are not able to recruit cadres from any state other than Chhattisgarh.
- Bihar, where the Maoists once enjoyed widespread support among the poor, has shed the highest (six) number of districts in the latest list, with only 10 districts now affected by LWE
- Odisha, where the state government has a formidable anti-Naxal force, the Special Operations Group (SOG), districts affected by Maoism have come down from 15 to 10.
- Jharkhand has shown significant improvement with only 16 districts now affected by LWE against 19.
- Chhattisgarh, where the worst violence has been reported over the years, continues to have 14 affected districts.
- There is no change in the LWE situation in Kerala and West Bengal, where three districts and one district, respectively, are affected by LWE; while Madhya Pradesh now has three affected districts as compared to two earlier.



GOVERNMENT'S APPROACH AND ACTION PLAN TO CURB LWE

The Government of India has adopted an integrated and holistic approach to deal with the Left-Wing Extremist (LWE) insurgency by simultaneously addressing the areas of security, development and promoting good governance. To achieve this, a National Policy and Action Plan has been put in place that adopts a multi-pronged strategy in the areas of security, development, ensuring rights & entitlements of Other Traditional Dwellers / Tribals etc with focused attention on 106 Districts in 10

States and particularly in 35 most affected LWE districts in 07 States.

Specific Measures taken by Central government: 'Police' and 'public order' are state subjects. Central government, however, closely monitors situation and coordinates and supplements their efforts in several ways to deal with the LWE problem.

- Ban on CPI (Maoist): This organisation is responsible for most incidents of violence/casualties.
- Strengthening the Intelligence Mechanism: This includes intelligence sharing through Multi-Agency Centre (MAC) at the Central level and State Multi Agency Centre (SMAC) at the State level on 24x7 basis.
- Better Inter-State coordination: The menace of Maoists is spread across various states. Thus, Government of India has taken a number of steps to improve Inter-State coordination through periodic Inter-State meetings and facilitating interactions between the bordering districts of LWE affected States.
- Tackling the problem of Improvised Explosive Devices (IEDs): Majority of casualties incurred by the Security force are attributable to IEDs. The Ministry of Home Affairs has formulated an SOP on 'Issues related to Explosives/IEDs/Landmines in Naxal Affected Areas' and circulated to all stakeholders concerned for compliance.
- Deployment of the Central Armed Police Forces
- India reserve (IR)/Specialised India Reserve Battalion (SIRB): The Left-Wing Extremism affected states have been sanctioned India Reserve (IR) battalions mainly to strengthen security apparatus at their level and to enable the States to provide gainful employment to youth, particularly in the LWE affected areas.

DEVELOPMENT RELATED MEASURES

Monitoring and Implementation of Flagship Programs:

- Pradhan Mantri Gram Sadak Yojana (PMGSY)
- National Rural Health Mission (NRHM)
- Ashram School
- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- Sarva Shiksha Abhiyan (SSA)
- National Rural Drinking Water Program (NRDWP)
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
- Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY)
- Integrated Child Development Services (ICDS)
- Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Right) Act, 2006.

OTHER MEASURES

- Effective Implementation of [PESA Act](#) and [FRA](#).
- [Road Connectivity Project for LWE Affected Areas](#): Government has approved a namely Road Connectivity Project for Left Wing Extremism Affected Areas to improve the rural road connectivity in the worst LWE affected districts from security angle.
- [LWE Mobile Tower Project](#): To address connectivity issues in LWE.
- [Civic Action Program \(CAP\)](#): Financial grants are allocated to Central Armed Police Forces (CAPF) to undertake various Civic Action Programs in LWE affected areas.
- [Surrender and Rehabilitation Policy](#): Rehabilitation package includes an immediate grant of Rs. 2.5 lakh for higher ranked LWE cadres and Rs. 1.5 lakh for middle/lower rank LWE cadres to be kept in their names as Fixed deposit which may be withdrawn after completion of 3 years subject to good behaviour. They are also imparted training in a trade / vocation of their liking and paid a monthly stipend of `4000 for three years.
- [SAMADHAN Strategy](#): The solution to the LWE problem is not possible with any silver bullet. For this short term, medium term and long-term policies need to be formulated at different levels. Thus 'SAMADHAN' stands for:
 - S - Smart Leadership
 - A - Aggressive Strategy
 - M - Motivation and Training
 - A - Actionable Intelligence
 - D - Dashboard Based KPIs (Key Performance Indicators) and KRAs (Key Result Areas)
 - H - Harnessing Technology
 - A - Action plan for each Theatre
 - N - No access to Financing

SUGGESTIONS FOR ADDRESSING LWE

Left extremism feeds on persistent and serious shortcomings in the domain of general and development administration, resulting in the failure of the government to address the needs of the poor in areas pertaining to land, food, water and personal security, equity, ethnic/cultural identity etc. The 'containment' of the problem may inter alia require consideration of the following:

- Most of the 'participants' in violence perpetrated under the banner of left extremist organisations are

alienated sections of society rather than perpetrators of 'high treason' – they have to be treated as such.

- A fortiori police action over a long period is counter-productive; it is likely to affect the innocent more than the extremists.
- Negotiations have a definite ameliorative role under the circumstances; this is the experience the world over.
- Faithful, fair and just implementation of laws and programs for social justice will go a long way to remove the basic causes of resentment among aggrieved sections of society.

Sustained, professionally sound and sincere development initiatives suitable to local conditions along with democratic methods of conflict resolution have to be developed.

► INSURGENCY IN NORTH-EAST

- Northeast region comprises eight States viz. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. The region is culturally and ethnically diverse having more than 200 ethnic groups which have distinct languages, dialects and sociocultural identities. Almost all its borders of about 5,484 Kilometres are international border.
- The States in India's Northeast region have a long history of conflict and violence among the tribal groups within the same State, and neighbouring States. A major part of the geographical area of this region was initially within the ambit of the State of Assam but the manifestation of [ethno-nationalism](#) quite often expressed through violence, led to the formation of some of the present States through various stages of evolution during the post-Independence period.

GROUPS INVOLVED IN INSURGENCY IN NORTHEAST:

List of Insurgent/Extremist Groups of Northeast Declared as "Unlawful Associations" and "Terrorist Organizations" Under Unlawful Activities (Prevention) Act, 1967

STATE	ORGANISATION
Assam	<ul style="list-style-type: none"> • United Liberation Front of Assam (ULFA) T • National Democratic Front of Bodoland (NDFB)
Manipur	<ul style="list-style-type: none"> • People's Liberation Army (PLA), • United National Liberation Front

DEVELOPMENTAL CHALLENGES & EXTREMISM

	(UNLF), • Manipur Peoples' Liberation Front (MPLF)
Meghalaya	Garo National Liberation Army (GNLA)
Tripura	All Tripura Tiger Force (ATTF)
Nagaland	National Socialist Council of Nagaland (Khaplang) [NSCN/K]

REASONS FOR INSURGENCY IN NORTHEAST

- Ethno-Nationalism and lack of integration with Nationalistic aspirations. This was primarily because of British policy of isolation of these states from the mainstream Nationalist movement.
- Demands for autonomy EX: Mizo movement, Naga movement etc.
- Change in Demography due to immigration from neighbouring countries and the resistance from the natives. EX - migration after Bangladesh liberation War.
- Existence of militant groups. EX: NSCN-K, NSCN-IM.
- Alienation of Tribal people due intrusion by outsiders.
- Porous borders.
- Existence of terrorist camps across the border in Myanmar. The recent instance of "**HOT PURSUIT**" by Armed Forces is a case in point.

Security situation in Northeast since 2012 (MHA annual report)

Year	2012	2013	2014	2015	2016
Incidents	1025	732	824	574	484

KEY FACTS

- While Sikkim, Mizoram and Tripura had no insurgency related violence in 2016, there was considerable decline in incidents in Meghalaya (44%) and Nagaland (43%) compared to 2015.
- In 2016, Manipur accounted for about 48% of total violent incidents in the region and Arunachal Pradesh experienced an increase in violent activities by 38%, primarily on account of violence by NSCN/K.

STEPS TAKEN BY GOVERNMENT

- Policy for talks / negotiation with such groups which categorically abjure violence, lay down arms and seek solutions for their problems peacefully within the framework of the Constitution of India.

- Those who are not in talks are being dealt with by the Central Armed Police Forces, Armed Forces and the State Police through Counter-Insurgency Operations.
- Law and order is a state subject. Thus, Central Government is supplementing the states for curbing the illegal and unlawful activities of militant / insurgent groups of Northeast. These include deployment of Central Armed Police Forces, central assistance to the State Governments for modernization of State Police Forces.
- The entire State of Manipur (except Imphal Municipal area), Nagaland and Assam are under Armed Forces Special Powers Act (AFSPA).
- Central Government has deployed Central Armed Police Forces (CAPFs) to aid the State authorities for carrying out counter insurgency operations.

Major Schemes administered by NE Division:

- Scheme for Surrender-cum Rehabilitation of militants in Northeast. Ministry of Home Affairs has been implementing a scheme for Surrender-cum-Rehabilitation of militants in Northeast w.e.f. 01.01.1998 (revised on 01.04.2005) to wean away the misguided youth and hard-core militants.
- Civic Action Program in Northeast. To take the local populace in confidence and boost the image of armed forces for among the common people, Army and Central Paramilitary Forces conduct Civic Action Program. Under this Program, various welfare / developmental activities are undertaken.
- Advertisement and Publicity. Under this scheme, various initiatives are undertaken including the visits of youths of NE States to rest of India and vice-versa under the aegis of Nehru Yuva Kendra Sangathan (NYKS), journalist visits to NE States, broadcast of radio etc.

► NAGA ISSUE

The recent killings of civilians in the Nagaland by the Assam Rifles in a botched operation has cast shadows on the Naga Peace process. This has brought the Naga issue at the forefront and has raised questions about the abuse of powers under the AFSPA act. In this backdrop let us understand the Naga Issue in detail.

ORIGIN OF THE NAGA ISSUE

- British annexed Assam in 1826 and 1881 and Naga hills became a part of British India.
- In 1918, Naga Club was formed - opposed the Simon Commission.

- 1946 - Naga National Council (NNC) under the leadership of Angami Zapu Phizo, declared Nagaland an independent state on August 14, 1947.
- NNC resolved to establish a “sovereign Naga state” and conducted a “referendum” in 1951, in which “99%” supported an “independent” Nagaland.
- In 1952 - underground Naga Federal Government (NFG) and the Naga Federal Army (NFA) was formed.
- The Government of India sent in the Army to crush the insurgency and, in 1958, enacted the Armed Forces (Special Powers) Act.

Peace efforts

- In 1964 a peace mission was formed and the NNC signed an agreement to suspend operations.
- But the NNC/NFG/NFA continued to indulge in violence, and after six rounds of talks, the Peace Mission was abandoned in 1967, and a massive counter-insurgency operation launched
- Shillong Accord 1975 - Under this section of NNC and NFG agreed to give up arms.

NSCN - NATIONAL SOCIALIST COUNCIL OF NAGALAND

- A group of NAGA leaders led by Thuingaleng Muivah, who were in China, refused to accept the Shillong Accord and formed the NSCN in 1980.
- In 1988, the NSCN split into NSCN (Isak Muivah) and NSCN (Khaplang) after a violent clash
- With the formation of NSCN, the NNC began to fade away. Phizo the leader of NNC died in London in 1991, the NSCN (IM) came to be seen as the “mother of all insurgencies” in the region.

NSCN (IM) - DEMANDS

- A “Greater Nagalim” comprising “all contiguous Naga-inhabited areas” along with Nagaland. It included several districts of Assam, Arunachal and Manipur, and a large tract of Myanmar.
- Governments of Assam, Manipur and Arunachal Pradesh have resented these claims.
- After negotiations by one government after the other at the Centre, Government of India signed a ceasefire agreement with NSCN (IM) on July 25, 1997, which came into effect on August 1, 1997.

2015- FRAMEWORK AGREEMENT WITH NSCN - IM AND THE STALEMATE

It was signed by the interlocutor for Naga peace talks, R.N. Ravi on behalf of the Centre with National Socialist Council of Nagaland (NSCN-IM) and seven Naga National

Political Groups (NNPGs) to find a solution to the Naga political issue.

‘GREATER NAGALIM’, AS THE NSCN(IM) ORIGINALLY SOUGHT



DISAGREEMENT OVER SEPARATE CONSTITUTION AND FLAG

- While NNPG groups agree with the 2015 agreement, the NSCN - IM has said that an accord cannot happen until the Centre accepts Naga people’s demand for a separate constitution and flag.
- Centre has refused to accept the demands of a separate constitution and flag leading to a stalemate in the peace talks.
- Centre has suggested alternatives - such as cultural flag instead of a national flag and dealing with issues of a constitution after signing the agreement.

CHANGE IN SITUATION POST ABROGATION OF ARTICLE 370

- When Naga Framework Agreement was signed in 2015 provision of Separate flag and constitution were acceptable given the existence of a state with similar arrangement in the form of erstwhile state of J&K.
- However, post 2019 with abrogation of Article 370, the government is not willing to provide these concessions to the Nagas due to political calculations.

AMBIGUOUS WORDING OF FRAMEWORK AGREEMENT

- [Talks broke down in 2020](#) and NSCN – IM revealed the details of the Agreement.
- [NSCN – IM has accused the interlocutor of High Handedness](#): It has accused the interlocutor of deleting a key word from the original document and sharing the modified version with other Naga groups.
- The Group has raised the deletion of word “New” from the original phrase used in the agreement - “enduring inclusive new relationship of peaceful co-existence of the two entities.”
- The NSCN(I-M) says the word ‘new’ is politically sensitive as it goes to define the meaning of peaceful co-existence of the two entities (two sovereign powers).
- Phrases such as “unique history and position,” “sovereignty lies with the people,” “sharing sovereign power,” and “peaceful coexistence of the two entities” were open to interpretation by both sides.

ORGANISED ARMED GANGS

- Interlocutor had warned Nagaland government that half a dozen organized armed gangs were brazenly running their respective ‘so called governments’ challenging the legitimacy of the State Government.”
- He resigned as interlocutor following the stalemate.

RECENT CIVILIAN KILLINGS & NAGA PEACE TALKS

- It has potential to revive the narrative of India versus Naga people.
- The killings could be exploited by certain insurgent groups to recruit and even strengthen the hands of the NSCN(I-M). Seven NNPG groups which support early conclusion of peace talks will be hesitant to come to table in the backdrop of the public anger.
- All the groups have criticised the AFSPA act and have made the finalisation of talks contingent upon repeal of the AFSPA law.

► ARMED FORCE SPECIAL POWER ACT

Recent killings of civilians in the Nagaland by Assam Rifles in a botched operation has raised questions about the abuse of powers under the AFSPA act. There have been calls of repeal of the AFSPA act by the Naga groups as well as the CMs of Nagaland and Meghalaya.

ARMED FORCES SPECIAL POWERS ACT, 1958 (AFSPA)

- AFSPA is an act of the Parliament of India that grants special powers to the Indian Armed Forces to maintain public order in “disturbed areas”.

- Currently, AFSPA is applicable to the seven states of the North-East, i.e., Assam, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura. It was brought for J&K in 1990.
- It was applied to Punjab in 1983 and later repealed.

CURRENT STATUS IN THE NORTHEAST STATES

- AFSPA, was removed from entire Tripura in 2015 and from Meghalaya in 2018.
- AFSPA continues to be in force in Assam, Manipur, Nagaland and three districts of Arunachal Pradesh.

OBJECTIVE OF ENACTMENT OF AFSPA

Keeping in view the duty of the Union [under Article 355 of the Constitution](#), *inter alia*, to protect every State against [internal disturbance](#), it is considered desirable that the Central government should also have power to declare areas as 'disturbed', to enable its armed forces to exercise the special powers.

[Powers of the central and the State Government – Section 3](#)

AFSPA empowers the governor of the state as well as the central government to declare any part of the state as a 'disturbed area', if in its opinion there exists a dangerous situation in the said area which makes it necessary to deploy armed forces in the region.

[Powers provided to Army officers under the AFSPA – Section 4](#)

- After giving due warning, fire upon or use other kinds of force even if it causes death.
- Destroy any arms dump, hide-outs, prepared or fortified position or shelter or training camp.
- To arrest without a warrant anyone who has committed cognizable offences or is suspected of having done so and may use force if needed for the arrest.
- To enter and search any premise to make such arrests, or to recover any person wrongfully restrained or any arms, ammunition or explosive substances and seize it.
- Stop and search any vehicle or vessel suspected to be carrying such person or weapons.
- Any person arrested and taken into custody under this act shall be made present over to the officer in charge of the nearest police station with least delay, together with a report of the circumstances occasioning the arrest.
- Army officers have legal immunity for their actions.
- There can be no prosecution, suit or any other legal proceeding against anyone acting under that law.

- Protection of persons acting in good faith under this act from prosecution, suit or other legal proceedings, except with the sanction of the Central Government, in exercise of the powers conferred by this act.

ARGUMENTS IN FAVOUR OF AFSPA

- Needed to maintain morale of the force.
- Insurgents will gain upper hand in absence of it.
- Troops need such powers because the army is only deployed when national security is at serious risk from armed combatants.
- Provides legal backing for the Armed Forces to act in domestic civilian areas. Currently, the armed forces act enables them to only act against enemies.

ARGUMENTS AGAINST AFSPA

- Provision for immunity of security forces urges them to act more brutally.
- Seen as a reason for increasing radicalization in insurgency ridden areas because of the little accountability for the excesses committed in discharge of power given by the act.
- Instances of abuse and extra-judicial killings in Manipur have been upheld by even Supreme court in 2016. The Supreme Court in this case ruled that the armed forces cannot escape investigation for excesses during the discharge of their duty even in "disturbed areas."
- Though there are many violent insurrections in India which must be handled militarily but in the short run. Even after so many years, if the situation in these states has not changed, this points to some flaws in the law itself.

CHECKS AND BALANCES TO STOP MISUSE OF AFSPA

1. SC in 1998 on constitutionality of AFSPA: Upheld constitutional Validity of AFSPA.

Declaration of disturbed areas:

- A Suo-motto declaration can be made by the Central Government; however, it is desirable that the state government should be consulted by the Central Government before making the declaration.
- AFSPA does not confer arbitrary powers to declare an area as a 'disturbed area.'
- Declaration must be for a limited duration and there should be a periodic review of the declaration 6 months have expired.
- While exercising the powers conferred upon him by AFSPA, the authorised officer should use minimal force necessary for effective action.

- The authorised officer should strictly follow the 'Dos and Don'ts' issued by the army.

2. Santosh Hegde commission on Manipur encounter

- AFSPA was an impediment to achieving peace in regions such as J&K and the Northeast.
- The law needs to be reviewed every six months to see whether its implementation is necessary in states where it is being enforced.
- AFSPA does not provide blanket Immunity to the officers. Suggested fixing a period of three months for the central government to decide whether to prosecute security personnel engaged in extrajudicial killings or unruly behaviour in insurgency-hit regions.
- Action can be taken but with prior sanction of the Central Government.

3. BP Jeevan Reddy Commission in 2004

- AFSPA should be repealed, and appropriate provisions should be inserted in the Unlawful Activities (Prevention) Act, 1967.
- Unlawful Activities (UAPA) Act should be modified to clearly specify the powers of the armed forces and paramilitary forces.
- Grievance redressal cells should be set up in each district where the armed forces are deployed.

4. Second Administrative Reforms Commission

- Recommended to repeal of AFSPA, 1958. Its scrapping would remove sentiments of discrimination and alienation among the people of the Northeast India.
- Amend the Unlawful Activities (Prevention) Act, 1967 inserting a new chapter to deploy the armed forces of the Union in the North-eastern States.
- Supported a new doctrine of policing & criminal justice inherent in an inclusive approach to governance.

WAY FORWARD

Army must be completely transparent in investigating allegations of violations of human rights and bringing the violators to speedy justice. Exemplary punishment must be meted out where the charges are proved.

► NATIONAL INVESTIGATION AGENCY

NEED FOR NIA

- NIA was constituted in the wake of 26/11 Mumbai terror attack in November 2008.
- Aim was to develop a national police force to investigate a selected class of criminal offences that constitute a direct threat to national safety.

ABOUT NIA

- A central agency mandated to investigate all offences affecting sovereignty, security and integrity of India, friendly relations with foreign states, and offences under statutory laws enacted to implement international treaties, agreements, conventions and resolutions of UN, other international organisations.
- Includes terror acts and their possible links with crimes like smuggling of arms, drugs, fake Indian currency and infiltration from across borders.
- Has power to search, seize, arrest & prosecute those involved in such offences.
- Jurisdiction extends to whole of India and applies to Indian citizens outside the country.

SCHEDULED OFFENCES

- Includes Explosive Substances Act, Atomic Energy Act, Unlawful Activities (Prevention) Act, Anti-Hijacking Act, Suppression of Unlawful Acts against Safety of Civil Aviation Act, SAARC Convention (Suppression of Terrorism) Act, Suppression of Unlawful Acts Against Safety of Maritime Navigation and Fixed Platforms on Continental Shelf Act, Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act and relevant offences in Indian Penal Code, Arms Act and Information Technology Act.
- In 2020, Centre empowered NIA to probe offences under Narcotic Drugs and Psychotropic Substances Act that are connected to terror cases.

