

International Issues

57. ASEAN

Introduction

- Association of South East Asian nations (ASEAN) is a politico-economic conglomerate of ten member countries from SE Asia.
- It was formed on 08 Aug 67.
- Covers a land area of 4.4 million sq. k.m ie 3% of area of earth
- Member countries comprise 8.8% of world population
- Seventh largest economy of the world.

Member

- Indonesia
 - Malaysia
 - Philippines
 - Singapore
 - Thailand
 - Brunei
 - Cambodia
 - Laos
 - Myanmar
 - Vietnam
- Initial member
- Later Inclusion

Summit

ASEAN summit is held twice a year to discuss & remove:-

- Political
- Economic
- Regional Issues

Meetings with Countries outside the block are also held during summits to promote external relations.

Aim & Scope

- Accelerate economic growth, social progress and cultural development
- Promote regional peace & stability
- Provide assistance to each other training & research
- Collaboration & mutual assistance
- Better utilization of agriculture & industry and raise standard of living

- Promote SE Asia
- Maintain cooperation with international organization

ASEAN Plus Three

- Formed in 1997
- To further expand the organization by integrating with major economic powers
- Plus Three: China, Japan & S. Korea.

East Asia Summit

- Pan Asian Forum hold annually.
- Leaders of 18 countries (ASEAN plus 8)
- Plus 8
 - China
 - Japan
 - S Korea
 - India
 - Australia
 - New Zealand
 - US
 - Russia
- Later Inclusion

Regional Comprehensive Economic Partnership

- Conceived at 2011 ASEAN Summit in Bali
- India took part in initial negotiations but later opted out citing adverse impact of the treaty formally signed -15 Nov 20
- Composition 10 ASEAN countries plus five:-
 - Australia
 - China
 - South Korea
 - New Zealand
 - Japan
- Mix of high, middle, low income countries
- Aim

- Eliminate 90% of import tariffs between signatory countries within 20 years
- Establish common rules for a commerce, trade & intellectual property

➤ China's Continuous threat of expansionism has forced ASEAN countries to align with western Powers

India's involvement in Infrastructure project with ASEAN members will also help in countering China's BRI

India & ASEAN

- India's shift from 'look East' to 'Act East' gave a boost to trade with ASEAN.
- ASEAN-India free trade Area agreement was signed in 2009 between 10 members of ASEAN & India.
- India is sixth largest trading partner of ASEAN.
- Area of Focus include:-
- Trade-Bilateral agreements
- Private Sector Engagement
- Tourism
- Infra structure-India Myanmar Thailand Highway and Kaladan multimodal transit transport project
- Digital connectivity

Conclusion

- India's shift from look East to Act East has given a boost to its relations with ASEAN members.

58. QUAD

Introduction

- It is a regional coalition between:
 - India
 - USA
 - Australia
 - Japan
- Initiated in 2007 by Japanese PM Shinzo Abe with support of US, Australia & Indian PM as a strategic security dialogue.

Aim

- The diplomatic and military arrangement was viewed as a response to increased Chinese Economic & military power.

Background

- Quad ceased in 2008 due to withdrawal of Australian PM.
- Quad was revived again during 2017 ASEAN Summit in Manila when all four members agreed in order to counter China militarily & diplomatically in Indo-Pacific region particularly in South China Sea. Tensions between QUAD members and China have led to fears of a "New Cold War".

Spirit of QUAD

- Shared vision for Free & open Indo-Pacific.
- Rule based maritime order in East & South China Seas.
- Respond to Covid-19.

QUAD PLUS

- Included representatives of S. Korea, New Zealand and Vietnam (Issues of handling Covid 19 were discussed.)
- In 2021, Brazil and Israel were also invited.

Meetings

- Met five times from 2017-19.
- A Naval exercise MALABAR was coordinated between the four QUAD nations. Exercise

delayed due to Covid-19. Held in first week of July every year.

- During Covid-19 meetings were held virtually.
- Important developments included:-
 - Quad Vaccine Experts Group.
 - Quad Climate Working Group.
 - Quad Critical & Emerging Technology Group.
- Since then series of meetings have been held on regular frequency to discuss important issues to include:-
 - To distribute Covid-19 vaccine to countries in Asia to counter China's influence.
 - Commitment to Indo-Pacific Region – Free & Open.
 - Conflict & humanitarian crisis in Ukraine.

China's Reaction

- China has been diplomatically protesting to all four members.
- Under Xi leadership, China has resorted to island building in Spratly Islands & Paracel Islands.
- China has been warning countries like Bangladesh not to join QUAD failing which it may seriously damage relations.
- China has opposed any efforts to form an exclusive clique, portray China as a challenge and sow discord between regional countries & China.

Conclusion

The development of QUAD is to counter growing Chinese military modernization, domination of Taiwan, South China Sea & to counter increasing economic power of China in Asia-Pacific Region. As of 2023, QUAD Countries together have a combined GDP of US \$36.7 trillion (35%) Gross World Product.

59. BRICS

Introduction

It is an acronym for five leading economies viz:

- Brazil
- Russia
- India
- China
- S. Africa

The first four countries were grouped in 2001 and S. Africa joined later in 2010.

BRICS has a combined area of Approx 40 lakh sq.km. 41.5% of global population and about 27% of Gross World Product (GWP).

Aim

- Establish a formidable multilateral grouping that has convergence of interests at global level.
- Fast growing economies that would collectively dominate global economy by 2050.
- Rival to G7 bloc of leading advanced economies of the world.

Summits

- The group summits are held annually since 2009 with member countries taking turns to host the meetings.
- Details & salient aspects of various summits are given below:-

Year	Host	Issues
2009		<ul style="list-style-type: none">• Global Recession• Food, Trade, climate & security of nations
2010	Brazil	<ul style="list-style-type: none">• Global Recession & How to recover• IMF, climate change & ways to form cooperation
2011	China	<ul style="list-style-type: none">• Africa joined the grouping• Global & internal economies
2012	India	<ul style="list-style-type: none">• OFC submarine for communication between BRICS• Take advantage of Global recession to improve economies
2013	S. Africa	<ul style="list-style-type: none">• Preposition for NEW DEVELOPMENT BANK (NDB) & Contingent Reserve Agreement (CRA)• Announces Business Council & Think tank Council
2014	Brazil	<ul style="list-style-type: none">• NDB & CRA signed• Political coordination development & economic growth
2015	Russia	<ul style="list-style-type: none">• Joint summit with SCO (Shanghai Coop Org) and Eurasian Economic Union (EEU)• Global economic problems & better ways for cooperation
2016	India	<ul style="list-style-type: none">• Joint summit with BIMSTEC

		<ul style="list-style-type: none"> • Counter terrorism, economies & Climate change • Issued Goa Declaration
2017	China	<ul style="list-style-type: none"> • International & Regional issues • Bright future for BRICS
2018	S. Africa	<ul style="list-style-type: none"> • Rising Industries • Increase in Industrial market
2019	Brazil	<ul style="list-style-type: none"> • Advancement in science & innovation fields • Advance technology & digital currency • Stop drug trafficking & organized crime
2020 (Virtually)	Russia	<ul style="list-style-type: none"> • Joint summit with SCO • Better living standards & quality of life • Focus on peace, economies & cultural societal issues
2021	India	<ul style="list-style-type: none"> • Reform multilateral system • Reforms of principal organs of UN • Space & Climate cooperation • Agriculture coop • Green Tourism
2022	China	<ul style="list-style-type: none"> • Faster partnership at high level • Support talks between Russia & Ukraine
2023	S. Africa	<ul style="list-style-type: none"> • Aid to Ukraine

New Development Bank (NDB)

- Formally referred to as BRICS Development Bank.
- Operated by five BRICS states.
- Primary focus – lending infrastructure projects with authorized lending upto \$34 billion annually.
- HQ – S. Africa.
- Starting Capital \$50 bn with scope to increase to \$100 bn.
- Each partner to contribute initially \$10 bn.
- 53 projects worth \$ 15 bn in pipeline.

Contingent Reserve Arrangement (CRA)

- To provide Protection against global liquidity pressures.

- Competitor to IMF
- Established – 2015
- Protection against members national currencies being affected by global financial pressures.

Conclusion

India is playing a role of Big Brother and is considered as a strong voice in BRICS & UN. It speaks out strongly against terrorism & other policies or actions that harm the interest of members. India turned down the China's request for including Pakistan, Sri-lanka & Mexico in BRICS.

60. SAARC

Introduction

- Acronym for south Asian association of Regional Cooperation
- Members
 - India → Sri Lanka
 - Bhutan → Maldives
 - Nepal → Pakistan
 - Bangladesh → Afghanistan
- Established in Dhaka on 08 Dec 1985 with its secretariat based in Kathmandu Nepal.
- It comprises 3% of world land area, 21% of world population and 5.5% of world's economy.
- Regional inter-governmental organisation and geopolitical union of states.
- Promotes economic development & regional integration.
- Promotes socio-cultural development & collective self-reliance of member states.
- SAARC maintains permanent diplomatic relations at UN and EU as an observer.