NIA TAKES UP CASES FROM STATE GOVERNMENT

- State governments can refer cases pertaining to scheduled offences registered at any police station to Central government for NIA investigation. After assessing details, Centre can then direct NIA to take over the case. State governments are required to extend all assistance to NIA.
- Suo-Moto cognisance by centre: When Central government is of the opinion that a scheduled offence has been committed which is required to be investigated under the Act, it may, Suo motu, direct agency to take up/over the probe.
- When Central government finds that a scheduled offence has been committed at any place outside India to which this Act extends, it can also direct the NIA to register the case and take up investigation.

- NIA can investigate any other offence which accused is alleged to have committed if the offence is connected to the scheduled offence.

NIA ACT & FEDERALISM

- Issues have been raised against Suo-Moto cognisance by Central Government for investigating crimes which might fall under the state government's sphere.
- State Governments having no say if Central Government decides to get cases investigated by NIA.
- Constitutionally it is considered that public order and policing are subject matter of State Government, and in case of criminal law and criminal procedure both the Governments enjoy powers simultaneously.
- Bombay High Court upheld constitutional validity of NIA.
- Court has considered that when the parliament is competent to enact the law for the subjects enumerated in the schedule to the NIA Act, it is equally competent to create an agency for the investigation of the offences specified in it.
- Issues have been raised against the potential of political interference in functioning of the states even in routine law and order cases.

ISSUES WITH THE UAPA AND NIA ACT

- Implicitly restricting right of dissent was in contradiction with Article 14 (right to equality), 19 of Constitution (right to freedom of expression), and 21 (right to life). Moreover, it does not offer so-called terrorist any chance to justify his case prior to his arrest.
- UAPA authorises the government to arrest citizens who may commit the crimes listed in it.
- Prohibits disagreement: Can be used to criminalise political protest that produce disaffection with state.
- Against article 21: Those apprehended under UAPA can be imprisoned for up to 180 days without being charged.
- Grants government vast discretionary powers and enables establishment of special courts with ability to use secret witnesses and hold closed-door hearings.
- The provision of designating individuals as terrorist can be misused against political opponents.

C CHALLENGES FROM MEDIA AND SOCIAL MEDIA

► RADICALIZATION

Radicalisation refers to the process of an individual's transformation from a moderate, law-abiding citizen into an active, anti-state, violent extremist.

It is the process by which people come to support terrorism and violent extremism and, in some cases, then join terrorist groups.

CAUSES OF RADICALIZATION

- People become increasingly motivated to use violent means against members of an out-group or symbolic targets to achieve behavioural change and political goals.
- Radicalisation develops gradually over time and may occur at individual, group or mass public levels.
- It also involves changes in attitudes, beliefs, behaviour, ideals, goals, ideology, and willingness, which become extreme.
- Those extreme aspects are related to political, social, religious, ideological, economic or societal issues.
- Feelings of discrimination can evoke radical thoughts and actions.

STAGES OF RADICALISATION

- Various stages of the process of radicalisation-pre-radicalisation, self-identification, indoctrination and jihadization stages.
- The first stage is the foundation and occurs when individuals are placed in environments that lead to being receptive to extremism. The drivers can be

either intrinsic or extrinsic. Commitment is constantly calibrated and re-calibrated.

- Be it the left-wing extremism, right wing, North-East insurgency, Kashmir militancy or the separatist Khalistan movement, the perceptions of injustice play an important role in pushing someone to extremism and the radicalisation process.
- Many individuals who join radical groups do so because they have the feeling that they have not received the treatment they deserve.

DE RADICALIZATION

- De-radicalisation is a process in which people reject the ideology they once embraced.
- To better deal with feelings of relative deprivation and injustice, experts suggest empowering individuals by helping to increase their perceptions of efficacy and self-esteem and fostering the creation of a strong self-identity.
- Focus should be on supporting families in preventing radicalisation and in de-radicalisation.
- Educating and equipping families becomes essential to recognise vulnerable individuals who are at risk or are in the early stages of radicalisation.
- Focus should be to train and educate professionals, and to stimulate disengagement and de-radicalisation.
- At the primary level, the government needs to reinvest in educational institutions.

- The aim should be to decrease prejudice, stereotyping and discrimination and to increase knowledge about democracy. Collective sports and citizen programs based on exchanges have been found helpful.
- There are links between extremism, social exclusion and radicalisation.
- Sociological interventions to prevent or counter extremist behaviours are needed.
- Success of Kerala and Maharashtra programs of de-radicalising indicates how community-based programs may work in vulnerable states.

► SOCIAL MEDIA & RADICALISATION

Social media has been a significant equaliser as a vehicle by which the fundamental right to freedom of expression is guaranteed everyone irrespective of class, creed or geography.

However, these very same platforms are also becoming spaces where—in the garb of free speech—misinformation and hate can flourish.

Social media has also facilitated the recruitment of terrorists by the terror organisation.

SOCIAL MEDIA AND EXTREMISM

- The Islamic far right in countries such as Pakistan, Indonesia and the Maldives, the Christian far right in the US and Western Europe, the Buddhist far right in Myanmar, and the Hindu far right in India, are feeding on people's sentiments of being "offended" based on their perception of how freely the religious and ethnic minorities can practice their faith and culture.
- This sense of "offendedness" can often be amplified by the ease of communication on social media.
- Political groups selectively mobilise genuine religious devotion to manufacture both offense and a sense of being offended- or off endedness.
- It is this "making" of offense that is exacerbating communal tensions and dividing an already polarised polity along religious lines.
- The main objective of hate speech is met when the support base is widened, a divisive narrative is created, and people are mobilised around a political agenda.
- The media, meanwhile, are caught in reporting incidents when they happen, or else inadvertently serving as a vehicle for politicians who use hate speech as a tool for identity politics.

CHALLENGES FROM MEDIA AND SOCIAL MEDIA

- In the process, the media often lose sight of the manufactured quality of hate spin, especially where the line between hate speech and free speech are blurred.
- Vitiated, ideologically polarised and aggressive politics is fast becoming a cauldron of victimhood and rage.
- Although, widespread communal violence and rioting have taken place in the past, social media have the singular power to amplify the speed and force of messages.
- Significant challenge is posed by the algorithms used by these platforms, which distort realities and create alternate ones in echo chambers of like-minded users where beliefs are perpetuated, even those that are premised on hate and lies.

ONLINE RADICALISATION AND TERRORISM

- Internet enhances the opportunities to become radicalised and serves as an 'echo chamber of extremists'.
- Jihadist organisations have made full use of the Internet and the social media for spreading their influence worldwide.
- In this respect, the so called 'Dark Web' (part of the World Wide Web not indexed by Web search engines) provides the perfect 'breeding grounds' for the seeds of radicalisation to thrive and grow.
- Most jihadist groups use the Internet for the purposes of:
 - Propaganda.
 - Scouting prospective radical recruits from the global throng, otherwise difficult to identify and contact in real world.
 - Indoctrination and radicalisation.
 - Terror financing, mainly through cryptocurrencies.
 - Providing instructions for combat training and weapons manufacturing (particularly from objects of everyday use).
 - Conducting cyberattacks
 - Coordinating terrorist attacks.
 - Marshalling forces during active operations in theatres such as Syria, Iraq and Libya.
- In the Indian context, online jihadist radicalisation is not limited only to global jihadist organisations such as the AQIS or ISIS, but also to that of Indigenous and regional groups such as Indian Mujahideen, JeM, LeT, the Taliban.

USE OF SOCIAL MEDIA BY TERROR GROUPS IN INDIA

- Indian jihadist groups use a variety of social media apps, best suited for their disparate purposes.
- Kashmiri radicals employ WhatsApp groups for coordination and communication: they simply create WhatsApp groups, add all the members, and communicate the date, time and place for conducting mass protests or stone pelting.
- After Burhan Wani's death, multiple pages were created that called for avenging his death.
- Many Facebook pages were created after Uri attack and India's 'surgical strike' against jihadist posts inside Pakistan territory.
- LeT used Google Earth to understand locations in Mumbai before the terrorist attacks on the city in 2008.

ISIS AND SOCIAL MEDIA

- ISIS— following its recent drubbing—runs its global movement entirely online.
- The AQIS has a substantial presence on the Internet already.
- Its now banned and blocked YouTube channels— Ansar AQIS and Al Firdaws—once had subscriptions more than 25,000.
- Its online magazines are Nawai Afghan and Statements, which come out in Urdu, English, Arabic, Bangla and Tamil.
- ISIS members maintain anonymity on social media. They avoid turning on their Global Positioning System (GPS) locations and use virtual private network (VPN).
- The ISIS supporters use VPN or a similar programme for use from a mobile device or Web browser.
- Once installed, users could select an Internet Protocol (IP) address for a country outside the US, and thus bypass email or phone verification.

MEASURES TO COUNTER ONLINE RADICALISATION

- There is a clear need for India to develop effective indigenous counter-radicalisation programmes and evolve strategic communications to disseminate political, liberal, religious and socially resonant and effective counter-narratives to combat the spread of jihadist radicalisation.
- Specialised task forces and research wings in think tanks and relevant government departments must be developed, as well as competent personnel and facilities must be groomed for implementing the programmes in prisons, seminaries, schools, colleges, etc.

- Civil society needs to be engaged in playing its crucial role in fighting the growing threat of radicalisation in the region.
- Cooperation with the international community, would have to develop appropriate and effective legislation and processes to bring extremist organisations of all denominations to the book, including those that spread hate, even if they do not openly engage in violent activities.
- Such organisations often function as fronts or breeding grounds for raising radical cadres.
- Instances of communal clashes and violence should not be taken lightly or dismissed as rare occurrences in our multi-religious, sectarian, casteist and ethnically diverse society.
- Serious thought must also be given to preventing a climate of mistrust, in times when transnational non-state actors are increasing their seditious activities in the country.
- Various religions and their impact on society should be studied as a secular academic discipline in various universities
- False religious indoctrination of foreign extremist groups through the Internet can be countered in a precise, scientific manner and authorities may not have to depend on biased, opinionated and poorly educated religious scholars to frame the country's counter-narratives and deradicalization policies.
- The importance of developing a strong counter-radicalisation presence in the cyber world can also not be understated, particularly in the country's regional languages in which the ISIS and al-Qaeda are gradually spreading their message.
- There is a need to revitalise India's and the region's sociocultural ethos, wherein countries should not just represent political unions but should emerge as organic, composite entities. In the absence of a strong social fabric and common cultural ethos, security measures can never prove sufficiently resilient against the threat of extremism and terrorism.

► FAKE NEWS

Fake news is becoming a huge menace in promoting more biases, divisions, hatred and violence in society. New Zealand attacks, manipulation of elections, lynching are some examples of negative impacts.

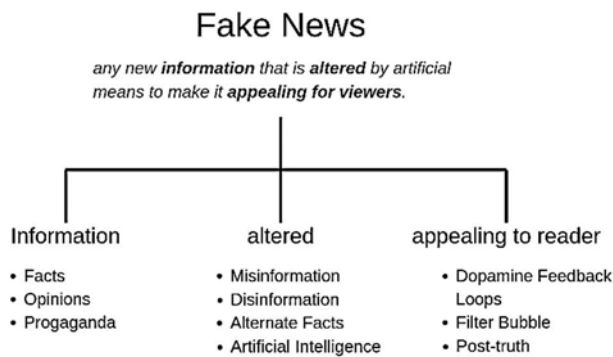
A recent Microsoft survey, covering 22 countries shows that as many as 64% of Indians surveyed have encountered fake news as against the global average of 57%.

WHAT IS FAKE NEWS?

It may be defined as “Any misinformation or disinformation deliberately disseminated on a large scale that has the potential to threaten the life or national security or an election outcome.”

Fake news exists within the larger context of misinformation and disinformation.

- Misinformation is false or inaccurate information that is mistakenly or inadvertently created or spread where the intent is not to deceive.
- Disinformation is false information that is deliberately created and spread to influence public opinion or obscure the truth.



Further, the advent of fake news is not new or recent, only its potential to reach people has amplified due to online platforms and applications that are free. Users creating hate content and sharing it can be booked under relevant sections of the Indian Penal Code (IPC). But the sheer expanse of the Internet and the anonymity it grants makes it difficult to track down people.

Unlike mainstream media that falls under comprehensive regulation, online platforms have scope for wrongdoing due to the lack of binding rules, and the ability to keep owners and editors private like in the case of fake news sites. In the absence of such crucial information, there is no understanding of the liability and the credibility of the information that is being hosted on their respective sites. This is the main strength of the creators of fake news, the ability to remain anonymous in the guise of a media outlet.

Fake news is a threat to democracy in a way more perverse than most people appreciate. In these times of easy access to the ability to crunch large amounts of data, unstructured and in real time, it is possible for political parties or, more realistically, specialist troops employed by them, to profile individual voters and flood them with news, fake and real, that would accentuate

perceived favourable political propensities or neutralise perceived hostile inclinations.

Despite several attempts at tweaking laws and regulations to fight the evil of fake news, such regulation proved ineffective. So far, no Indian statute or regulatory guidelines has defined fake news or has laid down criteria for defining fake news. Any amendment in the existing legal framework should begin with defining this term.

HOW TO COMBAT?

Fixing Responsibility	<ol style="list-style-type: none"> Lack of uniform guidelines, regulation and policy regarding such fabricated content needs to be addressed urgently. Government should take steps to combat use of communication networks to spread rumors misinformation such as through WhatsApp, rather than shift responsibility to communication networks, wherein accountability should be fixed with police and public officials for maintaining law and order. Regulation should avoid emphasizing censorship of means of fake news such as communication networks but emphasize awareness towards fake news and regulating creators of fake news and its after-effects.
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Onus of Social Media platforms	<p>Recently, Google, FB and WhatsApp raise stakes to tackle 'fake menace.'</p> <p>► WhatsApp</p> <ul style="list-style-type: none"> • The first action was by WhatsApp when it released advertisements in Indian newspapers about identifying fake news. • WhatsApp has even added a 'forwarded' sign that comes with a message that is not original. <p>► Google</p> <ul style="list-style-type: none"> • Google rolled out a train-the-trainer program with its Google News Initiative India Training Network. The program aims to train working
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	<p>journalists to create in-house experts who can help identify fake news. The trainers are expected to train journalists in digital tools like advanced search, reverse image search and other tools where even videos can be subjected to reverse image search to debunk fake news.</p> <ul style="list-style-type: none"> • Google is also funding 87 outlets through its Google News Initiative (GNI) YouTube innovation funding. The funding aims to help news outlets in 23 countries across the world in exploring live and fact-checking formats. In Hyderabad, Factly, a firm that has tried to push data driven information, is now collaborating with Google. <p>► Facebook</p> <p>Facebook has taken a community route hosting a workshop on Community Leadership Circles. Aims to build a community of admins in cities who can develop policies and control the content that is shared in the groups. They will be part of a network who can mentor and groom admins.</p>
Promotion of Fact Checking	<ol style="list-style-type: none"> Numerous fact-checking websites such as Alt News have sprung up and a few of them have even partnered with big players like Google and Facebook to provide factual accuracy. The fact checking organization Boom Live is available on WhatsApp in India.
Onus of consumers	<ol style="list-style-type: none"> Due diligence is required on part of the users as actual consumers and targets of fake information and online content to contain the spread of fake news. Human judgment and wisdom therefore are critical to solving the spread and reactionary activities of Fake news.

	<ol style="list-style-type: none"> Before sharing dubious content, users can exercise judgement to question the source and its credibility, or to check the credentials of the individual it has come from.
Use of Artificial Intelligence	<ol style="list-style-type: none"> Form a database of specific accounts, sources, geographical locations or IP addresses which are a known source of fake news and linked to A.I. detection mechanism. Run a content cross-check for the news story against a dynamic database of stories which demarcates legit and fake stories. Run an evaluation for the headline text and the content of the post, looking for consistency between both or sift through similar articles over other news media platforms for fact checking. Spot manipulated or doctored images and videos, which can further alert the users of the dubious content.
Crowd Sourcing	<ol style="list-style-type: none"> Human networks through crowdsourcing can be conducted to combat fake news. It would be like the concept of Wikipedia where a network of volunteers keeps the information updated. A collective effort of individuals, governments, social media and content platforms with the additional use of technology solutions, needs to be integrated with social causes and awareness among the masses to combat the influence and spread of fake news.

The current response to fake news primarily revolves around three prongs — rebuttal, removal of the fake news item and educating the public. While these are necessary measures, it is not apparent that they are sufficient in themselves to address the larger 'political' problem posed by fake news.

BORDER MANAGEMENT

Previous Year Questions

YEAR	UPSC MAINS QUESTIONS
2020	For effective border area management, discuss the steps required to be taken to deny local support to militants and suggest ways to manage favourable perception among locals.
2020	Analyse internal security threats and transborder crimes along Myanmar, Bangladesh and Pakistan borders including Line of Control (LoC). Also, discuss the role played by various security forces in this regard.
2018	The China-Pakistan Economic Corridor (CPEC) is viewed as a cardinal subset of China's larger 'One Belt One Road' initiative. Give a brief description of CPEC and enumerate the reasons why India has distanced itself from the same.
2016	The terms 'Hot Pursuit' and 'Surgical Strikes' are often used in connection with armed action against terrorist attacks. Discuss the strategic impact of such actions.
2016	Border management is a complex task due to difficult terrain and hostile relations with some countries. Elucidate the challenges and strategies for effective border management.
2014	International civil aviation laws provide all countries complete and exclusive sovereignty over the airspace above the territory. What do you understand by airspace? What are the implications of these laws on the space above this airspace? Discuss the challenges which this poses and suggests ways to contain the threat.
2014	The diverse nature of India as a multireligious and multi-ethnic society is not immune to the impact of radicalism which has been in her neighbourhood. Discuss along with the strategies to be adopted to counter this environment.
2014	How illegal transborder migration does pose a threat to India's security? Discuss the strategies to curb this, bring out the factors which give impetus to such migration.
2014	In 2012, the longitudinal marking of the high-risk areas for piracy was moved from 65° East to 78° east in the Arabian Sea by International Maritime organisation. What impact does this have on India's maritime security concerns?
2014	China and Pakistan have entered into an agreement for development of an economic corridor. What threat does it dispose for India's security? Critically examine.

2013	How far are India's internal security challenges linked with border management, particularly in view of the long porous borders with most countries of South Asia and Myanmar?
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► BORDER MANAGEMENT

Borders are markers of territorial sovereignty. They act as barriers to undesirable elements considered harmful for domestic territory and population. However, they serve as bridges to facilitate legitimate socio-economic & cultural exchanges.

- **Barrier role:** Traditionally primary role of borders has been to prevent (a) Cross border terrorism (b) Illegal migration (c) Trafficking of narcotics and drugs (d) smuggling.
- **Bridging role:** Globalisation & ICT revolution enabled an increase in cross border movement. Thus, barrier role was seen as a hindrance to free flow of trade, limiting market size and increasing transaction cost. Thus, border needed to be transformed into bridges for enhanced trade and connectivity.
- South Asia comprises of 7 sovereign states, with over 1/6th of world's population and numerous ethnic, religious and linguistic groups. It is theatre of ethnic & religious violence, transnational in nature. The ethnic, religious and linguistic overlap has not only affected internal political developments in each country but also inter-country relationships.
- Boundaries between neighbors are not natural both geographically and ethnically; therefore, social tensions are bound to have a transborder impact. Traditional linkages of friendship and inter- action amongst people have become competing arrangements for aiding and abetting subversion, terrorism and insurgencies.
- Two major narcotic centers globally, Golden Crescent in Northwest & Golden Triangle in the East have made South Asia vulnerable to drug trafficking Combination of large-scale availability of man portable weapons, illegal financial resources through narcotic trade and cross border nexus for smuggling and terrorist activities has made the environment violence and conflict prone.

► ISSUES OF BORDER MANAGEMENT

- **Undefined & unsettled borders:** Some maritime boundaries are still undefined; much of land borders are not demarcated on the ground. The disputed and unsettled nature of our boundaries has made them a source of tension and made their policing difficult.
- **Lack of concern about border and border areas:** The beliefs such as border management and development of border lying areas were not so important as country needed to focus on national development.
- **Artificial borders and not natural borders:** Since many of our borders are man-made artificial boundaries and not based on natural features such as rivers, watersheds etc, they are extremely porous.
- **Multiplicity of forces on same borders has** inevitably led to the lack of accountability as well as problems of command and control.
- **Lack of empowerment of Border Guarding Forces:** BGFs need to be appropriately strengthened both in terms of equipment and manpower.
- The repeated withdrawal, in large numbers, of para-military forces from border guarding duties for internal security and counter insurgency duties has led to a neglect of the borders. These forces have also been unable to perform optimally due to cannibalisation of battalions and even companies.
- **Lack of institutionalised arrangements for sharing and co-ordination of intelligence** particularly at field level, is a primary weakness in proper management of borders. The present tendency on the part of each agency to guard its turf, even at the cost of compromising national security interests, needs to be deprecated and put down sternly.
- **Illegal migration across our borders** has continued unabated. We have yet to fully wake up to the implications of the unchecked immigration for the national security. Today, we have about 15 million Bangladeshis, 2.2 million Nepalese, 70,000 Sri Lankan Tamils and about one lakh Tibetan migrants living in India.
- **Demographic changes** have been brought about in the border belts of West Bengal, several districts in Bihar, Assam, Tripura and Meghalaya because of **large-scale illegal migration**.
- Such **large-scale migration** has obvious social, economic, political and security implications. The massive illegal immigration poses a grave danger to our security, social harmony and economic well-being.
- **Smuggling** of different consumer and intermediate goods, trafficking in drugs and narcotics etc. flourish through large parts of our border. For clandestine

cross border transit, communities of professional couriers have come up in the villages and towns close to our land borders and maritime.

- Pak ISI engages in encouraging these activities. Drug couriers are allowed passage on condition of collecting and reporting trans-border intelligence.
- Trained saboteurs and terrorists are prevailed upon to carry drugs for sustenance and operational expenses from the sale proceeds. Passage to couriers of contraband is often conditional to carrying and delivering of arms and ammunition.
- India's long coastline and coastal areas have remained largely unprotected and unguarded. The presence of the Coast Guard is minimal. For a country of our size, the Coast Guard must be a strong and vibrant organisation. There is also need for a greater clarity in the role of the State Governments vis-à-vis the Coast Guard as far as shallow water surveillance of the coasts is concerned.

► SECURITY APPARATUS FOR BORDER MANAGEMENT

- Indian border security is handled by Cabinet Committee on Security, which oversees entire internal security apparatus.
- Ministry of Home Affairs handles most operational aspects of both border security and internal security.
- Coordination takes place by Cabinet Secretariat, and Prime Minister's Office (PMO).
- Several administrative, intelligence and enforcement agencies are involved, as are similar organizations at state level in India's federal government structure.
- Under MHA, principal department responsible for border security is Department of Border Management, overseeing strengthening of border policing & surveillance, infrastructure creation through building of roads & fences and flood lighting of borders.
- Intelligence responsibilities are shared among at least 12 organizations, which report to different ministries.
- Intelligence Bureau, the primary agency responsible for internal intelligence, reports to the home minister.
- Joint Intelligence Committee (JIC), National Technical Research Organization (NTRO), and Aviation Research Centre are under purview of National Security Adviser (NSA).

BORDER SECURITY APPARATUS AND ASSOCIATED ISSUES

- land border security apparatus involves specialized paramilitary organizations to include Indo-Tibetan Border Police, Assam Rifles, Sahastra Seema Bal, Border Security Force, and Special Frontier Force.
- All these report to Home Ministry except Special Frontier Force, which is under control of India's external intelligence wing, RAW.
- Battalions of Indo-Tibetan Border Police have been put under operational command of the Indian Army.
- In addition, Indian Army, and Indian Police Service have responsibilities along the borders.
- The enforcement arm of the border security apparatus also suffers from weak coordination. The most difficult problem is coordination between state and central agencies, and it operates both at the political level, between the national government and the elected chief ministers of the states, and especially in policing.
- The internal security apparatus faces additional challenges with a poorly trained and understaffed police force, an outdated and overburdened legal system, and insufficient modern equipment.

SUGGESTIONS FOR EFFECTIVE BORDER MANAGEMENT

- Regulation of the Borders: Effective regulation of the movement of people and goods is the hallmark of good border management. For this government must facilitate legitimate travel and trade, while at the same time preventing illegal migration, smuggling and infiltration of insurgents and terrorists.
- Border Guarding Forces (BGF): These forces need to be dedicated to their tasks of guarding borders and should not be employed on Counter insurgency duties or maintenance of law and order.
- Allotting of powers of jurisdiction and detention under the customs act and Cr Pc to other CPOs, such as ITBP and AR could be done; at present such powers are restricted to the BSF only.
- Further, these forces need to be strengthened in the following aspects:-
 - (a) Maintain minimum strength at all times.
 - (b) Equipment profile to cater for their specific roles.
 - (c) Intelligence capability in terms of personnel and equipment.
- Despite several wars and conflicts, India's borders continue to be manned by a large number of military, paramilitary and police forces, each of which has its

own ethos, and each of which reports to a different central ministry, with almost no real coordination in managing the borders.

- while the BSF should be responsible for all settled borders, the responsibility for unsettled borders, such as the line of control in J&K and Line of Actual Control on the Indo-Tibetan border should be that of the Army.”
- BGF peace time management restructuring -
- The entire Indo-Tibetan border should be directly guarded by the army and there is no requirement of any ITBP deployment.
- In J&K, the LOC and the AGPL should be guarded by the army. There is no requirement of BSF companies along LOC interspersed between army battalions.
- The BSF should be bifurcated into two BGFs, one retaining the name BSF, for the Indo-Pakistan IB, and the other could be called Eastern Frontier Rifles.
- BGF battalions should be authorized hand-held Image Intensifiers, Battlefield Surveillance Radars, ground sensors and much increased scale of modern communications equipment.
- BGF troops should be organized as lightly armed scout forces, and the presently existing fire support units of mortars and artillery should be abolished.
- Training of Border Guarding Forces: Government does not have a robust holistic training programme for the border guarding personnel, which is necessary for sensitising the security personnel towards the cultural nuances of every border area and help elicit better cooperation from the local population. Proper training and incentives are essential for keeping the morale of the border guarding personnel high
- Police Stations in Border Zones: Upgradation of police stations in border zones would provide a sound second tier for border guarding forces.
- Perception Management: Aggressive media posturing to counter subversive propaganda by hostile neighbours in the border areas.
- Role of Locals in Border Management: To incorporate locals into border management certain actions are required to be taken as prerequisite such as improvement of living conditions of people in border areas and providing basic amenities and security to the people.
- National Database: Establishment of a national network supported by a powerful data bank to check

illegal immigration and unauthorized passage to the country is a necessity.

► INDIA - BANGLADESH BORDER

- India shares 4096 km long land boundary with Bangladesh. India's longest terrestrial border.
- Trans-border migration from Bangladesh is a major concern in in Assam and Northeast.
- There are estimated to 15-18 million illegal Bangladeshi immigrants in India, who have spread to all Northeast States with bulk of them in Assam.
- Their transgression into land and providing cheap labour is a cause of social and economic insecurity for local communities causing of tension and violence.
- Siliguri corridor with its porous borders along Bangladesh & Nepal has become a major conduit for ISI subversive activities. Mushrooming of madrasas along Indo-Nepal and Indo - Bangladesh borders is planned by ISI with help of radical elements in Bangladesh for subversive activities in Northeast.
- Some pockets have become breeding ground for mafia, smugglers, gun running, hawala transactions, narco-trafficking, influx of fake Indian currency and terrorist activities.
- Bangladesh has become a nodal point for transshipments of arms & ammunition acquired by Northeast insurgents from Southeast Asia.
- ISI (Pakistan) is helping for storage and transshipments through fundamentalist organizations like JEI of Bangladesh, Madrasas and NGOs under its patronage. Some elements amongst Bangladesh authorities are suspected to be conniving with the ISI.
- BSF is the border guarding force along the border.

CHALLENGES IN BORDER MANAGEMENT

- Porous nature of Border: Wide inter-BOP gap in the face of dense population residing near the boundary, allows free movement of nationals including criminals, of both the countries.
- Difficulty in Identifying Bangladeshi Nationals: Indians of the bordering states and Bangladeshis look alike, speak the same language (Bengali and/or Assamese), wear the same dress and have similar set of cultures and traditions, thus making it difficult to identify a Bangladeshi national.
- Passive/Indifferent Attitude of Border Population: All border crimes take place in an organised manner. The population residing in the border areas is either

dependent on the kingpins or are scared to speak against such criminals.

- **Over-population in border areas:** Density of population in border areas at some places is approximately 700-800 persons per sq. km on Indian side and about 1,000 persons on Bangladesh side.
- **Cutting of barbed wire by smugglers:** Smugglers have invented a very ingenious way of dealing with the security forces who try to obstruct their activity - by cutting the barbed wire.
- **Circuitous International Boundary:** Non-linear pattern. Passes through villages, fields, houses, rivers, and jungles in an uneven manner and at places forms big loops.
- **Topography:** Entire stretch of border can be broadly categorised as - flat/plain (in West Bengal, Assam-Barak Valley, Tripura), riverine in West Bengal and Assam, hilly/jungle (in Meghalaya).
- **Firing Across Border:** Though not as intense as on Indo-Pakistan border (J&K), both Indian and Bangladeshi troops resort to firing across the International Border at the slightest provocation, causing tension and problem of management.
- **Illegal cattle trade** is another challenge.

STEPS TAKEN BY GOVERNMENT

- A proposal for construction of 422 Composite BOPs along Indo-Pakistan Border and Indo-Bangladesh Border has already been approved by Gol. Out of 422 Composite BOPs, 326 Composite BOPs are to be constructed along the Indo-Bangladesh Border.
- To curb the infiltration, smuggling and other anti-national activities from across the Indo-Bangladesh Border, the Government of India has undertaken the **construction of fencing along this border**.
- The Government of India has taken an initiative to cover the area where physical fence is not feasible with non-physical barriers in the form of **Comprehensive Integrated Border Management System (CIBMS)**. CIBMS includes integration of manpower, sensors, networks, intelligence and Command & Control Solutions to improve situational awareness at different levels of the hierarchy to facilitate prompt and informed decision making and quick response.
- To have better communication and operational mobility of BSF in border areas, **border roads** have been constructed.

- The Government of India has decided to undertake the work of installation of **floodlights** along Indo-Bangladesh Border.

WAY FORWARD

- The problem of border management on this border is not just one of securing the borders but of doing so without causing harm to the economic interest of the people, long dependent on mutual trade and various other forms of interdependence.
- It would be in the interest of both the nations to streamline and institutionalise the movement of people by issuing work permits and identity cards to migrants.
- To check inflow of illegal migrants, armed intruders and illegal trade, particularly cattle smuggling, trafficking of women and children, the completion of fencing should be expedited.
- BSF should inculcate a sense of security amongst the border population. This can help in filling the gap in intelligence gathering in these areas.
- the morale and motivation of those guarding the borders must be ensured in terms of welfare, incentives and promotions.

► INDIA - MYANMAR BORDER

INSURGENCY IN NORTH-EASTERN STATES

- Since inception of **insurgency in Northeast** in 1950s, Naga, Mizo, Meitei, and Assamese insurgents have been crossing over into Myanmar to set up bases, especially in Chin state, where they rest, recoup, train, plan and launch future offensives, and take shelter when pursued by the Indian security forces.
- These groups have **ethnic ties across the border** which makes it easy for these groups to find support on the other side of the border.

WEAPONS

- This support has helped them in sustaining their rebellion even when faced with the superior might of the Indian security forces.
- Besides cross border **movement of insurgents, rampant gun running and drug trafficking** are other significant security challenges emanating across the India-Myanmar border. The Indian insurgent groups have been procuring arms from the black markets of Southeast Asia as well as from Myanmar-based rebel groups.
- **Weapons from Thailand & Cambodia** are smuggled overland through India-Myanmar border with help of Chin and Arakanese insurgents.

- [Weapons produced in China](#) are routed across Myanmar border at Ruili and then trucked via Lashio, Mandalay & Monywa to enter Indian border through Phek, Chandel, Churachandpur and Champai.

DRUG TRADE FROM GOLDEN TRIANGLE

- [Golden Triangle](#) makes India-Myanmar border vulnerable to trafficking of heroin and amphetamine-type stimulants (ATS) produced in Myanmar. These narcotics are trafficked into India through Mizoram, Manipur and Nagaland.
- [Reverse trafficking of precursor chemicals](#) such as ephedrine and pseudo-ephedrine as well as codeine-based medicinal preparations from India to Myanmar takes place through the same route.
- While the bigger insurgent groups are not directly involved in drug trafficking to generate funds, they do so indirectly by demanding protection money from drug mafia for allowing safe passage to the drug consignments through their area.

LACK OF CLEAR DEMARCATION BOUNDARY

- International boundary had been formally demarcated by boundary agreement in 1967. However, boundary has not crystallised on ground as lines separating two sovereign countries.
- India-Myanmar boundary is superimposed on socio-cultural landscape of the borderland, dividing several tribes and forcing them to reside as citizens of different countries.
- These tribes refuse to accept artificial line and continue to maintain strong cross-border ethnic linkages.
- Insurgents often exploit such linkages to find shelter across the border among their own kinsmen who are sympathetic towards their cause.

FREE MOVEMENT REGIME (FMR)

- Indo-Myanmar border has this unique mechanism. FMR permits tribes residing along border to travel 16-km across boundary without visa restrictions.
- While FMR has helped tribes continue maintain their age-old ties, it has also become a cause of concern for the security establishment as its provisions are exploited by the Indian insurgents to cross over to Myanmar unrestricted and establish safe havens.
- Another provision in the FMR, which allows tribal people to carry headload, has also been misused to smuggle in drugs, weapons and other contraband.

TERRAIN OF THE BORDER

- High mountains, deep river channels together with lush forest characterise the borderland.

- Absence of roads, communication links and other border guarding infrastructure also adversely affect policing as they hamper the easy and rapid movement of the border guarding forces along the border.

ISSUES IN BORDER SECURITY ARRANGEMENT

- Assam Rifles is the designated border guarding force for India-Myanmar border, deploy only 15 battalions out of 46 battalions for border guarding purposes and the rest are engaged in counter insurgency operations.
- Efforts to build a 10 km fence to prevent cross-border movement of insurgents have also been stalled because of protests by residents.

MILITARY COUP IN MYANMAR

- Refugees fleeing the military crackdown are entering Mizoram. This has led to [disagreement](#) between centre and Mizoram which supports refugees.
- Centre's instruction of sealing border with Myanmar has irked ethnically and culturally connected communities on both sides. Ex – Chin community.

WAY FORWARD

- Given that poor security along India-Myanmar border poses a challenge to India's security, it is imperative that India strengthens security of the border and redoubles its efforts to meaningfully engage Myanmar to effectively manage this border.
- Give Assam Rifles sole responsibility of guarding India-Myanmar border and strengthen it with adequate manpower and equipment.
- Through sustained community interaction programs, border community should be sensitised to participate in the nation building project.
- International borders are best managed when neighbours cooperate to secure their mutual borders.
- For such cooperation to materialise, political and diplomatic initiatives require to be carefully crafted.
- India has been constructively engaging Myanmar so that it remains sensitive to India's security concerns.
- India should maintain this cooperation with Myanmar for better managing their shared border.

► INDIA - PAK BORDER

- India-Pakistan border areas are spread across [extreme climatic conditions](#) given that boundary runs from hot Thar Desert in Rajasthan to cold Himalayas in J&K.

- Unsettled and disputed border areas at LOC, Sir Creek and maritime areas.
- Diverse ecological & climatic conditions create hurdles for extending security & administrative reach in these border areas.
- Man-made nature of the boundary throws up issues such as border disputes, porous borders, continuance of trans-border ethnic & social ties etc.
- Together, they pose a serious challenge to effective management of borders particularly with Pakistan.
- Gujarat: Characterised by arid wasteland and large number of creeks. High salt content in the soil and hot temperatures make the area unsuitable for agriculture. Resultant poverty & abundance of creeks lends the area to nefarious trans-border activities.
- Rajasthan: Major portion of this land comprises of Thar Desert on both sides. Area opposite this region comprises Sindh and Punjab provinces of Pakistan. Here border has been largely fenced; however, instances of illegal movements come to light often.
- Punjab: Characterised by highly fertile land & most prosperous amongst border areas. Population centres straddle border and coupled with excellent road and rail communications. Region is ideally suited for subversion and trans-border immigration. Basins and alignment of three major rivers i.e., Ravi, Sutlej and Beas provide alternate routes for smugglers and other anti-national elements to reach areas in depth with relative ease.
- J & K Border: Most complicated arrangements for border management. The 1,225 km border is divided into three sectors: IB sector, LC sector and AGPL.

IB SECTOR (240 KM)

The area is also referred to as the plains sector of J&K but has large tracts of broken country and large number of water bodies flowing across. Terrain and the large number of 'enclaves' in the region make the area conducive for infiltration and smuggling of arms in support of the militant groups operating in the valley and more particularly those operating in Doda district.

LOC SECTOR

- This sector corresponds to border districts of Chamb – Jaurian, Akhnoor, Rajouri, Poonch, Uri, Baramulla, Kargil & some part of Leh rising to almost 20,000 feet.
- The region lacks international recognition implying that any territory usurped by a side goes to that side or simply put your sovereign control extends to the line of your control. LoC by its nature runs through villages and has no geographical basis – thus splitting

villages through and through. This region is marked by largest terrorist infiltration.

CHALLENGES IN BORDER MANAGEMENT

- High mountain ridges & forests on Western Himalayan slopes are ideal sites for hideouts/camps being extremely remote & difficult to patrol regularly.
- Direct link between drug trafficking & terrorism.
- Golden Crescent is a major source of heroin and hashish for West, smuggled through Indo-Pak border.
- ISI has been using these established channels for smuggling of arms & explosives, provided terrorism greater teeth.
- CIA report confirms use of drug money by Pak intelligence agencies to finance militancy in Punjab and Kashmir.
- Pakistan, particularly ISI, has realized vast damaging potential of money laundering, hawala and counterfeit currency to sustain subversive activities.
- Pakistan has aided and promoted narcotic trade to fund terrorist outfits and underworld to destabilize our financial system and economy.
- Villagers adjacent to border are alleged to be involved in smuggling. In addition, border population has also been subjected to hostile propaganda by Pakistan designed to mislead and sway their loyalties.
- Sir Creek area, due to its peculiar terrain, makes movement of border guarding forces difficult and thus, provides scope for illegal fishing in the creeks.

GOVERNMENT EFFORTS

- Border Posts: There are more than 600 BOPs by BSF along Indo-Pakistan Border. Proposal for construction of 93 Composite BOPs along Indo-Pakistan Border has been approved which will provide necessary infrastructure for accommodation, logistic support and combat functions of BSF troops deployed on Indo-Pakistan border.
- Floodlighting: To curb the attempt of infiltration and cross-border crimes along the Indo-Pakistan Border, the Government of India has sanctioned 2043.76 km of floodlights along the international border in the States of Gujarat, Rajasthan, Punjab and Union Territory of Jammu & Kashmir.
- Fencing: To curb infiltration, smuggling and other illegal activities from across Indo-Pakistan Border, Gol has sanctioned 2069.046 km fence, out of which 2021.886 km fence work has been completed.
- Comprehensive Integrated Border Management System (CIBMS): Areas where physical fence is not feasible, will be covered through non-physical barriers

in Comprehensive Integrated Border Management System (CIBMS).

WAY FORWARD

- Responsibilities of guarding border should be clearly earmarked between various agencies.
- **Use of technology as force multipliers:** Greater use of technology such as UAVs, Unmanned Ground Sensors, drones, automatic facial recognition, Radars & monitoring using Thermal Imaging cameras will make border management more effective.
- Need to engage DRDO and private industry to ensure that equipment is available indigenously.
- Security & checking arrangements at Wagah, Poonch, Attari and other crossing points need to be strengthened.
- Need to ensure strengthened security measures, as in Punjab, along Rajasthan and Gujarat borders and to check infiltration, gunrunning and drug trade.
- **Monitoring religious schools:** Areas close to borders have seen a sudden upsurge in number of Madrasas, some funded by foreign countries and may be detrimental to the security.

Local Level Management

- Need to establish a formal system of flag meetings and hotlines between Pakistan Rangers & BSF commanders at battalion level to ensure that local incidents do not flare up.
- Sensitising the population living in the border areas of Gujarat, Rajasthan and Punjab would make the job of the border guarding forces easier.
- Need to improve working conditions.

► INDIA - NEPAL BORDER

- There is an informal open border regime between Nepal and India supporting sustenance of livelihood & cultural linkages of millions of people. However, this asset is turning into a liability due to extra-regional countries' design to destabilise relationship between India and Nepal.
- Terrorist outfits like LeT, Indian Mujahideen and insurgent groups from Northeast have been using open border to provide logistical support (supply of trained cadres, fake Indian currency and terror finance by using Nepalese banks, dispersal of small arms, explosives and narcotics) to their operations.
- There are frequent reports of misuse of open border by local criminal gangs, smuggling of subsidised consumer goods and allegations of encroachment of

territory. People living in the border region of both the countries engage in these activities.

CHALLENGES

- **Cross-border terrorism:** Abdul Karim Tunda, Lashkar-e-Taiba terrorist, was arrested from Nepal. Yasin Bhatkal co-founder of Indian Mujahideen, was arrested from border region.
- **Trans-border crime:** Indian criminal Bablu Dubey was arrested by Nepal Police.
- **Trafficking of narcotic drugs:** Trafficking of hashish.
- **Smuggling of goods and machinery**
- **Infiltration of third country nationals:** Bangladeshi citizen used to cross Nepal-India porous border illegally in disguise of Indian national (West Bengal). Such is the case from Pakistani, Afghani, Iranian citizens Indian (Uttar Pradesh State) nationals etc. Similarly, Bhutanese and Myanmar citizens cross border illegally in the disguise of Nepali nationals.
- Transportation of fake Indian currency notes from third country via Nepal to India.
- Smuggling of gold
- Abduction of businessmen and their children
- Illegal transaction of small arms and gunpowder.
- Trafficking of girls and women.