Observers

- States with observer status include:-
 - Australia > Japan
 - China > Mauritius
 - EU > S. Korea
 - Iran > US

Potential Future Members

- China-Request to join SAARC
- Myanmar-Upgrade from observer to member
- Russia-Applied for observer status
- Turkey-Applied for observe status
- S. Africa-Attended Meetings

- Indonesia, Jordan, Canada, New Zealand, Ireland, Saudi Arabia, UK & Yemen have shown interest

Regional Centres-SAARC

- Agriculture (SAC)-Bangladesh
- Met Research (MRC)-Bangladesh
- Forestry (SFC)-Bhutan
- Documentation (SDC)-India
- Disaster Management (DMC)-India
- Central Zone Management (SCZMC)-Mauritius
- Information -Nepal
- TB & HIV/AIDS - Nepal
- Human Resources Development-Nepal
- Energy -Pak
- Cultural -Sri Lanka

Political Issues

19th SAARC summit scheduled to be held in Pakistan was called off as India, Bangladesh, Bhutan & Afghanistan decided to boycott it due to terrorist attack in Uri.

Apex Priorities

South Asian Free Trade Area (SAFTA)

- Agreement signed in Jan2004 during 12th summit at Pak.
- SAARC members to reduce their duties down to 20%
- SAFTA Ministerial Council (SMC) was established, comprising commerce of member states
- It was envisaged to move toward south Asian Economic Union but the current intra-regional trade & investment relation are not very encouraging

SAARC VISA Exemption Scheme

- Launched in 1992

- Leaders decided that certain categories of dignitaries should be entitled to special Travel Document
- Document to be exempt from visas with the region.
- Presently the list includes 24 categories of entitled persons-
- Dignitaries, judges, parliamentarian, senior officials, entrepreneurs, journalists & athletes.

Conclusion

SAARC summits are not held very regularly specially after the Uri Attack.

A lot needs to be done in future to strengthen its member countries the need to put joint efforts towards agricultural research, free trade, food security, infrastructure development, higher education & energy crop.

61. G-20 Summit

Introduction

- G-20 or Group of 20 is an inter-governmental forum comprising of 19 countries & European Union
- Composed of world's largest economies
 - 80% of gross world Product
 - 75% of International Trade
 - Two third of Global Population
 - 60% of world land area.

Founded in 1999 in response to world economic crisis

Composition 19 Countries & EU

1. Argentina
2. Australia
3. Brazil
4. Canada
5. China
6. France
7. Germany
8. India
9. Indonesia
10. Italy
11. Japan
12. S. Korea
13. Mexico
14. Russia
15. Saudi Arabia
16. South Africa
17. Turkey
18. UK
19. USA
20. EU

Aim

- Global Economy
- International Change/mitigation
- Sustainable Development.

Meetings

- Held once a year
- It includes members, head of Govt./Foreign Ministers & other high ranking officials.
- EU represented by European Commission and European Central Bank.
- Other countries, international organization and NGO's are invited to attend summits.

Secretariats

- No permanent secretariat
- Preparation of Summit is carried out by G-20 leader's personal representative called "SHERPAS"
- 'Sherpas maintain contact with each other over the year to discuss agenda terms & coordinate'
- Group-chair rotates annually

Permanent Guest Invitees

- African Union (AU)
- ASEAN
- Financial Stability Board (FSB)
- Food & Agriculture Org. (FAO)
- ILO
- IMF
- Org for Eco Coop Development (OECD)
- UN
- World Bank GP
- WHO
- WTO

India & G20

The chair for year 2023 is held with India and the final summit is being conducted at Delhi in Sep 2023 with a motto- One Earth, one family & one future.

- On the summit of G20, the PM of India gets an opportunity to meet various world leaders & discuss key issues.
- Certain issues highlighted by India during various summits
 - sponsoring of cross border Terrorism
 - Elimination of Safe Heaven for economic offenders, corruption, black money & tax evasion
 - Safeguards/Mechanism for Developing countries
 - Generate report for NSG membership and UN Security Council.

Conclusion

- G20 provides a forum to leading powers of the world to exchange their thoughts against terrorism, climate change & corrupt financial practices.
- It also affirms collective efforts towards enhancing economies, unemployment & promote development.

62. Implications of Banning Chinese Products in India

Introduction

China has been very open in supporting Pakistan's Low Intensity Conflict Operations (LICO) waged against India, both morally and also, by supplying them military hardware.

The Uri attack and the subsequent actions taken by India to isolate and expose Pakistan has only found China still backing up Pakistan. China is still showing solidarity with Pakistan.

China had obstructed the entry of India to Nuclear Suppliers Group (NSG), citing the reason that it has not signed the CTBT and linked Pakistan's entry into NSG along with India. Also, China has been a major road block towards India's permanent seat in United Nations Security Council.

It has recently commenced work to block a tributary of Brahmaputra River (in response to India's declaration that it will work towards optimum utilisation of water as per the Indus Water Treaty) and is continuing to block India's bid for banning JeM chief Masood Azhar.

China has often adopted aggressive stance at the LAC, opposes India's control over Arunachal Pradesh and has indulged in fanning Maoist movement in India. Besides, it has unequivocally demonstrated assertive expansionism in the Indian Ocean.

Considering the above, perhaps it is now time for India to act within its capacity to clip the wings of the dragon.

A lot of talk and campaigns have been doing the circles in the social media regarding banning the use of Chinese products.

The Ujjain Municipal Corporation has passed a resolution to ban the sale of Chinese goods during a religious fair in November to protest against China's alleged support to Pakistan.

Village court in Bihar's Aurangabad district has banned the sale and purchase of 'Made in China' goods, through a provision passed with consensus to punish people found violating the order by imposing a fine. Also, village court of Obra

panchayat has decided to ban the products manufactured in China.

Besides India, Philippines, Vietnam and even the separatist movements within China have also called for the boycott of Chinese goods.

India-China Bilateral Trade

China is India's one of the largest trading partners'. The total bilateral trade between India and China stands at nearly \$76 billion and the trade deficit is at nearly \$58 billion.

The lopsided trade deficit in China's favour basically indicates that India is importing much more than it is exporting to China.

The major products imported by India from China include, telecom instruments, computer hardware and peripherals, fertilizers, electronic components/instruments, project goods, organic chemicals and drug intermediates, consumer electronics, electrical machinery and equipments, iron and steel etc.

These imports feed the growing demand in India for such goods which China, due to variety of reasons, is able to export to India at competitive prices.

India mostly exports products that require less efficient trade infrastructure, e.g. rice, cotton, diamonds, jewellery, yarn, garments, low end engineering products, generic medicines and petrochemicals.

Thus, Chinese exports to India rely strongly on manufactured items to meet the demand of fast expanding sectors like telecom and power, while India's exports to China are characterised by the supply of raw materials called 'primary' or intermediate products.

In other words, out of India's total export earnings, 75 per cent comes from such primary products, which actually accounts for less than 30 per cent of world merchandise trade. Simply put, most of India's manufacturing and exports end up chasing a small fraction of the global trade basket.

Implications of Banning Chinese Products in India

The World Trade Organisation (WTO) mandates all member countries to abide by the "Principles of Trade" delineated in its charter.

However, in order to restrict the 'unfair' trade practices, WTO has given certain provisions to the governments to respond, in particular by charging additional import duties calculated to compensate for damage caused by unfair trade by way of dumping goods into the market that are cheaper than those produced domestically.

Thus, as brought out by the Indian Commerce Minister that, "complete ban of import from any country is not possible now due to WTO rules even if we have problems diplomatically, territorially or militarily".

Secondly, a huge amount of revenue is being generated through customs duty that comes into the state reserves by imposing antidumping duty or countervailing duty on specific goods imported from China. Thus banning import from China will result in a financial loss for the country.

China is the world's manufacturing hub which has, over the years, invested heavily in research and development and owing to cheap labour is able to produce goods at competitive costs.

If India does not import from China, we would either be left with expensive western alternative or sub-standard Indian substitute in most of the cases.

India has to first reach a state of self sufficiency and create adequate wherewithal to manufacture indigenously to cater to the express needs of our vast population before we take a call to outrightly ban Chinese products.

Consumer Durables:

The maximum spending of Indian middle class people is on consumer durables like Electronic appliances, Clothes, Vehicle and many more. However, these people are smart buyers. They want quality products/ services at low price.

Pharma Industry:

We are over-dependent on China for imports of bulk drugs, as more than 75% of bulk drug imports come from China.

Non availability of these chemicals will only result in India not being able to manufacture and in many cases export those drugs.