WAY FORWARD

- Since 98% of border is demarcated by joint survey, both the countries should resolve the border disputes by signing on the survey report. That will avoid border encroachment disputes. For e.g., Kalapani dispute.
- Since both the countries are affected due to the misuse of open border by internal and external forces, the responsibility of border management and regulation depends on both.
- Although India has taken certain measures, like deployment of additional SSB personnel, construction of integrated border check posts and capacity building programmes for the SSB, similar responses are required from Nepal.
- Last but not the least, meetings pertaining to joint border management mechanism should be organised regularly for effective border management, coordination, and to avoid any kind of misunderstanding between both the countries.
- Indian and Nepal should create more integrated check posts on the border areas to facilitate legitimate trade.

- Some kind of identity verification should be created on the border to check infiltration by terrorist and criminals.

► **BSF – CHANGE IN JURISDICTION**

Ministry of Home Affairs has modified areas of jurisdiction for Border Security Force to exercise its powers in the states bordering Pakistan, Bangladesh.

AMENDED JURISDICTION OF BSF

- BSF's jurisdiction now comprises, whole area in Manipur, Mizoram, Tripura, Nagaland and Meghalaya along Bangladesh border.
- Whole area of UT of J&K and Ladakh.
- Area within a belt of 50 km in States of Gujarat, Rajasthan, Punjab, West Bengal and Assam, running along borders of India.
- The new changes have increased area of jurisdiction of BSF in Punjab, West Bengal and Assam to 50 km from existing 15 km, while has reduced area in Gujarat to 50 km from existing 80 km.
- There is no change in jurisdiction of BSF in north-eastern states and UTs of J&K and Ladakh.

RATIONALE BEHIND MODIFICATION

- Based on new security concerns because of Taliban's takeover Afghanistan.
- Fear of heightened incidents of cross-border terrorism in future.
- Rise in terrorist attacks in J&K as well as an increase in incidents of arms being dropped by Pakistani drones in Punjab.
- Concerns regarding illegal migration, cattle smuggling, trafficking in person, narcotics and smuggling in fake Indian currency note (FICN) along Bangladesh border.
- With increase in operational limits, BSF will be able to conduct raids and make arrests deep inside the state.
- Use of Drones by terrorist groups allows trafficking of drugs and arms deep inside Indian territory.

CHANGES IN POWER OF BSF

- Empowers BSF to search, seize and arrest only in respect to Passport Act, 1967, Passport (Entry into India) Act, 1920, and specified sections of CrPC in the extended area of its jurisdiction.
- BSF's powers and duties regarding other central acts such as Customs Act, Central Excise and Salt Act, Narcotics and Psychotropic (NDPS) Act, Foreign Exchange Regulation Act, 1947, etc., do not apply to extended area of jurisdiction and remain same as

earlier, that is, 15 km for Punjab, West Bengal and Assam and 80 km for Gujarat

- Does not provide BSF power to investigate and prosecute, which implies that BSF still must hand arrested person and seized consignment over to State Police within 24 hours after minimal questioning,

ISSUES RAISED BY STATES AGAINST THE CHANGES

- Some States like Assam have welcomed the changes, others like Punjab & West Bengal have raised concerns about infringement of rights of state and is seen as affecting the Federal structure.
- Since law and order is state subject, extension of policing powers with increased jurisdiction is seen as usurpation of rights of States.
- States like Punjab have argued that notification has been brought without due consultation with State government.

Policing Powers

- The extension in jurisdiction has been done with the purpose of bringing uniformity in securing the border areas.
- Delegation of police powers has been done to the BSF in the past – 1969, 1973 and 2014.
- These powers were considered essential in view of circumstances like the terrain, population composition, crime pattern besides presence and effectiveness of the police in border areas.
- However, issues faced by states vary and as such one size fits all approach does not reflect ground reality.

STATE SPECIFIC ISSUE

→Rajasthan and Gujarat: Have a low population density and absence of any population centres to a large distance from border and limited police presence—necessarily required that police powers delegated to the BSF be larger in these two states.

→West Bengal, Punjab, Assam

- These states have much higher population density and a stronger police presence and better infrastructure.
- In the interior areas, the police have a better presence and effectiveness.
- Enhancement of jurisdiction in these three states to 50-km border belt may lead to confusion unless close coordination with the police is not ensured.
- On many occasions, close coordination may not even be feasible, especially in the case of hot pursuit because of necessity of swiftness and secrecy.
- Lack of coordination may lead to tussles because the concurrent jurisdiction of two forces, controlled by

two different governments may lead to turf wars, especially if the ruling parties in the state and centre are different.

- Core function of BSF will get adversely effected by enhancement of jurisdiction as troops deployed on Border Outposts (BOPs) will have to be withdrawn for operations in depth. Might leave borders vulnerable.

WAY FORWARD

- New threats of tunnels & drones should be addressed by augmenting capabilities of BSF through induction of technology to detect these at borders itself.
- Police is better equipped to handle drones landing in interior areas away from borders because of vicinity to the sites.
- Strengthening BSF intelligence wing through induction of technology and focused tasking to collect information about trans-border criminals
- Collection of intelligence in an area as large as 50 km from border in densely populated states can be better coordinated by state and central intelligence agencies and acted upon by the local police.
- BSF is better trained for border guarding rather than policing functions.

► DUAL CONTROL IN ASSAM RIFLES

Assam rifles was come at centre of controversy following a botched-up operations that led to killing of 13 civilians in Nagaland.

ABOUT ASSAM RIFLES

- Assam Rifles is one of the 6 central armed police forces (CAPFs) under administrative control of Ministry of Home Affairs (MHA).
- Task: Maintenance of law & order in Northeast along with Indian Army and guard Indo-Myanmar border.
- Other forces: Central Reserve Police Force (CRPF), Border Security Force (BSF), Indo-Tibetan Border Police (ITBP), Central Industrial Security Force (CISF) and Sashastra Seema Bal (SSB).

DUAL CONTROL STRUCTURE OF ASSAM RIFLES

- Assam Rifles is the only paramilitary force with a dual control structure.
- While the administrative control of the force is with the MHA, its operational control is with the Indian Army, which is under the Ministry of Defence (MoD).

- Salaries and infrastructure for the force is provided by the MHA, but the deployment, posting, the Army decides transfer and deputation of the personnel of Army in the Assam Rifles.
- All its senior ranks, from DG to IG and sector headquarters are staffed by officers from the Army.
- Lieutenant General from the Indian Army command the force.
- For other Central Armed Police Force under MHA, their recruitment, rewards, promotion of its personnel and retirement policies are governed according to the rules framed by the MHA for CAPFs.

DEMAND FOR A SINGLE CONTROL STRUCTURE

- Created two sets of demands from both within Assam Rifles and by MoD and MHA for singular control over the force by one ministry.
- Assam Rifle wants to be under administrative control of MoD, as that would mean better rewards and retirement benefits which are far higher compared to CAPFs under MHA.
- However, Army personnel retire early, at 35, while retirement age in CAPF is 60 years.
- CAPF officers have been granted non-functional financial upgradation (NFFU) to address the issue of stagnation at least financially in their careers due to lack of avenues for promotion.
- However, Army personnel get one rank one pension which is not available to CAPFs.

BOTH MHA & MOD DEMAND SINGLE CONTROL

- Ministry of Home Affairs Argument: All border guarding forces are under operational control of MHA. Thus, Assam Rifles coming under MHA will give border management a comprehensive and integrated approach. MHA would want to make guarding of Indo-Myanmar border on the lines of other CAPFs.
- Ministry of Defence's argument: Army has argued that Assam Rifles has worked well in coordination with Army and frees up armed forces to focus on its core strengths. Assam Rifles was always a military force and not a police force and has been built like that. Giving control of force to MHA or merging it with any other CAPF will confuse it and jeopardise security.
- Indian Army has pushed for total control of Assam Rifles but also operational control over ITBP, which guards Sino-Indian border and is currently engaged in a standoff with Chinese PLA in eastern Ladakh.

CYBER-SECURITY

Previous Year Questions

YEAR	UPSC MAINS QUESTIONS
2021	Keeping in view India's internal security, analyse the impact of cross-border cyber attacks. Also discuss defensive measures against these sophisticated attacks.
2020	Discuss different types of cyber-crimes and measures required to be taken to fight the menace.
2018	Data security has assumed significant importance in the digitized world due to rising cybercrimes. The Justice B. N. Srikrishna Committee Report addresses issues related to data security. What, in your view, are the strengths and weakness of the Report relating to protection of personal data in cyber space?
2017	Discuss the potential threats of Cyber-attack and the security framework to prevent it.
2016	Use of Internet and social media by non-state actors for subversive activities is a major concern. How have these have misused in the recent past? Suggest effective guidelines to curb the above threat.
2015	Discuss the advantage and security implications of cloud hosting of server vis-a-vis in-house machine-based hosting for government businesses.
2015	Considering the threats cyberspace poses for the country, India needs a "Digital Armed Force" to prevent crimes. Critically evaluate the National Cyber Security Policy, 2013 outlining the challenges perceived in its effective implementation.
2013	What are social networking site and what security implications do these sites present?
2013	Cyber warfare is considered by some defense analysts to be a larger threat than even Al Qaeda or terrorism. What do you understand by Cyber warfare? Outline the cyber threats which India is vulnerable to and bring out the state of the country's preparedness to deal with the same.

► CYBER SECURITY THREAT

Cyber security threat is an emerging concern for India's National Security.

India has been victim to the Cyber-attacks number of times in the recent past:

- **2017:** WannaCry and Petya Ransomware
- **2018:** Aadhaar Software hacked and Aadhaar details of the people leaked online
- **2021:** [Pegasus issue](#)

India is the third most vulnerable country to Cyber-attacks according to Symantec.

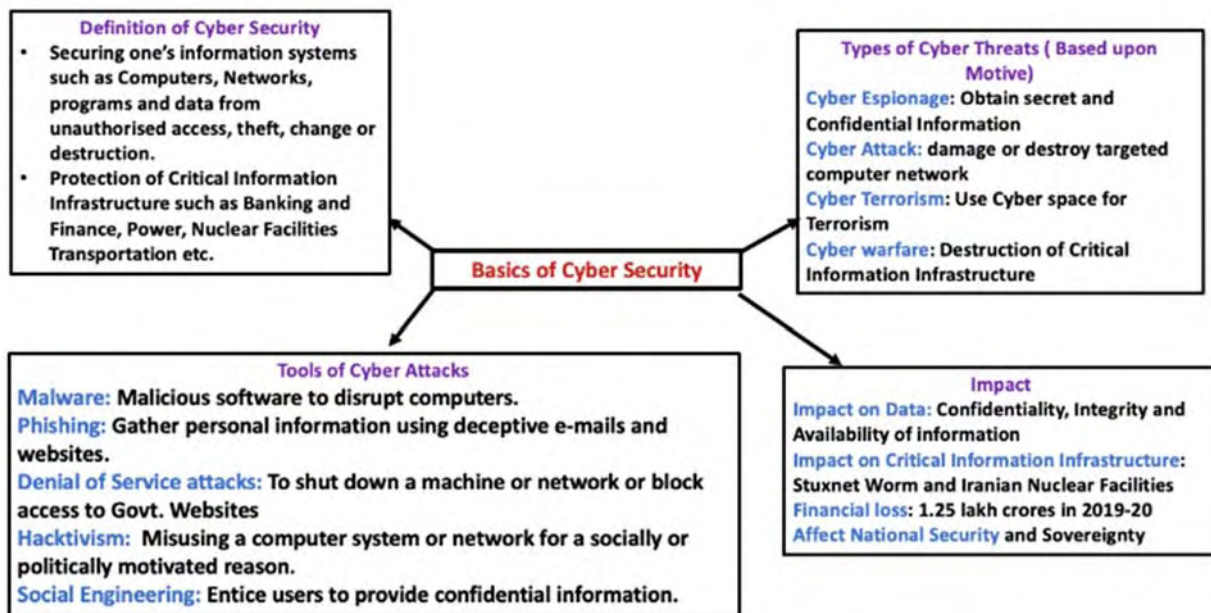
BASICS OF CYBER SECURITY

Based upon the motive, Cyber threats can be of 4 types:

- **Cyber Espionage:** The act or practice of obtaining secret information i.e., personal, sensitive, classified nature from individuals, competitors or governments using malicious software such as Trojan horses and spyware. **Motive** is to obtain secret information which could go against our national security.
- **Cyber Attack:** Targets computer information systems, infrastructures, computer networks. **Motive** is to damage or destroy targeted computer network or

system. Impact: Destruction of Communication network.

- **Cyber Terrorism:** Convergence of terrorism and cyber space. Cyberspace has been used the by terrorists for number of purposes such as Planning terrorist attacks, recruitment of sympathizers, spreading propaganda to radicalise people, to raise funding etc.
- **Cyber warfare:** Warfare conducted by a country or its proxies to attack the computer systems in other countries. Can Include- Theft, Vandalism (Defacing Web Pages), Destruction of Critical information infrastructure.



► TYPES OF CYBER SECURITY THREATS

→Pegasus

- Pegasus is a surveillance spyware that enables the remote surveillance of mobile phones. It has been created by the Israeli tech company NSO.
- NSO provides this product to governments and their agencies to boost their national security by tracking the communication of terrorists and criminals. This suggests if the list is real these people were under surveillance by governments.
- Pegasus is so powerful as a cybersurveillance tool that it is classified as a weapon goes through export clearances as a lethal weapon would from Israel.
- Once it infects a phone it can read every message and call, it can turn on the phone remotely to record every

conversation made near the device, without the target's knowledge.

- However, controversy has started because of its illegal use by the governments to track and put on surveillance of their political opponents.
- This has brought to light the surveillance laws that exist in India and how they stand the scrutiny of [Right to Privacy](#) recognised by the [Puttaswamy Judgement](#).

→Malware

- Malware, or malicious software, is any program or file that is harmful to a computer user.
- Malware includes computer viruses, worms, Trojan horses and spyware.
- Malwares can perform a variety of functions, including stealing, encrypting or deleting sensitive data, altering or hijacking core computing functions

and monitoring users' computer activity without their permission.

TYPES OF MALWARES

- **Virus:** Most common type of malware. It can execute itself and spread by infecting other programs or files. Exx. **Stuxnet:** Malware that targeted Iranian nuclear enrichment facilities.
- **Worm** – It is a type of malware that can self- replicate without a host program. Worms typically spread without any human interaction or directives from the malware authors.
- **Trojan** – It is a malicious program that is designed to appear as a legitimate program. Once activated following installation, Trojans can execute their malicious functions.
- **Xafecopy**
- A Trojan Malware.
- It is disguised as useful apps and operates normally.
- Malware uses technology to bypass 'captcha' systems designed to protect users by confirming the action is being performed by a human.
- **Spyware** – It is a kind of malware that is designed to collect information and data on users and observe their activity without users' knowledge.
- **Pegasus:** A spyware developed by Israeli cyber arms firm NSO Group Technologies. Mainly uses exploit links, clicking on which installs Pegasus on the target's phone.

→Distributed Denial of Service

- **Denials of service (DoS)** is a malware attack that prevents or impairs the authorized use of information system resources.
- **Working:** The malware first creates a number of botnets. These botnets then ping a single server all at the same time. As the number of pings are far beyond the capacity of target server, the server crashes and denies service to genuine users and hence the name.
- **Distributed denial-of-service** –is a variant of the denial-of-service attack that uses a coordinated attack from a distributed system of computers rather than a single source.
- Unlike other kinds of Cyberattack, DoS assaults don't attempt to breach the security perimeter. Rather, they aim to make the website and servers unavailable to legitimate users._

→Buffer overflow

- It is a bug in a computer program that can lead to a security vulnerability. A buffer is a part of the physical

memory storage that is temporarily used to store data. Buffer overflows occur when a program or process tries to write or read more data from a buffer than the buffer can hold.

- It can give an attacker access to different parts of the internal memory and eventually control the program execution, introducing risks in confidentiality, integrity and availability. Only native code programs are vulnerable to buffer overflows._

→BOT

Bot is software that can compromise the victims' machine and using it for further malicious activities. Bot's command and control server could direct the activities._

→Ransomware

- It is malicious software that is injected into the computer to limit the access of the system to the user and encrypt the data.
- Cyber criminals demand money in lieu of encryption key (that would unlock all the data and restore the access to the system).
- Nowadays, ransom is demanded in terms of Bitcoins.
- **Examples** - *WannaCry Ransomware, Locky Ransomware* etc._

→Man-in-the-middle (MitM) attacks

- Occurs when a malicious actor inserts himself as a relay/proxy into a communication session between people or systems.
- A MitM attack exploits the real-time processing of transactions, conversations or transfer of other data._

→Phishing

- It is a form of e-mail spam where a perpetrator sends an official looking fraudulent e-mail message to obtain the victim's personal and financial information.
- In the recent days, zombie computers or botnets are increasingly used for launching phishing attacks.

→Spear Phishing

- In the recent times IT and ITES companies have increasingly become victims of phishing attacks.
- Attackers disguise themselves as business related accounts like vendors, auditors etc to launch attacks on business groups.
- Once the business accounts are hacked, they are used a jump-off point to launch attacks on customers.
- This type of phishing attacks where the attackers disguise as legitimate accounts to attack a business group or its customers is called spear phishing.

→ Web Crawler

- Also known as a web spider, it is a program or automated script which browses the World Wide Web in a systematic manner.
- Web crawlers are mainly used to create a copy of all the visited pages for later processing by a search engine.
- Crawlers can also be used for automating maintenance tasks on a Web site, such as checking links or validating HTML code.

CRYPTO-JACKING

Cryptocurrencies are created through a process called mining. To mine digital coins, miners need to use high-end processors that will consume a lot of electricity.

Crypto jacking is what some digital coin miners do to illegally gain access to many computers. The miners stealthily drop malware in an unsuspecting user's computer. These malware runs surreptitiously and turns devices into cryptocurrency-mining botnets.

Unlike most other types of malwares, crypto-jacking scripts do not use the victim's data. But they drain the CPU's resources, which slows down the system, increases electricity usage, and causes irreparable damage to the hardware.

HACKTIVISM

Misusing a computer system or network for a socially or politically motivated reason. For example, the hacktivists can block access to Government's website, deface government's website or unblock the sites which have been blocked by the Government.

SOCIAL ENGINEERING

Entice users to provide confidential information. Ex., these days you must have come across some fake Facebook accounts which are opened in the name of your close friends. First, cyber attackers send you friend request in the name of your close friend. Once u accept it, they will ask to request you to transfer some money.

ADVANCED PERSISTENT THREAT

It is a type of cyber-attack in which an unauthorised user gains access to a system or network and remains there for an extended period without being detected.

They generally do not cause damage to company networks or hardware. Instead, they are focussed on stealing data.

→ DARKNET

The dark web is part of the internet that is not visible to search engines and requires the use of an anonymizing browser called Tor to be accessed.

DEEP WEB VS. DARK WEB: WHAT'S THE DIFFERENCE?

The terms "deep web" and "dark web" are sometimes used interchangeably, but they are not the same.



Deep web refers to anything on the internet that is not indexed by and, therefore, accessible via a search engine like Google. Deep web content includes anything behind a paywall or requires sign-in credentials. It also includes any content that its owners have blocked web crawlers from indexing. Medical records, fee-based content, membership websites, and confidential corporate web pages are just a few examples of what makes up the deep web. Estimates place the size of the deep web at between 96% and 99% of the internet. Only a tiny portion of the internet is accessible through a standard web browser—generally known as the "clear web."

Dark web is a subset of the deep web that is intentionally hidden, requiring a specific browser—Tor—to access, as explained below. No one really knows the size of the dark web, but most estimates put it at around 5% of the total internet. The dark net is most often used for illegal activities such as black markets, illegal file sharing, and the exchanging of illegal goods or services (including stolen financial and private data), and the anonymity of the dark net attracts drug-dealers, hackers, and child pornography peddlers.

► IMPACT OF CYBER ATTACKS

- Loss of Integrity: Unauthorized changes made to data or IT system can result in inaccuracy, fraud or erroneous decisions that bring integrity of the system under suspicion.
- Loss of Availability: An attack on a mission-critical IT system makes it unavailable to the end users.
- Loss of Confidentiality: Consequence of unauthorized disclosure of information ranges from loss of public confidence to national security threats.
- Physical Destruction: Ability to create actual physical harm or destruction using IT systems.

- **Impact on data:** Confidentiality, Integrity & Availability of information
- **Impact on Critical Information Infrastructure:** Presently, most of sectors are critically dependent on use of ICT to carry on their operations. Cyber-attacks on these critical information infrastructures can bring the entire country to a grinding halt. For example, the recent Chinese cyber-attack on the power system in Mumbai brought the entire city to a halt. The local trains, which are considered as Mumbai's lifeline stopped functioning and people got stranded. Similarly, **Stuxnet worm attack** on Iranian Nuclear facilities led to destruction of equipment which were controlled by the computers.
- **Financial loss:** According to *Data Security Council of India*, India has been the second most cyber-attacks affected country between 2016 to 2018.
- Affects National Security and peace and stability in a country.

► CYBER SECURITY PREPAREDNESS

ITU released **Global Cyber Security Index**. This index measures the performance of the countries in terms of policies taken by them to improve cyber security. India was placed at 23rd rank among 165 countries. The relatively higher ranking of India shows that India has taken adequate measures for the protection of cyber space.

- **Section 66F of ITA:** Specific provision dealing with the issue of cyber terrorism that covers denial of access, unauthorized access, introduction of computer contaminant leading to harm to persons, property, critical infrastructure, disruption of supplies, 'sensitive data' thefts. Provides for punishment which may extend to lifetime imprisonment.
- **National Cyber Security Policy 2013:** Policy document drafted by the Department of Electronics and Information Technology. Established National Critical Information Infrastructure Protection Centre (NCIIPC) to improve the protection and resilience of the country's critical infrastructure information; Create a workforce of 5 lakh professionals skilled in cybersecurity in the next 5 years.
- **National Critical Information Infrastructure Protection Centre (NCIIPC):** Established under **Information Technology Act, 2000** to secure India's critical information infrastructure. It is designated as the National Nodal Agency in respect of Critical Information Infrastructure Protection. It has been setup to enhance the protection and resilience of

Nation's Critical information infrastructure. It functions under the National Technical Research Organization (NTRO).

- **CERT-IN:** Organization under the Ministry of Electronics and Information Technology with an objective of securing Indian cyberspace. The purpose of CERT-In is to respond to computer security incidents, report on vulnerabilities and promote effective IT security practices throughout the country. According to the provisions of the Information Technology Amendment Act 2008, CERT-In is responsible for overseeing administration of the Act. Sectoral CERT-Ins for dedicated sectors have also been mandated. For ex for finance, power sector etc.
- **Cyber Surakshit Bharat Initiative:** It was launched in 2018 with an aim to spread awareness about cybercrime and building capacity for safety measures for Chief Information Security Officers (CISOs) and frontline IT staff across all government departments.
- **Cyber Crisis Management Plan (CCMP):** It aims at countering cyber threats and cyber terrorism
- **National Cyber Coordination Centre (NCCC):** It seeks to generate necessary situational awareness of existing and potential cyber security threats and enable timely information sharing for proactive, preventive and protective actions by individual entities.
- **National Cyber Security Coordinator (NCSC)** under National Security Council Secretariat (NSCS) coordinates with different agencies at the national level for cyber security matters.
- **Cyber Swachhta Kendra:** This platform was introduced for internet users to clean their computers and devices by wiping out viruses and malware.
- It is Botnet Cleaning and Malware Analysis Centre.
- It is a part of the **Digital India initiative** under the Ministry of Electronics and Information Technology (MeitY).
- It has been set up in accordance with the objectives of the National Cyber Security Policy.
- This center is being operated by the Indian Computer Emergency Response Team (CERT-In) under the provisions of IT Act, 2000.
- **Information Security Education and Awareness Project (ISEA):** Training of personnel to raise awareness and to provide research, education and training in the field of Information Security.

S3WAAS

- Secure, Scalable and Sugamya Website as a Service

- It is a website generating and deployment product hosted on the National Cloud of NIC.
- It leverages technology to generate secure websites using GIGW compliant templates which are highly customizable and can seamlessly be deployed on a scalable software defined infrastructure.

TECHSAGAR

- An online portal launched by National Cyber Security Coordinator's office in partnership with the Data Security Council of India (DSCI).
- It provides actionable insights about capabilities of the Indian Industry, academia and research across 25 technology areas like Internet of Things (IoT), Artificial Intelligence (AI), etc.

DATA SECURITY COUNCIL OF INDIA

- It is a not-for-profit premier industry body on data protection in India.
- It has been setup by NASSCOM

► CHALLENGES IN INDIA'S CYBER SECURITY

- International Convention: Presently, Budapest Convention is the first international treaty seeking to address Internet and computer crime by harmonizing national laws, improving investigative techniques, and increasing cooperation among nations. This convention promotes greater cooperation between countries in fighting cybercrimes.
- However, India has not joined this convention. This is because the convention allows for cross border access to data to conduct investigation and India believes that such cross-border access to data can infringe on National Sovereignty.

However, some cyber experts have pointed out that, given threats faced by us, India should accede to Budapest Convention at the earliest.

- PPP Framework for Cyber Security: Presently, most of the cyber security operations are conducted by the Government agencies such as CERT-In. Given the fast-changing nature and intensity of cyber threats, there is a need to leverage private sector expertise in combating cybercrimes through PPP framework.
- Shortage of Skilled Professionals
- Strengthen IT act and National Cyber Security Policy 2013: Some of the experts have pointed out that the present legal and facilitative framework to fight cybercrimes i.e., IT Act and NCSP, 2013 are outdated and not well-equipped enough to handle

technologically advanced cybercrimes. Prime Minister has said that the Government is working on new Cyber security Policy 2020.

► SECURING SECURE CYBER ECOSYSTEM

- Appointment of Chief Information Security Officer in all the Organisations.
- Earmark funds towards enhancing cyber security
- Provide tax incentives to companies to upgrade information infrastructure
- Investment in R&D to improve Cyber Security- Big data, AI
- Enhancing Awareness among the people through the awareness campaigns
- Stricter regulatory compliance and increased self-reporting of security incidents and breaches - The Reserve Bank of India, as part of its circular on Cyber Security Framework in Banks, has made it mandatory to report data breach incidents to the regulator within two to six hours. Regulatory watchdogs such as the Indian Computer Emergency Response Team (CERT-In) have also directed companies, service providers and intermediaries to disclose the quantum of data exposed and intimate employees and customers.
- Surge in cyber insurance to protect critical assets - As per the Data Security Council of India, the global cyber insurance market is expected to grow at a CAGR of 27% from US\$4.2 billion in 2017 to US\$22.8 billion in 2024.
- Crimeware or ransomware as a service is transitioning into a highly profitable industry - Cybercriminals often get generously compensated for delivering or spreading malware and may even get a percentage of the extorted ransom paid per infected device. The global economic downturn caused by the spiralling pandemic has created an ideal situation for both experienced and novice cybercriminals to conduct sophisticated attacks easily.
- Updating outdated and open-source software - Cybercriminals these days are continuously on a look out for outdated web software. There is an urgent need for upgrading the software to meet the latest cyber challenges.

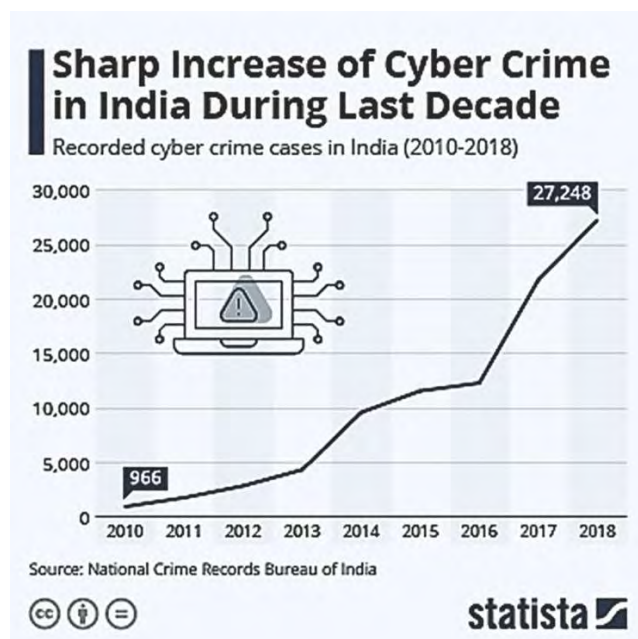
► CYBER FRAUDS

The COVID-19 outbreak presents a global challenge not just for the medical fraternity and society, but for law enforcement agencies also. Cybercrime, like a pandemic,

knows no state borders. A few people are attempting novel ways of defrauding innocents using information and technology. Money is being siphoned off using fake accounts and exploiting vulnerabilities of various applications.

Cases of Cyber frauds in recent times: The Delhi police Cyber Crime, alerted citizens about a fake UPI (Unified Payments Interface) ID of the PM CARES Fund. Cases of fake Facebook accounts are being reported where money has been fraudulently asked for the treatment of alleged patients by hacking their accounts.

The popular video conferencing app Zoom, which can add up to 100 participants in a call, has come across as vulnerable. ('Zoom raiding' or 'Zoom bombing' can be started, in which hate speech, pornography or other content is suddenly flashed by disrupting a video call on Zoom.)



SAFEGUARDS AGAINST CYBER FRAUDS

Related to Payments

- Verifying the destination UPI ID from authentic sources before making any transaction.
- If a mobile phone with a UPI-enabled app is stolen, it must be blocked and the bank intimated before it could be misused.
- Banks also must adhere to the KYC guidelines issued by the RBI, so that the address of each customer is checked physically.

Related to social media

- By keeping the privacy settings at 'Only me' or 'Friends' and not to share sensitive information on social media.

- Privacy settings should be changed for every post and photo.

Related to Video conferencing

- Staying cautious while using free apps for confidential meetings.
- Using organisational infrastructure to ensure authentication, access control and integrity of data through VPN or other options.

INTERPOL'S ADVISORY

In guidelines for law-enforcement agencies, Interpol warned about the emerging trend of false or misleading advertisements about medical products, setting up of fraudulent e-commerce platforms, phishing etc. during the pandemic. It has recommended to: -

- Avoid opening suspicious emails and clicking links in unrecognized emails and attachments.
- Have back up files regularly.
- Use strong passwords.
- Keep software updated.
- Manage social media settings and review privacy/security settings.

Cyber experts also recommend the use of 'https' protocol for secure financial transactions.

A victim of cybercrime should report it to the police immediately. Computer-related wrongs are covered under the Information Technology Act (IT Act), 2000 and wrongdoers are liable for penalty, compensation and criminal liability in appropriate cases.

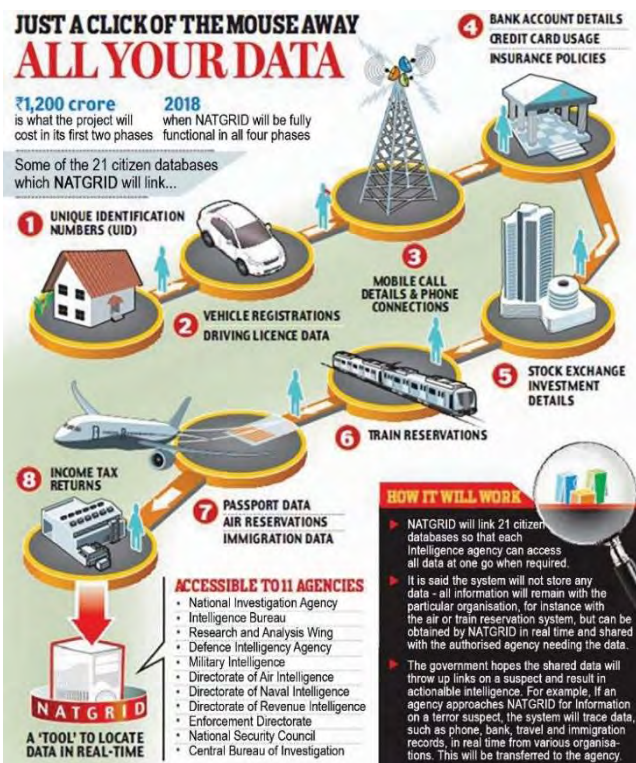
► NATGRID

National Intelligence Grid has signed a MOU with National Crime Records Bureau (NCRB) to access centralised online database on FIRs and stolen vehicles.

National Intelligence Grid (NATGRID) is an integrated intelligence master database structure for counter-terrorism purpose. It seeks to act as a "secured platform" for at least 10 Central security and intelligence agencies like IB, R&AW to have access to databases from 21 providing organisations.

The project aims to allow investigation and law enforcement agencies to access real-time information from data stored with agencies such as the Income Tax Department, banks, insurance companies, Indian Railways, credit card transactions, and more.

NATGRID, like other government initiatives like (UIDAI), is being established through governmental notifications rather than legislation passed in Parliament.



NATGRID as a one-stop solution

- Safeguarding from leaks: Secure centralised database to stream sensitive information from various sources without any leaks.
- Technology-intensive solutions: Plans to make use of advancement in technology such as big data analysis for generating alerts.
- Lower chances of misuse as it involves no human interface.
- Reduced use of harsh and coercive means to extract information.
- Helps in keeping a tab on persons with suspicious backgrounds.

ISSUES WITH NATGRID

- Widespread misuse of state surveillance capabilities and breach of privacy.
- Efficacy in preventing terror has been questioned as police force does not have access to this database.
- Lack of legal validity of the project. Presently, certain departmental agencies maintain databases of personal information which helps them provide essential services or maintain law and order. So, the power of maintaining legal databases is implicit because of the nature of functions these agencies perform.

However, there is no implicit or explicit authorization to the convergence of these independent databases. One

may argue that the government is not legally prevented from interlinking databases.

Further, it is held that with strong information protection technology, strict authentication norms, external audits and a privacy law, NATGRID is set to become India's one-stop destination for security and intelligence needs.

► NATIONAL CYBER SECURITY POLICY

CYBER SECURITY POLICY 2013

National Cyber Security Policy is a policy framework by Department of Electronics and Information Technology (DeitY). It aims at protecting the public and private infrastructure from cyber-attacks.

The policy also intends to safeguard "information, such as personal information (of web users), financial and banking information and sovereign data".

Ministry of Communications and Information Technology (India) defines Cyberspace as a complex environment consisting of interactions between people, software services supported by worldwide distribution of information and communication technology.

OBJECTIVE

Ministry of Communications and Information Technology (India) define objectives as follows:

- To create a secure cyber ecosystem in the country, generate adequate trust and confidence in IT system and transactions in cyberspace. Thus, enhance adoption of IT in all sectors of the economy.
- Create an assurance framework for design of security policies and enabling actions for compliance to global security standards by way of conformity assessment (Product, process, technology & people).
- Strengthen Regulatory Framework for ensuring a SECURE CYBERSPACE ECOSYSTEM.
- Enhance and create National and Sectoral level 24x7 mechanism for obtaining strategic information regarding threats to ICT infrastructure, creating scenarios for response, resolution and crisis management through effective predictive, preventive, protective response and recovery actions.
- Improve visibility of integrity of ICT products and services by establishing infrastructure for testing & validation of security of such product.
- Create workforce for 500,000 professionals skilled in next 5 years through capacity building skill development and training.
- Provide fiscal benefit to businesses for adoption of standard security practices and processes.

- Enable Protection of information while in process, handling, storage & transit to safeguard privacy of citizen's data and reducing economic losses due to cyber-crime or data theft.
- Enable effective prevention, investigation and prosecution of cybercrime and enhancement of law enforcement capabilities through appropriate legislative intervention.

STRATEGIES

- Creating a secured Ecosystem.
- Creating an assurance framework.
- Encouraging Open Standards.
- Strengthening The regulatory Framework.
- Creating mechanism for Security Threats Early Warning, Vulnerability management and response to security threat.
- Securing E-Governance services.
- Protection and resilience of Critical Information Infrastructure.
- Promotion of Research and Development in cyber security.
- Reducing supply chain risks
- Human Resource Development (fostering education and training programs both in formal and informal sectors to support Nation's cyber security needs and build capacity.
- Creating cyber security awareness.
- Developing effective Public Private Partnership.
- To develop bilateral and multilateral relationship in cyber security with other country. (**Information sharing and cooperation**)
- Prioritized approach for implementation.

SALIENT FEATURES

- A National and sectoral 24X7 mechanism has been envisaged to deal with cyber threats through National Critical Information Infrastructure Protection Centre (NCIIPC).
- CERT-In has been designated to act as a nodal agency for coordination of crisis management efforts. It will also act as umbrella organization for coordination actions and operationalization of sectoral CERTs.
- A mechanism is proposed to be evolved for obtaining strategic information regarding threats to information and communication technology (ICT) infrastructure, creating scenarios of response, resolution and crisis management through effective predictive, prevention, response and recovery action.

- Effective public-private partnership and collaborative engagements through technical and operational cooperation.
- R&D of trustworthy systems and their testing, collaboration with industry and academia, setting up of 'Centre of Excellence' in areas of strategic importance from the point of view of cyber and R&D on cutting edge security technologies, are the hallmarks of this strategy laid down in the policy.
- Developing human resource through education and training programmes, establishing cyber security training infrastructure through public private partnership and to establish institutional mechanisms for capacity building for law enforcement agencies.
- Encouraging all organizations whether public or private to designate a person to serve as Chief Information Security Officer (CISO) who will be responsible for cyber security initiatives.
- Provisions of fiscal schemes and incentives have been incorporated in the policy to encourage entities to install trustworthy ICT products and continuously upgrade information infrastructure with respect to cyber security.

ISSUES WITH THE POLICY

- The provisions to take care security risks emanating due to use of new technologies e.g., Cloud Computing, has not been addressed.
- Tackling risks arising due to increased use of social networking sites by criminals and anti-national elements.
- Need to incorporate cybercrime tracking, cyber forensic capacity building and creation of a platform for sharing and analysis of information between public and private sectors on continuous basis.
- Indigenous development of cyber security solutions as enumerated in the policy is laudable, but these solutions may not completely tide over the supply chain risks and would also require building testing infrastructure and facilities of global standards for evaluation.
- Global debate on [national security versus right to privacy & civil liberties](#) is going on for long. Objectives of this policy are safeguarding privacy of citizen data however, no specific strategy has been outlined to achieve this objective.

NEED FOR REVIEW OF CYBER SECURITY POLICY

- It was created in the wake Surveillance scandal of the American National Security Agency leaks by Edward

Snowdown back in 2013. Since then, new challenges have emerged which need to be addressed.

- India is among top 10 countries facing cyber-attacks.
- Cyber landscape has witnessed growing digitization as part of the Government's Digital India push, as well as more sophisticated cyber threats, particularly the WannaCrypt and Petya ransomware attacks.
- Government must proactively address India's ability to respond effectively to cyber threats by outlining an institutional framework ensure the country's digital safety.
- Need for mechanisms for coordination between multiple agencies responsible for cyber security.
- Crunch of cyber security professionals needs to be addressed.
- Little progress in PPP mechanisms for cybersecurity.
- Fostering greater civil-military cooperation on cyber security.

WAY FORWARD

- Action plan to deal with state-sponsored attacks. In such attacks, government infrastructure, private sector and citizens' personal details are hacked.
- An SOS lockdown policy must be in place to completely take nuclear grids, power grids, financial institutions, and satellite communication off internet immediately, in case of any national security attack.
- There must be provisions for or nationwide cybersecurity training of the common mass if the country aims to take its finance and healthcare online.
- The security standards should not only be defined for government organizations but also be enforced on private companies with a checklist of requirements.

► NATIONAL CYBER SECURITY STRATEGY

Data Security Council of India has prepared a report focussing on 21 areas to ensure a safe and vibrant cyberspace for India.

NEED FOR INDIA'S CYBER SECURITY STRATEGY

- **Increasing number of Cyber-attacks:** According to American cybersecurity firm Palo Alto Networks' 2021 report, **Maharashtra was the most targeted State in India — facing 42% of all ransomware attacks in India.**
- One in four Indian organisations suffered a ransomware attack in 2021. Indian organisations witnessed a 218% increase in ransomware — higher than the global average of 21%.

- Software and services (26%), capital goods (14%) and the public sector (9%) were among the most targeted sectors
- Cyber-attacks Undermines data privacy of citizens.
- Cyber security threat is an emerging concern for India's National Security.
- India has been victim to the Cyber-attacks number of times in the recent past:
 - 2017: WannaCry and Petya Ransomware
 - 2018: Aadhaar Software hacked and Aadhaar details of the people leaked online
 - 2021: Pegasus issue
- India is 3rd most vulnerable country to Cyber-attacks according to by Symantec.

OUTDATED CYBER SECURITY POLICY 2013

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CYBER THREATS CAN BE OF FOUR TYPES

- **Cyber Espionage:** The act or practice of obtaining secret information i.e., personal, sensitive, classified nature from individuals, competitors or governments using malicious software such as Trojan horses and spyware. Motive is to obtain secret information which could go against our national security.
- **Cyber Attack:** Targets computer information systems, infrastructures, computer networks. Motive is to damage targeted computer network or system. Impact: Destruction of Communication network.
- **Cyber Terrorism:** Convergence of terrorism and cyber space. Cyberspace has been used by terrorists for

purposes such as Planning terrorist attacks, recruitment of sympathizers, spreading propaganda to radicalise people and to raise funding etc.

- **Cyber warfare:** Warfare conducted by a country or its proxies to attack computer systems in other countries. Includes Theft, Vandalism (Defacing Web Pages), Destruction of Critical information infrastructure.

FOCUS AREAS OF CYBER SECURITY STRATEGY

- **Large scale digitisation of public services:** There needs to be a focus on security in early stages of design in all digitisation initiatives and for developing institutional capability for assessment, evaluation, certification, and rating of core devices.
- **Supply chain security:** Robust monitoring and mapping of supply chain of Integrated circuits and electronics products. Product testing and certification needs to be scaled up, and country's semiconductor design capabilities must be leveraged globally.
- **Critical information infrastructure protection:** Supervisory control & data acquisition (SCADA) security should be integrated with enterprise security. A repository of vulnerabilities should be maintained.
- **Digital payments:** Mapping and modelling of devices and platform deployed, transacting entities, payment flows, interfaces and data exchange as well as threat research and sharing of threat intelligence.
- **State-level cyber security:** State-level cybersecurity policies and guidelines for security architecture, operations, and governance need to be developed.