The abrupt announcement of ban on Chinese products will not cause much harm to Chinese manufacturers at this stage. The China-made items are already in the Indian market and if these don't sell, local shopkeepers will incur heavy losses.

Conclusion

Ban of Chinese products must be imposed progressively, articulately and in a manner that it hurts China more than it hurts India.

India still needs to cover a lot of ground towards self sufficiency by way of investing in state-of-art R&D, capacity building and putting a cogent force behind campaigns like 'Make in India', 'Skill India', 'Digital India', 'Start-up India', etc.

In the meanwhile, India must engage its elaborate and robust legal framework and institutional set-up to protect its environment by putting into place adequate safeguards to restrict import of poor quality goods as well as trade defence measures such as anti-dumping and countervailing duty.

63. Israel-Palestine Issue

Historical Perspective

The ongoing conflict between the Jews and the Palestinians dates back to the mid of 20th century. Besides the broader issue of territorial dominance, the other areas of dispute have been mutual recognition as entities, border delineation, safety and security of people, water rights, control of Jerusalem, Israeli settlements in occupied territory, Palestinian freedom of movement and human rights issues.

Historically, the Syria-Palestine region, as the historians called it, is the area between the Mediterranean Sea and the Jordan River was given the name of Palestine by the Romans in 2 century CE.

The Ottoman Empire ruled the complete greater Syrian region from 1517 to 1917.

Events Leading up to the Creation of Israel

The British mandate over Palestine was established at the end of WW-I.

The region during this period had Jews, Christians and Arabs and irrespective of their ethnicity, they came to be known as Palestinians. At that stage Jewish ownership of Palestinian land was only 7.04%.

Large scale Jewish immigration from abroad, especially from European nations to this region took place during this period. The Jews thronged the region to escape the era of the Holocaust.

The Holocaust was the systematic, bureaucratic, state-sponsored persecution and murder of six million Jews by the Nazi regime and its collaborators between 1941 and 1944.

Between 1948 and 1951, almost 700,000 Jews immigrated to Israel, including 136,000 Jewish displaced persons from Europe.

In November 1947, United Nations General Assembly passed a Partition Plan for the division of Palestine into an Arab and a Jewish state, with Jerusalem and its surrounding areas as a common entity under a special international regime. In this

partition plan Gaza strip and West Bank were a part of the Arab state.

While, the Jewish leaders accepted the plan, the Arab League rejected the plan of partition and threatened with military action.

On 14 May 1948, Israel declared its independence within the boundary delineated in the UN Partition Plan.

Armed Conflicts between Arabs and Israel

Arab-Israel War: 1948

The combined Arab forces of Syria, Jordan and Egypt attacked the newly formed nation of Israel in 1948.

The outcome of the war was that certain areas originally designated for the Arabs like the Jordanian region of West Bank, and Jericho were captured by Israel.

Later, in 1950 Jordan captured West Bank back from Israel. After the 1948 war, the control of Gaza Strip went to Egypt.

Jerusalem is the most holy place for Jews, Muslims and Christians, as it is the birth place of all these three religions. Israel also attacked East Jerusalem in 1956 and captured it and hence, the whole of Jerusalem (East and West), came under Israel's governance for the first time in modern history.

Arab-Israel War: 1967 (also called the 'Six Day War')

In the 'Six Day War' in 1967, Israel once again recaptured both West Bank and Gaza Strip from Jordan and Egypt respectively.

Later, in 1979, Egypt signed a Peace Treaty with Israel on the conditions of providing autonomy to the Palestinians and the return of Sinai Peninsula back to Egypt.

In this agreement Gaza Strip was not mentioned and it remained in the control of Israel.

As a part of the Peace Treaty, a 100 meters wide buffer zone between Egypt and Gaza (as it

remained the south western part of Israel), called the Philadephia Corridor was to be left.

This corridor was barricaded by Israel after the 2000 Palestinian uprising. This is the famous barricade underneath which Hamas (Palestinian Militant wing) has built tunnels to smuggle in arms and ammunition for launching attacks on Israel.

Significance of Gaza Strip

Gaza Strip is 25 miles by 7 miles rectangular strip of coastal land wedged between the Mediterranean Sea and Israel (shares a 51 km border). To its South West it shares an 11 km border with Egypt.

It saw a huge influx of refugee population from the Israeli mandated area after the 1948 Arab Israel war. The population on the Gaza Strip is 99%Sunni Muslims and the rest are Christians, Armenians and others.

It is the world's most densely populated area (1.5 million in 146 square miles).

The Gaza coastline on the Levant Basin sits atop of 1.3 trillion cubic feet of natural gas. Hence, the exploration of Gaza's natural resources by Israel makes its occupation significant to them. Palestinians working in these industrial zones are treated as slaves by big corporations exploring the natural resources.

Israel has restricted the use Mediterranean Sea up to only 2 nautical miles and has imposed blockade across the Egypt border to prevent military hardware from coming into Gaza. This also is a guise to isolate the Palestinian population and suppress their voices.

A concept called the 'Economic Hit man' is also a reason for the world community to be not so forceful in asking Israel to vacate the occupied territories. This concept enunciates that big international companies and corporations that are exploring the natural resources and building and often dismantling infrastructure in the occupied territories are stronger than the governments of their respective countries.

Lastly, Israel has no strategic depth against an attack launched by the combined Arab forces. West Bank and East Jerusalem extends right up to the water obstacle of Jordan River, giving Israel

adequate strategic depth and protection to its East and Gaza Strip provide Israel a buffer towards Egypt, up to the strategic Sinai Peninsula.

The strategic significance of Gaza Strip is that, if Israel loses the Gaza Strip, to Palestine, Egypt will get adequate time for build up of its forces and also room for manoeuvre in collaboration with the Hamas to wage a war against Israel.

Emergence of Palestine Liberation Organisation (PLO)

An organisation by the name of **Palestine Liberation Organisation (PLO)** was formed at Cairo, Egypt to highlight the causes of Palestinian people in 1964.

Its popularity grew under the leadership of Yasser Arafat towards nationalistic orientation.

In 1974 the organisation was recognised as the legitimate representative of the Palestinian people by the Arab states and the same year it was granted the status of a national liberation movement by UN. This UN resolution was rejected by Israel.

The popular Palestinian uprisings against Israel's illegal occupation of Gaza Strip and West Bank, called the first and the second 'Intifadas' (1987 to 1993) and the proclamation of the State of Palestine by the PLO in 1988 lead to giving the movement greater legitimacy.

Creation of Palestinian National Authority (PNA)

The first significant peace agreement between Palestine and Israel took place in Oslo, Norway in 1993, called the Oslo Accord.

As per the Oslo Accord, Israel agreed to pull out its forces from Gaza Strip and West Bank. The governance of these areas was to be progressively handed over to an interim organisation called the Palestinian National Authority (PNA).

This form of governance was allowed to function during an interim period of five years, pending a decision on the final status of the occupied territories.

However, Israel continues to have military and civil movement control over the Palestinians in these areas and does not allow free exercise of political activities.

In 2012 Palestine was accorded non member observer status by the UN Assembly, thus, completely recognising its right to self determination.

Islamic Militant Group of Palestine- 'Hamas'

In 1987, as a part of the armed uprising against Israeli occupation of Gaza and West Bank, a militant group came into existence, called the Hamas.

Hamas rejects any peace negotiations with Israel and believe in creating a Palestinian state on the model of Iran (that also explains Iranian support to Hamas, though they have a Sunni orientation, while Iran has a Shia majority).

Iran is an Islamic republic and similarly, Hamas want Palestine to be an Islamic state as it existed before Second World War, i.e. without the presence of Israel.

Besides the support of Lebanon and Syria, Hamas is also being supported by Iran and the Muslim Brotherhood party, which had also briefly come into power in Egypt.

Internal Politics of Palestine National Authority (PNA)

The first Presidential elections of PNA were held in 2005. Mahoud Abbas of the Fatah Party won the elections.

In 2006, Hamas won the Legislative Council elections, held in Gaza and they refused to take orders from the PNA, Fatah President, Mahoud Abbas.

During this period of uncertainty, in 2009, a Hamas leader Aziz al Divik was promoted from the chair of Speaker of Legislative Council of PNA to become the interim president of PNA, till elections were held in Gaza.

In 2010 local elections were held only for West Bank which the Palestinian leaders of Gaza do not accept. Hence, there are two power centres within the Israeli occupied Palestine, West Bank is Fatah ruled, while Gaza Strip is controlled by Hamas.

The division of governance between the parties had effectively resulted in the collapse of bipartisan governance of the Palestinian National Authority (PNA).

In 2014, elections were held in the Gaza Strip and a Palestinian "national consensus" Government, headed by Prime Minister Rami Hamdallah and composed of both Fatah and Hamas, was formed.