SUGGESTIONS BY THE REPORT

- **Budgetary provisions:** A minimum allocation of 0.25% of annual budget, which can be raised up to 1% has been recommended to be set aside for cyber security. 15-20% of IT/technology expenditure should be earmarked for cybersecurity. Setting up a Fund of Funds for cybersecurity and to provide Central funding to States to build capabilities.
- **Research, innovation, skill-building and technology development:**
 - Investing in modernisation and digitisation of ICTs, setting up a short- and long-term agenda for cyber security via outcome-based programs and providing investments in deep-tech cyber security innovation.
 - A national framework should be devised in collaboration with institutions like National Skill Development Corporation (NSDC), ISEA (Information Security Education and Awareness) to

provide global professional certifications in cybersecurity.

- Creating a 'cyber security services' with cadre chosen from the Indian Engineering Services.
- **Crisis management:** Holding cybersecurity drills which include real-life scenarios with their ramifications. In critical sectors, simulation exercises for cross-border scenarios must be held on an inter-country basis.
- **Cyber insurance:** Developing cyber insurance products for critical information infrastructure and to quantify the risks involving them.
- **Cyber diplomacy:** Cyber diplomacy plays a huge role in shaping India's global relations. To further better diplomacy, the government should promote brand India as a responsible player in cyber security and create 'cyber envoys' for the key countries/regions.
- **Cybercrime investigation:** Unburdening the judicial system by creating laws to resolve spamming and fake news. Charting a five-year roadmap factoring possible technology transformation, setting up exclusive courts to deal with cybercrimes and remove backlog of cybercrimes by increasing centres providing opinion related to digital evidence under section 79A of the IT act.
- **Advanced forensic training for agencies** to keep up in the age of AI/ML, blockchain, IoT, cloud, automation. Law enforcement and other agencies should partner with their counterparts abroad to seek information of service providers overseas.

DRAFT NATIONAL CYBER SECURITY STRATEGY 2021

- Centre has formulated a **draft National Cyber Security Strategy 2021** which holistically looks at addressing issues of security of national cyberspace. Without mentioning a deadline for its implementation, Centre had no plans yet to coordinate with other countries to develop a global legal framework on cyber terrorism.

NATIONAL SECURITY COUNCIL

- All aspects of national security are deliberated upon by National Security Council (NSC), an apex body headed by Prime Minister.
- Ministers of Home Affairs, Defence, External Affairs and Finance are its members.
- National Security Adviser is its secretary.
- Three tier structure of the NSC comprises
 - Strategic Policy Group (SPG),**
 - National Security Advisory Board (NSAB) and**
 - National Security Council Secretariat.**

- SPG is chaired by Cabinet Secretary: Principal forum for coordination & integration of inputs.
- NSAB undertakes long-term analysis and provides perspectives on issues of national security.

► CERT- IN REGULATIONS

Indian Computer Emergency Response Team (CERT-In) issued directions, in accordance with Information Technology Act, 2000 about information security policies, procedures, prevention, response, and reporting of cyber events. The directions have come in effect and will apply to "service providers, intermediaries, data centres, body corporate, and government organisations.

NEED FOR THESE RULES

- Data breach poses a grave cyber security threat.
- Critical information of Indian users is compromised and may be accessible to malicious parties.
- Cybersecurity comprises impact both private and public agencies.
- CERT-In reported a total of 48,285 government-related cyber security incidents in 2021.
- CERT-In has struggled for some time to obtain information and incident reports from service providers, intermediaries, and corporations.
- Rules address issue of inadequate legal framework, lack of transparency, and significant danger of privacy infringement via cyber-security infringements.

SALIENT FEATURES OF CERT-IN DIRECTIONS

- Will apply to service providers, intermediaries, data centres, body corporate & government organisations.
- Companies are obligated to disclose cybersecurity incidents, specifically those enlisted within directions, to CERT-In within 6 hours of discovering them.
- Compels organisations to offer CERT-In with information or any other such assistance to CERT-In that may contribute to cyber security mitigation actions & better cyber security situational awareness.
- Requires extensive documentation for services such as data centres, virtual private server providers, cloud service providers, and VPN services.
- Customer identification, when subscriptions were active, IP addresses assigned to them, contact numbers, and other information would be stored for 5 years by these services.
- Places virtual assets under jurisdiction of Finance Ministry financial regulations and mandates that they maintain all information obtained as part of KYC and

records of financial transactions for 5 years to ensure cyber security in payments and financial markets.

- Requires system administrators to connect to Network Time Protocol servers administered by National Informatics Centre, National Physical Laboratory, or NTP servers traceable to these NTP servers, to ensure system synchronisation pan-India.

CONCERNS WITH THE CERT-IN RULES

- Fail to distinguish between incident's scope and character. A company may get hundreds of phishing emails, and the work required to notify each recipient would significantly increase compliance costs.
- Wide scope and intrusive: Mandates organisations to mandatorily enable logs on all their ICT systems.
- Increased Compliance burden: A lack of clarity on the scope of "all their ICT systems" gives rise to several concerns, such as the government having access to or companies holding more data than necessary.
- The phrases "Data Centres," "Virtual Private Server (VPS) providers," "Cloud Service providers," and "Virtual Private Network Service (VPN Service) providers" are not specified.
- No definitions for terminology such as "service providers," "intermediaries," and "body corporate."
- Concerns regarding the collection and storage of data beyond purpose or need are exacerbated by the need for maintaining logs for a rolling period of 180 days and maintenance of data for 5 years or longer.
- Some service providers and VPNs assert that they do not keep records due to their commitment to privacy.
- Many service providers might be compelled to leave the Indian market making these technologies costlier.
- Introduces soft data localization norms where organisations must mandatorily enable logs of all their ICT systems a copy of data must be stored in India.
- Such data localisation can inhibit innovation and the free flow of data across international borders.
- Increased compliance costs would discourage international firms from bringing their services and goods to India.
- This could prevent Indian users from gaining access to these services.
- Concerns have also been raised about state-sponsored mass monitoring.
- Many of these companies are based in US and Europe, which could strain relations.

MONEY LAUNDERING

Previous Year Questions

YEAR	UPSC MAINS QUESTIONS
2021	Discuss how emerging technologies and globalisation contribute to money laundering. Elaborate measures to tackle the problem of money laundering both at national and international levels.
2013	Money laundering poses a serious threat to country's economic sovereignty. What is its significance for India and what steps are required to be taken to control this menace?

► MONEY LAUNDERING

Money laundering is a process that criminals use to hide the illegal source of their income. By passing money through complex transfers and transactions, or through a series of businesses, the money is “cleaned” of its illegitimate origin and made to appear as legitimate business profits. The origin of the term “money laundering” comes from infamous gangster Al Capone’s practice of using a chain of laundromats he owned to launder huge amounts of cash.

WHY MONEY LAUNDERING HAPPENS

- A major business problem of large, organized criminal enterprises – such as drug smuggling operations – is that they end up with huge amounts of cash that they need to conceal to avoid attracting investigations by legal authorities.
- The recipients of such large amounts of cash also do not want to have to acknowledge it as income, thereby incurring massive income tax liabilities.
- To deal with the problem of having millions of dollars in cash obtained from illegal activities, criminal

enterprises create ways of “laundering” the money to obscure the illegal nature of how it is obtained.

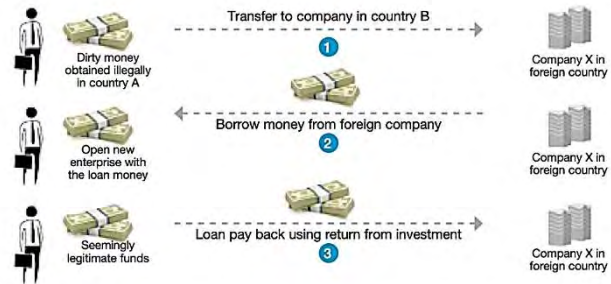
- In short, money laundering aims to disguise money made illegally by working it into a legitimate financial system, such as a bank or business.

HOW MONEY LAUNDERING WORKS

Money laundering typically occurs in three phases:

- Initial entry or placement is the initial movement of an amount of money earned from criminal activity into some legitimate financial network or institution.
- Layering is the continuing transfer of the money through multiple transactions, forms, investments, or enterprises, to make it virtually impossible to trace the money back to its illegal origin.
- Final integration is when the money is freely used legally without the necessity to conceal it any further.

Methods used for Money Laundering: Hawala, bulk cash smuggling, fictional loans, cash-intensive businesses, round-tripping, trade-based laundering, Shell companies and trusts, real estate, gambling, and fake invoicing are some common methods of money laundering.



BANKS AND MONEY LAUNDERING

- Major financial institutions, such as banks, are frequently used for money laundering. All that is necessary is for the bank to be a little lax in its reporting procedures.
- The lack of regulation enforcement enables criminals to deposit large sums of cash without triggering the deposits being reported to central bank authorities or government regulatory agencies.
- In the recent past, prestigious financial institutions, such as Danske Bank and HSBC, have been found guilty of assisting or enabling money laundering by failing to properly report large deposits of cash.

FINANCIAL MARKETS

- The financial markets offer criminals a variety of avenues for converting "dirty" money to "clean" money. One of the most basic and widely used schemes is to utilize a foreign investor to get illegally obtained cash into the legitimate financial system.

SHELL COMPANIES

- Shell companies are businesses that have large amounts of financing but are not directly involved in any specific business enterprise selling goods or services. The finances are used to invest in other businesses – typically, other legitimate businesses owned by the criminal organization.
- The influx of cash from the foreign investor appears as an ordinary foreign investment, as the criminals are careful to avoid exposure to the fact that they have any connection with the foreign investor.
- Once the money has been deposited with the shell company, the criminals can access it by having the shell company invest in another business the criminals own, perhaps by making a loan of the money to the other company.

HAWALA: (INDIA)

In hawala, funds are moved between individual "hawaladars" which collect funds at one end of the operation and other hawaladars that distribute the funds at the other end.

CYBER CRIME

Cybercrimes such as identity theft, illegal access to e-mail, and credit card fraud are coming together with money laundering and terrorist activities.

INSURANCE SECTOR

If a money launderer can move funds into an insurance product and receive a payment made by an insurance company then he or she will have made the funds appear legitimate

IMPACT OF MONEY LAUNDERING

Once illicitly earned money enters a particular economy's financial system, it can destabilize the economic system and indirectly promote negative social and legal ills such as tax evasion, corruption, drug trading, and terrorism.

- **Economic Impact** Money laundering goes together with tax evasion and duty evasion (which is the non-payment of import and export duties by smuggling goods in and out of a nation). Such activities deprive public service departments of important revenue sources.
- **Legal Impact** Money laundering and criminal activities form a vicious cycle. The quest to legalize illicit earnings leads to money laundering, which in turn provides the required financial boost for these illegal activities to survive. There generally exists a direct relation between countries having weak anti-money laundering regulations and prevalence of such illegal and criminal activities.
- **Social Impact** Criminal's launder money to circulate their illicit earnings, which then provides the firepower to grow the illegal business. The social impact of strong illegal businesses includes increased drug addiction, rampant corruption, and criminals empowered with economic powers.

► INTERNATIONAL BODIES DEALING WITH MONEY LAUNDERING

- [International Money-Laundering Information Network \(IMoLIN\)](#): UN-sponsored research centre that was created to assist law enforcement agencies throughout the world in the identification and pursuit of money laundering operations.
- [Financial Action Task Force on Money Laundering \(FATF\)](#) was created as a G-7 initiative to develop more effective financial standards and anti-laundering legislation. Because money laundering is a key part of terrorist organizations that are usually funded through illegal enterprises, the FATF was also charged with directly fighting to cut off illegal cash flows to terrorists and terrorist groups.
- [United Nations Office of Drugs and Crime \(UNODC\)](#): UNODC's organized crime and anti-money laundering unit conducts global program against money laundering.
- [INTERPOL](#): The primary objective of the anti-money laundering unit of INTERPOL is to increase the speed of information exchange among the financial crime investigators with the aid of global financial crime units as well as financial intelligence units.
- These organizations also share information on money laundering activities with global and regional financial institutions such as the International Monetary Fund, World Bank, European Central Bank, and the Asian Development Bank to combat money laundering and terrorist financing threats.
- [Financial intelligence units & Egmont group](#): FIUs provide continuous exchange of information between financial services institutions, jurisdictions, and other prosecuting authorities. Most FIUs world over are now a part of Egmont Group, which is an informal international gathering of FIUs, wherein member FIUs regularly meet to find ways to increase internal cooperation and areas of information exchange, training and the expertise sharing.

► PREVENTION OF MONEY LAUNDERING ACT, 2002 (PMLA)

Prevention of Money Laundering Act, 2002 was enacted to fight against the criminal offence of legalizing the income/profits from an illegal source. The Prevention of Money Laundering Act, 2002 enables the Government or the public authority to confiscate the property earned from the illegally gained proceeds.

OBJECTIVES

- Prevent money-laundering.
- Combat/prevent channelising of money into illegal activities and economic crimes.
- Provide for the confiscation of property derived from, or involved/used in, money-laundering.
- Provide for matters connected and incidental to the acts of money laundering.

OFFENCES

Under PMLA, the commission of any offence, as mentioned in Part A and Part C of the Schedule of PMLA will attract the provisions of PMLA. Some Acts and offences, which may attract PMLA, are enumerated below:

- [Part A](#) enlists offences under various acts such as: Indian Penal Code, Narcotics Drugs and Psychotropic Substances Act, Prevention of Corruption Act, Antiquities and Art Treasures Act, Copyright Act, Trademark Act, Wildlife Protection Act, and Information Technology Act.
- [Part B](#) specifies offences that are Part A offences, but the value involved in such offences is Rs 1 crore or more.
- [Part C](#) deals with trans-border crimes and reflects the dedication to tackle money laundering across global boundaries.

AUTHORITIES ENTRUSTED FOR INVESTIGATION

- [Enforcement Directorate](#) in Department of Revenue, Ministry of Finance, Government of India is responsible for investigating the offences of money laundering under the PMLA.
- [Financial Intelligence Unit – India \(FIU-IND\)](#) under the Department of Revenue, Ministry of Finance is an independent body reporting directly to the Economic Intelligence Council (EIC) headed by the finance minister. FIU-IND is the central national agency responsible for receiving, processing, analysing, and disseminating the information relating to suspect financial transactions. It is also responsible for:
 - Coordinating and strengthening the efforts of national and international intelligence,
 - Investigations for pursuing the global efforts against money laundering and related crimes.
 - The scheduled offences are separately investigated by agencies mentioned under respective acts, for example, the local police, CBI, customs departments, SEBI, or any other investigative agency.

ACTIONS AGAINST PERSONS INVOLVED IN MONEY LAUNDERING

- Seizure/freezing of property, records and attachment of property obtained with the proceeds of crime.
- Any person who commits the offence of money laundering shall be punishable with –
- Rigorous imprisonment for a minimum term of three years and this may extend up to seven years.
- Fine (without any limit).

AMENDMENTS TO PMLA ACT 2019

Amidst the growing number of financial crimes and high-profile cases, the 2019 Act attempts to make the existing provisions stricter and better armoured to detect suspicious transactions. Additionally, the Act, along with the other amendments, has a greater aim of targeting money laundering and terrorist financing. The 2019 Act attempts to remove the ambiguity in the existing provisions by amending eight clauses of the PMLA.

KEY FEATURES

- **Proceeds of crime:** Expanded ambit of “proceeds of crime.” The scope now includes properties and assets created, derived, or obtained through any criminal activity related to the scheduled offence, even if it is not under the PMLA.
- The 2019 Act clarifies that it would be incorrect to interpret money laundering as a one-time, instantaneous offence that ceases with the concealment, possession, or acquisition or use or projection of the proceeds of crime as untainted property or claiming it as untainted.
- A person shall now be considered guilty of the offence of money laundering for as long as the said person is enjoying the “proceeds of crime” – thus, making the offence of money laundering a continuous offence.
- Legislative intent here appears to be to prosecute and attach all proceeds of crime, however remotely related. A key proposed change in the definition of “proceeds of crime” would allow the ED to proceed against assets of equivalent value located even outside the country.
- **Empowers Enforcement directorate:** Empowers ED to undertake search actions even in the absence of a report under Section 157 of the Code of Criminal Procedure, 1973 (CrPC). The 2019 Act broadens the existing powers of the ED under the PMLA provisions – by bringing Sections 17 and 18 at par with Section 19 – where there is no pre-condition to forward a report under Section 157 of CrPC or to seek warrants

from the Court for making an arrest. An arrest can be made for an offence under the PMLA even in the absence of a First Information Report (FIR).

- **Special Courts** - Also includes a crucial amendment that **empowers the Special Court to restore confiscated assets to the rightful claimants even during the trial**. The amended Section 8(8) now allows the Special Court, if it deems fit, to consider the claims for the purposes of restoration of such properties also during the trial. Earlier, the assets could be restored only after completion of the trial.

ALLEGATION ALLEGED AGAINST MISUSE OF PMLA

- ED does not disclose the **Enforcement Case Information Report (ECIR)** (an equivalent of the FIR) is considered an “internal document” and not given to the accused.
- This amounts to denial of basic rights of knowledge to the accused.
- Registering of ECIR is at ED’s discretion and after ECIR is registered, ED begins to summon accused persons and seeks details of all their financial transactions and of their family members.
- The accused is called upon to make statements which are treated as admissible in evidence without disclosing them the charge under which they are booked by ED.
- Throughout this procedure, the accused does not even know the allegation against him, as the only document which contains the allegation is the ECIR, which is not supplied to the accused persons.
- PMLA does not distinguish between an accused and a witness while they are summoned. This is important because procedure under criminal law makes a distinction between the accused and a witness.
- Selection of cases by ED have been politically motivated based on affirmation from the central government.

WAY FORWARD

1. Following recommendations of FATF in domestic economic laws.
2. Empowering regulators like RBI, SEBI etc to be vigilant towards money laundering.
3. Permanent cadre of Enforcement Directorate.
4. Use of Big Data analytics, Artificial Intelligence in tackling money laundering.
5. Evolving sectoral action plans to tackle money laundering in sectors which are prone to generation of money laundering such as Narcotics, Organised Crime, Educational Institutions etc.

► JUDGEMENT ON PMLA ACT 2019

In Vijay Madanlal Choudhary vs Union of India, the apex court, upheld several provisions of the Prevention of Money Laundering Act, 2002,

including those which relate to the power of arrest, attachment, and search and seizure conferred on the Enforcement Directorate (ED).

S. No.	PMLA act Provision	Issue raised under petitions	Supreme Court Judgement
1.	<ul style="list-style-type: none"> • Section 3 - Defines money Laundering. • Defines the crime as - any process or activity connected with the proceeds of crime including its "concealment, possession, acquisition or use" and projecting or claiming it as untainted property. 	<ul style="list-style-type: none"> • Enlarged ambit of Section 3 under 2019 amendment which included <u>any of the activity of concealment or possession or Acquisition individually was opposed in the petition.</u> • It can be misused against a person for mere concealment or Possession. 	<ul style="list-style-type: none"> • Section 3 has a wider reach and captures every process and activity, direct or indirect, in dealing with the proceeds of crime, and is not limited to the final act of integration of tainted property in the formal economy. • The court interpreted the word "and" in the concerned laws as "or" to give full effect to the legislative intent.
2.	<ul style="list-style-type: none"> • Section 5 lays down powers regarding provisional attachment and confiscation of properties following approval from a high-ranking ED officer if there are reasons to believe that any person is in possession of proceeds of crime. • Through an amendment in 2015, the law empowered ED to make <u>emergency attachment of properties for a period of 180 days without a preregistered criminal case.</u> 	It was argued that the powers of attachment were sweeping with no safeguards.	Before resorting to action of provisional attachment, registration of scheduled offence or complaint filed in that regard, is not a precondition.
3.	Sections 16, 17 and 18 authorise ED to enter any place of interest and conduct search and seizure	Issue were Raised - Against 2019 amendment that did away with the requirement of informing a court before search and seizure.	Court rejected the objections, noting the process of searches and seizure under PMLA is not only for the purpose of inquiring into the offence of money laundering, but also for prevention
4.	<u>Power to Arrest</u> - Section 19 of the Act empowers ED to make arrests after recording reasons to do so and forwarding the report to the adjudicating authority.	No arrest should take place without registration of a formal complaint	Court highlighted that PMLA intended not only to prosecute persons involved in money laundering but also prevent the crime, and the power to make arrest is quintessential to achieve this objective of the law.
5.	<u>Summons and self-incrimination</u> - Section 50 of PMLA authorises an ED officer to summon any person to record statements during investigation	<ul style="list-style-type: none"> • It was argued that this was <u>violative of Article 20(3)</u>, which provided protection against self-incrimination. 	<ul style="list-style-type: none"> • Court rejected this contention. • If the statement made by the person reveals the offence of money-laundering or the

	and that the <u>person should disclose true and correct facts known to his personal knowledge, or face punishment.</u>	<ul style="list-style-type: none"> It was also argued that ED officers should be considered police officers for the purposes of such inquiries, and therefore, statements made before them should be inadmissible as evidence. 	<p>existence of proceeds of crime, that becomes actionable under the Act itself, and ED is at liberty to act against such persons.</p> <ul style="list-style-type: none"> ED officers are not Police Officers.
6.	<ul style="list-style-type: none"> <u>Reverse burden of proof</u> - PMLA, in sections 24 and 45, invokes the principle of reverse burden of proof, in contrast to common law principle of "innocent until proven guilty". A court will presume an accused to be involved in money laundering unless proved contrary. 	<ul style="list-style-type: none"> Stands in contravention to the common law principle of "innocent until proven guilty." 	<ul style="list-style-type: none"> The court held that although presumption of innocence is a human right, it can be interdicted by a parliamentary law. An accused would get enough opportunity before the authority or the court to discharge his burden by showing he is not involved
7.	<p><u>Section 45</u> - It imposes the two conditions for bail in PMLA cases —</p> <ul style="list-style-type: none"> first, an opportunity for a prosecutor to oppose the bail, and second, the prima facie satisfaction of a court on the presence of reasonable grounds that the accused is not guilty of money-laundering and that he is not likely to commit any offence while on bail. 	<p>The twin provisions provide wide discretionary power to the court which needs to be satisfied about the innocence.</p>	<p>The court emphasised that money laundering cannot be considered less severe than terrorism, and therefore, tough bail conditions were justified.</p>

MISCELLANEOUS

► AGNIPATH SCHEME

Government announced a recruitment scheme for Indian youth to serve in Armed Forces. The scheme is called AGNIPATH, and youth selected under this scheme will be known as Agniveers. AGNIPATH allows patriotic and motivated youth to serve in Armed Forces for a period of four years.

KEY FACTS

- Agniveers will be enrolled in Forces under respective service Acts for a period of four years.
- They would form a distinct rank in Armed Forces, different from any other existing ranks.
- Upon completion of four years of service, based on organisational requirement and policies promulgated by Armed Forces from time-to-time, Agniveers will be offered an opportunity to apply for permanent enrolment in Armed Forces.
- Selection will be exclusive jurisdiction of Armed Forces. 46,000 Agniveers will be recruited this year.
- Enrolment will be based on "All India All Class" basis and eligible age will be in range from 17.5 to 21 years.
- SevaNidhi Fund: Contribution made by recruits will be around Rs 5.02 Lakh, which will be matched by the Government. At the exit, Agniveers will get Rs 11.71 lakh as SevaNidhi fund. The amount paid to the Agniveers as SevaNidhi will be exempt from Income Tax.

BENEFITS

- For Youth: Allow young people to get employed, support their family and wear the uniform. It will inculcate values of discipline, sacrifice, teamwork, physical fitness, ingrained loyalty for the country and brotherhood. They will be provided with adequate re-

employment opportunities for those returning to society and could emerge as role models for the youth. Agniveers will get preference in PSUs, and State Governments' jobs.

- For the society: After serving the tenure, youth will be able to contribute to other sectors more effectively. Trained personnel will be available to boost national security in times of external threats, internal threats and natural disasters.
- Keeping the Army youthful
- Aims to reduce average age of Indian army. Presently, more than 60% of men are above 30 years of age.
- Currently, number of junior commissioned officers (JCOs) and equivalent ranks is disproportionately higher due to regular promotions.
- Recruiting ever greater numbers simply to keep the armed forces youthful is unsustainable. Agnipath will help keep in check the absolute numbers while ensuring a constant stream of young recruits.
- Modernizing Military
- Provide army with youthful tech savvy soldiers.
- Across the globe, there is a trend towards reduction in the number of personnel and emphasis on increasing capital expenditure on modern weapons and equipment.
- China's People's Liberation Army (PLA) underwent a massive demobilisation from 1980s onwards, bringing down total numbers from 4.5 million to about 2 million, with focus on modernisation.
- In many modern armed forces, service period ranges from 2 to 8 years with options for active and reservist service.
- Israeli army has service of 30 months and 22 months respectively for men and women yet enjoys a

reputation for being among the best in the world. USA and UK have shorter duration contracts. France has short duration contracts of between one and 10 years depending on specialisation

- **Budgetary Constraint:** Ballooning salary and pension bills have placed enormous stress on the availability of funds for military modernisation.
- **Modern Warfare:** Contactless warfare in the digital era means that future wars will be fought with artificial intelligence, autonomous systems, stand-off weapons, cyber space and space based ISR (Intelligence Surveillance and Reconnaissance) playing a key role. Agniveers will inject additional skill sets into the armed forces, besides bringing down the average age by 4-5 years.
- **Changes colonial set up of army:** In the colonial era, British used a divide-and-rule policy, including in armed forces. Mixed regiments based on AIAC intake are in keeping with the changing times.

AGNIPATH: 46K TO BE SIGNED UP WITH SALARY OF ₹30K-₹40K

THE SCHEME

- All recruitment in Army, Navy & IAF (except officers) to be under the pan-country 'Agnipath' scheme
- **46,000 youth** (17.5 to 21 age group) to be recruited this year
- **4-year tenure** will include 6-month basic training (instead of existing 9 to 11 months)
- After 4 years, **25% Agniveers will be selected** for regular cadre for a full term of another 15 years
- 75% Agniveers will be demobilized with 'Seva Nidhi' exit package of **₹11.71 lakh** & skill certificates. **No pension or gratuity**
- Scheme to be progressively opened for women based on service requirements



STATED AIMS

- Slash ballooning salary & pension bills
- Reduce average age from existing 32 to 24-26 in 6-7 years
- Induct tech-savvy youth for future warfare
- Ensure nation-building through disciplined youth with military ethos in civil society

CRITICISM

- No pilot project to test the scheme
- Will dilute professionalism, military ethos & fighting spirit
- Takes 7-8 years to become a fully trained combat-ready soldier
- Agniveers will be risk-averse, with Lead to the bulk looking for a second career
- Will hit the basic ethos of 'Naam, Namak and Nishaan' (reputation of battalion, fidelity & ensign/colours) for which soldiers fight
- Lead to militarization of society with around 35,000 combat-trained youth being rendered jobless every year

WAY FORWARD

National unity, camaraderie and bonding, including in armed forces, should not be predicated on caste, community, religion, language or provincial affiliation but on the more equitable notion of being a patriotic

Indian. Agnipath scheme attempts to address this requirement.

► INTEGRATED THEATRE COMMANDS

Chief of defense staff is discussing the idea of having Unified or integrated theatre command in the military to have unified approach to fighting any future war.

THEATRE COMMAND

- The word 'theatre warfare' means "the entire land, sea and air areas are involved directly in war operations."
- "Theatre command" refers to unified command under which all the resources of the Army, the Navy and the Air Force are pooled, depending on the threat perception.
- Currently, commands are set up service wise, so for instance in case of war against Pakistan on Western Border, the army will lead the fight on the ground under leadership of Army Commander and Air Force will take care of air-warfare under leadership of Air Force Commander. For a joint strategy, the Army Commander and Air Force Commander will need to coordinate efforts. Thus, there is limited jointness.
- In case of integrated theatre commands, there will be one commander who will control all the assets and forces of Air Force and Army. This will lead to greater jointness and coordination in response.
- The commands could be geographical — like looking at a border with a particular country — or thematic, like a command for all maritime threats.

HOW IT WORKS?

- India currently has 19 military commands vertically split into
- Army (7 commands)
- Air Force (7 commands)
- Navy (3 commands)
- A Tri-Service Command at Andaman and Nicobar
- A Strategic Forces Command (SFC) to look after the country's nuclear stockpile
- The plan is to bring all the 17 service commands (Army, Airforce and Navy) into 5 unified or theatre commands
- Northern Land Theatre (Jammu and Kashmir, Ladakh and Central sector)
- Western Land Theatre (Pakistan centric)
- Eastern Land Theatre,
- Maritime Theatre Command, and
- Air Defence Command

IDEA OF THEATERISATION

- It was first proposed after the Kargil war. The appointment of [Chief of Defence Staff \(CDS\)](#) and creation of the [Department of Military Affairs \(DMA\)](#) within the Ministry of Defence can be seen as steps towards achieving greater synergy and fusion between the three branches of the armed forces.

NEED FOR THEATRE COMMANDS

- [Enhanced coordination](#) between the armed forces for prompt and effective military response.
- [Bringing down costs](#)
- Having a unified approach during defence acquisition will reduce the cost of procurement. For example, Army and IAF acted in silos during procurement of Apache helicopters which increased their cost.
- A big chunk of the annual defence budget goes into paying salaries and pensions while outlays do not always grow in line with the actual needs of the armed forces. The theatre command system will help remove redundancies, reducing duplication of resources and bring greater focus in the allocation of resources.
- [Unified approach to fighting any future war](#): A potential conflict with a major military power like China may extend well beyond the typical theatres into the domains of cyber, space and nuclear, which requires a more integrated response from the Indian armed forces
- Integrated training of armed forces
- Currently, Andaman & Nicobar Command is an integrated command. So, India has some experience in operating an integrated theatre command.
- All major countries globally have already restructured their armed forces on the lines of Integrated Theatre commands. For ex. China, US, UK, Russia etc.
- The need for jointness and integrated theatre commands has been highlighted by various committees. For ex. 1) [Kargil review committee](#) recommended creation of post of Chief of Defence Staff (CDS) with a particular focus on adopting an integrated approach in defence management. 2) [Shekatkar committee](#) also recommended Theatre command to integrate land-sea-air defence capabilities.

CONCERNS AGAINST THEATRE COMMANDS

- Lack of consensus over basic structure of Theatre command itself, that is, who reports to whom and how does the chain of command flow. These involve

issues of operational command and control over assets

- Existing mismatch between the assets of the army, navy and air force. With fewer perceived resources, the Indian Air Force has concerns about its limited assets getting spread out thinly over the different theatre commands.
- Theatre commands will lead dilution of office of three service chiefs.
- Indian Air force has expressed its reservations about the idea of integrated theatre command. There is a feeling that Air Force will be reduced to a support force in case theatre commands come into being.
- There is a feeling that theatre commands will lead to superiority of Army over other forces.
- There is also a concern how will other security forces such as BSF, ITBP, Assam Rifles and CRPF will be integrated into theatre commands.
- Concerns have been raised about the operational efficacy of such integrating the existing three Indian Navy commands into one.
- Theatre commands are based on the idea of tackling conventional armed conflicts. However, in an age of nuclear overhang, the possibility of full-fledged warfare is very less. Today, sub-conventional warfare, terrorism and cyberwarfare poses most threat to India. Theatre commands will not be suitable to meet these.
- Integrated theatre commands are a long pending reform. However, we need to tread cautiously taking all armed forces and relevant stakeholders on board before proceeding with it.

► INDENISATION AND MODERNISATION OF DEFENCE

- India is the second-largest importer of weapons and there is a need for upgradation of armed forces. Defence modernisation and indenisation are the two most required tasks in present scenario.
- In August 2020, as an impetus for the indigenous military sector, the defence ministry announced restrictions on the imports of 101 weapons ranging from assault rifles to transport aircraft.

NEED FOR INDIGENISATION

- achieving self-reliance and reducing the burden of imports.
- India will emerge as a powerful country.

- India can export various indigenous defence technologies and equipment to the other nations.

ORGANISATIONS INVOLVED

- Defence Research Development Organisation (DRDO),
- Defence Public Sector Undertakings (DPSUs),
- Ordnance Factory Board (OFB) and
- private organisations

Indenisation of Defence was started in 1983 when the government sanctioned the Integrated Guided Missile Development Programme (IGMDP) to develop five missile systems. These were:

- Prithvi (surface-to-surface)
- Akash (surface-to-air)
- Trishul (the naval version of Prithvi)
- Nag (anti-tank)
- Agni Ballistic missiles
- Since these efforts were not adequate to meet the requirements of the armed forces, then we started focussing on co-development and co-production in partnership with foreign companies such as India and Russia signed an inter-governmental agreement to jointly produce Brahmos supersonic cruise missile.

INITIATIVES FOR INDIGENISATION OF DEFENCE

- Defence Procurement Policy: On recommendations of Dhirendra Singh committee, Defence Procurement Procedure 2016 added an additional category Buy (Indian-IDD) (Indigenously Designed, Developed and Manufactured), as most preferred way of defence acquisition.
- Preference to 'Buy (Indian)', 'Buy & Make (Indian)' & 'Make' categories of acquisition over 'Buy (Global)' category, thereby giving preference to Indian industry in procurement
- E-Biz Portal: Process of applying for Industrial License (IL) and Industrial Entrepreneur Memorandum (IEM) has been made completely online on ebiz portal.
- Restriction of annual capacity in the industrial license for defence sector has been removed.
- Outsourcing and Vendor Development Guidelines: for DPSUs (defence public sector undertaking) and OFB (ordnance factory board) to promote participation of private sector, particularly SMEs (small manufacturing enterprises) for defence manufacturing.
- Reforms in Defence PSUs: Ordnance Factory Board has been corporatized for bringing greater agility, accountability and freedom.

- Uniform custom duty: To make a level-playing field for Indian private sector and public sector, all Indian industries (public and private) are subjected to the same kind of excise and custom duty levies.
- FDI policy: composite foreign investment up to 49% is allowed through Government route (FIPB) and beyond 49% with approval of the Cabinet Committee on Security (CCS) on case-to-case basis.

PRESENT SCENARIO

- INS Vikrant: Also known as Indigenous Aircraft Carrier 1. First aircraft carrier to be built in India for Navy.
- Project 75: In 2017, Indian Navy started submarine programme called Project-75 (India), the "mother of all underwater defence deals" with France, Germany, Russia, Sweden, Spain and Japan to build six advanced stealth submarines. Project 75 Submarines INS Kalvari, INS Khanderi, INS Vela, S53, S54 and S55 are made by Mazagon Dock Limited and designed by French company DCNS in Mumbai.
- Arjun Tank: a third-generation main battle tank developed by DRDO.
- Kaveri engine: DRDO could not develop its indigenous Kaveri engine, which was to be used in LCA Tejas, due to restricted access to high-end defence technology by countries such as USA, JAPAN etc.
- Dhanush: First indigenous long-range artillery gun also known as the "desi Bofors".
- AGNI V: India's Intercontinental ballistic missile and was developed in 2013. Dhanush, Nirbhaya, Prithvi, Akash missiles have also been developed indigenously.
- Pinaka: was developed by armament Research Development Establishment (Pune).
- BRAHMOS: is a Joint Venture between India and the Russian federation.

CHALLENGES

- Lack of a forward planning or clear strategic direction.
- Projects such as Arjun Main Battle Tank have proved to be a deadweight for indigenous program. It has been in development since 1974.
- Lack of coordination.
- Lack of basic infrastructure.
- Limited access to latest technologies as powerful nations have restricted entry for India (Technology denial regimes from which India was kept away for long). Ex. nuclear submarines.
- Economic slowdown due to covid pandemic is going to affect Indian economy very badly and, in this

situation, most private sector companies will not be interested in expansion and production of defence equipment.

- Process of technology development remains opaque

SUGGESTIONS FOR ENHANCING INDIGENISATION

- Domestic industrial base should be developed and made advanced.
- Categorisation of weapons on two bases: 1) which one should be imported 2) which one should be made locally.
- Upgradation should be started from basic weaponry and protective gears for troops.
- Software Industry and technologies like Artificial intelligence and cyber security should be harnessed to develop and manufacture the indigenously.
- Inhouse design capability should be improved amongst three services, Navy has progressed well on path of indigenisation primarily because of in-house design capability, Naval Design Bureau.
- Robust supply chain is critical for a defence manufacturer looking to optimize costs
- For Make in India to succeed, it should require an injection of good strategy with a joint focus across the three-armed services. Clear Strategy and clear vision will result in boost to Make in India and Modernisation of forces. Ensure better coordination and smooth and fast functioning, Government had created Chief of Defence Staff post.

► DEFENCE EXPORTS

India's defence exports touched a record Rs 13,000 crore in the 2021-2022 fiscal year. Private sector is playing a key role in boosting exports.

EXPORT TARGET - \$5 BILLION BY 2025

- In 2020, government had set a target of Rs 35,000 crore (\$ 5 billion) export in aerospace, and defence goods and services in the next five years.
- This is part of the turnover of Rs 1.75 lakh crore (\$ 25 billion) in defence manufacturing by 2025 that the government is aiming to achieve.

REASONS FOR LACK OF FOCUS ON DEFENCE EXPORTS EARLIER

- Moral reasons: The ideology that India being a pacifist, moral and responsible state should stay away from the dirty business of selling arms.
- Corruption in defence exports: Defence exports often involve commissions and bribes.

COMPOSITION OF EXPORTS

- There has been rise in defence PSU share from 10% to 30% on account of Rs 2,500 crore deal that India made with Philippines for Brahmos missiles.
- Remaining 70 % share is from private sector.
- Most India's defence export is in the aerospace sector, where Indian firms have been manufacturing several parts, including fuselage for foreign companies.
- All fuselages of American attack helicopter Apache sold across the world are now made in India by a joint venture between Boeing and Tata.
- Companies like Adani Defence and Lohia Group are making fuselages for several Israeli drones.
- Vietnam is procuring 12 Fast Attack Craft under a \$100 million credit line announced by India and discussions are continuing to identify systems under the second line of credit of \$500 million.
- HAL has pitched its helicopters and the Tejas LCA to several Southeast Asian and West Asian nations and is in the race to supply the LCA to Malaysia.
- India inked \$375 million BrahMos deal with Philippines.
- Biggest beneficiary of India's defence exports in last five years has been Myanmar.
- According to SIPRI report on international arms transfer trends, roughly 50% of India's defence exports from 2017 to 2021 were to Myanmar, followed by Sri Lanka at 25%, and Armenia at 11%.

IMPORTANCE OF INCREASING DEFENCE EXPORTS

- Critical defence systems are not supplied by exporting countries.
- Technology denial regimes which limit transfer of technology.
- Play a crucial role in improving India's strategic relations with countries in strategically important geographies. Ex. Philippines in Indo-Pacific.
- From being an importer of Defence equipment, Exports can play a crucial role in earning much needed foreign exchange. A similar strategy is being deployed in the petroleum sector where despite being one the largest importer, India focuses on Exporting refined products.
- It can have a Rub-off effect on other manufacturing sectors like - Aircraft industry etc.
- Given the security context of India's location and its focus on militarisation, focus on defence export

would help in indigenisation of Defence production overall.

- PM highlighted that changing geopolitical reality was that many smaller nations were now worried about security and would look towards India as it had strength of low-cost, high-quality production.
- Private sector can play an important role in Defence production and exports.
- Great powers like US, Russia and West European countries are exporters of Defence equipment. With India wanting to play a key role in Global affairs defence exports would raise its prestige.

REASONS FOR LACK OF FOCUS ON DEFENCE EXPORTS

- Moral reasons: The ideology that India being a pacifist, moral and responsible state should stay away from the dirty business of selling arms.
- Corruption in defence exports: Defence exports often involve commissions and bribes.
- Lack of availability of critical systems for exports.

CHALLENGES IN INCREASING DEFENCE EXPORTS.

- Licensed production: large proportion of defence manufacturing in India involves licensed production which can act as a barrier to market-based development of the defence industry. For ex. UK is not allowing export of Tejas to Argentina as it uses components made in the UK.
- Reputational setbacks from past exports: Nepal had blamed Indian INSAS rifles provided by DRDO for its ineffectiveness in handling insurgency. In 2015, Ecuador terminated contract with HAL for 7 locally designed Dhruv Advanced Light Helicopters after four of them crashed within a short time.
- Breaking monopoly of major defence exporters: like US, Russia & Israel would be difficult. India will have to either cut into share of biggest exporters collectively accounting for 90.3% of trade.
- Defence trade thrives on exporting country's sphere of influence. Countries in India's sphere of influence have small defence budgets. India will need one or two major customers like all major exporting countries have, to boost its exports.
- World's largest importers of arms include countries like Egypt, China & Pakistan which India will not export to, even if they are willing.
- Countries like Saudi Arabia, Australia, Algeria, South Korea, Qatar & UAE are unlikely to abandon western suppliers and turn to India for meeting their requirement.

- After sales service ecosystem: Comprehensive after sales services is crucial for emerge as a reliable supplier of defence systems.

STEPS TAKEN BY GOVERNMENT

- Measures announced to boost exports since 2014 include simplified defence industrial licensing, relaxation of export controls and grant of no-objection certificates.
- Specific incentives were introduced under the foreign trade policy and the Ministry of External Affairs has facilitated Lines of Credit for countries to import defence product.
- In addition, defence attaches in Indian missions abroad have been empowered to promote defence exports.
- The Defence Ministry has also issued a draft Defence Production & Export Promotion Policy 2020.
- To boost indigenous manufacturing, the Government had issued two "positive indigenisation lists" consisting of 209 items that cannot be imported and can only be procured from domestic industry.
- In addition, a percentage of the capital outlay of the defence budget has been reserved for procurement from domestic industry.
- For the year 2021-22, about 63% of the capital outlay or about ₹70,221 crore will be done from domestic defence industry.
- SPRINT CHALLENGES: Launched to boost to usage of indigenous technology by inducting at least 75 new indigenous technologies/products in Indian Navy. Launched by NIIO in association with Defence Innovation Organisation (DIO).
- iDEX Initiative
- Technology Development Fund was established Ministry of Defence to promote self-reliance.

NOTE - Strategy to boost exports will also include points given in the Defence indigenisation.

► INDIA NUCLEAR DOCTRINE

India's Defence Minister had said that India's 'No First Use' (NFU) policy on nuclear weapons depended upon changed circumstances in the future and had therefore raised apprehensions on the likely revision of India's NFU policy and nuclear doctrine.

ABOUT NUCLEAR DOCTRINE

- Credible Minimum deterrent: refers to quantity of nuclear forces that India needs to deter potential nuclear adversaries.