Blockade of Gaza Strip and Unprecedented Offensive by Israel from 12 Jun to 26 Aug 2014

The reason for the situation to get escalated was that three Israeli teenagers were kidnapped and later found murdered near Hebron.

In retaliation, anti-Palestinian riots erupted, in which a teenager was murdered for revenge and that is when the situation assumed disproportionate dimensions.

The total losses were estimated to be 2143 Palestinians; 66 Israeli soldiers and 05 civilians. A total of 17000 homes were completely destroyed and 30000 were partially destroyed in Gaza. The cost of reconstruction was estimated at \$ 7.8 billion, which is three times the GDP of Gaza.

A total of 32 tunnels were destroyed by Israel, which were being used for supply of military hardware and other humanitarian assistance from Egypt and other Arab supporters. It was estimated to be bringing in \$700 million into Gaza's economy through goods and services.

Finally, a ceasefire between Hamas and Israel was announced on 26 Aug 2014. However, there have been frequent incidents of ceasefire violations ever since.

After Hamas's electoral victory in 2006, the Quartet (United States, Russia, United Nations, and European Union) laid a condition for all future foreign assistance to the Palestinian Authority (PA) on the firm commitment of the government to non-violence, recognition of the State of Israel, and acceptance of previous agreements.

However, in 2014, a Palestinian Unity Government, composed of both Fatah and Hamas, was formed.

One-State and Two-State Solution to the Conflict

These are the two broad ways being proposed as a solution to the Israeli-Palestinian conflict.

The "one-state solution" proposes to merge Israel, the West Bank, and the Gaza Strip into a single democratic country. However, it may result in

Arab Muslims outnumbering Jewish population and could end Israel as a Jewish state.

The "two-state solution" would basically create an independent Israel and Palestine, with a separate Jewish and Palestinian state.

The reason why this proposal is finding greater acceptance is that neither side can get what it wants in a joined state, the only possible solution that can satisfy everyone involves separating Palestinians and Israelis.

The two-state solution is one that fulfils the national aspirations of Israelis and Palestinians.

However, there are certain sticking points in the solution. The most significant issue being that, Israel claims the entire city of Jerusalem as its united capital, while Palestinians claim East Jerusalem as the capital of its future Palestinian state.

France spearheaded the two-state proposal and defined, along with its European partners in a number of conclusions of the Foreign Affairs Council of ministers of the European Union since 2009, the parameters that should govern the two-state proposal:

- These include, borders to be based on the 1967 lines with equivalent land swaps;
- Security arrangements preserving the sovereignty of the Palestinian State and ensuring the security of Israel;
- A just, fair and agreed solution to the refugee problem;
- An arrangement making Jerusalem the capital of the two states.

On 02 February 2016, France announced to convene an international conference to broker the peace talks between Israel and Palestine for a two-state solution.

Paris Middle East Peace Conference

French led effort, called the Paris Middle East Conference, to kick-start discussions on a two-state solution between Palestinians and Israelis got under way in mid January 2017.

Representatives from 70 countries and 20 organisations attended the Conference. However, no representatives from either the Palestinian Authority or Israeli government were present at the "Conference for Peace in the Middle East".

The peace talks were rendered futile because of the hard-line stand adopted by both sides.

Palestinians fiercely object to the Israeli settlement activity in the occupied West Bank and East Jerusalem, a territory that it wants for a future state. The settlements, home to about 600,000 Israelis, are considered illegal under international law, though Israel disputes this.

Israel on the other hand pointed out that Palestinian incitement and violence, and a refusal to accept Israel as a Jewish state, are the key obstacles to peace.

Conclusion

The reasons for peace to elude the region are primarily, mutual distrust, significant disagreements over basic issues, reciprocal scepticism about the other side's commitment to upholding obligations in an eventual agreement.

However, a majority of Jews see the Palestinians' demand for an independent state as just, and feel that Israel can agree to the establishment of such a state.

Furthermore, majority of Palestinians and Israelis in the West Bank and Gaza Strip have expressed a preference for a two-state solution, which they feel can co-exist.

Therefore, creating a suitable environment to broker a peace deal at this juncture may well serve as a turning point in the history of the region.

64. Siachen Dispute

Introduction

The year 2016, has brought back into focus the inhospitable conditions of survival under which the 3000 personnel of the Indian Army are deployed to protect the highest battle field of the world – The Siachen Glacier (20,000 ft).

India and Pakistan have lost nearly 2000 personnel, since 1984, largely owing to hostile weather conditions and cold injuries rather than fighting.

Layout of Siachen Glacier

The Siachen Glacier is located in the East Karakoram Range of Himalayas and is one of the five largest glaciers in the Karakoram. The average altitude of the ranges is 5,400 meters (17,700 feet) above sea level.

The Glacier is around 78 km long and has the Saltoro ridge line to its West and the main Karakoram Range to its East. The Saltoro ridge originates from the Sia Kangri peak in the Karakoram Range.

The major passes on this ridge are Sia La at 6100 m (20,000 ft) and Bila Fond La at 5800 m (19,000 ft).

The strategic significance of the Glacier is that it lies South of the great watershed that separates Central Asia from the Indian subcontinent, and also, it creates a wedge between Pakistan and China in this region.

Secondly, The Glacier's melting waters are the main source that feeds the Nubra River, which falls into the Shyok River. The Shyok in turn joins the Indus River, which is highly crucial to both India and Pakistan.

Reasons for the Siachen Dispute

The Cease Fire Line that was demarcated by UN in 1949 mediators was marked only up to the foot of Siachen Glacier, with map coordinates NJ9842 and the largely inaccessible terrain beyond this point was not demarcated.

Therefore, the root cause of the conflict over Siachen lies in the non-demarcation of the Cease

Fire Line on the map beyond the map coordinates NJ9842.

The 1949 Karachi agreement and the 1972 Simla Agreement presumed that it was not feasible for human habitation to survive North of NJ9842.

Events Leading up to the Capture of Siachen Glacier (Operation Meghdoot- 13 April 1984)

In order to underline its claim over the non-demarcated areas, Pakistan started permitting foreign mountaineering expeditions to scale the peaks of the Glacier during the 1970s and early 1980s. At that stage Siachen did not have any trooper's deployment from either side.

In 1978, Colonel N. Kumar of the Indian Army led an Army expedition of the High Altitude Warfare School to Teram Kangri peaks as a counter-exercise.

Pakistan's preparations and plans of an impending attack to gain supremacy over the Siachen Glacier were divulged in the 1982-83, when it had ordered a bulk consignment of high altitude gear from abroad.

India launched a pre-emptive strike, code named, Operation Meghdoot on 13 April 1984. Kumaon Regiment supported by the Indian Air Force went into the Glacier and took over the control of most of the 78 km of Glacier, as Pakistan was literally beaten in the race to the top. This alignment is called the Actual Ground Position Line.

India was able to secure the two main passes over the Glacier, namely, Sia La and Bilfond La and Pakistan, who responded with force against the Indian offensive captured the Gyong La pass.

Ever since then both sides have been fighting a slogging match and there have been frequent skirmishes to dislodge each other. Though, officially, there is a ceasefire in place since 2003.

The battle zone is being presently physically occupied by around 150 posts, manned by 3000 personnel from both sides and comprises of an inverted triangle resting on NJ 9842 with Indira Col and the Karakoram Highway as the other two extremities.

The official costs for maintaining these outposts are put at \$300 million and \$100 million for India and Pakistan, respectively. The Indian side relies on its indigenously manufactured ALH Dhruv and Pakistan being at lower ridges has been able to build roads and tracks for maintenance of troops.

Though India is occupying the dominating ridge line and controls two of the three passes, Pakistan controls Gyong La pass that overlooks the Shyok and Nubra river Valley, that dominates India's access to Leh District.

The Strategic Significance of Siachen Glacier

The Siachen Glacier is considered to be the single largest source of fresh water on the Indian subcontinent.

The glacier is the source for Nubra River that eventually feeds the mighty Indus, which is the major water source that irrigates the Punjab plains in Pakistan. As per the Indus River Water Treaty between India and Pakistan, India can use 20% of its water and hence, both countries want to control the source.

India has always claimed that the entire state of J&K including Northern Areas was acceded to India on 26 Oct 1947 as per 'Instrument of Accession'. Occupation of Saltoro is therefore, simply an occupation of Indian Territory by the Indian Army.

Pakistan had illegally ceded a 1942 Sq Kms of Saksgam Valley to China in 1963. The Indian claim over the Saltoro Ridge implies that Saksgam Valley ceded to China actually belongs to Indian Kashmir and hence China will have to negotiate with India for its settlement.

Saltoro Ridge overlooks Gilgit and Baltistan to its west and has to be crossed by anyone seeking access from Skardu in the Gilgit and Baltistan area through to the Karakoram Pass which enters Tibet.