- No First Use: nuclear weapons will only be used in retaliation against a nuclear attack on Indian territory or on Indian forces anywhere.
- Nuclear retaliation to a first strike will be massive and designed to inflict unacceptable damage.
- Nuclear retaliatory attacks can only be authorised by the civilian political leadership through the Nuclear Command Authority. Nuclear Command Authority comprises a Political Council and an Executive Council. Prime Minister chairs Political Council. It is sole body which can authorize use of nuclear weapons.
- Non-use of nuclear weapons against non-nuclear weapon states. However, in the event of a major attack against India, or Indian forces anywhere, by biological or chemical weapons, India will retain the option of retaliating with nuclear weapons.
- A continuance of strict controls on export of nuclear and missile related materials and technologies, participation in Fissile Material Cut off Treaty negotiations, and continued observance of the moratorium on nuclear tests.
- Continued commitment to the goal of a nuclear weapon free world, through global, verifiable and non-discriminatory nuclear disarmament.

CREDIBLE MINIMUM DETERRENCE

- Main purpose of CMD is to ensure a nuclear arsenal that can assure a second-strike capability. This implies that in the event of another nation conducting a first nuclear strike of any magnitude against India, India's nuclear forces shall be ready to ensure survivability of the attack and the capability to conduct a massive nuclear retaliation aimed at the enemy country.
- CMD intends to convey a non-aggressive and defensive nuclear posture by projecting a nuclear arsenal that fulfils the bare needs of defence and security.
- CMD does not imply indefinite expansion of the nuclear arsenal and it is not an arbitrary control on number of nuclear weapons India may possess. The number of nuclear weapons India may possess over time depends upon India's security situation.
- While India is committed to maintain the deployment of a deterrent which is both minimum and credible, it will not accept any restraints on building its nuclear R&D capability.

ADVANTAGES OF NO FIRST USE POLICY

- Obviates need for expensive nuclear weapons infrastructure that is associated with a first-use doctrine.
- Onus of escalation to a nuclear War is on adversary, without preventing India from defending itself. This prevents India from shouldering moral responsibility of initiating a nuclear War.
- India's self-proclaimed restraint has formed the basis for its claims to belong to the nuclear mainstream — such as the claim to membership for the Nuclear Suppliers Group and our recent membership to MTCR, Wassenaar Arrangement and Australia Group.
- India's nuclear weapons were based on staggering and punitive retaliation in case deterrence failed. NFU showcases India to be a responsible nuclear power whereby India has shown that its nuclear weapons are for defensive purposes and we will use it only when someone uses it against us.

CRITIQUE OF NO FIRST USE

- NFU posture is only possible for a country that has extreme confidence not only in the survivability of its national nuclear forces sufficient to muster a devastating retaliatory strike, but also in the efficacy of its crisis management system. The Indian bureaucratic system is yet to show capability of handling any emergency as dire as a nuclear strike.
- India's NFU policy frees Pakistan from fearing an Indian nuclear attack to either terrorism or limited war. Pakistan has also threatened to deploy Tactical nuclear weapons in limited theatres such as against Indian naval armada or against Indian soldiers that capture Pakistani territory. This has raised concerns whether India can use strategic nuclear weapons that wipe out cities against a smaller nuclear attack by Pakistan.
- NFU is a confidence building measure among States, however no country practically believes those that pledge NFU. China has pledged NFU, yet India will not trust China's pledge and similarly, Pakistan does not believe in India's NFU pledge.
- Countries that have pledged NFU such as India and China, while countries that have not such as Pakistan have the same deployment pattern of weapons during peace time and War time.
- It is argued that a NFU means that India is not capable of deciding when to use nuclear weapons.

NUCLEAR SUPPLIERS GROUP – RELATED ISSUES

- Established in 1975, Nuclear Suppliers Group (NSG) is comprised of 48 states that have voluntarily agreed to coordinate their export controls to non-nuclear-weapon states.
- NSG governs the transfers of civilian nuclear material and nuclear-related equipment and technology.
- NSG aims to prevent nuclear exports for commercial and peaceful purposes from being used to make nuclear weapons.
- To ensure that their nuclear imports are not used to develop weapons, NSG members are expected to forgo nuclear trade with governments that do not subject themselves to confidence-building international measures and inspections.
- NSG has two sets of Guidelines listing the specific nuclear materials, equipment, and technologies that are subject to export controls.
- India's explosion of a nuclear device in 1974 reaffirmed the fact that nuclear materials and technologies acquired under the guise of peaceful purposes could be diverted to build weapons. In response to India's action, several Zangger Committee members, along with France—who was not a member of the NPT at that time—established the NSG to further regulate nuclear-related exports
- IAEA is charged with verifying that non-nuclear-weapon states are not illicitly pursuing nuclear weapons. To prevent nuclear material or technology from being stolen or misappropriated for weapons, IAEA safeguards include inspections, remote monitoring, seals, and other measures.

NUCLEAR NON-PROLIFERATION TREATY (NPT)

NPT is a landmark international treaty whose objective is to prevent the spread of nuclear weapons and weapons technology, to promote cooperation in the peaceful uses of nuclear energy and to further the goal of achieving nuclear disarmament and general and complete disarmament

INDIA'S MEMBERSHIP ISSUE OF NPT AND NSG

- India has advanced its bid to join the NSG.
- However, India did not sign the NPT which is a prerequisite for joining NSG
- India's stand is that NPT creates a club of "[nuclear haves](#)" and a larger group of "[nuclear have-nots](#)" by restricting the legal possession of nuclear weapons to those states that tested them before 1967.
- Although President Barack Obama expressed support for India's membership to the NSG in 2010, the group

remains divided, in part because, as a non-state-party to the NPT, India does not meet a core criterion for membership.

- At the June 2016 NSG meeting, the United States and India pushed for acceptance of India's bid for membership.
- All participating states, except for China, support allowing India to join NSG without signing the NPT.
- China noted that other non-NPT states in addition to India had expressed desire in joining the NSG, and therefore India should not receive an exclusive exemption.
- According to China - NPT membership constitutes one of the prerequisite factors for consideration of NSG participation, [m]ore discussions are needed before the Group is in a position to review...participation by any specific non-NPT state at meetings of the Group.
- In response to India's bid, Pakistan also expressed a desire to join the NSG.

INDIA'S NUCLEAR TRIAD

- Nuclear Triad essentially has 3 major components: Strategic bombers, Inter Continental Ballistic Missiles (ICBMs) and Submarine Launched Ballistic Missiles (SLBMs) for delivery a nuclear weapon.
- The reason for having such three branched capability is to significantly reduce the possibility of the destruction of the entire nuclear architecture of the state in the first nuclear strike by the enemy itself.
- The triad provides the potency to the country which has been under the nuclear attack to respond swiftly by nuclear means.
- Such system essentially increases deterrence potential of the state's nuclear forces.
- India's 'triad' is a mix of missiles fired from -
 - [Land](#) — [Agni 2, Agni 4 and Agni 5](#).
 - [Air](#) - [Sukhoi Su-30MKIs, Mirage 2000s and Jaguars](#) can launch nuclear missiles.
 - 6,000-tonne [INS Arihant now adds a maritime strike capability](#).

► DRONE ATTACK

Two explosives-laden drones crashed into Indian Air Force (IAF) station at Jammu airport. The attack is believed to be first-ever offensive use of drones to target an Indian military facility raising security concerns.

DRONE USE IN THE PAST

- Drones are being used for military purposes since 1990s.

- **Instances of Drone Usage:** Used in Gulf War by USA, used against Al-Qaeda by US, Islamic State used drones in Iraq and Syria, Houthi rebels used drones to attack oil facilities in Saudi Arabia etc.
- However, the new threat is the use of drone by non-state actors for terrorism.

INDIA AND DRONES

- In the past, weapons have been dropped into J&K using drones. They have also been used for surveillance and providing cover to terrorists.
- In the recent years there have been estimated 100-150 sightings of suspected drones near India's western border annually, most for surveillance.

CHALLENGES POSED BY DRONE ATTACKS

- It is a low-cost easily accessible tool in the hands of terrorists and have become a key component of modern-day warfare.

Types of rogue drones:

- **Autonomous drones:** Drone controlled by onboard computers programmed to navigate to a fixed target and do not require real time human control.
- **Drone swarms:** where hundreds of drones try to confuse the system is another challenge that needs to be tackled.
- **Stealth drones:** Drones designed to reduce their radar signature and can be operated in patterns making them difficult to detect. To evade acoustic detection, rotors can be modified to dampen drone's engine noise.
- Drones can be used to smuggle arms and drugs, targeting VVIPs, reconnaissance & surveillance, electronic attacks, delivery of weapons of mass destruction, messaging etc.
- Conventional Radars cannot detect drones. If calibrated for small objects, radars confuse them for birds.
- Indian forces use eyesight to trace and shoot such drones. However, drones flying at heights are difficult to target.
- Technologies to disable and shoot drones like - interfering with their radio frequency, shooting them with energy beams have not been fully successful.
- Tackling drones that attack from within the national boundary is also challenging.
- Anti-drone systems are expensive for defenders, while drones are cheaper for attackers.

- Provides Pakistan opportunity to use them clandestinely, which saves it from being blamed for terror attacks in India.
- Could pose a threat to essential civilian infrastructure such as dams, power plants and bridges.
- Threat of air collision between drones & manned aircraft.

COUNTER-DRONE TECHNOLOGIES

These are systems that are used to detect and intercept unmanned aircraft. These technologies have already been extensively used in civil arena and combat zones including base protection, airspace protection at airports, security during large events and major sports gatherings, VIP protection etc. For ex. Counter drone systems have been routinely employed during Independence Day and Republic Day celebrations in Delhi.

There are two components of Counter-Drone systems: 1) Detection & 2) Interception

1) Detection: Early detection and identification is the key to effective neutralization of the UAV threat which can be undertaken by a combination of sensors. Some detection systems for counter drone measures are:

a) Radar: These systems can pick-up drones of the size of small birds using very low transmitted power.

b) Electro-optical/InfraRed: They monitor for drones in visible light and infrared spectrum.

c) Radio Frequency: Most drones are linked with operator on ground using a radio link. External properties of data link's signal can be used for approximate position of drone and operator.

d) Acoustic sensor: These sensors detect noise signatures created by UAV motors and propellers. However, these have limited range and suffer from high nuisance (false) alarm rates (especially in urban environments).

e) Passive coherent locator system: A passive radar system, which utilizes third-party transmitters like Television broadcasts, FM Radio or Mobile Telephone to detect a target and provide location, heading and speed information. A PCL system is capable to detecting extremely small signal changes scattered by micro drones.

2) Interception: Deals with response and neutralization of drones by focusing on denial of mission of rogue drones and their destruction. The options for response range from diverting UAV in a different direction, capturing it, or to destroying it broadly. Neutralization measures being utilized by counter UAV system are:

a) Kinetic kill: Currently, most relied and preferable option for neutralizing rogue drones. Ex. Shooting down with sniper rifles, using anti-aircraft guns and missiles, deploying fighter aircrafts, depending on the situation. However, high level of skill and expertise is required from shooter.

b) High Power Electromagnetic Weapons (HPEM)/Lasers: This can be used in scanning and neutralization. It utilizes high energy beams focused on the drones to physically burn the drone or a part of it. However, lasers are affected in adverse weather conditions, can cause hazard to humans. Also, it is difficult to keep them focused on the UAV.

c) Radio Jamming: Rogue UAV is identified and targeted with an electromagnetic signal strong enough to overwhelm the system's controls. However, UAVs are specifically encrypted to withstand these attempts.

d) GPS Spoofing: drone is confused to forget its waypoints and go into auto-pilot mode and in this stage; it is directed to obey new commands. Thus, this system removes threat and gives access to adversary's technology for analysis.

e) Drone Capture Nets: Capture nets can be used from ground as well as a hunter-killer drone. The net encompasses drone and causes it to cease flying by disrupting propulsion system. However, range of these capture nets are limited. Variants of this system like Drone-on-Drone and Bird-on-Drone are also used.

GLOBAL COUNTER DRONE SYSTEMS

- Rafael has built a Drone Dome technology, offering a 360-degree coverage. It can jam signals and visuals being sent out by the drone. It has high precision in shooting the drone with high powered laser beams.
- US based Fortem technologies uses interceptor drone technology - "Drone Hunter". It fires a net to catch the drone mid-air.
- An Australian company claims to have developed a Drone gun which can pinpoint and shoot the drone.

INDIA'S PREPAREDNESS FOR SUCH ATTACKS

- DRDO has developed a detect-and-destroy technology for drones. It was deployed for VVIP protection on Republic Day parade, Independence Day and the Namaste Trump event. It has capabilities of both:
 - Hard kill - destroying a drone with lasers.
 - Soft kill - jamming a drone's signals.
 - Range is very limited between 1 to 3 Kms.

INDIA'S OFFENSIVE DRONE CAPABILITY

- India has Heron surveillance drones developed by Israel and Harop Loitering Munition systems which is an attack weapon system designed to locate and precisely attack targets.
- India is looking to acquire MQ9 Reaper drones from USA. Also called 'Predator' drone, can detect targets using its inbuilt sensors and radars.
- HAL, India is developing CATS Warrior drones. It will have a mother vehicle - a fighter jet operating 700 km away that will be able to strike enemy targets through unmanned drones. Fighter jets guiding unmanned drones can remain 150 km behind and control and give directions to four unmanned vehicles called CATS Warriors.
- HAL is also developing rotary unmanned aerial vehicle or 'drone helicopter', which can operate at 15000 feet. It will be crucial for speedy transportation of supplies in harsh high-altitude areas
- Indian Army is buying indigenous Switch UAVs meant for day and night surveillance of high-altitude areas.
- India has developed a National Counter Rogue Drone Guidelines by Ministry of Civil Aviation.

NATIONAL COUNTER ROGUE DRONE GUIDELINES

- Devise an automated UAS Traffic Management (UTM) system for low-altitude airspace to provide hyper-local and real-time information for managing UAS traffic. This would ensure that only authenticated UAS could operate in airspace.
- UTM needs to have surveillance, navigation, communication, traffic de-confliction and emergency assistance aids to regulate drone traffic in real time.
- Prevent drones from straying towards notified vital installations, dynamic Geo-fencing may be implemented by permitting UAS to operate only along permitted trajectory in airspace and prohibiting of use of drones in certain areas.
- All UAS manufactured, imported or operating in India to be mandated to be equipped with appropriate navigation and communication software and hardware for live telemetry and data exchange. UAS must allow for operational command to be transferred to UTM service provider, at any time and capable to executing manoeuvres.
- Deploying counter UAS infrastructure at vital target systems. Towards this end, airspace regulators and security agencies shall be required to enhance

capabilities to track, detect, identify and engage hostile drones in real time.

- Multiagency drone regulatory body to be developed with involvement of Air Force and Ministry of Civil Aviation for deployment of counter drone measures.
- Implementation of stringent airworthiness criteria and drone pilot training along with certification. Registration of drones as well as the vendors that are selling drones in India.
- Vulnerability analysis of drone needs to be identified based on Drone impact assessment.
- Legal framework for use of Counter drone systems by security agencies should be put in place.
- Interaction of R&D organisations and academia to develop systems for futuristic technologies.

FEATURES OF UNMANNED AIRCRAFT SYSTEMS RULES 2021

- UAS categorised as airplane, rotorcraft and hybrid with further categorisation as remotely piloted aircraft, model remotely piloted aircraft and autonomous unmanned aircraft system.
- UAS classified as nano, micro, small, medium and large unmanned aircraft
- Mandatory for individuals and companies to obtain approval from the DGCA to import, manufacture, trade, own or operate drones
- No Permission- No Take-off (NPNT) policy adopted for all UAS except for those in the nano category
- Micro and small UAS are not permitted from flying above 60m and 120 m, respectively.
- UAS prohibited from flying in strategic and sensitive location, including near airports, defence airports, border areas, military installations/facilities and areas earmarked as strategic locations/vital installations by the Ministry of Home Affairs.
- Penalties have also been provided.

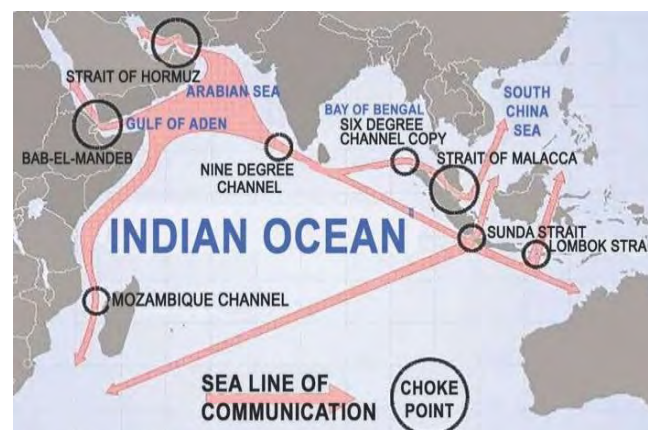
► MARITIME SECURITY

PM proposed five basic principles for enhancing maritime security during an open debate at UNSC. Appointment of India's first National Maritime Security Coordinator (NMSC) reflects seriousness to address maritime security challenges. The NMSC under the National Security Advisor (NSA) will go a long way in

streamlining maritime governance and enable development of the maritime sector.

FIVE-POINT FRAMEWORK FOR MARITIME SECURITY

- Removal of barriers to maritime trade.
- Resolution of maritime disputes peacefully and in accordance with international law.
- Jointly tackling maritime threats from non-state actors and natural disasters.
- Conservation of maritime environment & marine resources.
- Responsible maritime connectivity.



SIGNIFICANCE OF MARITIME SECURITY TO INDIA

- **Border security:** India has a coastline of over 7,000 km which underlines the importance of maritime security for India's national security.
 - **International trade:** India's exports and imports have remained mostly across the shipping lanes of the Indian Ocean. Therefore, securing Sea Lanes of Communication (SLOCs), especially choke points like Strait of Hormuz, Bab-el-Mandeb and Strait of Malacca, have been an important issue for India.
- Growing Chinese presence in IOR:** China is growing its footprint and influence in Indian Ocean region. China has been developing its capabilities in Indian Ocean Region under String of Pearl strategy.
- **Marine resources:** Indian Ocean is rich in fisheries and mineral resources like oil & natural gas and Poly metallic nodules (PMN).
 - **Maritime Climate:** Impact of global warming and climate change on Indian Ocean will induce significant changes in Indian monsoon pattern and cyclones.
 - **Terrorism:** During Mumbai terror attacks in 2008 terrorists entered Mumbai using maritime route.

There are concerns of piracy in Western Indian Ocean

originating from Somalia.



CHALLENGES IN MARITIME BORDER SECURITY

- **Fragmented Approach:** Overlapping jurisdiction & lack of unity of command in maritime border guarding.
- **Responsibility for patrolling & surveillance** of coastal areas up to 12 nautical to State Coastal Police under nine coastal states, fragments maritime border guarding.
- Overlap of Jurisdiction between Indian Navy and state forces.
- Unlike Border guarding forces falling under Ministry of Home affairs, Indian Navy and Indian coast guards fall under Ministry of Defence. Thus, coordination between state and central agencies becomes difficult.
- Indian navy and Indian coast guards (ICG) fall under different department within the Ministry of Defence.
- Ensuring security of maritime borders is not primary duty of ICG, which deals with protection of maritime and other national interest in the Territorial waters.
- Overlapping of functions between Indian Navy and Indian Coast Guards. ICG is responsible for security of Territorial Sea, while Indian Navy is responsible for Security of both Territorial Sea as well as EEZ.

STEPS TAKEN FOR MARITIME SECURITY

- **Creation of unified maritime command** headed by Indian Navy ensuring integrated maritime security.
- **National Maritime Security Coordinator (NMSC)** has been appointed under National Security Advisor.

COASTAL SURVEILLANCE NETWORK (CSN)

- 46 radars of Chain of Static Sensors have been established for real-time coastal monitoring and surveillance by the Indian Coast Guard.
 - Coastal Surveillance System through Chain of Coastal High-Definition Surface Warning Radars installed in 2011.
 - Deployment of ships and aircrafts for surveillance on daily basis for maritime law enforcement, coastal security, pollution response, search & rescue etc.
- **Developing naval bases:**
 - India had a deal with Singapore to expand existing Indian access to Changi naval base
 - Development of **Agalega port** in Mauritius with dual use logistical facilities
 - Secured access to **port of Duqm** in Oman for military use and logistical facilities
 - **Capacity building of Indian Navy:**
 - INS Arihant (Nuclear submarine)
 - INS Vikrant (Aircraft carrier)
 - Achieved Nuclear triad
 - Developing reconnaissance capacities in Indian Ocean.
 - **Mission SAGAR:** A maritime initiative which gives priority to Indian Ocean region for ensuring peace, stability and prosperity of India in Indian Ocean region. Under this initiative, India has supplied COVID

relief material to Indian ocean littoral countries during pandemic

- Humanitarian and Disaster relief operations (HADR):
India has been one of the first respondents to extend HADR support in case of any emergency in the Indian Ocean region. E.g., Operation Sahayata (Mozambique); Operation Vanilla (Madagascar) & Operation Insaniyat (Bangladesh)
- Maritime military exercises such as Malabar exercise.
- Participation in Regional groupings: India has been actively participating IOR groups like
 - IORA - Indian Ocean Rim Association
 - IONS - Indian Ocean Naval Symposium
 - IOC - Indian Ocean commission
 - BIMSTEC – Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation

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