Furthermore, the peak, located east of Siachen overlooks the eastern areas of the Aksai Chin (disputed territory held by China). Therefore, any Pakistani location in Karakoram would be a threat to India in Ladakh from the north in conjunction with Chinese locations in Aksai Chin, providing these countries with a tactical advantage over India.

Siachen in the possession of Pakistan would mean that Pakistan would have access from Skardu through to the Karakoram near the Aksai Chin and eventual linking with Shahidullah on the Kashgar-Xigatse road that runs parallel to the Tibet- India border.

Conclusion

Pakistan has been proposing that both sides should withdraw to the positions that existed prior to the occupation of the Saltoro Ridge and demilitarise the hostile area.

While it suits Pakistan to get our troops to vacate the commanding heights of the Saltoro Ridge, we would lose them permanently if we do so, as treachery of Pakistan cannot be trusted.

Therefore, to safeguard the national interests, the Indian soldiers have been laying down their lives in the line of duty.

65. Ukraine Issue

Introduction

The crisis in Ukraine is an outcome of religious, cultural and linguistic differences between Western Ukraine, which is pro-Europe, and Eastern & Southern Ukraine, which is pro-Russia.

The situation escalated in February 2014, when, with the support of Russian troops, the pro-Russian rebels, unilaterally declared independence from the sovereign state of Ukraine in Crimea (Southern Ukraine) and Eastern Ukrainian's provincial regions of Donetsk and Luhansk.

A ceasefire was brokered by the US-EU mediators in September 2014. However, all through, there have been continuous incidents of violence, which, of late have intensified, drawing attention and mediation from EU, especially, Germany and France.

Historical Reasons for the Regional Divide

Ukraine is geographically split into two halves by Dniper River. Both these halves have different history, speak different languages and have different ethnicity.

Though both halves were originally part of Kievan Russia, but after the Mongol invasion in mid millennium, Western Ukraine joined the kingdom of Poland and Eastern Ukraine became a part of Russia.

Latter Poland and Lithuania united to form the Polish-Lithuanian Commonwealth. However, the West Ukrainians never closely mingled with the orthodox Poles or the Catholic Lithuanians of the Commonwealth.

Eastern Ukraine was developed by the Russian's in the 18th century mainly, till then it was controlled by the nomads, called Tatars, who were the descendants of the Mongols.

The above given fact explains the background to the pro-Europe and pro-Russia inclination of the Western and Eastern/Southern Ukraine respectively.

The Polish-Lithuanian Commonwealth was destroyed by the joint forces of Russia, Prussia and Austria and finally after the World War II, in 1939-40, complete Ukraine was once again united to form part of the Soviet Republic.

Hence, Crimea always harboured an aspiration to separate from Ukraine and join Russia, who is promising to provide it with self-determination and greater autonomy.

The peninsula of Crimea is very significant to Russia, as it provides it with an access route to the Black Sea waterway for exporting oil and other commodities trans-Atlantic. This is the reason why it has taken the Port of Sevastopol on lease from Ukraine up till 2042, in exchange for 30% drop in price of natural gas sold to Ukraine.

Reasons for the Present Crisis in Ukraine

Ukraine became independent in 1991 after the dissolution of USSR. During the decades following independence, successive presidents exploited the system for personal gains and abused power, plunging the country into an economic quagmire.

President Victor Yushchenko, a pro-Russian politician, came into power in 2010 and soon he turned the heat on his political rival for presidency, Yulia Tymoshenko, and imprisoned him on charges of corruption and abuse of power.

In order to surmount the economic crisis that the country was passing through, the President was forced to sign a Trade Association Agreement with EU, on a precondition that jailed Tymoshenko would be released.

This is when Russia intervened and offered Ukraine with concessions and financial support to tide over the immediate financial crisis.

Hence, President Yanukovich, who was always pro-Russia, dropped the Trade Association Agreement with EU, citing concerns about damage to Ukraine's domestic industry from European competition.

This decision provoked widespread agitations in the capital city of Kiev and this phenomenon came to be known as 'Euromaidan'. The demands of the

agitators were economic alignment with EU, release of imprisoned opposition leaders and weeding out corruption.

The crackdown by Yanukovich government led to spread of riots and further aggravated the situation. When President Yanukovich realized that the situation had gone beyond his control and the noose was tightening around him, on 22 Feb 2014, he fled the country and sought asylum in Moscow.

The members of the opposition party appointed Oleksandr Turchinov as the interim President of Ukraine.

Declaration of Independence by Crimea

Presently, Russian population in Crimea is 59%, Ukrainian 23% and Tatars population is about 12%.

By 26 Feb 2014, pro-Russian forces, supported by armed Russian troops gradually took control over the Crimean peninsula and ever since then they control all traffic between Crimea and continental Ukraine.

Finally, on 27 Feb 2014, the Autonomous Republic of Crimea seized the Crimean Parliamentary building and replaced the Ukraine flag with the flag of Russia.

Effects of Sanctions on Russia

Russian economy has slumped and its currency has weakened owing to weaker direct investment in its oil industry and capital worth \$75bn (£44bn) has left Russia during the previous one year.

Russia is teetering on the brink of recession. The economy grew just 1.3% last year and did not grow at all between April and June 2014.

EU, the US has banned exports of services and technology to Russian state oil firms engaged in Arctic and deep-water exploration.

The biggest Russian bank - Sberbank - defence conglomerate Rostec, Gazprom and some other major players in the Russian economy have been blocked from taking long-term loans and assets of high profile businesses have been frozen.

Effects of Sanctions on Russia on EU Countries

Sanctions on Russia have also affected the EU nations adversely as the EU's trade with Russia is

worth nearly 270bn Euros, which actually dwarfs US-Russia trade.

German exports to Russia totalled 38bn Euros (£30bn; \$51bn) in 2013, which was more than any country of EU.

More importantly, Germany gets more than 30% of its oil and gas from Russia. Italy is also highly dependent on Russian energy and some of Russia's former Soviet bloc neighbours rely 100% on its gas deliveries.

Food exporters are already facing losses after Russia announced an immediate embargo on a wide range of food imported from the EU, US, Norway, Canada and Australia.

Summary of the Reasons for Crisis

- Rampant corruption and amassing of personal wealth by its political elite, especially, when the country's economy was very adversely affected by global recession.
- Inadequate government policies to sort out the economic mess and ensure public social securities. Even its military preparedness is grossly inadequate to face such challenges.
- US and its European allies consistent endeavour to shrink the buffer between Euro zone countries and Russia and posture NATO forces to strategically dominate Russian borders. Hence, countries like, Ukraine and Georgia provide a strategic military vantage point to the US-Euro Zone forces to overlook and contain Russia.
- Russia's core strategy to maintain a viable buffer between its border and the limit of influence of the NATO forces to safeguard its territorial integrity.
- Southern Ukraine (Crimea) provides an access to the highly busy and exclusive Black Sea waterway used by Russia for exporting oil and other commodities trans-Atlantic.
- Besides, Ukraine plays an important role in Russian energy trade; its pipelines provide transit to 80% of Russia's natural gas being sent to the European market.
- Lastly, Russia feels morally bound to play a supportive role to safeguard the interests of ethnic Russians in Ukraine.

The war broke-out between Russia & Ukraine on 24th Feb 2022 and Ukraine's armed forces have lost somewhere between 10000 and 13000 soldiers so far in the war against Russia. Russian strikes continued western demand that Moscow first withdraws its troops from Ukraine was unacceptable to Russia. It has become the largest armed conflict in Europe since World War II. Russia has begun targeting Ukrainian Energy infrastructure, causing sweeping blackouts.

Indian Prime-Minister and German chancellor have urged Russian President to find a diplomatic solution to the Ukraine conflict as soon as possible.

Maintaining that India shared an important relationship with Moscow, Indian's permanent representative to the UN said that India was not passive on the Russia-Ukraine conflict and was speaking to both sides for control, reconciliation and the cessation of hostilities. India is among a

few select countries which are speaking to both Russia and Ukraine. Indian Prime Minister's comment that this is not an era of war is very significant on the sidelines of G-20 summit in 2022.

Conclusion

Western leaders should acknowledge that Ukraine matters so much to Russia that they cannot support an anti-Russian regime there.

Hence, the solution to the crisis in Ukraine needs to be sought in creating it as a neutral buffer between NATO and Russia rather than both sides trying to woo it into its own camp.

In order to create a win-win situation for both sides, sincere efforts need to be put in to create a prosperous but neutral Ukraine, one that does not threaten Russia and allows the West to repair its relations with Moscow.

66. UN Reforms

Introduction

The United Nations came into existence immediately after World War II, as an organisation committed to maintaining world peace and replaced the erstwhile organisation called the 'League of Nations'.

The Inter-Governmental organisation of the United Nations prepared a foundation treaty called the 'Charter of the United Nations', which was signed by all 51 original member countries at San Francisco and came into force on 24 October 1945.

The winners of the Second World War, obviously, shaped the 'Charter of the United Nations' in their national interests, and bestowed themselves with the special privilege of the veto power.

As per the provisions of Article 108 of the Charter, any reform to the Security Council requires an amendment to the 'Charter of the United Nations' by a vote of two third members of the General Assembly and ratified by two third members and all the permanent members of the Security Council.

The Group of four nations, i.e. G-4 (India, Germany, Brazil and Japan) have been demanding reforms for the previous seven years in the permanent membership of the Security Council by expanding its ambit to also include these countries as permanent members.

Inter-Governmental Negotiations on the issue of reforms have been conducted so far without the basis of any text. However, the UN General Assembly President Sam Kutesa, convened a plenary meeting during the 70th session of UN meet, to take action on the draft decision on the "Question of equitable representation on and increase in the membership of the Security Council and related matters".

Finally, in a very significant development, the UN General Assembly on 14 September 2015 adopted a negotiating text by consensus for the Security Council reforms, setting the stage for talks on the long pending process.

The United Nations Security Council (UNSC)

The UNSC is one of the six principle organs of the United Nations, which is responsible for maintaining international peace and security. It also has the authority to accept new members and approve any changes to the 'Charter of the United Nations'.

Its powers include, requisitioning and deploying peace keeping forces to broker and monitor peace, imposition of sanctions on defaulting nations and authorisation of military action where required.

It is the only UN body with the authority to issue binding resolutions to member states. The Security Council held its first session on 17 January 1946.

Article 23 of the 'Charter of the United Nations' lays down the structure of the Security Council as follows:

Consist of fifteen Members of the United Nations. Out of which five are permanent members, i.e. USA, Russia, China, France and UK and ten non permanent members, who are elected by the General Assembly for two-year terms starting on 1st January, with five replaced each year.

To be approved, a candidate must receive at least two-thirds of all votes cast for that seat. Each member of the Security Council shall have one representative.

A retiring member is not eligible for immediate re-election.

The distribution of non permanent member seats for Security Council is as follows:

- The African Group is represented by three members;
- The Latin America and the Caribbean by one member each;
- The Asia Pacific Group is represented by two members;
- The Western European Group is represented by two members;
- Eastern European Group is represented by one member.

- Traditionally, one of the seats assigned to either the Asia-Pacific Group or the African Group is filled by a nation from the Arab World.

As per Article 27 of the UN Charter, Security Council decisions on all substantive matters require the approval votes of nine members out of fifteen. A negative vote or "veto" by a permanent member prevents adoption of a proposal, even if it has received the required votes.

Reasons for India to Aspire for a Permanent Seat in the UNSC

The world's most populated country, with every fifth person on the globe is an Indian.

India is one of the world's most responsible, vibrant, liberal and secular democracies, which has always propagated non violence and demonstrated 'unity in diversity'.

One of the fastest growing emerging economies of the world, with a large consumer base that is attracting developed countries to engage with India.

Maintains the fourth largest standing armed forces, after USA, China and Germany and has a significant contribution of troops and warlike material towards the UN peace keeping operations.

India is a key player that is fighting the menace of global terrorism and ensuring the free flow of trade and commerce through the sea lanes of the India Ocean.

India is considered to be one of the most responsible nuclear power, who, inspite of not being a signatory of CTBT has a strong track record of non proliferation and has been accepted into the folds of the elite 45 nation, Nuclear Suppliers' Group (NSG) for setting up nuclear facilities in India for peaceful purposes.

India is one of the most ancient civilizations, with rich cultural heritage and traditions that attracts all and sundry.

India is an emerging regional power and a highly influential member of various important global and regional conglomerations, like the BRICS and SAARC.

India's introduction as a permanent member of UNSC will make the body more representative and democratic.

Lastly, It is morally wrong to ignore the voice of over one billion Indian people in security decision-making that affects them, and the rest of the world.

Opposition to India's Claim for Permanent Seat

US, China and Russia did not contribute to the text, a move which was seen as an attempt to thwart India's bid for permanent membership of the global body. Though the US and Russia have been supporting India's bid, China has been against any expansion of the Security Council.

Besides the above permanent members that oppose the G-4 contention, a group called the Uniting for Consensus (UFC), comprising of 13 countries like, Pakistan, Italy, South Korea, and Colombia, etc have been opposing the move.

The UFC demands a 25-member Security Council with more non-permanent members instead of a few more permanent members.

Another question that remains unanswered is that whether new members in the Security Council would be given the veto at all, which the US and Russia have made very clear they would not favour.

Latest Development

The UN General Assembly on 14 September 2015 chose the path of text-based negotiations for carrying out Security Council reforms and, for this purpose, adopted a negotiating text by consensus.

The draft decision on the "Question of equitable representation on and increase in the membership of the Security Council and related matters" will be circulated to all member countries to obtain their views.

Once the draft is agreed upon by the UN member countries, it will be put to vote at the General Assembly, where a two-thirds vote is needed to pass it.

The most significant development is that for the first time, the negotiations of the Inter-Governmental committee (IGN) have included a written submission from all countries. The same could give the process for an expansion of the UN Security Council some momentum.

However, if the groups opposed to the UNSC expansion put a spoke into the proposed reform process, India and other countries who are bidding for a Security Council seat may have to muster up the numbers for a vote to pass the resolution.

Conclusion

Permanent membership in the Security Council is no more than an exercise for prestige enhancement for India or for every other country aspiring to have a permanent seat in the UNSC.

The United Nations in the present day scenario of a multi-polar world order does not have requisite teeth to bring about credible changes or even serve as a deterrent for rogue nations and human rights violators.

In most cases it is providing humanitarian assistance and is incapable to play any effective role in ensuring 'world peace' - the very purpose for which it had been created.

To quote a few examples where UN was / is not able to prevent avoidable bloodshed; USA did not pay any heed to UNSC dictates before attacking Iraq. Similarly, Iran and North Korea continued

with its nuclear proliferation irrespective of UN sanctions. In the more recent times, terrorist organisations like the ISIS or Boko Haram have brushed aside sustained intervention from the United Nations.

If we view our claim for permanent berth in the UNSC from a critics prism, in all earnestness, India itself has not abided by the UN Resolution on Kashmir, its human rights records are dismal and country is plagued with social evils like, rampant corruption, crime against women & children, labour exploitation & 'mafiaism leading to internal security problems like Naxalism, etc, communal disharmony and inappropriate rights for minorities.

Finally, the aim of UNSC expansion is to remove the hegemony of a select club of world powers and enable a greater say of emerging powers on global matters.

Notwithstanding the inadequacies mentioned above, I strongly support India's claim for permanent membership in UNSC out of a feeling of intense patriotism.

67. World Economic Forum (WEF)

Introduction

- WEF is an international non-governmental organization (NGO) based at Geneva, Switzerland.
- Founded in Jan 1971 by German Engineer & Economist Klaus Schwab.
- Funded by 1000 member companies-global enterprises with more than US \$5 bn turnover.

Mission

- Improving the state of the world by engaging business, political academic & other leaders of the society to shape global regional & industry agendas.

Meetings

- Annual meetings are held at end of January in Davos, a Mountain Resort in Eastern Alps, Switzerland.
- The meetings are attended by 3000 paying members and selected participants to include investors, business leaders, political leaders, economist, celebrities and journalists.
- Duration – upto five days to discuss global issues across 500 sessions.
- Regional Conferences Africa, East Asia, Latin America & India, China and UAE.

Organization

- HQ – Cologny
- Offices in New York, Beijing & Tokyo.
- In 2015, it was designated as an NGO with other international body status by Swiss Government.
- In 2016, WEF opened its new centre for Fourth Industrial Revolution in San Francisco.
- It is an impartial organisations & is not tied to any political or national interest.
- Till 2012 it had observe status with UNESC.
- Thereafter it is under Swiss Federal Council.

- The highest governance body is Foundation Board – chaired by WEF President and number of members.

Membership

- Funded by 1000 member companies which are global enterprises. These are top companies within their industry.
- The annual membership cost and admission fees is very high.

Annual Meeting – Davos

- It is on invitation – only annual meeting held at end of Jan in Davos.
- Chief Executive Officers from 1000 members companies, politicians, reps from academia, NGOs, religious leaders and media attend the event.
- Discussion focus on key issues of global concern – globalization, capital markets, wealth management, international conflicts, environmental problems & possible solutions.
- Countries which have maximum attendees includes – US, UK, Switzerland, Germany & India.

Summer Annual Meeting

- From 2007 onwards, Annual Meeting called Summer Davos was held annually in China, wherein participants from countries like China, India, Russia, Mexico & Brazil attended.

Major Initiatives

- **Global Health Initiative** – Public Private Partnership to tackle HIV/AIDs, TB & Malaria.
- **Global Education Initiative** – To encourage IT by training more teachers in E-learning.
- **Epidemic Preparedness Innovations** – To fight epidemics – Vaccine supplies for Pandemic.
- **Covid-19 Vaccine**

- **Water Management** – Public Private Partnership for water management in S Africa & India.
- Partnership against Corruption Initiative
- **Environment Issues**
 - Climate Change
 - Water Issues
 - Plastic pollution
 - Trillion tree campaign
 - Reduce carbon footprint.
- **Criticism**
- **Physical Protests**
 - By anti-globalization activist who claimed that it was increasing poverty & destroying environment.
- **Growing Gap in wealth**
 - Gap between rich & poor increased as 1% of people own 48% of world's wealth. Number of NGOs have highlighted these inequalities.
- **Formation of Detached Elite**
 - WEF was seen as a socializing institution for emerging global elite.
- **Gender Debate**
 - Under-representation of women.
- Undemocratic decision making
- Lack of Financial Transparency

68. WTO, IMF & World Bank

History

During the period of Great Economic Depression of 1930's, multilateral economic agencies came into existence to counter trade barriers erected by nations, created due to lack of economic opportunities, devaluation of currencies and mistrust as a direct fallout of the first World War.

As the world was still reeling under severe economic crisis, it once again found itself plunged into the horrific second World War (1939-45). The aftermath of the war required major reconstruction and rehabilitation effort.

In order to provide an environment conducive for sustainable growth and balanced expansion of international trade, following three new multilateral economic organisations were proposed to operate under the umbrella of United Nations system:

a) **International Trade Organisation** The aim of ITO was to remove trade barriers, by liberalisation of international trade and cooperation in market development through 'win-win' collaborations. The ITO Treaty was not approved by United States and few other signatories, and hence never came into effect.

b) **International Monetary Fund (IMF) and World Bank**

IMF came into existence to provide monetary support and financial cooperation for the process of rebuilding and development of nations as an aftermath of the Second World War and came into existence in 1944.

IMF is based in Washington, USA, and started off as a 29 member organisation in 1944, which today has 188 members.

Presently, IMF functions as a global economic regulatory body that facilitates world commerce by reducing foreign exchange restrictions and using its reserves of funds to lend to countries experiencing temporary balance of payments problems, so they could continue to trade without interruption. Salient aspects of its functioning include:

- Monitor the international monetary system.
- Promotes currency exchange stability and orderly currency exchange relations among its member countries.
- Assists all members during temporary balance of payments difficulties, by providing short to medium term credits.
- Supplements the currency reserves of its members through the allocation of SDRs (special drawing rights), which are given to the member nations in proportion to their quotas.
- Financial resources for lending are principally drawn from the quota subscriptions of its member countries.

In the recent economic meltdown, countries like Greece and Cyprus secured bailout fund from IMF. In March 2014 IMF secured an \$18 million fund to the provisional government of Ukraine to tide over its financial crisis.

World Bank

Concurrent to the establishment of IMF, the World Bank also came into existence in 1944. The Bank and the IMF are twin intergovernmental pillars supporting the structure of the world's economy and financial order. Both are based in Washington DC.

The primary difference between these two organisations is that while the World Bank is a Development institution, the IMF is a cooperative institution that seeks to keep an orderly system of payments and receipts between nations.

Formerly the Word Bank was known as the International Bank for Reconstruction and Development and extended its initial loans for the purpose of reconstruction work as an aftermath of the world war.

Once these nations achieved self sufficiency, World Bank directed its focus towards the poor nations of the world and since, 1940, a total of \$330 billion dollars of loan has been granted to

under developed and developing nations. Salient aspects about the World Bank are given below:

- Contributes by providing loans for the economic development of the world's poorer countries.
- Finances long-term development projects and programs undertaken by developing countries.
- Provides financial assistance to the poorest developing countries whose per capita GNP is less than \$865 an year,
- Promotes entrepreneurship by encouraging private enterprises in developing countries through its affiliate, the International Finance Corporation (IFC).
- The financial source of World Bank is through borrowing at lower rates and lending at a slightly higher rate on the international bond market.
- Presently, it has an authorized capital of \$184 billion; of which members pay in is about 10 percent.

c) **General Agreement on Trade and Tariff (GATT)**

The major task of GATT was facilitating post World War reconstruction and rehabilitation and promotion of economic development in the new states.

GATT continued as a semi-institutionalised multilateral international trade governing body from 1946 to 01 January 2005, when it was replaced by an institutionalised body, called the World Trade Organisation (WTO).

Seven rounds of negotiations occurred under GATT. The prominent decisions taken during these negotiations include: In mid sixties during the Kennedy Round an agreement was made on firm Anti-dumping policy; in seventies during the Tokyo Round efforts were made for the first time to tackle trade barriers and a series of agreements on non tariff barriers were adopted.

The biggest mandate on trade ever agreed upon was during the Uruguay Round launched in September 1986. In this Round a

lot of big ticket trade reforms were introduced, to name a few:

- Extending the trading system into many new areas, notably, service sector and intellectual property.
- Reform trade in sensitive sectors of Agriculture and Textiles. It was proposed that Public procurement of Agro-products must not exceed 10% of its total production value. This is considered as an anti-farmer proposal and hurts agrarian economies like India, Brazil, etc.
- All original GATT Articles came up for review.
- The GATT members also concluded during this Round that the structural deficiencies of GATT was straining to keep up with the Globalisation of the world economies, and required a major improvements in its provisions and design.
- Final act of concluding the Uruguay Round and establishing the WTO regime was ushered in formally by signing of the Marrakesh Agreement on 15 April 1994.
- GATT still exists as WTO's umbrella treaty for trade in goods and the agreements arrived at in GATT 1947, duly amended from time to time latter, are still the heart of GATT 1994.

World Trade Organisation (WTO)

Aim

WTO is an organization that deals with regulation of trade between participating countries by providing a framework for negotiating and formalizing trade agreements and a dispute resolution process aimed at enforcing participant's adherence to WTO agreements.

Most of the issues that the WTO focuses are derived from previous trade negotiations, especially from the Uruguay Round (1986–1994).

Member Countries and Headquarter A total of 160 members and 24 observers; EU is also a member. The location of the General Council of WTO is at Geneva, Switzerland.

Organisational Structure

The highest decision making body of WTO is the 'Ministerial Conference'. The General Council of WTO is headed by a Director General; the present incumbent is Mr Roberto Azevedo of Brazil.

The General Council has the following subsidiary bodies (which have further internal committees for better functioning):

- ✓ **Council for Trade in Goods.** It has 11 committees under the jurisdiction of Trade Council, each with a specific task.
- ✓ **Council for Trade Related to Aspects of Intellectual Property Rights** To collect, collate and record information pertaining to intellectual property.
- ✓ **Council for Trade and Services** This council oversees the functioning of General Agreement on Trade and Services (GATS).
- ✓ **Trade Negotiation Committee** This committee deals with the negotiations of the current Trade Round. It was tasked in June 2012 for working on negotiations of the Doha Round.
- ✓ **Dispute Settlement Body (DSB).** Dispute Settlement Panel is the Appellate body for dispute settlement. The process includes the participation of WTO Secretariat, arbitrators, independent experts and specialised institutions.

Principles of Trading. WTO works on five principles for trading, which are:

- **Non Discrimination** WTO follows the following two rules of non discrimination:
 - **Most Favoured Nation (MFN)** This rule requires that a WTO member must apply the same policy of trading with all member nations without discriminating against any member.
 - **National Treatment Policy (NTP)** This rule compels the member nations not to discriminate against imported goods vis-a-vis their domestic goods.

It needs to be understood here, that the NTP rule is detrimental to the interests of emerging economies like India, as the quality and cost of products manufactured/raised in India are not

competitive to imported products. This unfair competition hurts the domestic market.

- **Reciprocity.** This principle is a safeguard against the MFN rule so that some nations may look for unilateral gains only from their transactions. Hence, this rule mandates that the gains from transactions must be reciprocal.
- **Binding and Enforceable Commitment** The commitments made by member nations during multi-lateral trade agreements are enforceable by and any infringement will have to be compensated to make up for loss of trade.
- **Transparency.** WTO members are required to publish their trade regulations, so that other member states can review their administrative decisions affecting trade. To ensure internal transparency, country specific trade reviews are published by Trade Policy Review Mechanism (TPRM).
- **Safety Valve** In special circumstances governments can restrict trade, without breaking the 'Commitment Principle', enunciated above, in case the matter involves, public health, environmental issues, like, plant/animal health.

Ministerial Conferences

The Ministerial Conference of WTO happens **once in two years**. The inaugural conference took place in Singapore in 1996. Since, then regular meets have been held and one of the most prominent ones was the fourth Ministerial Conference held in Doha, Qatar in 2001, called the **Doha Development Round**.

This was to be an ambitious effort to make globalization more inclusive and help the world's poor, particularly by slashing barriers and subsidies in farming.

The initial agenda comprised both further trade liberalization and commitments to strengthen substantial assistance to developing countries.

The negotiations reached a deadlock, and continues to do so till date, between exporter countries of agricultural bulk commodities (Developed countries) and countries with large numbers of subsistence farmers, like India, China

and Brazil, on the precise terms of a 'special safeguard measure' to protect farmers from imports of cheaper and better quality agro products from the developed countries.

The developed countries feel that developing economies are trying to be protectionist, while emerging economies, like India wish to safe guard the domestic interests of its agrarian society.

During the Ninth Ministerial Conference held at Bali in December 2013 consensus was reached on the **Trade Facilitation Treaty** for greater transparency and simplification of custom procedures. The same was also endorsed by India. The high points of the Treaty include:

- Easy and comprehensible norms in terms of publication of laws, regulations and procedures, including Internet publication for speedy dissemination.
- Provision for advance rulings to cut down on red tapism and early knowledge of rulings being passed.
- Discipline and parity on fees / charges and on penalties.
- Pre-arrival processing of goods to speed up delivery.
- Use of electronic payment to cut down transaction time.
- Guarantees to allow rapid release of goods to gain trader's trust.
- Use of "authorized operators" schemes to prevent frauds and impose a regulatory mechanism.
- Procedures for expedite shipments for faster delivery of goods.
- Faster release of perishable goods to reduce wastage and ensure health safety norms.
- Reduce documentation and formalities with common customs standards to prevent confusion.
- Promotion of the use of a single window clearance to prevent harassment and red tapism.

- Uniformity in border procedures to facilitate transit.
- Temporary admission of goods in case of procedural delays.
- Simplified transit procedures to encourage traders.
- Provisions for customs cooperation and coordination to bring about standardisation in their procedures.

Contentious Issue Raised by India Pertaining to Food Security

On 25 July 2014 at the TNC, India made a statement in the WTO General Council conveying that the adoption of the Trade Facilitation (TF) protocol must be postponed till a permanent solution on public stockholding for food security is found.

As per WTO rules negotiated in the Uruguay Round, Government procurement from farmers for public stock holding must be kept within a limit of 10 per cent of the value of total production of the product in question. This cap can constrain procurement and food aid programmes in developing countries like India.

India also offered suggestions on the procedure to be followed in order to ensure time bound delivery of food grain procured for public stockholding to meet the demand of food security. However, the issue still remains to be debated and no conclusive outcome came out during the July TNC.

World Bank

As on December 2022, with 189 member countries, staff from more than 170 countries and offices in over 130 locations, the world bank Group is a unique global partnership five institutions are working for sustainable solutions that reduce poverty and build shared prosperity in Developing countries located in Washington DC in 2022, this year' events will take place there.

69. Indus Water Treaty

Introduction

- IWT is a water distribution treaty between India & Pak, arranged & negotiated by World Bank.
- Signed in Karachi on 19 Sep 60 by PM Nehru & Pak President Ayub Khan.
- To use water of Indus River & its tributaries.

Provision of Treaty

Indus System of Rivers

- Three western Rivers-Indus, Jhelum & Chenab.
- Three Easter River-Satluj, Beas & Ravi.

Easter Rivers:- Control of these rivers as per treaty given to India

- Annual flow-41 billion m³
- A period of 10 years was permitted in which India was bound to supply water to Pak from its eastern Rivers until Pak was able to build canal system for irrigation of waters from western Rivers:

Western Rivers

- Pak was given the exclusive use of water of western Rivers after the permitted water use in India
- Treaty allows India to use Western River waters for limited irrigations use and unlimited use for power generation, navigation, fish culture etc.

Impactions of Treaty

- From Indus River System India got nearly 41 billion m³ ie 16% whereas Pak got nearly 218 billion m³ ie 84%.
- However Indian can use western river water for irrigations upto 7 lakh acres.
- These water allocations to J&K state are meager to meet the irrigation requirements

- The treaty created permanent Indus commission with a commissioner from each country. Aim to settle all disputes arising out of Treaty.
- The Treaty has survived four wars.
- Either party has to notify the other of plans to construct any engg works- eg Salal Dam, Bangla Power Plant and kushanganga Hydroelectric Plant.

Road

Pak concerns

- Pak expressed concerns with world Bank regarding India's new dam project on Chenab River, saying that it is not in conformity with Indus water treaty.
- Argued that India could use these reservoirs to create water shortage or flooding in Pak.
- After Pulwama attack in 2019, India threatened to divert water to flood Pak.

Kutch

- Indus River also flows into Kori Creek located in Rann of Gujarat
- Without India's consent, Pak from 1987 to 1997 constructed left Bank output Drai (LBOD) project passage through Rann of Kutch with world Bank help.
- Water released from LBOD enhances flooding in India and contaminates quality of water bodies which turns sources of water to salt.
- As per provision of Article IV of treaty Pak is bound to provide all details and ensure no damage is caused to India.

Uri Attack

- In the after months of Uri Attack India threatened to revoke IWT.

- PM declared that blood & water cannot flow together however threats have not materialized.
- India however restarted the Tulbul project on Jhelum which was earlier suspended.

Renegotiation of Treaty

- In 2023 India officially notified Pak to renegotiate the treaty alleging that it was repeatedly indulging in actions that are against the spirit & objective of treaty.

Conclusion

- Despite grave provocations like Pulwama, Uri & Parliament House attack India has no intention of walking away on treaty.
- However with these incidents India has hardened its stance and has now focussed towards renegotiation of IWT.
- Pak is however too pre-occupied with its notational economic crisis and hence has not reacted to India's move.

70. South China Sea

Introduction:-

South China Sea is a marginal Sea of the Western Pacific Ocean.

It is bounded:-

- North-By shores of South China
- West- By Indochinese Peninsula
- East-Islands of Taiwan
- NW-Philippines
- South-Borneo & E-Sumatra

It encompasses an area of around 35 lakhs sq km

Importance

- A region of tremendous economic & geostrategic importance on third of world's maritime shipping passes through it, carrying over US \$3 Trillion of trade each year.
- Huge oil and natural gas reserves are believed to be beneath its seabed.
- It also contains incredible fisheries, which are normal for food security of millions in S.Asia.
- Important trade route between China, SE Asia, & going to India & West. Second most used sea lane in the world.
- Region has oil reserves of 7.7 bn barrels and natural gas resources of 266 trillion cubic feet.
- Holds one third of entire world's bio diversity.

Territorial claims

South China Sea claims over 250 small islands. The important ones are:-

- Sprattly Islands
 - Paracel Islands
 - Maccles field Bank
 - Scarborough Shoal
-
- Several countries have made competing territorial claims over South China Sea. Such disputes are regarded as Asia's most dangerous point of confrontation.

Competing claims include:-

- Indonesia, Vietnam, China & Taiwan-Waters NE of Natuna Island.
- Phillipines, China & Taiwan-Scarborough Shoal.
- Vietnam, China * Taiwan-sprattly Island.
- Paracel Islands-Disputed between China, Taiwan & Vietnam.
- Malaysia, Cambodia, Thailand & Vietnam-Gulf of Thailand.

- China & Vietnam each controlled part of Paracel Islands before 1974. Now China is controlling these Islands.
- In 2010, US called for China to resolve the territorial disputes, however China responded by demanding US to be one of the issue. Both countries have engaged in Naval exercises as a show of force.
- Indian ships, number of times have been told that they are entering Chinese waters, however ships proceeded in their journey to friendly countries as scheduled.
- ONGC Videsh Ltd. made a three years deal with Petro Vietnam for long term cooperation in oil sector in South China Sea. The same was objected to by China.

Island Building

- In 2013, China began island building in Sprattly Island and Paracel Island Regions.
- Though Vietnam and Philippines have been building on a small scale, but china has built islands on an unprecedented scale from 2014-2016.
- It has also placed military implement on the artificial Islands.

Militarisation of Islands

Since 2011, tensions increased in these areas with Chinese fired at Philippine fisher boats & clash of Vietnam oil & gas survey ship with Chinese ship.

In 2012, Taiwan started construction of antenna tower & survey on Taipie Island to accommodate military assignment.

- Vietnam also commenced upgradation & land reclamation projects.

UNCLOS Tribunal

- In July 2016 Permanent Court of Arbitration, under UN Control on the law of Sea (UNCLOS) decided against China's maritime claims in south China Sea.
- However both China & Taiwan did not recognise the tribunal & recommended that the matter be resolved bilaterally.

Conclusion

- India firmly stand for the freedom of navigation and unimpeded lawful commerce in these international waterways in accordance with international laws. India has been advocating for peace & stability in the region.

US also expressed its concerns about development in the area. It also warned China to halt its island-building and sanctioned 24 Chinese Companies linked to Construction & Conservation of artificial Islands.